

CARSON CITY REDEVELOPMENT AUTHORITY CITIZENS COMMITTEE

Minutes of the April 6, 2009 Meeting

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A meeting of the Carson City Redevelopment Authority Citizens Committee was scheduled for 6:00 p.m. on Monday, April 6, 2009 in the Carson City Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Robin Williamson
Member Jed Block
Member Gary Cain
Member Stan Jones
Member Dan Neverett
Member Gigi Valenti

STAFF: Joe McCarthy, Business Development Manager
Joel Benton, Senior Deputy District Attorney
Dan Doenges, Senior Transportation Planner
Candy Duncan, Executive Director, Convention and Visitors Bureau
Pat Pittinger, Transportation Manager
Lee Plemel, Planning Director
Larry Werner, City Manager
Jano Barnhurst, Recording Secretary

NOTE: A recording of these proceedings, the committee'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.

A. CALL TO ORDER AND DETERMINATION OF QUORUM (6:00:30) - Chairperson Williamson called the meeting to order at 6:00 p.m. Roll was called; a quorum was present. Vice Chairperson Aldean and Member Cowan were absent.

B. ACTION ON APPROVAL OF PREVIOUS MINUTES - (6:01:03) - Member Jones moved to approve the minutes of the January 7, 2009 meeting. Member Valenti seconded the motion. Motion carried 6-0.

C. MODIFICATION OF THE AGENDA (6:01:23) - None.

D. PUBLIC COMMENTS ON NON-AGENDIZED ITEMS (6:01:43) - None.

E. DISCLOSURES (6:01:49) - None.

F. PRESENTATION BY CITY TRANSPORTATION STAFF REGARDING POSSIBLE DOWNTOWN WAYFINDING SIGNAGE STRATEGIES (DISCUSSION ONLY) (6:02:07) - Chairperson Williamson introduced this item, and Mr. McCarthy indicated that his office met with the Planning Director, Executive Director of the Convention and Visitors Bureau (CVB) and the Transportation Manager to discuss the benefits and difficulties of putting together a quality wayfinding program. He introduced Dan Doenges, Senior Transportation Planner. Mr. Doenges stated that when they started looking at potential wayfinding signage, one of the biggest unknowns was the budget however potential funding sources included the Business Development Office and CVB. He explained that because sign locations have not been determined, it is unknown what costs are involved. He asked for feedback from the Redevelopment Authority Citizens Committee (RACC) regarding their preferences as to geography, areas and types of signage. He said that it is going to be primarily pedestrian oriented. He distributed wayfinding

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handouts to the RACC which are incorporated into the record. One of the handouts identified proposed origins and destinations. Business community signs weren't anticipated but he suggested starting a dialog with downtown businesses as to whether they would be interested in providing public restrooms which would direct people to their business without directly advertising it. Another handout referenced bicycle and pedestrian wayfinding signage identifying what to do and not to do. The third handout outlined directional signs which focus on text and map styles.

In response to a question, Mr. Doenges replied that it's a good idea to use the colors connected with the branding and be as consistent as possible. In response to a question, Ms. Duncan replied that if the CVB is asked to contribute to funding for downtown signage, they should have input as to the appearance and all signs should match one look and feel. In response to a question, Mr. Doenges replied that Ms. Westergard has worked with community groups on signage ideas and he was given a map identifying certain locations most of which correspond to those on the handout. Member Jones commented that the Downtown Business Association (DBA) is addressing signage and has agreed with the CVB that signage will all be a standard color. He suggested that the DBA be included in future meetings as they will be looking for signage funding. In response to a question, Mr. Doenges replied that he supported the idea of consistency. There's not a lot of attention drawn to businesses but it would be a good idea to dovetail with them.

Chairperson Williamson commented that the DBA is focused on tent signs in order to allow people to know they exist. The main focus of the wayfinding group is identifying parking, museums, and historical icons. They're compatible yet different but both can be accomplished. A disconnect has always been that downtown design standards were created with the idea that there would be expanded sidewalks. The question is how to meet the needs of individual business and still comply with the code. Member Jones commented that the DBA is envisioning signs for shopping or professional services in order to direct traffic to Curry and Nevada Streets. It's very important to have consistency with all of the signs.

Member Block expressed his agreement with the wayfinding signage. He opined that the merchants should be responsible for their own signage and follow the City's criteria. He commented that people won't walk five feet if they don't know where they're going, but will walk a mile if they do. In response to a question, Mr. Doenges replied that Public Works will be taking the lead in this issue. Chairperson Williamson commented that she will contact the DBA for their input in this project.

G. DISCUSSION AND POSSIBLE ACTION ON A RECOMMENDATION TO THE BOARD OF SUPERVISORS CONCERNING A REDEVELOPMENT INCENTIVE APPLICATION BY DSE #4, LLC FOR FUNDING ASSISTANCE WITH ITS OFFICE EXPANSION, BUILDING RENOVATION AND SITE IMPROVEMENTS FOR THE PROPERTY AT 503 NORTH NEVADA STREET (6:18:40) - Chairperson Williamson introduced this item and Mr. McCarthy advised that this project was started by Darsi Casey and Nicola Neilon, co-owners of Casey Neilon & Associates. He indicated that he has been working with their Chief Operating Officer, Debbie Vaughan, after they purchased the property for renovation in order to house their offices. The building was built in 1915 as the first apartment building in Carson City. It was in disrepair and the people living there were in a substandard housing situation. He then narrated a Powerpoint presentation - a copy of which is incorporated into the record - as a reminder of RACC's responsibilities and obligations under the Redevelopment Incentive Program. He commented that Telegraph Square was a successful redevelopment project which stimulated other private investment in that area and the program has had 34 successful projects since it began in the mid-1990's. He advised that \$2 million in incentives has been invested and there has been \$21 million in direct return, and in excess of \$50 million investment in downtown that the \$2 million helped stimulate. He then asked Mr. Benton to discuss the justification regarding redevelopment law.

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Deputy District Attorney Joel Benton advised that the incentives are authorized under NRS 279.486 which allow the Redevelopment Authority (RA) to pay for the value of land or the cost of constructing buildings, facilities, or improvements. Before an incentive can be given, the RA must determine that it is a benefit to the redevelopment area or its immediate neighborhood and that no other reasonable means of financing is available. When making determinations on those findings, certain things must be considered such as whether it will encourage new business, create jobs, increase local revenues, increase levels of human activity, possess unique attributes that are required for construction, installation, or operation of qualified and trained labor and demonstrate greater social or financial benefits to the community. Consideration of the opinions of residents in the redevelopment area are required as are comparisons between the level of spending proposed by the agency and protections made on a pro forma basis of future revenues that are attributed to the buildings, facilities or improvements.

Darsi Casey advised that they purchased the property several months ago thinking they would apply for redevelopment funds. They own a public accounting firm directly across Nevada Street and the parking lot backs up to the building at 503 North Division. They employ approximately 18 people and purchased the building with the intent to expand. They are out of office space in their current building and anticipate occupying 60-70 percent of the new building. One of the other owners will occupy the remainder of the space and employ 2-3 people. He was in the solar industry business and has expanded into a number of real estate ventures. They have been in their current building for 2 ½ years. Before purchasing the Nevada Street property, it appeared to be a drug infested environment and they are looking forward to refurbishing it and complementing the downtown redevelopment effort.

Ben Smith of BSA Construction added that they went to the Historic Committee regarding acceptable exterior improvements and got their approval of the proposed changes regarding the historic value of the property and downtown look.

Member Jones congratulated Ms. Casey for purchasing the building and voiced his approval of the plans. In response to a question, Mr. Smith replied that they anticipate completion of the project in mid-June. As part of the approval from the Historic Committee, they met with the Planning Commission to obtain a special use permit in order to use the parking lot at the existing building for a portion of the new building.

Member Block commended Ms. Casey and thought it remarkable that they were refurbishing the building as it has been in a run-down condition for nearly 60 years. In response to a question, Mr. Smith replied that there will be a door on the lower left west elevation of the building with the intent to keep it as close as possible to the existing look but make it symmetrical. In response to another question, Mr. Smith replied that some fencing would be replaced, although it wasn't in the plans that went to the City so the type will need to be identified. Member Block advised that it would also have to go through the Historic Resources Commission and hopes it will bring a lot of synergy because it's been needed for a long time.

Mr. Benton recommended putting evidence into the record supporting the RACC's findings as they specifically relate to NRS 279.486. Evidence has been taken that the building is going to be a benefit to the redevelopment area but evidence should also be taken that there is no other reasonable means of financing the building and that the project meets the previously outlined criteria. Mr. Werner suggested that the applicant present testimony that they need the money before getting to the motion so it's on record.

Ms. Casey advised that the intent was to purchase the building and obtain the redevelopment funds otherwise they would not be doing the renovation. In response to a question, she replied that they would modify the improvements to the exterior to coincide with the entire redevelopment plan of the downtown area if they received the funds. Mr. McCarthy noted that it's important not to assume receipt of the funding

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but as stated in the application, the quality of the project would be less than what is being presented because there aren't the funds to do it. Ms. Casey stated that the intent was to make it more beautiful and in line with downtown redevelopment and if they did not receive the funds, they would not be financially able to do it.

In response to a question, Ms. Casey replied that they currently have 16-18 employees depending on the time of year and are in the process of hiring two more and two to three more in the next three months. In the current building, they are over capacity and she and her assistant share an office. In response to another question, Ms. Casey replied that they work in a number of niche areas and are in negotiations with different clients regarding additional work. Because they are at capacity now, they need to hire new employees to handle the new work. She explained they are all out in the general area on a daily basis. In response to another question, Ms. Casey replied that her tenant has two employees, will be moving from an office in Minden, and wants to upgrade his surroundings. He's involved in real estate, solar energy, and the building industry. Chairperson Williamson called for more questions from the Board and when there were none, she entertained a motion. **Member Valenti moved that the Redevelopment Authority Citizens Committee recommend to the Board of Supervisors approval of the request by the applicant, DSE, #4, LLC for redevelopment incentive funding in an amount not to exceed \$53,520 or not to exceed 20 percent of the project costs associated with the renovations planned at 503 North Nevada Street; the Redevelopment Authority Citizens Committee finds that this project meets the goals and objectives of the Redevelopment Incentives Program, the requirements as stated in NRS 279.486, and that the project benefits the current redevelopment plan area and its immediate neighborhood. The Redevelopment Authority Citizens Committee further finds that the incentive funding enhances the aesthetics of the project consistent with the Downtown Urban Code; the approved incentive amount is on a reimbursement basis only after work is completed and as tax dollars or other financing is available to the Redevelopment Authority. Further this incentive funding is subject to the approval by the Carson City Redevelopment Authority and Board of Supervisors and the applicant fulfilling other City requirements. Member Cain seconded the motion. Motion carried 6-0.** Member Neverett suggested that the other findings presented be forwarded with the motion to the Board of Supervisors (BOS) because they give more detail than the motion.

H. DISCUSSION AND POSSIBLE ACTION ON A RECOMMENDATION TO THE BOARD OF SUPERVISORS CONCERNING A REDEVELOPMENT INCENTIVE APPLICATION BY DR. TOM GIBBONS FOR FUNDING ASSISTANCE FOR LANDSCAPE UPGRADES AND AMENITIES, DRIVEWAY APPROACHES AND HANDICAP RAMPS IN CONJUNCTION WITH HIS NEW CONSTRUCTION OFFICE PROJECT AT 444 S. DIVISION STREET (6:45:37) - Chairperson Williamson introduced the item and Dr. Gibbons advised that he approached the Architectural Review Committee about a year and a half ago, the BOS and Planning Commission about his project which is exemplary and meets a number of criteria for fiscal support. The building serves as a beautiful entree in the historical district. He worked with Mark Palmer and Associates on an idea he's had for 25 years. He passed photos of the project to the Committee members. He expected it to be completed by mid-June. The building will house his new optometry practice and he is bringing in Ray Ruckman as an associate who will be joining him in mid-June. The facility will have three times the current space and he hopes to employ seven people. With cooperation of the City, they were able to get 12 onsite parking spots. Colors will be appropriate to the Queen Ann Victorian period. Landscaping will be done by Tom Ediss and will bring a lot of color into the project. The building will have lighting similar to the style throughout the historic district and new concrete has been poured for sidewalks. He hopes to obtain permanent financing as he loves this community and is very proud of the project. Tom Peters is the contractor and he and the subs are all excellent. He plans to come back to the next meeting to present a proper application and complete documentation.

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Member Valenti suggested that on his next presentation, Dr. Gibbons address each of the bullet points of the Program's criteria so they will all be addressed on the record. Mr. McCarthy advised that Dr. Gibbons is trying to obtain help with upgrades, historical lighting and/or landscaping. In response to a question, Dr. Gibbons replied that egress will be on 5th Street and is a one way flow. Member Block commented that Dr. Gibbons' office on 2nd and Division Streets received a historic award and appreciates his tenacity. He advised that the lights on Carson Street are manufactured by Sternberg. Member Neverett requested a checklist of the Program's criteria from staff so as they go through presentations, items can be checked off. He thinks it will be easier for review and could be made part of the record. Member Valenti agreed stating it will give them consistency in their reviews. Mr. Werner reiterated that it's very important that they are able to prove that they cannot fund the balance of the project without redevelopment money.

I. UPDATE REGARDING THE POTENTIAL ENVIRONMENTAL CLEANUP OF THE PROPERTY AT 217 SOUTH CURRY STREET, THE MERCURY CLEANERS BUILDING

(7:00:43) - Chairperson Williamson introduced the item and Mr. McCarthy gave a staff update and advised that Tom Mix has helped identify possible funding sources. Mr. Mix advised that he worked at EPA for 30 years, retired, and recently went back into environmental consulting in the Brownfields area. Together he and Mr. McCarthy worked on obtaining EPA money for environmental due diligence projects and hope to hear something by the end of the month. Mr. McCarthy explained that the EPA has \$100 million in stimulus funding available for Brownfields recipients in revolving loan fund grants and the State of Nevada thru NDEP has a \$2 million revolving fund from which eligible loans can be made to clean up properties, or in Carson City's case, it can make sub-grants to help clean up the site. There are certain funding limitations and cost sharing requirements for stimulus funds that the City would have to meet. EPA can make this money available to recipients of revolving loan funds that have high priority sites needing to be cleaned up. The funding ceiling is typically \$200,000 but they would lift it to be as much as the site needs for cleanup and also waive the cost sharing requirements which are typically 20 percent. In their conversations, it appeared that they need to obligate the funds by June 15th but he thought that the City would first have to take ownership. However, prior to taking ownership, a Phase 1 which shields from liability under the super fund statute would have to be taken. He didn't know if title of the property would have to be taken by June 15th or prior to receiving the funds and is unclear as to whether they want "shovel ready" projects or are willing to wait. He clarified that there have been no firm conversations with the property owners regarding acquiring the property. Mr. Mix explained that the NDEP revolving loan fund has a provision allowing the State to award a sub-grant that would not have to be repaid and is typically \$200,000 per site. Two parcels could receive \$400,000. Cost shares are roughly \$80,000 but the City would have to have ownership at the time it was received. An environmental assessment has not been completed but preliminary data suggests an environmental problem. NDEP has technical assistance and can extend upwards of \$200,000 for additional characterization but he believes it can be done for \$40,000-\$80,000. Based on preliminary data, cleanup costs will be between \$500,000-\$1,000,000. The contamination is PCE, which is a solvent that is moving quickly in the ground water towards the Capitol. If the City takes possession, it could apply for a sub-grant of \$400,000 and NDEP would possibly do the environmental characterization work. If the cleanup were greater, the City would have an option to spend the money removing the tank and as much of the contaminated soils as possible, stabilize the site and sell it to a developer who could apply for a low to no interest loan to finish the cleanup.

Mr. McCarthy added that there is no strategy other than to have as much information as possible and whether to be vigorous in the approach or let the property owner continue to characterize the site and work with NDEP. In response to a question, Mr. Mix replied that if there wasn't sufficient money for the owners to finance a cleanup, there may be an insurance policy or some other mechanism to locate other funding sources but NDEP doesn't have the funding itself to clean up the site. He advised that the State has identified this as their highest priority site to EPA for funding which could fit in with the stimulus money.

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In response to a question, Mr. McCarthy speculated the market value of the property to be in the \$250,000-\$500,000 range. In response to a question, Mr. Mix replied that a private owner would not be eligible for the funds, but if the current owner did due diligence and found they had purchased the problem, they could have applied to NDEP for a low or no interest loan and repay the principal. In response to another question, Mr. McCarthy replied that the property owner may have no interest in talking to the City about acquiring the property. In response to a question, Mr. Mix replied that if another buyer came in and did their due diligence they could apply to NDEP for funding to clean it up. In response to a comment, Mr. McCarthy replied that the RA has invested heavily in the downtown area and would like to maintain their investment there. The impact of a cleanup could have a mitigating effect on activities. Chairperson Williamson commented that the property owner has not been the operator and a lot of the problem occurred years ago. It's a residual historical dry cleaning issue that has occurred in many different communities. In response to a question, Peter Smith replied that at one point Jenny Lopiccolo was interested in purchasing the property. He advised that the tanks are empty but the soil is assumed to be saturated and contaminated to the water level and traveling eastward, however, it is unknown how far east, left or right. The current bid for the Phase 2 assessment includes digging out the floor inside the building down to the water level, measuring the contamination, and digging out as much contaminated soil as possible. The next phase would include pulling the old tanks out. In response to a question, Mr. Smith replied that the depth to the water table is 12-15 feet. Mr. Werner clarified that it has not contaminated any water supplies, is a surface contamination, and there is no danger to the drinking water. Chairperson Williamson suggested continuing conversations with NDEP regarding stimulus monies as there may have to be a governmental entity involved otherwise whatever resources they have may be quickly drained. In response to a question, Mr. Smith replied that the State doesn't want the property and the corporation would like to fund the cleanup but it doesn't have any reserves and \$50,000 is needed for the next step. Member Valenti commented that RACC needs something specific from the property owners as to what they want and they need to go through the application process and meet the required criteria as looking for alternatives is not RACC's job. Chairperson Williamson called for further comments but there were none.

J. ADJOURNMENT (7:23:45) - Chairperson Williamson entertained a motion for adjournment. Member Neverett moved to adjourn the meeting at 7:23 p.m. Member Valenti seconded the motion. Motion carried 6-0.

The Minutes of the April 6, 2009 Carson City Redevelopment Authority Citizens Committee meeting are so approved this 6th day of July, 2009.

ROBIN L. WILLIAMSON, Chairperson