

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the June 5, 2003, Meeting

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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, June 5, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, which began at 8:30 a.m.

PRESENT: Chairperson Pro-Tem Ray Masayko and Members Shelly Aldean, Pete Livermore, and Richard S. Staub

STAFF PRESENT: Acting City Manager Andrew Burnham, Clerk-Recorder Alan Glover, Redevelopment Director Joe McCarthy, Chief Deputy District Attorney Mark Forsberg, and Recording Secretary Katherine McLaughlin (B.O.S. 6/5/03 Tape 3-0910)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request 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 immediately convened the Redevelopment Authority. A quorum was present although Chairperson Williamson was absent. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

**DISTRICT ATTORNEY - Chief Deputy District Attorney Mark Forsberg - ACTION TO APPROVE AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN COSTCO AND CARSON CITY TO CHANGE THE DATE OF THE CLOSE OF ESCROW FOR THE PHASE II CONVEYANCE FROM JULY 25, 2003, TO JULY 25, 2008, AND OTHER MATTERS PROPERLY RELATED THERETO (3-0915) -** Acting City Manager Andrew Burnham described the pending Congressional legislation regarding Carson City and Douglas County properties that includes the 2.8 acre parcel in the Costco agreement. Senator Ensign has purportedly indicated a desire to withdraw Carson City from the legislation due to its problems with Douglas County. Discussion noted that the Forest Service had originally indicated that Costco could use the area. Since that time, however, the offer to allow the property to be used for parking has been withdrawn. A temporary permit, which had allowed Costco to construct the landscaping and detention facility, was granted. The development costs are unknown at this time. It was felt that they will be more than the original estimate of \$48,787. This amount should be viewed as the minimal cost. Discussion suggested that both Costco and the Authority be listed in Paragraph F as failing to have performed due to reasons beyond either's control. Mr. Forsberg indicated that the statement as written is also true. Member Livermore complimented Costco on its willingness to grant a five-year extension. The difficulty had not been perceived when the original agreement was drafted. He also expressed his willingness to accept the agreement and to work on the issues. He noted that the parcel is landlocked. Mr. Forsberg indicated that Costco has reasons for wanting the five-year extension and is not pushing the issue. They have been good to work with throughout the process. They do want the parcel. Discussion also indicated the Authority's desire to have a report from Community Development regarding the landscaping. Public comments were solicited.

John Griffin from the law firm of Allison, MacKenzie, Hartman, et. al, representing Gene and Judy Lepire, encouraged the Authority to not enter into the agreement. Federal legislation controls disposal of the property and

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requires it be done through the public auction process. The Authority needs to cover the cost of the property which he felt would be more than the \$48,000 in escrow. Costco could obtain the property on its own without the Authority's assistance. He then briefly limned the parcel's background and the Lepires' agreement that they would refrain from pursuing the purchase of the property unless the City does not acquire the site. They had known at the time of their agreement that the City had an agreement with Costco to acquire the property within three years. The Lepires' position is that their agreement with the City not to acquire the property expires on July 25, 2003. They can then pursue the acquisition of the property if it becomes available. He asked that this statement be made a part of the record. The two agreements are interrelated. The two adjoining property owners are the Lepires and Costco. The City will be better served by having the Lepires acquire the property due to the nature of their business, the lodging provided, the lodging tax that is provided, the proximity to Fuji Park and the benefits associated therewith. He could not imagine the use Costco would have for the site that is located at the rear of the store. Chairperson Masayko indicated that he understood the Lepires' position. His position is that a deal is a deal and Redevelopment will try to hold up its end of the deal. The positions regarding whether the Lepires should honor the agreement regarding acquisition of the property can be different. It will not be in conflict with the City's efforts to acquire the property. If the Lepires acquire the site, that is okay too. He thanked him for his comments which are on the record. He reiterated his comments that a deal is a deal. He is unsure how long it will take to complete the transaction with the Federal government. Therefore, a second step should be taken. Additional public comments were solicited but none were given.

Member Livermore moved to approve an amendment to the Disposition and Development Agreement between Costco and Carson City to change the date of the close of escrow for the Phase II Conveyance from July 25, 2003, to July 25, 2008, and other matters properly related thereto. Member Aldean seconded the motion. Motion carried 4-0.

There being no other matters for consideration by the Redevelopment Authority, Chairperson Pro-Tem Masayko adjourned the session.

The Minutes of the June 5, 2003, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON September 16, 2003.

/s/

Robin Williamson, Chairperson

ATTEST:

/s/

Alan Glover, Clerk-Recorder