

Item # 8D

City of Carson City
Agenda Report

Date Submitted: November 28, 2006

Agenda Date Requested: December 7, 2006
Time Requested: 20 minutes

To: Mayor and Supervisors

From: Parks and Recreation Department

Subject Title: Action to approve an agreement titled, "Offer and Acceptance to Donate One Million Dollars to Carson City for Carson City Fairgrounds at Fuji Park."

Staff Summary: Mr. Pegram is in the process of acquiring the former Bodine's Restaurant for the development of a casino. The purchase is currently in escrow. The City has been negotiating with Mr. Pegram regarding the development of the casino and related improvements to the Carson City Fairgrounds at Fuji Park. The negotiations include a donation of \$1,000,000 in either cash, in-kind services, or a combination of both from Mr. Pegram for the construction of a proposed parking lot located adjacent to the arena and other improvements such as new arena lighting. Any surplus money left over from this donation after the design and construction of the parking lot will be used for the Fairgrounds at the discretion of the City. This donation will assist the City in completing a portion of renovating the Fairgrounds consistent with the Carson City Fairgrounds/Fuji Park Conceptual Site Development Plan.

Type of Action Requested: (check one)

- Resolution
- Formal Action/Motion
- Ordinance
- Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to approve an agreement titled, "Offer and Acceptance to Donate One Million Dollars to Carson City for Carson City Fairgrounds at Fuji Park."

Explanation for Recommended Board Action: During the November 21, 2006, Parks and Recreation Commission meeting, the Commission approved by a vote of 7-1 to recommend approval to the Board of Supervisors an "Offer and Acceptance to donate One Million Dollars to Carson City for Carson City Fairgrounds at Fuji Park" agreement (attached) from Mr. Michael Pegram to the City of Carson City. The motion by Commissioner McKenna read:

"I move to recommend to the Board of Supervisors to allocate at least one million dollars of Question 18 funds from the JohnD Winters Centennial Park project and, if they do that, they negotiate an agreement with the developer of the Bodine's property for a joint use parking lot with developer's contribution of at least one million dollars and negotiate a joint use parking agreement that will allow for City control of the use of the parking lot on a mutually-agreed upon basis in a manner that completes the Fuji Park improvements at the same time as the Bodine's developer completes his project."

Applicable Statute, Code, Policy, Rule or Regulation:

Fiscal Impact: A donation of \$1,000,000 in either cash, in-kind services, or a combination of both.

Explanation of Impact: With approval of the Board of Supervisors, the City will receive \$1,000,000 in cash, in-kind services, or a combination of both for improvements to the Fairgrounds at Fuji Park.

Funding Source: N/A

Alternatives: Deny the recommendation of the Parks and Recreation Commission and the donation from Mr. Pegram.

Supporting Material:

- 1) Agreement "Offer and Acceptance to Donate One Million Dollars to Carson City for Carson City Fairgrounds at Fuji Park" (Pages 1-4)

Prepared By: Roger Moellendorf **Date:** 11/28/06
Roger Moellendorf, Parks & Recreation Director

Reviewed By: Linda Ritter **Date:** 11/28/06
Linda Ritter, City Manager

[Signature] **Date:** 11/28/06
District Attorney's Office

Ulrich Skowalek **Date:** 11/28/06
Finance Department

Board Action Taken:

Motion: _____ 1: _____ Aye/Nay
2: _____

(Vote Recorded By)

DRAFT 11-29-06

**OFFER AND ACCEPTANCE TO DONATE
ONE MILLION DOLLARS TO CARSON CITY FOR
CARSON CITY FAIRGROUNDS AT FUJI PARK**

This offer, made this ____ day of _____, 2006, to the City and County of Carson City, a political subdivision of the State of Nevada (hereinafter referred to as the "City") to donate One Million Dollars (\$1,000,000.00) to the City for use at the Carson City Fairgrounds at Fuji Park is made by Michael Pegram, or assignee, with an office located at 6010 N. Inver Gordon Road, Paradise Valley, AZ 85253, (hereinafter referred to as the "Developer").

RECITALS

WHEREAS, the City is the owner in fee simple of certain real property located in Carson City, Nevada, on Carson Street and Old Clear Creek Road commonly referred to as Carson City Fairgrounds at Fuji Park and more particularly described in Exhibit "A" attached hereto and incorporated by this reference ("Lot A"); and

WHEREAS, the Developer or assignee is in escrow to purchase, in fee simple, certain real property located in Carson City, Nevada, on Carson Street and Highway 50 commonly referred to as Bodines and more particularly described in Exhibit "B" attached hereto and incorporated by reference ("Lot B"); and

WHEREAS, the parcels above described are adjacent parcels of land; and

WHEREAS, the City and the Developer believe that improvements to the amenities at Carson City Fairgrounds will benefit both Lot B and the citizens of Carson City; and

WHEREAS, whereupon the close of the aforementioned escrow, the Developer desires to donate to the City One Million Dollars (\$1,000,000.00) in cash or in kind services or a combination of both to make improvements to Carson City Fairgrounds; and

WHEREAS, the improvements shall include at a minimum design, engineering, demolition, purchase of materials, grading, paving, curbing, landscaping, and lighting associated with the construction of a new

parking lot around and adjacent to the Carson City Fairgrounds' Arena, more particularly described in Exhibit "C" attached hereto and incorporated herein by reference ("Parking Lot"), and lighting for the Carson City Fairgrounds' Arena; and

WHEREAS, the Developer desires to utilize the newly constructed Parking Lot as overflow parking for his adjacent business; and

WHEREAS, the City finds that allowing the Developer to utilize the parking around the Arena's proposed newly constructed Parking Lot will increase the use and enjoyment of Carson City Fairgrounds by the patrons of the Developer's business and that the use of the Developer's business by Carson City Fairgrounds' visitors will provide additional amenities to these visitors of Carson City Fairgrounds.

NOW, THEREFORE, the Developer agrees that the donation of the One Million Dollars (\$1,000,000.00) shall consist of the following terms and conditions:

1. Upon the Board of Supervisors' acceptance of the Developer's donation, the terms and conditions of the donation are irrevocable.
2. Developer shall provide One Million Dollars (\$1,000,000.00) in cash or in kind services or a combination of both for the design, engineering, demolition, purchase of materials, grading, paving, curbing, landscaping and lighting associated with the construction of the Parking Lot around and adjacent to the Carson City Fairgrounds' Arena (See Exhibit "C"). Developer shall also, as a portion of the One Million Dollars (\$1,000,000.00) or in kind donation, approve the lighting design of the Carson City Fairgrounds Arena. The City may use any money remaining after the completion of these items at its discretion for Carson City Fairgrounds' improvements.
3. The Developer shall be able to use the Parking Lot as overflow parking for his adjacent business as more particularly described in the Joint Use Parking Agreement dated this same date.
4. For in kind services, the Developer shall perform all construction and installation in accordance with all the laws, ordinances, rules and regulations of every kind and nature

now promulgated by any Federal, State, County, or other Governmental Authority, applying to construction on public lands and relating to the performance of work under this Agreement. If the Developer performs any work that is contrary to any such law, ordinance, rule or regulation, he shall bear all the costs arising therefrom.

5. All plans and specifications for improvements to Lot A shall be provided by the Developer.

6. Before commencing with the performance of any work under this Agreement, the Developer shall supply all permits and licenses as may be necessary for purposes of this Agreement. The City agrees to assist the developer to the greatest extent possible in securing said permits and licenses.

7. Before commencing with the performance of any work under this Agreement, Developer agrees to furnish and maintain throughout the term of the Agreement at no cost to the City, general liability and property damage insurance in the amount of not less than One Million Dollars (\$1,000,000.00) that shall protect him and any subcontractor performing work from claims for, but not limited to, bodily injury, sickness, disease, death, or property damage arising or resulting from the Developer's performance, or by any subcontractor, person, firms, or employee directly or indirectly employed by him.

8. Developer agrees that the City shall be listed as an additional insured.

9. No employee of Developer shall be deemed an employee of the City and the Developer shall indemnify and hold the City harmless as a result of any claims made arising in any way out of the work performed.

10. That this Agreement once accepted shall be binding on the successors and assigns to the Developer, and in the event Developer divests any portion of his interest in the adjacent property before the completion of the contemplated planned developments, this Agreement shall continue to be binding on Developer's successors and assigns.

11. The City shall be the sole owner and have exclusive rights to the completed improvements and may change or remove the improvements if in the City's best interests provided that no change or

removal shall occur during the duration of the Joint Use Parking Agreement, or any extension thereof, without Developer's written consent.

12. The City shall control the use and scheduling of events or any other happenings at Carson City Fairgrounds provided that the developer is not excluded from using the Parking Lot.

13. Neither the City, its renters, or the Developer shall ever charge a fee for the use of said parking lot at any time during the duration of the Joint Use Parking Agreement dated this same date or any extensions thereof.

Dated this ____ day of _____, 2006.

By: MICHAEL PEGRAM

ACCEPTANCE OF OFFER BY CARSON CITY

This offer, having been presented to the Board of Supervisors at a duly noticed public meeting and a majority of the Board of Supervisors voting to accept the offer, shall be effective as of the date and year of the signature of the Mayor of Carson City as presented below.

Dated this ____ day of _____, 2006.

CARSON CITY, a Consolidated
Municipality of the State of Nevada

MARV TEIXEIRA, MAYOR