

CARSON CITY REDEVELOPMENT AUTHORITY CITIZENS COMMITTEE

Minutes of the November 14, 2007 Meeting

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A meeting of the Carson City Redevelopment Authority Citizens Committee was scheduled for 5:30 p.m. on Wednesday, November 14, 2007 at B'Sghetti's Restaurant, 318 North Carson Street, Carson City, Nevada.

PRESENT: Chairperson Robin Williamson
Jed Block
Gary Cain
Mike Cowan
Stan Jones
Dan Neverett

STAFF: Joe McCarthy, Business Development Manager
Tammy Westergard, Deputy Business Development Manager
Kathleen King, Recording Secretary

NOTE: Due to configuration of the meeting room, this meeting was not recorded. 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 - Chairperson Williamson called the meeting to order at 5:42 p.m. Roll was called; a quorum was present. Member Valenti was absent.

B. ACTION ON APPROVAL OF MINUTES - August 24, 2007 - Motion was made, seconded and carried 6-0 to approve the minutes.

C. PUBLIC COMMENTS ON NON-AGENDIZED ITEMS - None.

D. REPORT ON CARSON CITY'S PROJECT ANALYSIS SESSION HELD AT THE URBAN LAND INSTITUTE'S ANNUAL MEETING IN LAS VEGAS ON OCTOBER 25, 2007 - Mr. McCarthy requested the committee members to review materials pertinent to this item, which he distributed to each of them and to the citizens present. He discussed his experience at the Urban Land Institute's ("ULI") Annual Meeting.

Ms. Westergard reviewed the memo which was included in the materials. She discussed the theme of the annual meeting, and advised that City representatives were invited to participate in the project analysis session. She reviewed the objectives associated with participation in the session, including publicity of the City's desire for public / private partnerships. She discussed various other sessions in which she and other City representatives participated. She encouraged the committee members to review the important addendum in the last pages of the memorandum.

Ms. Westergard advised that City representatives attended more than 15 ULI sessions. Wide industry respect for Consultant John Stainback was affirmed at various sessions. Ms. Westergard noted the editorial coverage Carson City received, including the cover of an issue of the ULI's monthly publication and a feature in a story regarding Nevada's population centers "finding their urban core." She advised of having had the opportunity to distribute a variety of collateral advertising pieces, and to show the seven-minute video about downtown Carson City while at the annual meeting. She further advised that a full-page ad

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will be displayed in this month's and next month's ULI publication. Four developers have contacted the Business Development office to discuss a visit to Carson City. Carson City earned high praise from ULI panelists in terms of the overall downtown plan and the downtown mixed use development codes.

Ms. Westergard reviewed the follow-up strategy, as follows: The analysis session is in the process of being transcribed; all information is posted on line; and homework assignments for each of the stakeholders and institutional partners who attended the meeting are being developed. Chairperson Williamson is developing two different work groups to function as active stewards. One group, the Carson City Consortium, is made up of private property owners, business operators, and business owners. The other, the Downtown Carson City Institutional Alliance, includes all institutional partners. Each group has a different mission but will progress on a parallel course.

Chairperson Williamson discussed her experiences at the ULI and thanked Mr. McCarthy and Ms. Westergard for all their hard work. Mr. McCarthy advised that the ULI panelists shared their wisdom and insight, and conveyed the assessment that "this community gets it. ... This community really understands that its heart and soul is downtown." One panelist suggested designating a good mixed-use project in the downtown core, and hitting a "home run" with it which would be "catalytic."

E. DISCUSSION AND ACTION TO RECOMMEND TO THE REDEVELOPMENT AUTHORITY, AT ITS DECEMBER 6, 2007 MEETING, TO LIFT THE FREEZE ON THE REDEVELOPMENT INCENTIVE PROGRAM FOR PROJECT AREA NO. 1 - Mr. McCarthy introduced this item. Chairperson Williamson provided background information on the incentive program freeze. In response to a question, Mr. McCarthy requested the committee to recommend that the Redevelopment Authority release the incentive program funds based on some of the projects agendaed for this meeting. He advised that the incentive program will help the projects "go with vigor." Member Jones suggested that some of the funding should be allocated to infrastructure. Mr. McCarthy advised that signage development is on hold while a consultant is working to develop a brand. He anticipates the work should be accomplished quickly.

In response to a question, Mr. McCarthy discussed the importance of identifying projects which truly meet incentive program criteria and guidelines. In response to a question, Chairperson Williamson suggested recommending to the Redevelopment Authority to release the entire amount of incentive program funding. The Redevelopment Authority can then make a decision with regard to releasing a portion or the entire amount. Previous direction from the Redevelopment Authority was to accomplish smaller projects. Mr. McCarthy discussed the park being developed in front of the Laxalt Building, funding for which would have been unavailable as of June 30, 2007.

Mr. McCarthy and Chairperson Williamson responded to questions regarding a past incentive fund project. Mr. McCarthy noted the importance of new construction and improvement in the downtown, as existing structures are almost fully depreciated. He responded to questions regarding the incentive funding previously allocated to Stew's Sportatorium. Chairperson Williamson entertained a motion. **Member Block moved to recommend to the Redevelopment Authority to lift the freeze on the redevelopment incentive program for Project Area No. 1. Member Cain seconded the motion. Motion carried 6-0.**

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F. DISCUSSION AND ACTION TO RECOMMEND TO THE REDEVELOPMENT AUTHORITY, AT ITS DECEMBER 6, 2007 MEETING, TO ENTER INTO A NEGOTIATED AGREEMENT TO HIRE STAINBACK PUBLIC PRIVATE REAL ESTATE TO SERVE AS THE “DEVELOPMENT MANAGER” TO FUND A MARKET DEMAND ANALYSIS AND CREATE PUBLIC/PRIVATE PARTNERSHIPS IN THE REDEVELOPMENT OF TARGETED PROJECTS IN THE DOWNTOWN - Chairperson Williamson introduced and provided background information on this item. Mr. McCarthy reviewed informational materials, which were provided to the committee members, on Stainback Public Private Real Estate. He advised that the Board of Supervisors had provided direction to negotiate a deal with Mr. Stainback focusing on one to three downtown projects to “prove his work.” City staff will be considering funding for Mr. Stainback’s services. Mr. McCarthy emphasized that the funding will not be allocated from redevelopment. Chairperson Williamson discussed various projects around the country in which Mr. Stainback has been involved. In response to a question, Mr. McCarthy referred the committee members to Mr. Stainback’s website to review projects in which he’s participated.

Ms. Westergard discussed the importance of understanding the sophisticated mechanism of public / private partnerships, and expressed the hope the committee members will keep this in mind when considering Mr. Stainback’s services. Mr. McCarthy noted that no market study had been conducted of the downtown area, and advised that Mr. Stainback had suggested immediately conducting a market demand analysis. In response to a question, Mr. McCarthy estimated a market demand analysis would cost \$50,000. He acknowledged that Mr. Stainback has investment contacts around the country. Mr. Stainback has been discussing mixed uses with Business Development staff and Carson Nugget representatives. Ms. Westergard advised that Mr. Stainback’s reaction to Carson City is similar to the reaction of the Urban Land Institute panelists in that we are “so well positioned to become more of a boutique community.”

Mr. McCarthy requested the committee’s recommendation to support the idea of hiring a development manager to facilitate the more difficult public / private partnerships with the focus on the two projects agendized. In response to a question, he advised that Mr. Stainback would serve as a consultant to the City in consideration of the end product which he helps to develop. Mr. McCarthy advised that Mr. Stainback’s fee, in comparison to the total value of the project, is less than one percent. He noted the importance of the City paying Mr. Stainback’s fee because he will then be working for the City as opposed to working for a private developer. In response to a comment, Mr. McCarthy reiterated that the funding would not be allocated from redevelopment.

In response to a question, Chairperson Williamson discussed the differences in general funding for salaries and “one-shot funding” for such things as incentives. Mr. McCarthy discussed the importance of “growing our future.” The fiscal crisis has to be faced head on by investing in the community. Chairperson Williamson discussed revenue generated from the land fill since being taken over by the City. Mr. McCarthy explained the intent to leverage some of the land fill revenue to get a retailer into the old Wal-Mart space. Chairperson Williamson entertained a motion. **Member Cain moved to enter into an agreement with Stainback to act as a project manager. Member Cowan seconded the motion. Motion carried 6-0.**

G. DISCUSSION AND ACTION TO APPROVE AMENDED INCENTIVE APPLICATION FORMS, POLICIES, PROCEDURES, AND PROGRAMS, AS PRESENTED BY STAFF - Mr. McCarthy introduced this item, and reviewed the amended incentive application which was included in the materials distributed to the committee members and citizens prior to the start of the meeting. Chairperson Williamson suggested the committee members “mull over” the amended application.

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In response to a question, Jenny Lopiccolo expressed understanding for protecting the City and the applicant, and concern over making the application process too strenuous or expensive. She expressed the opinion that the application detail is “too much” for a small “\$100,000 project.” Mr. McCarthy advised that he would return with a different application for the smaller “façade improvement projects.” Member Cowan commented that the application goes a long way to improve issues associated with projects that were “uncomfortable” to approve in the past. Ms. Lopiccolo noted the importance of confidentiality with regard to the application information.

Mark Palmer agreed with Ms. Lopiccolo’s concerns over confidentiality. He commented, “The good thing about the process is that it provides a structured mechanism for redevelopment.” Any application at this point is good because of structure and standardization. Mr. McCarthy advised that a confidentiality clause will be included in the application. In response to a question, Mr. McCarthy advised that the subject application wouldn’t have a threshold. The incentive program would help facilitate projects through low-cost bonding opportunities and other financing mechanisms.

In response to a question, Mr. McCarthy advised that the redevelopment incentive program was amended in 2003 to “pursue redevelopment projects over and above the original incentive agreement.” In response to a further question, he discussed “a whole different kind of project” which would be submitted to the committee in the next couple months. He acknowledged the incentive program will be available to small tenants without requiring the property owner’s approval.

Chairperson Williamson suggested the committee members provide comments and input to Mr. McCarthy. Consensus of the committee was to take no action at this time. Mr. McCarthy discussed upcoming projects he will be presenting.

H. DISCUSSION AND ACTION TO APPROVE A REQUEST BY JENNIFER AND MARK LOPICCOLO, LOPICCOLO INVESTMENTS, LLC, FOR A \$100,000 INCENTIVE ASSOCIATED WITH PHASE 1 OF THE “THIRD STREET PROJECT,” CONTINGENT UPON THE REDEVELOPMENT AUTHORITY LIFTING THE INCENTIVE PROGRAM FREEZE AND LOPICCOLO INVESTMENTS, LLC ENTERING INTO AN OWNER PARTICIPATION AGREEMENT WITH THE REDEVELOPMENT AUTHORITY TO DEVELOP A MIXED-USE PROJECT CONSISTENT WITH REDEVELOPMENT OBJECTIVES - Mr. McCarthy introduced this item and reviewed materials which had been distributed to the committee members and the citizens present. He suggested that the committee recommend awarding the Lopiccolos \$100,000 toward the project contingent upon completing an incentive program application and “doing something much more special.” He provided background information on Architect Rob Darney’s involvement in the project.

Ms. Lopiccolo acknowledged that over \$1 million had been invested in the property thus far. She advised that the building is listed on the National Register of Historic Places and that Mel Green had conducted an evaluation. Mr. McCarthy provided background information on Mr. Green’s experience and involvement in evaluating historic buildings around Carson City. Ms. Lopiccolo discussed the property owners’ vision for the building, and reviewed improvements made thus far. She expressed an interest in redeeming funding for that portion of the project referred to as phase 1. She advised that Lopiccolo Investments, LLC owns several buildings in the area and that improvements are being made slowly. “We’re doing them first class so we’re not just repairing things; we’re replacing things.” She advised of the intent to do things “top notch” because the Lopiccolos’ vision for downtown is the same as that of the committee. The Lopiccolos are “very, very concerned with and picky about the tenants that go into any of [their] properties.” They want the tenants to be long-term, sustainable businesses. They chose the St. Charles tenant because of their

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success in other areas. The particular tenant specializes in locating in historic areas. After reviewing the design, the company has indicated the St. Charles location will be their flagship restaurant. Ms. Lopiccolo advised the business anticipates \$3 to \$5 million in sales per year, and that the project would be a good investment for the City. She advised of working with Mr. McCarthy who's "come up with a bigger plan."

Mr. McCarthy explained the recommended motion, and the intent to tie it to a phase to indicate the "first installment of a potential." In response to a question, Ms. Lopiccolo explained the intent of phase 1 was to get the anchor tenant established. She reviewed improvements to the building thus far, and acknowledged that a ten-year lease has been signed. Member Cowan expressed concern over approving an incentive funding allocation toward completed improvements. Mark Lopiccolo advised of having begun discussions with Mr. McCarthy approximately eight months ago, and of the Lopiccolos' personal investment into the project. Member Cowan reiterated the concern that one of the issues associated with the Board of Supervisors freezing the incentive funding program was that funding had been allocated to an "already finished, going concern." Chairperson Williamson provided additional information on the reasons for freezing the incentive program funding. She discussed the lack of downtown parking and funding previously earmarked for a parking garage. Mr. McCarthy expressed understanding for Member Cowan's concerns, and explained the intent of the incentive funding to "entice [the Lopiccolos] to do a lot more."

In response to a question, Ms. Lopiccolo acknowledged that the curb, gutter, and landscape portion of the project is not yet completed. Member Cowan expressed a preference for allocating funding toward upgrading infrastructure. Ms. Lopiccolo provided background information on negotiations with Mr. McCarthy. In response to a comment, Ms. Lopiccolo explained having applied for the incentive funding prior to discussing the project with Mr. McCarthy. In response to a question, Mr. McCarthy explained the past mechanism of the incentive program. Mr. Darney advised that improvements to date have been toward permanent rehabilitation of the entire building. The building only occupies a little over half of the property. Mr. Darney displayed and reviewed design drawings for the project. **Member Neverett moved the recommended motion. Motion died for lack of a second.** Mr. McCarthy advised the Lopiccolos were requesting \$100,000 and to move ahead with the larger project. Chairperson Williamson entertained a motion. **Member Neverett moved to award \$100,000 associated with completion of phase 1 and contingent upon the Redevelopment Authority lifting the freeze on the incentive program. Member Cowan seconded the motion. Motion carried 6-0.**

I. PRESENTATION BY REPRESENTATIVES OF THE CARRINGTON COMPANY ABOUT THE PROPOSED CARSON MALL REFURBISHMENT FOR POSSIBLE FUTURE PUBLIC / PRIVATE PARTNERSHIP BY THE REDEVELOPMENT AUTHORITY CITIZENS COMMITTEE - Tom Metcalf, of Metcalf Builders, Inc., thanked Mr. McCarthy for the invitation, introduced Mark Palmer, of Palmer Engineering, provided historic information on the Carson Mall, reviewed statistical information on leasable and available space at the mall, reviewed the six project phases in conjunction with drawings displayed in the meeting room, and reviewed estimated project costs.

Mr. Palmer explained the fortitude required, on the part of a property owner and a development team, to get to the point of site plan drawings. Mr. McCarthy thanked Mr. Palmer and Mr. Metcalf and advised they had put their hearts into the project. Mr. Palmer advised that the streetscape will mimic that which is downtown to make a connection. Mr. Metcalf responded to questions regarding phase 1 of the project. Mr. Metcalf and Mr. Palmer responded to questions regarding potential tenants.

J. UPDATE ON OTHER REDEVELOPMENT INITIATIVES - None.

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K. ACTION ON ADJOURNMENT - Member Cowan moved to adjourn the meeting at 8:46 p.m. The motion was seconded and carried 6-0.

The Minutes of the November 14, 2007 Carson City Redevelopment Authority Citizens Committee meeting are so approved this 12th day of March, 2008.

ROBIN L. WILLIAMSON, Chair