

CARSON CITY REDEVELOPMENT AUTHORITY

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A meeting of the Carson City Redevelopment Authority was held during the regularly scheduled Board of Supervisors meeting, on Thursday, May 7, 2009 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Robin Williamson
Member Shelly Aldean
Member Robert Crowell
Member Pete Livermore
Member Molly Walt

STAFF: Larry Werner, City Manager
Alan Glover, Clerk - Recorder
Joe McCarthy, Business Development Manager
Neil Rombardo, 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 Clerk during the meeting are public record. These materials are available for review in the Clerk-Recorder's Office during regular business hours.

21. CALL TO ORDER AND DETERMINATION OF QUORUM (10:12:11) - Chairperson Williamson called the meeting to order at 10:12 a.m. All members of the Redevelopment Authority were present, constituting a quorum. Chairperson Williamson provided direction with regard to the items to be addressed during this portion of the meeting, noting the expectation of civility and consideration.

22. ACTION ON APPROVAL OF MINUTES - None.

23. FINANCE - PRESENTATION OF THE PROPOSED 2009 / 2010 FISCAL YEAR BUDGET FOR THE CARSON CITY REDEVELOPMENT AUTHORITY (10:12:50) - Chairperson Williamson introduced this item. Mr. Werner provided background information and reviewed the April 16, 2009 memo attached to the agenda report. He responded to questions regarding the Nugget settlement, and discussion ensued. In response to a further question, he requested the Redevelopment Authority members to submit requests for revisions which will be made prior to presentation of the final budget. Chairperson Williamson requested staff to include, in said presentation, the allocations between redevelopment project areas 1 and 2. In response to a question, Mr. Werner explained the reason for listing special events as part of the administrative fund line item. "Once you make the determination that you want to fund an activity, we will put it in the appropriate account and adjust it accordingly." Discussion followed, and Mr. Providenti advised of the intent to convey the availability of \$280,000 in discretionary funding. In response to a question, he clarified that the discretionary funding would be "new money starting on July 1st." Chairperson Williamson further clarified that the special events funding would be allocated from the current budget not that which begins July 1st. She called for public comment; however, none was forthcoming.

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24. OFFICE OF BUSINESS DEVELOPMENT

24(A) DISCUSSION AND ACTION TO ADOPT RULES AND REGULATIONS OF THE REDEVELOPMENT AUTHORITY (10:22:18) - Chairperson Williamson introduced this item. Business Development Manager Joe McCarthy provided background information, and expressed appreciation to Chief Deputy District Attorney Melanie Bruketta for her assistance in developing the rules and regulations. He discussed the purpose of the rules and regulations.

In response to a question, Mr. Werner explained the necessity of two-year terms for the Redevelopment Authority chair and vice chair. Member Aldean requested to add language to the acknowledgments portion of the redevelopment incentive program application informing the applicant of the seven-year declining lien in conjunction with the award of incentive program funding. She further requested to add a declaration just prior to the application signature line, as follows: "I declare, under penalty of perjury, that I have not, in the filing of this application, willfully made any false statements nor have I made any unqualified statements that I know not to be true." She discussed the importance of conveying the utmost integrity and honesty in the process. Mr. Werner agreed to incorporate Member Aldean's suggestions into the incentive program application materials, but cautioned the Redevelopment Authority against adopting the application as part of the rules and regulations in consideration of possible future revisions.

In reference to a provision included in the rules and regulations, Member Crowell disclosed that he is a stockholder in organizations which own property within the redevelopment district. He commended the District Attorney's staff on refining the rules and regulations, and expressed the hope that they will be adopted at this meeting in order to move forward. Member Aldean disclosed that her company owns property in both redevelopment plan areas.

Member Walt expressed the understanding that incentive program applications will first be reviewed by the Redevelopment Authority Citizens Committee ("RACC"). Mr. Werner acknowledged the accuracy of the statement. Member Livermore expressed support for the "threshold dates" included as part of the incentive program application process. In response to a question, Mr. McCarthy advised that Business Development staff is working diligently to develop a special events application, beginning in fiscal year 2010. Mr. Werner advised of the intent to develop the special events application through the RACC.

Chairperson Williamson opened this item to public comment and, when none was forthcoming, entertained a motion. **Member Walt moved to adopt the rules and regulations of the Redevelopment Authority.** Member Aldean requested Member Walt to amend her motion to include a revision to Section 1.2, Composition of the Redevelopment Agency, to reduce the terms of the Redevelopment Authority chair and vice chair to two-year periods and, in addition, to acknowledge the previously-made suggestions to revise the incentive program application. **Member Walt so amended her motion. Member Crowell seconded the motion.** Mr. Rombardo cautioned against including the incentive program application as part of the motion in order for it to remain as a working document. Member Aldean expressed the hope that Business Development staff would acknowledge the merit of including as many disclosures as necessary in the application to ensure the applicant's understanding of the declining lien and the integrity of the process. She deferred to Mr. Rombardo's advice, but expressed the hope that Business Development staff would willingly submit "radical modifications" to the incentive program application to the Redevelopment Authority. Mr. Werner assured the Redevelopment Authority that the requested revisions will be incorporated in the incentive program application "because it absolutely makes sense." Member Aldean requested Member Walt to further amend her motion to exclude the reference to revisions to the incentive

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program application. **Member Walt so amended her motion. Member Crowell continued his second.** Chairperson Williamson entertained additional discussion and, when none was forthcoming, summarized the motion to accept the rules and regulations with the previously-stated revision to Section 1.2, Composition of the Redevelopment Agency. She called for public comment and, when none was forthcoming, a vote on the pending motion. **Motion carried 5-0.**

24(B) ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS APPROVAL OF THE SECOND AMENDED AND RESTATED COMMITMENT AGREEMENT FOR CONTINUING BUSINESS OPERATIONS BETWEEN CARSON CITY AND RICHARD CAMPAGNI (10:36:44) - Chairperson Williamson introduced this item, and Mr. McCarthy reviewed the agenda report. Member Aldean noted that the previously-approved rules and regulations require an applicant to whom incentive funding in excess of \$100,000 is allocated to agree, in writing, to abide by the provisions of the prevailing wage statutes. Mr. Werner provided additional background information on the subject commitment agreement. Chairperson Williamson described the solution as “elegant,” and opened this item to public comment. When none was forthcoming, she offered Mr. Campagni an opportunity to comment. (10:39:46) Richard Campagni expressed appreciation for the opportunity to have worked with the Redevelopment Authority and City staff.

Chairperson Williamson entertained a motion. **Member Aldean moved to recommend to the Board of Supervisors approval of the Second Amended and Restated Commitment Agreement for Continuing Business Operations between Carson City and Richard Campagni. Member Livermore seconded the motion. Motion carried 5-0.**

24(C) ACTION TO APPROVE AND RECOMMEND TO THE BOARD OF SUPERVISORS THEIR CONSENT TO A \$53,520 INCENTIVE REQUEST BY DSE #4, LLC TO REDEVELOP THE PROPERTY AT 503 NORTH NEVADA STREET, WITH THE REDEVELOPMENT AUTHORITY FINDING THAT THIS PROJECT MEETS THE INCENTIVE PROGRAM CRITERIA AND THE NECESSARY FINDINGS SET FORTH IN NRS 279.486; THAT THE PROJECT BENEFITS THE CURRENT REDEVELOPMENT PLAN AREA; THAT THE PROJECT HAS NO OTHER REASONABLE MEANS OF FINANCING AVAILABLE; THAT THE INCENTIVE WILL BE PAID ON A REIMBURSEMENT BASIS FOR MONEY EXPENDED BY THE APPLICANT ON THE PROJECT; THAT OTHER FINANCING IS AVAILABLE TO PAY FOR THE REMAINING COSTS OF THE PROJECT; AND THAT THE INCENTIVE IS SUBJECT TO THE APPLICANT FULFILLING CITY REQUIREMENTS (10:40:50) - Chairperson Williamson introduced this item. Mr. McCarthy provided background information, and reviewed the agenda report.

(10:43:10) DSE #4, LLC Owner / Manager Darsi Casey provided additional background information, and reviewed the application which was included in the agenda materials. Member Aldean welcomed Ms. Casey, and noted the “lingering suspicion” that DSE #4, LLC has resources which would accommodate the improvements without the City’s assistance. She offered Ms. Casey the opportunity to address those insinuations. Ms. Casey distributed to the Redevelopment Authority members and the Clerk a listing of DSE #4, LLC holdings with associated debt, and reviewed the same. In reference to the calculations, she described the “information that’s been put out in the public” as “highly distorted” and “borderline lies.” Chairperson Williamson apologized to Ms. Casey for the way she and her company had been treated. She commended the subject project and the members of DSE #4, LLC as “honest, hardworking, young professionals,” and thanked them for their commitment to invest in Carson City. She assured Ms. Casey

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that the application would be evaluated on the project merits. Member Livermore reviewed his previous questions associated with the subject application, and subsequent research he had conducted, including information received in an e-mail from Carson River Community Bank Acting Chief Executive Officer Julie Kidd. Ms. Casey discussed consideration given to the reasonable rate of return on the investment. She acknowledged a partner in DSE #4, LLC and ownership of 503 North Nevada Street. In response to a further question, she advised that said partner would be unable to provide the requested financing. She further advised that said partner's financial information had not been requested, but could be provided.

In response to a question, Mr. McCarthy advised of over 40 redevelopment incentive program applications approved since the early 1990s. Most of the applications are submitted by limited liability companies. Mr. McCarthy advised that the Las Vegas Redevelopment Authority rules and regulations were used as a model to develop the Carson City Redevelopment Authority rules and regulations. He read from the Las Vegas Redevelopment Authority rules and regulations, as follows: "The applicant acknowledges and declares that no other reasonable means of financing the building's facilities, structures, and other improvements are available because one or more of the following reasons are checked by the applicant. (1) The project, if financed by the applicant through cash on hand or through debt financing from a private lender would not result in a reasonable rate of return of the applicant." Mr. McCarthy advised that DSE #4, LLC had demonstrated there would be no reasonable rate of return without the incentive program funding. At Ms. Casey's request, Mr. McCarthy read into the record additional criteria used by the Las Vegas Redevelopment Authority to demonstrate no other reasonable means of available financing. Chairperson Williamson expressed the opinion that the "no other reasonable means of available financing" criteria does not translate to the applicant demonstrating financial destitution in order to qualify for redevelopment incentive funding. Mr. Rombardo acknowledged the accuracy of the statement.

In response to a question, Mr. McCarthy reiterated that the Las Vegas Redevelopment Authority rules and regulations were used as a model for the previously-approved rules and regulations. He reminded the Redevelopment Authority of past incentive awards based on "similar ways of looking at it." Member Livermore referred to the third-party financial evaluation used by the Las Vegas Redevelopment Authority, and suggested including a similar provision in the Carson City rules and regulations. Ms. Casey advised of having provided financial statements for Casey Neilon & Associates, emphasizing that Casey Neilon & Associates is "not the applicant," in addition to DSE #4, LLC pro forma financial statements, tax returns for the last two years, and a letter from the bank. Ms. Casey acknowledged having signed a statement affirming that DSE #4, LLC is "in good standing with the consolidated municipality of Carson City with respect to taxes, fees, loans, and other financial obligations to the City." Member Livermore referred to the publication of delinquent taxes in the May 6th edition of the *Nevada Appeal* which indicated that DSE #4, LLC currently owes the City Assessor's Office \$168. Ms. Casey advised of never having received any notice of delinquent taxes.

In response to a question, discussion took place regarding the significance of the Las Vegas Redevelopment Authority rules and regulations. Mr. Werner advised that Office of Business Development staff uses information provided to make a reasonable decision upon which a staff report is prepared for submission to the Redevelopment Authority. He noted the Redevelopment Authority's purview to make individual choices as individual members based on the information presented. He advised that Office of Business Development staff cannot "spend \$100,000 in evaluating a \$50,000 application." He suggested that the matter could get to the point that "we just simply can't afford the staff time ..." Member Aldean advised of having conversed with Mr. McCarthy and Ms. Casey to clarify questions and concerns. In reference to

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earlier comments, she advised that Carson City is not following the Las Vegas Redevelopment Authority standard and that, after having discussed the provisions with Mr. McCarthy, Carson City's process is, "in many ways ... more stringent than Las Vegas." In reference to the redevelopment incentive program history, Mr. McCarthy noted the applicant's responsibility to complete the project in the fashion represented in the application. "Then and only then, when they provide ... all of that evidence, ... they come in and sign a second against their property which is a declining lien ... to protect the taxpayers' investment. ... Then and only then are they reimbursed ... that incentive after the work is done."

Mr. Rombardo acknowledged that the no other reasonable means of available financing criteria meets the statutory standard. He clarified that "it's not defined by law ...," and explained the statutory purview to determine "what's reasonable." He further clarified that the Redevelopment Authority is charged with making the determination. Member Crowell agreed that judgment is called for to meet the test of no other reasonable means of available financing. He expressed concern over "the other concepts" referenced by Mr. McCarthy being, in the opinion of the District Attorney, consistent with the law. Mr. Rombardo assured the Redevelopment Authority "that they're consistent with the law." He expressed the opinion that guidelines adopted in another jurisdiction are "what you would look to."

Ms. Casey expressed the belief that the subject application is "not unlike many of the other applications ... considered in the past." Chairperson Williamson agreed, and reiterated commendation of the proposed project as "a glowing example." In response to a question, Member Livermore provided additional explanation of the research he conducted. Mr. Rombardo pointed out that each application is reviewed on its own merits, and that Member Livermore was entitled to conduct additional research. He emphasized that no right had been lost by the applicant. Chairperson Williamson expressed concern over the "enthusiasm ... generated ... over an applicant which is ... very similar to ..." previous applications and "continues our goal of rehabilitating dilapidated buildings in our downtown." She called for additional comments from the Redevelopment Authority members; however, none were forthcoming.

(11:10:37) Attorney Jim Cavilia noted the Redevelopment Authority's previously-stated purview over the application, and requested the Redevelopment Authority members to focus on the rate of return for Carson City. He agreed with earlier comments that the subject project is "similar to many other projects that have been done downtown. It's doing what downtown redevelopment is supposed to do." Mr. Cavilia expressed the opinion that the project represents a good investment for Carson City.

Chairperson Williamson opened this item to public comment. (11:12:06) DSE #4, LLC investor Mike Walker expressed offense over the previous discussion, and the opinion that "there are some people that are prejudicial against this project." He pointed out that the City has "given money to people with more money than we have." He expressed the belief that, "with the new freeway coming in, you're going to need good businesses downtown ..." He advised that the DSE #4, LLC partners are professionals, and that he will be personally operating a business out of the 503 North Nevada Street building with the goal of raising \$5 million for charities. He expressed the opinion that the City would be "making a big mistake" in rejecting the project. He expressed the further opinion that the subject project qualifies for incentive program funding, and discussed the importance of cleaning up the area of the 503 North Nevada Street property. He requested the Redevelopment Authority's approval of the application on the basis of "good business." He advised that "a lot of the hoops you're making us jump through cost ... money." He pointed out that there is no guarantee the property will make money for DSE #4, LLC.

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(11:15:04) Bruce Kittess suggested timing as the most significant issue associated with the subject application, and inquired as to changes to be made in consideration of the current economic times.

(11:17:30) Robert Robel, a Carson City businessman, advised of having worked with the applicants over the past 15 years. He provided background information on the applicants' business and accounting practice, and advised of a familiarity with the applicants' intent for the building. He expressed confidence that the proposed improvements will "change things in downtown Carson City." He encouraged the Redevelopment Authority to approve the application in order to allow the applicants to "get on with their business of helping Carson ..." He commended the applicants' "15-year history of impeccable performance here," and expressed support for approving the application.

(11:18:43) Jed Block advised that he is a business owner, with two properties in the historic district, and that he had grown up across the street from the subject property. He discussed the opportunity represented by the project, and the importance of downtown Carson City tourism. He reviewed recent improvements in the downtown historic and redevelopment districts, including two properties purchased and improved by DSE #4, LLC on North Nevada Street and the corner of Division and Spear Streets. He described the present condition of the 503 North Nevada Street property, noting its location along the blue line trail, which purpose is to "showcase our historic district." He requested the Redevelopment Authority's approval of the application, and described improvements to the subject property as "a missing puzzle piece." He commended every property owner who has made improvements in the historic and redevelopment districts.

(11:24:37) Rhonda Kiernan expressed support for approving the application in consideration of improving the area for the benefit of the community's children.

(11:25:20) Day Williams expressed concern over sufficient "scrutiny when you're spending taxpayer money." He referred to an earlier statement that "the bank would loan the money when the standard is there's no means of financing," and expressed concern over the criteria. He expressed further concern that "no one even asked for any financials on the 20 percent partner." He reiterated the importance of ensuring that "these people really can't afford it." He expressed doubt that "there's no reasonable rate of return," in consideration of the \$53,520 incentive funding request. He expressed the opinion that "there's money going to millionaires, and people coming in and saying, 'Well, you've given money to people who are even more millionaires than we are.'" He requested the Redevelopment Authority to "take a look at some of the average people in town and consider them and the unemployed when we're handing out taxpayer money."

(11:27:28) A resident of 508 North Nevada Street advised that the area has "improved 200 percent" since eviction of the previous 503 North Nevada Street residents last November. He reviewed the extensive "traffic" through the subject area of North Nevada Street, including "the horse rides on Saturday, the parades, the blue line district ..." He expressed support for approving the incentive funding application.

(11:28:25) Realty Executives Broker Alan Saunders referred to the Assessor's and residential sales data previously distributed to the Redevelopment Authority members and the Clerk. He corrected previous statements that the subject property is valued at \$1.6 million. He provided background information on the figures provided in the distributed materials.

(11:30:50) Michael Spears, a resident of Carson City, advised that he and his family have worked extensively in the historic district "remodeling many homes." He expressed support for approving the

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redevelopment incentive funding application, and commended the project as “a very worthy investment on the part of the City to grant these funds for the exterior restoration and improvements to a very visible, historic downtown building.” He further commended Ms. Casey and Ms. Neilon as “conscientious and respectable businesswomen,” and applauded them for considering “this large project with their own sizable investment.” He advised of having worked in several of the homes in close proximity to the subject property, and expressed appreciation that the building is proposed to be transformed “from a run down, slum lord owned property full of drugs and prostitution for the last 25 years to a well-maintained asset to Carson City’s historic downtown.” He expressed the understanding “that this is exactly what redevelopment funds should be used for.” If not the subject project, he inquired as to the purpose for the redevelopment funds.

(11:32:30) Stan Jones disclosed that he is a member of the RACC and a life-long friend of Ms. Casey and her family. He advised of a RACC meeting held prior to the February 19th Redevelopment Authority meeting at which redevelopment incentive program policies and procedures were discussed, and at which Mr. McCarthy advised the RACC that he was in receipt of Ms. Casey’s application. Mr. Jones advised of having served as a RACC member for the last five years, during which time incentive program projects have been approved “that didn’t have half the information or half the justification that ... this one does.” He expressed the opinion that the necessary documentation has been provided, and described the project as worthwhile. He requested the Redevelopment Authority to “function as a board and act like board ...”

(11:33:59) Nicola Neilon expressed personal pride in being a partner of Darsi Casey. She commended Ms. Casey’s integrity, and described the subject project as “model.” She reiterated that the subject property is located along the historic district’s blue line, and advised that the project will bring jobs into the community. She clarified that she is not a millionaire, but a single mother of two who works very hard alongside Ms. Casey. She advised of having invested emotionally, financially, and of her time into the community. She discussed her and Ms. Casey’s involvement in civic organizations and citizens committees. She expressed the hope that the Redevelopment Authority would invest in the subject project.

(11:35:15) Dave Morgan commended the project as an asset to the downtown redevelopment district. He expressed concern over the issues of trust, faith and confidence in the elected officials “to enforce the spirit and the letter of the law.” He discussed the operation of limited liability companies, and expressed opposition to “just give them the money.” He expressed the opinion consideration should be given to “really strong expertise” in reviewing “these kinds of projects.” He expressed the further opinion that the necessary due diligence on the financial information had not been conducted, and that “serious errors” had been made in the past in the method by which funding had been allocated. He expressed support for offering DSE #4, LLC a loan rather than a grant. He discussed the importance of “credibility and transparency.” Mr. Werner advised that the Redevelopment Authority is prohibited from loaning money. He pointed out that Mr. Morgan had never taken the time to meet with Mr. McCarthy or himself to review the details of the redevelopment incentive program, and discussion followed.

(11:47:08) Matrix Leadership Owner JoJo Meyers discussed “the absolute honor” of working with Ms. Casey and Ms. Neilon. She advised that both women have “invested in themselves” as well as “their entire company.” She noted the rarity “that a company will invest and require leadership from every one of their employees.” She expressed wholehearted support for both Ms. Neilon and Ms. Casey and their proposed project, and requested the Redevelopment Authority to support the project.

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(11:48:01) Kathy MacIntosh, a new employee of Casey Neilon & Associates, discussed the applicants' investment in the community translating to an investment in their employees. "They want us to come to work in a safe environment." In reference to an earlier comment, she acknowledged that LLC partners receive distributions "when they make money but they also make ... considerable contributions." Business owners put heart, soul, and money into an area and "want to know that [they] get a return ..." Ms. MacIntosh advised that she frequents downtown Carson City restaurants, and expressed support for keeping "professional ... people in the downtown area ..." She expressed appreciation to Ms. Casey and Ms. Neilon for their investment in the community and in their employees.

(11:52:10) Hannah MacIntosh, a resident of Nevada Street and a Carson City business owner, advised that she did not personally know anyone involved in the subject project. She discussed the previous condition and recent improvements to the subject property. Based on her experience having remodeled her Nevada Street home, she expressed the opinion that \$53,520 is not a lot of money and that the applicants will obviously be investing a lot more of their own funds.

Chairperson Williamson closed public comment, and entertained additional Redevelopment Authority discussion. Member Aldean described the foregoing dialogue as "the ultimate in transparency," and expressed the opinion that "the bar" had been raised considerably "as a result of what has transpired in the past." She referred to the incentive program policies and procedures by which the Redevelopment Authority can now abide, and expressed the opinion that the process will be much improved "in the final analysis." She expressed regret that Ms. Casey and her associates "had to go through this," but reiterated the benefit of the exchange of ideas, concerns, and information. She advised of having spoken to Historic Resources Commission ("HRC") Chairman Michael Drews about the rehabilitation of the subject property and the HRC's review and approval of the project. She further advised of having been involved in rehabilitation projects, and confirmed "it's not inexpensive. It is a labor of love." She suggested the likelihood that demolishing the building and "building from scratch" would be less expensive. She referred to a photograph depicting the original lap-siding which is currently beneath the stucco, and commended the intent to return the building to an earlier period in the history of the structure. She noted the importance of historic context and rehabilitating the structure consistent with the neighborhood and the other buildings which have been carefully and lovingly restored. In reference to earlier comments, she further noted the importance of considering that the incremental tax revenues generated in the redevelopment district are required to be used within the redevelopment district. She expressed support for approving the project, and appreciation for the applicants' time, energy, and effort.

In reference to earlier comments, Member Walt noted that the project had been submitted to the RACC which unanimously recommended approval of the incentive program funding request. She further noted the composition of the RACC and their focus on downtown redevelopment. Member Livermore expressed support for the merits of the project and its benefits to North Nevada Street. He reiterated concern over implementation of the process and ensuring fairness "to everyone along the line." He reviewed his research into the subject application, including meetings with Mr. Werner, Mr. McCarthy, and District Attorney's staff. He expressed the belief that until the rules and regulations are implemented, "we're still back down to the process of what we've been accustomed to." He advised of having watched the RACC meeting at which the subject application was reviewed, and that there was no financial information disclosed or presented. He reiterated concern over sufficient findings to approve the application.

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Member Crowell expressed the opinion that redevelopment issues “should be difficult” in consideration of allocating taxpayer dollars in the redevelopment district. He expressed the belief that the applicant made a compelling argument that financing would not otherwise be available, and understanding for Member Livermore’s points. He noted the Redevelopment Authority’s purview, and expressed the belief that, in consideration of the statute, both the letter and the spirit of the law authorize the Redevelopment Authority to use judgment as elected officials. He expressed the opinion that the subject project, on balance, meets the financial test and some of the tests that the District Attorney has conveyed as reasonable considerations in making a decision. He expressed the understanding that the project comports with the historic district guidelines. **Member Crowell moved to approve and recommend the Board of Supervisors consent to a \$53,520 incentive request by DSE #4, LLC to redevelop the property at 503 North Nevada Street with the redevelopment authority finding that this project meets the incentive program criteria and the necessary findings set forth in NRS 279.486; that the project benefits the current redevelopment plan area; that the project has no other reasonable means of financing available; that the incentive will be paid on a reimbursement basis for money expended by the applicant on the project; that other financing is available to pay for the remaining costs of the project; and that the incentive is subject to the applicant fulfilling Carson City’s requirements as adopted today. Member Aldean seconded the motion**, and noted the intent of the redevelopment incentive program to partner with the private sector “to make projects more viable.” She noted the delicate balance in ensuring fair allocation of incentive program funding and an applicant’s financial ability to complete a project. She further noted “it’s not going to get any easier as time goes by.” She described the subject project as pivotal in that, as a result of the dialogue, the bar has been raised in considering redevelopment incentive projects. Chairperson Williamson called for a vote on the pending motion; **motion carried 4-1.**

24(D) ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS APPROVAL OF THE EXPENDITURE OF \$10,750 FROM THE REVOLVING FUND FOR THE REDEVELOPMENT AGENCY TO SUPPORT THE WILD WEST TOUR, RENDEZVOUS, AND TASTE OF DOWNTOWN, AS AN EXPENSE INCIDENTAL TO CARRYING OUT THE REDEVELOPMENT PLAN ADOPTED BY THE CARSON CITY BOARD OF SUPERVISORS, AND BASED UPON FINDINGS THAT THERE IS A CAUSAL CONNECTION BETWEEN THIS REDEVELOPMENT EFFORT AND THE EXPENSES, WHICH ARE NECESSARY TO ENSURE THE SUCCESS OF THE REDEVELOPMENT PLAN, AND THAT THE AMOUNT OF THE EXPENSES ARE MINOR IN COMPARISON TO THE FUNDING REQUIRED FOR THE OVERALL REDEVELOPMENT PLAN (12:04:40) - Chairperson Williamson introduced this item, and Mr. McCarthy reviewed the agenda report.

In response to a question, (12:07:22) Advocates to End Domestic Violence Board Member Candace Duncan expressed the understanding that a decision was made to attempt to sell more Taste of Downtown tickets but not to increase the ticket price. Mr. McCarthy advised that if the event isn’t funded at a certain level, some of the activities will be scaled back. He clarified that the Taste of Downtown event can be done without Redevelopment Authority funding, but not to the same extent. Ms. Duncan noted that the Taste of Downtown event raises funds for a very worthwhile organization, and that the 35 participating restaurants are “paid \$0.50 per taste.” She advised that some restaurants return the funding to Advocates to End Domestic Violence, but some do not. In addition, eight bands are scheduled to perform in the

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downtown area during the event. Member Aldean noted the indication in the application materials that the funding will be used to improve event entertainment. Chairperson Williamson commended the Taste of Downtown as a premium event. In response to a question, Ms. Duncan discussed changes proposed for this year's Wild West Tour.

In response to a question, Mr. McCarthy expressed the belief that there is sufficient funding to allocate toward the Rendezvous event. Member Livermore discussed the Taste of Downtown and the Rendezvous as signature events in Carson City. In response to a question, Mr. McCarthy discussed event sustainability and success in consideration of limited annual funding. He described the three subject events as "seeds for other projects that want to spin off of them ..." In consideration of weaning annual events "off of public money," he advised "some of them may not make it." Mr. Werner expressed the opinion that some of the annual events are likely appropriate for the City to always be involved with "because of the long-term impact." The Redevelopment Authority has the purview to determine which are and are not, and Mr. Werner suggested that the Redevelopment Authority should provide direction to staff accordingly. In consideration of the City's current economic situation, Mr. McCarthy noted the benefit of the subject special events in retaining business and possibly stimulating profit. Member Aldean discussed the need to quantify the benefits, noting that the Rendezvous has been an annual event subsidized by the Redevelopment Authority over the past 26 years. "At some point, are these events going to be self-sufficient and, if not, ... do we derive such benefit that we can justify continuing to subsidize them?"

Chairperson Williamson opened this item to public comment. (12:17:23) Bruce Kittess advised of having spent 20 years in the City of Pittsburgh "which was all redevelopment area." He requested the Redevelopment Authority to consider a moratorium on cash grants to individual owners. He referred to the Presbyterian Church rehabilitation project, and suggested concentrating on events and infrastructure. "When you get into trouble is when you start handing out money and the perception is, 'Gee, this is the old guard; this is the in group.'" As an alternative, he suggested "holding on to your cash for awhile and spend the money on the events." He advised he would not criticize the ice rink because "they gave it a try" and it was a great idea. In consideration of having adopted the new policies and procedures, he suggested that the Redevelopment Authority hadn't yet considered "how you should spend the money for the next year." "Government is supposed to do what the people can't do," and he reiterated the request to consider "putting a hold on" the "grant idea." Mr. McCarthy agreed with giving consideration to sunseting the incentive program, and provided historic information with regard to the same.

(12:21:22) Maxine Nietz, of the Arlington Group, referred to a recent newspaper article describing the current struggle in "the events community." She advised of having sent out sponsorship requests over the past six months, responses to which have been "way, way off from last year." She advised of having managed the Rendezvous event over the past ten years, and of the anticipation that previously allocated grant funding will not be at the same levels this year. She further advised that grants, over the last ten years, have been increased by 800 percent. Income has increased over 50 percent, as well as expenses. In consideration of the benefits of events to Carson City, she reviewed the results of a statistical analysis conducted in 2008. (12:25:09) Fred Nietz discussed reciprocal benefits between the Carson City Rendezvous event and similar events in Dorsett, England and in the State of California. In response to a question, Ms. Nietz advised that the Convention and Visitors Bureau underwrites all of the Carson City Rendezvous print and radio advertising. Ms. Duncan advised that the Convention and Visitors Bureau had budgeted \$5,000 for Carson City Rendezvous marketing.

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DRAFT

Chairperson Williamson entertained a motion. **Member Aldean moved to recommend to the Board of Supervisors approval of the expenditure of \$14,000 from the revolving fund, or other funds as needed, for the Redevelopment Agency to support the Wild West Tour, Rendezvous, and Taste of Downtown as an expense necessary or incidental to carrying out the redevelopment plan, adopted by the Carson City Board of Supervisors, and based upon the findings that there is a causal connection between this redevelopment effort and the need for the expenses to ensure the success of the redevelopment plan and that the amount of the expenses to be given is minor in comparison to the money required for the overall redevelopment plan; fiscal impact \$14,000, some of which has been budgeted for this year; the balance of the money required to support these activities will come from another account. Member Livermore seconded the motion. Motion carried 5-0.**

25. ACTION TO ADJOURN (12:29:19) - Chairperson Williamson adjourned the meeting at 12:29 p.m.

The Minutes of the May 7, 2009 Carson City Redevelopment Authority meeting are so approved this _____ day of June, 2009.

ROBIN L. WILLIAMSON, Chair

ATTEST:

ALAN GLOVER, Clerk - Recorder