Item # 9A & B

City of Carson City
Agenda Report

Date Submitted: November 6, 2007

Agenda Date Requested: Nov. 15, 2007
Time Requested: 15 minutes

To: Redevelopment Authority/Board of Supervisors

From: Joe McCarthy, Office of Business Development

Subject Title: Action to approve the Owner Participation Agreement with City Management Services, owner Robert Rothe, doing business as Carson Southgate, LLC, to provide financial assistance, on a reimbursement basis only, for the rehabilitation of the vacant, blighted former Wal-Mart building in the Southgate Shopping Center to allow for the occupancy of a 55,000 square-foot, nationally-recognized sporting goods store.

Staff Summary: This Owner Participation Agreement with City Management Services, doing business as Carson City Southgate, LLC will facilitate the completion of negotiations with a nationally recognized sporting goods store to execute a long-term lease to develop 55,000 square feet of retail space on the site of the former, and now blighted, vacant Wal-Mart building. On October 18, 2007, the Redevelopment Authority (RDA) directed staff and Mr. Rothe to return with a redevelopment incentive package consistent with the goals of its Redevelopment Plan and NRS Chapter 279, the Redevelopment of Communities. This package includes an annual $200,000 sales tax reimbursement to make it economically possible for the property owner to attract an Class A tenant that will generate more than $450,000 in new sales tax annual for Carson City, an approximate net of $250,000 in new sales taxes annually. The RDA's approval of an owner participation agreement is intended to secure the Redevelopment Authority's investment in the project with a second position on the property, a ten-year, declining lien, and a go-dark provision. The new tenant will provide new construction to replace the severely adequate existing structure and enter into a ten-year lease to do business in Carson City.

Type of Action Requested: (check one)
(____) Resolution (____) Ordinance
(_X_) Formal Action/Motion (____) Other (Specify) - None

Does This Action Require A Business Impact Statement: (___) Yes (_X_) No

Recommended Board Action: I move to approve the Owner Participation Agreement with City Management Services, owner Robert Rothe, doing business as Carson Southgate, LLC, to provide financial assistance on a reimbursement basis only for the rehabilitation of the vacant, blighted former Wal-Mart building in the Southgate Shopping Center to allow for the occupancy of a 55,000 square-foot, nationally-recognized sporting-goods store.

Explanation for Recommended Board Action: This incentive award is an inducement to accelerate the signing of a contract with the nationally recognized sporting goods store as soon as