

CARSON CITY REDEVELOPMENT AUTHORITY
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A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled meeting of the Carson City Board of Supervisors on Thursday, December 2, 2004, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, which began at 8:30 a.m.

PRESENT: Chairperson Robin Williamson and Members Ray Masayko, Shelly Aldean, Pete Livermore, and Richard S. Staub

STAFF PRESENT: City Manager Linda Ritter, Clerk-Recorder Alan Glover, Redevelopment/Economic Development Manager Joe McCarthy, Chief Deputy District Attorney Mark Forsberg, and Recording Secretary Katherine McLaughlin (B.O.S. 12/2/04 Tape 1-0726)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Agenda Report and/or supporting documentation. A tape recording of these proceedings is available for review and inspection during normal business hours.

Mayor Masayko recessed the Board of Supervisors session and passed the gavel to Redevelopment Authority Chairperson Williamson. Chairperson Williamson convened the meeting by indicating for the record that the entire Authority was present, constituting a quorum. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

APPROVAL OF MINUTES - 5/17, 6/3, AND 6/17/04 (1-0738) - Member Masayko moved to approve the Minutes as presented. Member Livermore seconded the motion. Motion carried 5-0.

OTHER ITEMS (1-0749) - Redevelopment Manager McCarthy gave the Board a copy of the *Carson Magazine* to the Board. (A copy was not given to the Clerk.) It was developed at no cost to the City. It fulfills Chairperson Williamson's request that a quarterly arts and entertainment guide be developed. It is a regional guide listing activities throughout the region. The Members complimented Chairperson Williamson and Mr. McCarthy on the magazine. No formal action was required or taken.

A. ACTION TO ACCEPT THE REDEVELOPMENT AUTHORITY CITIZEN COMMITTEE'S RECOMMENDATION TO AWARD INCENTIVE FUNDING TO THE NEVADA STATE MUSEUM IN AN AMOUNT NOT TO EXCEED \$35,000 OR NOT TO EXCEED 20 PERCENT OF THE PROJECT COSTS ASSOCIATED WITH THE RENOVATIONS AND IMPROVEMENTS, SPECIFICALLY SIGNAGE, WINDOWS, AND GUTTERS THAT SUPPORT THE SIGNIFICANT, ONGOING, RENOVATION PROJECT AT THE NEVADA STATE MUSEUM AT 600 NORTH CARSON STREET (1-0790) - Discussion indicated that the incentive program does not have separate categories for private individuals/firms and nonprofit organizations. Member Livermore voiced his belief that individuals who pay taxes should have an advantage over the others. The Museum is a government building and does not pay property taxes. Redevelopment/Economic Development Manager Joe McCarthy explained that in 1992 when the incentive criteria was established, it had judged the applications on the significance to the downtown area and restricted the applications to being within the district. Member Livermore recalled that discussion at the last meeting had included issues regarding the scoring process and evaluation of different projects. He admitted that the significance of the Mint Building would have scored it high on the

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criteria's list. The criteria should include how to weigh government buildings particularly when funding is limited. He challenged Mr. McCarthy and the Committee to analyze this issue. Mr. McCarthy advised the Authority that the Committee will be working to establish a spending plan, investment plan, and better criteria for judging applications. He agreed to add Member Livermore's suggestion to the list.

Chairperson Williamson explained that the Committee has had discussions on these issues in view of the property tax funding for repayment of the bonds. A balance needs to recognize the substantial funding commitment made by the State and the Museum in the downtown area. She reminded the Authority that renovation of older buildings often includes unanticipated costs which are unknown when an individual commences a project. The Museum encountered this with the HVAC and other items in its building. The Committee, following a discussion of the property taxes and State funding, determined that the project is improving the facade for the benefit of the entire area and neighborhood. The Museum draws people to the area who support the area's businesses.

Member Aldean advised that she had spoken to Mr. McCarthy regarding the lack of financial information in the packet. Mr. McCarthy apologized for the oversight. He distributed a report on the unallocated funding in the Redevelopment account to the Board and Clerk. (A copy is in the file.) He briefly explained the fluctuation in the projects that sometimes does not use all of the funds earmarked for a project. The two projects before the Authority is included in the account report. A lien is not going to be required on the Museum property. They hope that the State Museum does not leave the area. Discussion explained that the original application had been for signage and was amended to include facade. Member Masayko voiced his opposition to granting funding for HVAC improvements. He supported things that will make the building attractive. Member Staub disclosed that he had a similar discussion with Mr. McCarthy and pointed out that the building is an icon to the area. It attracts people to the area. He urged the Authority to be cautious about spending funds for a public entity. He asked the District Attorney's office if the lien requirement could be waived. He appreciated having a report on the account.

Mr. McCarthy then reviewed the financial report. There is \$1,137,402 available for a parking garage. This is less than the intended amount of \$1.2 million. Chairperson Williamson pointed out that the Plaza Hotel and Convention Center and an unnamed three story structure are for sale. The repayment policy will be enforced if a sale is consummated. Member Masayko questioned the reality of finding a partner for a parking garage. Chairperson Williamson indicated that discussions are occurring and that a parking study is underway. A final decision will be made once the study is completed. Member Masayko opined that, as the bonds had been sold five years ago, they should consider the private enterprise projects due to the investment needs in the area. Until the parking garage is "firmed up", they should not worry about it. Member Aldean asked for a list of projects that have been denied. She questioned whether the criteria is restrictive enough to support the area and its growth without throwing money away. She also believed that the criteria did not consider the benefit to the area. She noted her involvement with the area's parking needs. A parking facility should be centralized and open to the public. Chairperson Williamson pointed out that parking has always been an issue. Private and public partnerships have created more parking than was available during Mainstreet's efforts. There have also been lighting and other improvements. The lack of funding and partners for a parking garage has been the main problem in the effort to construct a parking facility. She agreed that few projects have been denied as there has been little competition for the funding. Criteria has been established and maintained when funding is allocated. It may be time to consider public infrastructure improvements that

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the Authority could make for the property owners, e.g., sewer, sidewalk, etc., improvements. The Authority could fund these items as these improvements are a cost for the project. It may provide more public benefits. The good news is that the property is appreciating. People are paying a premium for the structures. These successes create a positive impact on the neighboring structures.

Mr. McCarthy then explained that the Committee will develop the spending plan and investment program at its December meeting. The 1997 parking study had stimulated Redevelopment to find more surface parking areas. The areas for this use are now maxed out. Concerns about granting waivers to the parking requirements for businesses were explained. The parking study is underway. The parking issue could be one of perception rather than reality as indicated by the last study. The study should designate any areas which have parking problems and how to solve them. The investment study will include a funding mechanism for a comprehensive parking study.

Member Staub agreed with all of the comments. Parking is needed in order to enjoy the downtown area. The Authority/Committee should remember the reason the funds were borrowed. There may not be a parking problem downtown at this time but could be one in three or four years. Improvements in the downtown area will impact the parking needs. A joint venture parking garage will mitigate the current and future parking needs. He wanted to have a parking study completed and a decision made about the garage before all of the bond proceeds are spent. A partner and an investment plan with cost sharing and benefits need to be developed.

Mr. McCarthy then explained that the proposed project will create an impact on parking if the rotation of exhibits successfully attracts people to the area. He will open discussions with the State on participation with the City about it. The parking study will move forward. Discussion ensued on the need for additional parking for the Attorney General's office and the number of spaces that could be provided by destruction of the former fire station. Chairperson Williamson pointed out that 500 parking spaces will be provided when the Ormsby House opens. She believed that there is energy in the area. People are investing in it. The property values are increasing. They need a project to keep the people in the area after 5 p.m. and on the weekends. Discussion pointed out the parking problems encountered on Nevada Day and the lack of parking in front of businesses. Member Aldean suggested that more public improvements be made and that the private sector take over some of them. Both Mr. McCarthy and Chairperson Williamson concurred and stressed that keeping the program going should occur only if improvements continue.

Mr. McCarthy corrected the Agenda Report's fiscal impact to be \$35,000 and not the indicated \$100,000. Chairperson Williamson indicated that the Museum had received funding in the past without concerns regarding the lack of a lien. Public comments were solicited.

Member Masayko asked that the Museum Representatives explain the purpose of the funds. His priorities are facade, signage and then windows. The State's Interim Finance or the Board of Examiners could provide additional funding, if needed. Redevelopment is trying to ensure that buildings are attractive to the tourists and that they can find the buildings. He asked the Museum to make a commitment to work through the State process if additional funding is required and that the things the Authority is granting the funding for will occur.

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Museum Director Jim Barmore indicated their first priority is the signs. A description of the six exterior signs and their location was provided. The period gutters were for the Mint Building and will maintain the authenticity of the building. A window at the entrance was described. It had not been included in the State's funding. The purpose of the State funds was listed. The improvements he was seeking funds for were to make facade improvements to the building. He then described the program to change/rotate the exhibits in the galley. He believed that this program will attract more individuals to Carson City. Funding for a link between the Mint Building and the Annex will be sought from the Legislature. A description of the structure was provided with preliminary drawings. Member Masayko reiterated his support for the funding for the signage before the gutters and windows. He hoped that funds could be found for the programs iterated by Mr. Barmore. Mr. Barmore felt that the improvements should be completed by March. Member Masayko indicated that the budget cannot fund the entire project but it can assist. Signage is needed now. It should be consistent throughout and user friendly. Mr. Barmore concurred.

Member Aldean moved to accept the Redevelopment Authority Citizens Committee's recommendation to award incentive funding to the Nevada State Museum in an amount not to exceed \$35,000 or not to exceed 20 percent of the project costs, obviously, whichever is less, associated with the renovations and improvements, specifically signage, windows, and gutters that support the significant, ongoing renovation project at the Nevada State Museum at 600 North Carson Street; fiscal impact is \$35,000. Member Livermore seconded the motion. Members Aldean and Livermore concurred that the priority order is signage, windows, and gutters. Motion carried 5-0.

B. ACTION TO ACCEPT THE REDEVELOPMENT AUTHORITY CITIZEN COMMITTEE'S RECOMMENDATION TO AWARD INCENTIVE FUNDING TO STEW'S CORP, INC., IN AN AMOUNT NOT TO EXCEED \$100,000 OR NOT TO EXCEED 20 PERCENT OF THE PROJECT COSTS ASSOCIATED WITH THE RENOVATIONS AND IMPROVEMENTS OF THE FORMER LUCKY SPUR BUILDING AT 302 AND 306 SOUTH (NORTH) CARSON STREET, APN 003-229-07 AND 05, CONTINGENT UPON CLOSING ESCROW AND OPENING FOR BUSINESS (1-1480) - Redevelopment/Economic Development Manager Joe McCarthy's introduction included noting the efforts and risk that the applicants are taking to create a center piece in the downtown area. He complimented them for taking on the building. They will be tenants in a building owned by another. The funds will be awarded when they close escrow on the building. The funds will be paid on a reimbursement basis. Discussion corrected the Agenda Report to indicate that the building is located at 302 North Carson Street.

Rod Stewart indicated that the opening date has not been firmly established. He hoped to be open in four to six weeks. He described the work that needs to be completed and some work that had delayed the project. Comments noted the commitment to support local youths and suggested that the Western Nevada Community College Wild Cats be among the groups they support. Member Masayko disclosed his personal knowledge of Mr. Stewart and welcomed him to the community. He complimented him on being willing to take a risk and invest in the building. Discussion indicated that Mr. Stewart is acquiring the building from George Halyak. Member Masayko reiterated that the funds will be paid upon close of escrow on a reimbursement basis. Chairperson Williamson indicated, if the funding is awarded, that a letter to investors in support of the funding plan will be provided. Member Masayko indicated that for his comfort and the record, it was important that they indicate they are purchasing the building. Mr. Stewart indicated a need for the letter of support. Member Livermore disclosed his knowledge of Mr. Stewart's son Robert. Mr. Stewart indicated

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that the family will work at the restaurant during the summertime. Comments noted they had been given a gaming license. Chairperson Williamson pointed out that this may be the last gaming establishment to be developed under the former Code. The Code now requires hotel rooms to be part of a gaming establishment. Public comments were solicited but none were given. Member Livermore moved to accept the Redevelopment Authority Citizen Committee's recommendation to award incentive funding to Stew's Corporation, Inc., in an amount not to exceed \$100,000 or not to exceed 20 percent of the project costs associated with the renovations and improvements of the former Lucky Spur building at 302 and 306 North Carson Street, APN 003-229-07 and 05, contingent upon closing escrow and opening for business; fiscal impact is \$100,000. Member Masayko seconded the motion. Motion carried 5-0.

There being no other matters for consideration, Chairperson Williamson adjourned the Redevelopment Authority.

The Minutes of the December 2, 2005, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON February 16, 2005.

/s/

Robin Williamson, Chairperson

ATTEST:

/s/

Alan Glover, Clerk-Recorder