

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the October 16, 2008 Meeting

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A meeting of the Carson City Redevelopment Authority was scheduled for 6:00 p.m. on Thursday, October 16, 2008 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Robin Williamson
Member Shelly Aldean
Member Pete Livermore
Member Richard Staub
Member Marv Teixeira

STAFF: Larry Werner, City Manager
Joe McCarthy, Business Development Manager
Tammy Westergard, Business Development Deputy Manager
Melanie Bruketta, Chief Deputy District Attorney
Kathleen King, Recording Secretary

NOTE: A recording of these proceedings, the redevelopment authority's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record, on file in the Clerk-Recorder's Office. These materials are available for review during regular business hours.

CALL TO ORDER AND ROLL CALL (6:00:25) - Chairperson Williamson called the meeting to order at 6:00 p.m. All members of the Redevelopment Authority were present, constituting a quorum.

ACTION ON APPROVAL OF MINUTES - February 21, 2008 (6:00:38) - Member Aldean moved to approve the minutes, as presented. Member Livermore seconded the motion. Motion carried 5-0.

CITIZENS COMMENTS ON NON-AGENDIZED ITEMS (6:01:37) - None.

MODIFICATION TO THE AGENDA (6:01:32) - Chairperson Williamson modified the agenda to address item 13(C) prior to item 13(A).

13. OFFICE OF BUSINESS DEVELOPMENT

13(A) ACTION TO APPROVE REDEVELOPMENT PROGRAMS, PROCESSES, AND GUIDELINES AS RELATED TO REDEVELOPMENT PROJECT AREA NO. 1; and 13(B) ACTION TO APPROVE REDEVELOPMENT PROGRAMS, PROCESSES, AND GUIDELINES AS RELATED TO REDEVELOPMENT PROJECT AREA NO. 2 (6:08:05) - Chairperson Williamson introduced this item. Mr. McCarthy provided background information, and an overview of discussion which took place at the July 31, 2008 Redevelopment Authority workshop. He narrated a PowerPoint presentation of the programs, processes, and guidelines for redevelopment project area number 1, copies of which were included in the agenda materials. He advised that redevelopment project area 1 currently has exterior improvements programs, pre-development incentives, and the potential for exemplary future projects. He listed opportunities at the former Copeland Lumber location, the Carson Mall, and the Nugget properties in the downtown area. Civic investment opportunities are also a potential.

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Mr. McCarthy narrated that portion of the PowerPoint presentation pertinent to redevelopment project area number 2, copies of which were included in the agenda materials. He requested direction regarding advisory committees for both project areas, the format for staff reports to the Redevelopment Authority, possible governance, and possible boundary amendments to address specific Redevelopment Authority objectives.

Member Aldean read a portion of the Redevelopment Cost Reimbursement Policy, Implementing Procedures, paragraph 2 into the record, and noted the importance of distinguishing between the Redevelopment Authority and the Board of Supervisors as separate, legal entities. She suggested there may be lending agreements between the two distinct legal entities, and reiterated the importance of preserving the autonomy of each. Ms. Bruketta agreed, and advised that this had been a concern of the District Attorney's office. Member Staub acknowledged the point in the event that the Redevelopment Authority may not always be comprised of the Board of Supervisors members.

Member Aldean suggested revising the incentive program application to require submission of a business plan. In addition, she discussed the importance of determining whether or not an applicant has adequate capital, and suggested requiring copies of financial statements and credit reports. Mr. McCarthy advised of a history of requiring such information for redevelopment project area 1. He will ensure that the same information is required for project area 2. He advised that redevelopment staff has always reviewed the financial information to maintain confidentiality and, in turn, conveyed to the Redevelopment Authority the viability of the investment.

Member Livermore expressed concern over placing the Business Development Manager in a precarious position, and discussed the importance of building transparency into the application process. Mr. McCarthy advised of having researched other successful redevelopment agencies, both within and outside the State of Nevada. "The ones that feel most comfortable because they have exemplary programs ... always bring a third party in that will vet it" for the Redevelopment Authority and "make representation that this is a viable company." Member Livermore noted the list of objective criteria included in the agenda materials, and suggested designating a required number to be met by an applicant. Mr. McCarthy expressed the hope that the new process will require the applicant to demonstrate the method by which the objective criteria will be met. Member Livermore expressed the opinion that policy should express how that will be accomplished, and concern over the City's vulnerability in the absence of a policy.

Chairperson Williamson suggested determining a discretionary amount which Mr. McCarthy and the City Manager would have authority to approve. In response to a comment, Mr. Werner advised that any expenditure over \$25,000 is required to be submitted to the Board of Supervisors for approval. Member Staub suggested determining whether the \$25,000 threshold represents a one-time or a cumulative figure. Mr. Werner reviewed the policy to submit to the Board any contract amendment which exceeds the \$25,000 threshold. He agreed that the same policy will apply to the Redevelopment Authority. Consensus of the Board was to establish the threshold at \$25,000.

Member Aldean suggested budgeting funds to have a third party review the financial soundness of each applicant. Mr. McCarthy advised that the City of Henderson uses a firm called the National Business Council as a third party application reviewer which, in turn, advises both the redevelopment staff and the authority on the efficacy of a project. He advised that the service is fairly reasonably priced, and offered to report back to the Redevelopment Authority.

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Member Aldean read the “Note” on page 4 of the Incentive Program Application into the record, and suggested requiring the inclusion of lien releases as evidence of bills having been paid. With regard to the repayment provisions of the various incentive program descriptions, she suggested including specific language that properties will be liened. She inquired as to whether pre-development incentive program matching funds would be available for upgrading an existing business. Mr. McCarthy advised that the language would be corrected to indicate new and existing businesses. Member Aldean noted that some applications are required to be signed both by the tenant and the property owner. She emphasized the importance of a partnership between the landlord and the tenant, and suggested amending the applications to require support by the landlord, with the understanding that the property will be liened if the incentive funding is granted.

Ms. Bruketta acknowledged that confidential information is allowed to be kept confidential if it’s marked accordingly. She responded to questions of clarification, and suggested not requesting information which is not required to process an application. Member Teixeira expressed support for a \$25,000 threshold. He suggested it would be in the best interests of the Redevelopment Authority for staff to provide a simple monthly or quarterly report outlining the amount of funding allocated. Mr. Werner advised that every application will be submitted to the Redevelopment Authority, as part of the process, regardless of the amount.

Chairperson Williamson expressed the understanding that the new process will include specific application periods, thereby providing for more of a screening process. Mr. McCarthy discussed the competitive application process, which will include receiving applications only during certain periods of time. Member Teixeira pointed out that the process may have to be modified to refine efficiencies. With regard to incentives, he discussed the importance of business retention. Mr. McCarthy committed to adding business retention to the policies, processes, and guidelines.

With regard to Objective 4.0, Facilitate Special Events, Member Livermore expressed concern over the limited staff in the Office of Business Development. He suggested identifying a funding source to accommodate utilizing an independent contractor. In response to a question, Mr. McCarthy explained that pre-development costs are essentially the architectural design costs which “allow a project to go through the regulatory process” to be approved. Member Livermore inquired as to how pre-development incentive funding allocations would be recovered if the business didn’t “materialize.” Mr. McCarthy expressed the opinion that “we’re going to have to be a lot more selective in the pre-development application projects that come forward ...” He referred to Member Aldean’s suggestion to include the requirement for the property owner to be part of the application. In response to a question, Mr. Werner explained the one-year time frame associated with the redevelopment project investment report. Discussion took place regarding the objective criteria, and Member Livermore noted the importance of making the process as simple as possible.

Member Teixeira expressed the hope that the process won’t get bogged down in the minutiae. “When you try to make everything work under every circumstance and there’s no flexibility,” the process won’t work. With regard to the objective criteria listed in the incentive pre-application form, Mr. Werner advised that any one of the objectives would qualify. The proposed project would be examined and the level of participation based according to significance. Discussion followed with regard to the objective criteria.

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Member Staub commended Mr. McCarthy on the presentation, describing it as an excellent start. He referred to his recommendation memo distributed at the July 31st Redevelopment Workshop, and suggested that the proposed ten percent should be paid as of July 1st of each year as the budget goes forward and then reconciled back at the end of that fiscal year. Mr. Werner advised that the redevelopment authority cannot be charged for general fund activities without a specific correlation. He acknowledged that the figure can be included in the budget, and suggested that “in many cases, it might be more” than ten percent “depending on what might be going on in that area.” Member Staub advised that redevelopment plan area 2 was created solely for business retention. He suggested identifying funding sources in the pre-application process and carrying them through to the final application process. He discussed the importance of the redevelopment plan areas establishing incentives budgets. He suggested establishing thresholds in all those areas to guide the Redevelopment Authority in reviewing applications. He further suggested considering the Community Development Block Grant process as a model, while leaving open “some portion of the budget for exemplary projects.” He expressed the belief that as the revolving account balances increase, funding can be allocated to all the various programs offered.

Based on his familiarity with the Community Development Block Grant program, Mr. McCarthy discussed a method by which to schedule workshops to assist applicants in understanding the process, and then allowing the Redevelopment Authority to review applications in a competitive environment. Member Staub described the Community Council on Youth application bid conference process. He commended a previous suggestion of Member Aldean’s to remove one property from the redevelopment plan area each time a property is added. “We cannot put the whole town or leave the whole town ... in redevelopment.” With the exception of the historic district, he expressed opposition to including residential properties in the redevelopment plan areas. Mr. McCarthy offered to provide research on other redevelopment authorities’ responses to Member Staub’s suggestions. Discussion followed, and Member Staub reiterated his commendation to Mr. McCarthy on a job well done.

Member Teixeira discussed concerns associated with the number of residential properties included in redevelopment plan areas. He anticipates the “future large investment in this community is all going to be in redevelopment.” He referred to the potential associated with the former Copeland Lumber location. Mr. McCarthy responded to questions regarding Highway 50 properties included in the redevelopment plan area. Member Teixeira expressed concern over services required to be provided from the general fund in light of the downturn in residential construction.

Member Aldean expressed an interest in maintaining as much flexibility as possible in the application process. She suggested including language to indicate that this is the criteria used to evaluate a project in competition with other projects submitted. She further suggested including disclaimer language to ensure the applicants’ understanding that incentive funding allocation is not an entitlement.

In response to a question, Mr. McCarthy requested the Redevelopment Authority to approve the policies, processes, and guidelines in concept based on additional feedback to be provided. Chairperson Williamson called for public comment; however, none was forthcoming. In response to a question regarding advisory committees, Mr. McCarthy advised that he would be speaking with each of the Redevelopment Authority members. Member Livermore expressed support for a separate advisory committee for redevelopment plan area 2.

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Chairperson Williamson entertained a motion. **Member Staub moved to approve redevelopment programs, processes, and guidelines, as related to redevelopment project areas 1 and 2, in concept, as presented tonight, with the understanding that further review and refinement will be presented to the Redevelopment Authority. Member Aldean seconded the motion. Motion carried 5-0.**

13(C) ACTION TO APPROVE THE REDEVELOPMENT INCENTIVE REIMBURSEMENT AGREEMENT BY AND BETWEEN CARSON CITY, THE CARSON CITY REDEVELOPMENT AUTHORITY, THE REGIONAL TRANSPORTATION COMMISSION, AND CARSON GAMING, LLC, AS PRESENTED (6:01:47) - Chairperson Williamson introduced this item. Member Aldean provided background information, and reviewed the agenda report and pertinent portions of the incentive reimbursement agreement. Chairperson Williamson responded to questions regarding the incentive reimbursement agreement provisions. Member Aldean noted the importance of the soon-to-be-vacant Mervyn's store benefitting from the signal at the intersection. She expressed the hope that it will help to attract a new retailer to the location.

Chairperson Williamson entertained public comment; however, none was forthcoming. In response to a question, Mr. Werner advised that the costs to install the signal were "significantly cheaper working through" Carson Gaming, LLC.

Chairperson Williamson entertained a motion. **Member Aldean moved to approve the Redevelopment Incentive Reimbursement Agreement by and between Carson City, the Carson City Redevelopment Authority, the Regional Transportation Commission, and Carson Gaming, LLC, as presented. Member Livermore seconded the motion. Motion carried 5-0.**

ACTION TO ADJOURN THE REDEVELOPMENT AUTHORITY (7:28:35) - Chairperson Williamson adjourned the Redevelopment Authority at 7:28 p.m.

ROBIN L. WILLIAMSON, Chair

ATTEST:

ALAN GLOVER, Clerk - Recorder