

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the November 20, 2008 Meeting

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A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled Board of Supervisors meeting, on Thursday, November 20, 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
Alan Glover, Clerk - Recorder
Joe McCarthy, Business Development 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. These materials are on file in the Clerk-Recorder's Office and available for review during regular business hours.

CALL TO ORDER AND ROLL CALL (11:19:48) - Chairperson Williamson called the Redevelopment Authority to order at 11:19 a.m. All members were present, constituting a quorum. Chairperson Williamson advised that item 12(E) would be heard prior to item 12(A).

ACTION ON APPROVAL OF MINUTES - October 16, 2008 (11:20:22) - Member Aldean moved to approve the minutes, as presented. Member Teixeira seconded the motion. Motion carried 5-0.

12. OFFICE OF BUSINESS DEVELOPMENT

12(A) ACTION TO APPROVE JOINT FUNDING OF ICE RINK AGREEMENT; 12(B) ACTION TO CONSENT TO THE BOARD OF SUPERVISORS' APPROVAL OF ADDENDUM ONE TO THE SETTLEMENT AGREEMENT BETWEEN CARSON CITY NUGGET, INC., CARSON NUGGET, INC., AND CARSON CITY REGARDING ABANDONMENT OF STREETS; 12(C) ACTION TO APPROVE LEASE AGREEMENT NUMBER 0809-137 TO LEASE THE CARSON NUGGET'S MAIN STREET PARKING LOT LOCATED AT 525 NORTH CURRY STREET, CARSON CITY, NEVADA, TO INSTALL AND OPERATE A RECREATIONAL ICE SKATING RINK FOR \$0.10 PER DAY, EFFECTIVE THROUGH FEBRUARY 23, 2009 FROM REDEVELOPMENT FUNDS; and 12(D) ACTION TO APPROVE CONTRACT NO. 0809-140, PURSUANT TO NRS 279.462, A REQUEST FOR PROFESSIONAL SERVICES TO BE PROVIDED BY ICE RINK EVENTS/FROZEN WATER, L.P., THROUGH FEBRUARY 24, 2008, FOR A NOT-TO-EXCEED COST OF \$134,200.00 TO BE FUNDED FROM THE REDEVELOPMENT FUND, AS PROVIDED IN FY 2008 / 2009 (11:43:03) - Deputy Business Development Manager Tammy Westergard introduced items 12(A), 12(B), 12(C), and 12(D). She reviewed the provisions of the Joint Funding of Ice Rink Agreement which was the subject of item 12(A). Chairperson Williamson thanked District Attorney's Office staff and Carson Nugget representatives.

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In response to a question, Ms. Westergard reviewed allocation of revenues pursuant to paragraph 8 of the ice rink agreement. She and Chairperson Williamson responded to questions regarding up-front expenses. In response to a further question, Ms. Westergard and Mr. Werner explained the involvement of the Downtown Consortium. Ms. Westergard responded to additional questions regarding the responsibilities of the ice rink vendor. She acknowledged that the ice rink operation mirrors the City of Reno's operation. In response to a further question, Ms. Westergard explained the \$70,000 expenditure to install a very large transformer in the Nugget parking lot. She acknowledged that any NV Energy rebate will be allocated to the Nugget. She further acknowledged that the \$70,000 allocation from the Nugget will be offset by the addendum to the settlement agreement. She responded to additional questions regarding the \$300,000 business plan, and acknowledged that up-front costs will be incurred prior to generating any revenue. She further acknowledged sufficient funding in the redevelopment budget to cover the up-front costs. In response to a further question, Business Development Manager Joe McCarthy assured the Redevelopment Authority members of sufficient funding in the redevelopment budget "to get us through this short period. Those exact numbers ... are still coming in." Mr. McCarthy advised that fixed costs for the architect and the general contractor are known, "and those folks are more than willing to get paid as we start generating revenues." Ms. Bruketta acknowledged that the first \$70,000 in revenue will be allocated to the Nugget. The Redevelopment Authority and the City will receive the next revenue allocation. Mr. McCarthy offered to return to the Redevelopment Authority to report budget specifics in the next two weeks. Discussion followed, and Ms. Westergard offered to review additional details with any interested Redevelopment Authority member.

Chairperson Williamson opened this item to public comment. (12:08:05) Bruce Kittess inquired as to continued relationship with the Nugget. Mr. McCarthy assured him that if there is, in fact, a transaction involving the Nugget, the existing relationship pertinent to the ice rink operation will remain intact.

(12:08:44) In response to a question, Member Aldean explained to Richard Schneider the \$70,000 which will offset the amount of interest owed pursuant to a previous settlement agreement between the Nugget and the City.

Chairperson Williamson entertained a motion for item 12(A). **Member Aldean moved to adopt the Joint Funding of Ice Rink Agreement, funding source redevelopment. Member Livermore seconded the motion. Motion carried 5-0.**

Chairperson Williamson called for Redevelopment Authority and public comments on item 12(B). When none were forthcoming, she entertained a motion. **Member Aldean moved to approve Addendum One to the Settlement Agreement between Carson City Nugget, Inc., Carson Nugget, Inc., and Carson City Regarding Abandonment of Streets. Member Livermore seconded the motion. Motion carried 5-0.**

Chairperson Williamson entertained comments on item 12(C) and, when none were forthcoming, a motion. **Member Aldean moved to approve Lease Agreement No. 0809-137 to lease the Carson Nugget's Main Street parking lot, located at 525 North Curry Street, Carson City, Nevada, to install and operate a recreational ice skating rink for \$0.10 per day, effective through February 23, 2009; the funding source is redevelopment. Member Livermore seconded the motion. Motion carried 5-0.**

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With regard to item 12(D), Member Aldean noted the amendment to paragraph 5, Consideration. Chairperson Williamson called for additional comments and, when none were forthcoming, entertained a motion. **Member Aldean moved to approve Contract No. 0809-140, pursuant to NRS 279-462, a request for professional services to be provided by Ice Rink Events / Frozen Water, L.P., through February 24, 2009, for a not-to-exceed cost of \$134,200 to be funded from the redevelopment fund, as provided in FY 2008 / 2009, subject to an amendment to paragraph 5 of said contract which notes the contract sum. Member Staub seconded the motion. Motion carried 5-0.** Ms. Westergard thanked staff of the District Attorney's Office, Finance Department, Risk Management Division, Health Department, Building Department, and the City Manager's Office for their assistance.

12(E) PRESENTATION BY RICHARD CAMPAGNI TO BRIEF THE REDEVELOPMENT AUTHORITY ON THE PROGRESS AND TIMELINES ASSOCIATED WITH HIS NEW TOYOTA STORE CONSTRUCTION PROJECT (11:21:12) - Business Development Manager Joe McCarthy introduced this item, and provided background information on the Carson City Toyota dealership. (11:23:58) Campagni Automotive Group Owner Dick Campagni provided background information on development of the new Toyota store. He reviewed the construction schedule with an anticipated completion date of December 2009, and amenities of the new dealership.

In response to a question, Mr. Campagni estimated the cost of the new dealership at \$10 to \$12 million. He acknowledged that a local contractor will be hired. Member Teixeira expressed appreciation for the timing of the project, and noted its benefit to the community, both immediately and in the future. Member Aldean inquired as to plans for the old location. Mr. Campagni advised that immediate plans would be to move the Mazda and Hyundai dealerships to the old location. He anticipates that only the original two acres would be needed. Member Staub inquired as to the estimated sales increase with construction of the new facility. In consideration of the economy, Mr. Campagni discussed the difficulty in providing an estimate. He expressed the belief that he will increase sales "or I wouldn't be doing this." He advised of the philosophy to "get a share of what you can control." He anticipates selling more cars at the new store than he would have at the old store. Member Staub agreed, and commended Mr. Campagni on expediting development of the new store. Member Staub commended Mr. McCarthy and Member Aldean on their efforts. Mr. Campagni acknowledged the \$12 million estimated cost is "on top of the \$3.6 million loan." Member Livermore thanked Mr. Campagni for "all the business done in Carson City," and his support of the community over the years. He pointed out that "Mr. Campagni was the first one to step up and sign the agreement three years ago that said, 'I want to stay in Carson City.'" He thanked Mr. Campagni. Chairperson Williamson expressed appreciation for Mr. Campagni's commitment to Carson City.

12(F) ACTION TO APPROVE AN AMENDED AND RESTATED COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS BETWEEN CARSON CITY AND RICHARD CAMPAGNI THAT SPECIFIES NOVEMBER 30, 2009 AS THE DATE FOR COMPLETION OF CONSTRUCTION OF THE NEW TOYOTA STORE AND THE REVISED TERMS OF THE REPAYMENT OF THE FINANCIAL ASSISTANCE PROVIDED BY THE CITY (11:36:17) - Mr. McCarthy referred to the amended and restated commitment agreement which was included in the agenda materials, and reviewed the agenda report. Mr. McCarthy acknowledged that the commitment agreement covers all of Mr. Campagni's dealerships, and advised that Mr. Campagni "is committed to meeting those gross sales numbers to marry up his repayment schedule based on the promissory note conditions." Mr. McCarthy responded to questions regarding the proposed twenty-year term. Mr. Campagni acknowledged his agreement.

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In reference to paragraph E(1), Member Staub suggested that in order for the pertinent date to reflect a twenty-year term, the language should read "December 31, 2025." Member Aldean agreed with extending the commitment to ensure consistency with the repayment obligation. Mr. McCarthy acknowledged a request to extend the construction completion deadline to December 31, 2009 in order to accommodate weather conditions, etc.

Chairperson Williamson called for public comment and, when none was forthcoming, entertained a motion. **Member Livermore moved to approve an amended and restated Commitment Agreement for Continuing Business Operations between Carson City and Richard Campagni that specifies December 31, 2009 as the date for completion of construction of the new Toyota / Scion store and the revised terms of the repayment of the financial assistance provided by the City. Member Staub seconded the motion, with the amendment that the extended term will be for twenty years relative to the commitment. Member Livermore so amended his motion.** Chairperson Williamson thanked Mr. Campagni, and Members Staub and Aldean for their efforts. She expressed the hope that the subject action represents "the first ... in a series of successes that will be able to ensure ... short term and long term ... sales tax for our community." Member Aldean commended Member Staub on his efforts. Chairperson Williamson called for a vote on the pending motion; **motion carried 5-0.**

ACTION TO ADJOURN THE REDEVELOPMENT AUTHORITY (12:13:59) - Chairperson Williamson adjourned the Redevelopment Authority at 12:13 p.m.

The Minutes of the November 20, 2008 Carson City Redevelopment Authority meeting are so approved this _____ day of December, 2008.

ROBIN L. WILLIAMSON, Chair

ATTEST:

ALAN GLOVER, Clerk - Recorder