## City of Carson City Agenda Report

Hem#14

Date Submitted: October 6, 2009 Agenda Date Requested: October 15, 2009

To: Redevelopment Authority Time Requested: 10 minutes

From: Joe McCarthy, Office of Business Development

**Subject Title:** Action to approve and recommend to the Board of Supervisors their consent to a \$438,589.00 incentive request to the payment to Carson City and the Carson Nugget of a redevelopment incentive for the costs of the Nugget Development Project as set forth in the Second Amendment to the Settlement Agreement between Carson City Nugget, Inc., Carson Nugget, Inc. and Carson City and authorizing the expenditure of money from the Revolving Fund for the Redevelopment Agency for the payment of the incentive.

**Staff Summary:** On October 5, 2009, the Redevelopment Authority Citizens Committee (RACC) recommended approval of incentive funding for the payment to the Carson City and the Carson Nugget. This action would approve the incentive request and recommend authorization of expenditure of \$438,589.00 requested from Revolving Fund.

Does This Action Require A Business I	Impact Statement:	() Yes ( <u>X</u> _) No
() Resolution (_X_) Formal Action/Motion	() Ordinance () Other (Speci	ify) - None
Type of Action Requested:	(check one)	

Recommended Board Action: I move to approve and recommend to the Board of Supervisors their consent to a \$438,589.00 incentive request to the payment to Carson City and the Carson Nugget of a redevelopment incentive for the costs of the Nugget Development Project as set forth in the Second Amendment to the Settlement Agreement between Carson City Nugget, Inc., Carson Nugget, Inc. and Carson City and authorizing the expenditure of money from the Revolving Fund for the Redevelopment Agency for the payment of the incentive.

Explanation for Recommended Board Action: See staff summary

Applicable Statue, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: The fiscal impact is \$438,589.00

Explanation of Impact: The fiscal impact will not change.

**Funding Source:** This incentive comes from the remaining unspent bond proceeds, but the needed amount dedicated to satisfying the provision of the street abandonment settlement with the Carson Nugget has been preserved.

Alternatives: Not approve the Agreement, modify the agreement.

**Supporting Material:** Amendment Two to the Settlement Agreement between Carson City Nugget, Inc., and Carson City regarding abandonment of Streets and Incentive Program Application.

Prepared By: Eva Chwalisz, Management Assist	istant	
Reviewed By:  (Department flead)  (City Manager)  (District Attorney)  (Finance Director)	Date: 10-6-09  Date: 10-6-09  Date: 10-6-09  Date: 10-6-09	
Board Action Taken:		
Motion:	1) Aye/Nay 2)	<i>y</i>
(Vote Recorded By)		_



## MEMORANDUM

To:

Redevelopment Authority/Board of Supervisors

From:

Carson City Office of Business Development

Date:

October 6, 2009

Re:

Carson Nugget Law Suit Settlement

Please find the attached application and proposed Amendment Two to the Settlement Agreement. The intent is to allow the City to make available to the Nugget settlement funds of \$438,589.00 to explore a master development on and about the Nugget's downtown Carson City properties.

As part of this proposed master development, the Nugget intends to accommodate a project that provides public benefit, and supports business development, incubation space and opportunities for private investment combined with a civic anchor institution.

The details of the Nugget Development Project are yet to be determined and in order to fully explore the possibilities of such a development, pre-development work must be completed.

The Nugget will not comingle those funds with other Nugget funds, but set up the "Nugget Development Project" account which will be used solely to pay Nugget Development Project costs. The Nugget commits and warrants that it will spend the settlement funds solely on the Nugget Development Project. The Nugget agrees that the City may request that Nugget provide satisfactory proof that the settlement funds are being expended in a manner in compliance with this Agreement.

The City agrees that, if any portion of this money will come from funds controlled by the Carson City Redevelopment Authority, the City will take any and all actions necessary to ensure that the reimbursement is made in accordance with the requirements of chapter 279 of the Nevada Revised Statutes and the policies and procedures of the Carson City Redevelopment Authority and with the proper approval of the Carson City Redevelopment Authority.

Any deliverables produced as a result of the pre-development work shall be made available to the City. The City Manager or his designee will review pre-development progress and due diligence and quarterly reports will be made to the Board of Supervisors.

## Consolidated Municipality of Carson City Office of Business Development



## **Incentive Program Application**

Name of Business:		Date: September 24, 2009	
Carson City, a Consolidated Municipality	City-		
County			
		TTT DOMOS	
Business Address: 201 N. Carson Street, C	arson City, N	IV 89701	
·			
Name of Tenant: n/a		Phone Number n/a	
Address of Tenant: n/a		Fax: n/a	
		E-mail: n/a	
Name of Property Owner: Carson City Nug	get Inc	Phone Number: 775-882-1626	
Hame of Hoperty Owner. Carson City Ivag	get, me.	1 hono (valido). 775-002-1020	
Address of Property Owner: 507 N. Carson	Street,	Fax: 775-883-1106	
Carson City, NV 89701	-		
		E-mail:	
		sneighbors@strategicsos.com	
History of Development Entity: see attached		How Development vision	
		complies with objectives of	
		redevelopment agency plan: See attached	
		See attached	
		•	
Project Name: Nugget Development Pro	ject	Project Area: (check one)	
		• Area #1X • Area #2	
		- Alca #2	
Project Address / Location 507 N. Carson   Assessors P		arcel Number: see attached	
Street, Carson City, NV 89701			
Bldg Size: n/a	Land Area: see attached map		
		<u>*</u>	

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As part of their master development, the Nugget intends to accommodate a project that provides public benefit, and supports business development, incubation space and opportunities for private investment combined with a civic anchor institution. The City is obligated to fund certain activities related to the Nugget as a results of a Settlement Agreement for a lawsuit involving previous abandonment of streets.

		T-2 ·	
Total Tenant /	Land Acquisition:	\$ n/a	
Property Owner	Site Development Costs:	\$ n/a	
Investments	Public Improvements:	\$ n/a	
	Building Costs (Hard):	\$ n/a	
n/a	Soft Costs (Professional / legal, etc.)	\$ n/a	
	Other:	\$ n/a	
	Other:		
	Total	\$	
Total Tenant	Site Development Costs:	\$ n/a	%
Investment	Public Improvements:	\$ n/a	%
	Building Costs (Hard):	\$ n/a	%
n/a	Soft Costs (Professional / legal, etc.)	\$ n/a	%
	Other:	\$ n/a	%
	Other:	\$ n/a	%
	Total	\$	%
Total Property Owner	Land Acquisition:	\$ n/a	%
Investment	Site Development Costs:	\$ n/a	%
	Public Improvements:	\$ n/a	%
n/a	Building Costs (Hard):	\$ n/a	%
	Soft Costs (Professional / legal, etc.)	\$ n/a	%
	Other:	\$	%
	Other:	\$	%
	Total	\$	%
Total Estimated Project	Cost	\$ n/a	
Total Incentive Funds R	Requested	\$ 438,	589.00
Incentive as a % of tota	project	% 100	
	levelopment Agency funds are required	<u> </u>	
	no other reasonable means of financing		
Estimated Project Start			er 1, 2009
Estimated Project Comp	oletion Date		nber 31, 2011
<u></u>			· · · · · · · · · · · · · · · · · · ·
Do you have a Business	Plan? n/a		□ No
	ss has existed under current organization	n:	n/a
Jours custille	22 1111 AIII. A MITTAL AMILAIT A PMINETIO		

Does the applicant	Yes		□ No		
own an existing	100				
business? n/a					
	f yes, what is the name of the business?				
Number of years busine					
Number of year's busin			e ownership of		
applicant?			<b>.</b>		
Please attach the most	recent f	inancial reports fo	or this business along	Schematic drawings	
with a credit report.		-		of conceptual site plan.	
Organizational	•	Proof of	Breakdown of	the sources and use of	
structure of		development	funds for the c	s for the construction of the	
development		entity	project.		
entity,		ownership			
including	Ì	control, or a	Pro-forma prof	fit and loss statement	
delineation of	i	description of	for the project	covering at least 5	
lines of		how entity	years.		
responsibility.	ļ	intends to gain			
		ownership			
		control.			
Project Team:	1	nitect /	n/a		
*Attach resumes for	*Desi	gner			
all	+0				
	*Con	tractor	n/a		
	*Atto	rney	n/a		
	*Acc	ountant	n/a		
	*Proj	ect Manager	n/a		
	*Con:	struction	n/a	, , , , , , , , , , , , , , , , , , , ,	
	Mana	ger			
	*Dev	elopment	n/a		
	Cons	sultant			
Economic Impact Information		Anticipated Ann	ual Payroll	\$ n/a	
		Description of he	ow applicant will	n/a	
		adhere to employment plan, if applicable.			
		Anticipated Annual Sales Tax		\$ n/a	
	Collections				
		<u> </u>			
				\$ n/a	
		Value			

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Total Tenant Investment	Site Development Costs:	\$ n/a		
	Public Improvements:	\$ n/a	%	
	Building Costs (Hard):	\$ n/a	%	
	Soft Costs (Professional / legal, etc.)	\$ n/a	%	
	Other:	\$	%	
	Other:	\$	%	
	Total	\$	%	
Total Property Owner	Land Acquisition:	\$ n/a	%	
Investment	Site Development Costs:	\$ n/a	%	
	Public Improvements:	\$ n/a	%	
	Building Costs (Hard):	\$ n/a	%	
	Soft Costs (Professional / legal, etc.)	\$ n/a	%	
	Other:	\$	%	
	Other:	\$	%	
	Total	\$	%	
Submittals Checklist	Please submit where applicable:	<u> </u>	<u> </u>	
n/a	Architects / Designer Proposal		,	
	Architects / Designer Rendering	gs or Drav	vings	
	Project Budget Detail	<del>7.</del> .		
	Site Plan			
	Lease Agreement			
	Building / Project Elevations	Building / Project Elevations		
	Principals and Key Individuals Resumes (see above)			
	Current financial statements, in	cluding a	balance sheet	
	and profit and loss statement wi			
	regarding the valuation of asset	s and reco	gnition of the	
	revenue and expenses. Correspo	onding tax	returns	
	should also accompany the financial statements.			
	Identification of current banking relationships and major credit references.			
	<del>_</del>	Name, address and phone number of companies that		
	have issued performance bonds on previous			
	developments.			

- Your project must conform to all applicable codes, ordinances, and regulations as well as the common design principles established by Downtown Design Standards.
- Construction documents describing your complete project must be submitted to the
  appropriate departments and agencies of the City for review and permitting prior to
  beginning work. In some cases, an architect and/or engineer must prepare these
  documents. All applicable permits must be obtained and all accompanying
  inspections must be successfully completed.
- Shop drawings must also be submitted for review for all awnings, ornamental ironwork, and signs prior to beginning work.

Acknowledgement of Application Provisions:			
☐ I affirm that this project will not be initiated wi	thout written commitments and	l completed	
contract with the Consolidated Municipality of Ca	arson City.	_	
☐ I affirm that this project conforms to all applica	<u> </u>	lations, as	
well as the common design principles for Downto	_	itationo, ao	
	<del>-</del>	:	
☐ All applicable permits will be obtained for this		inspections	
will be successfully completed to receive reimbur	sement.		
☐ I affirm that I am in good standing with the Co	nsolidated Municipality of Car	son City with	
respect to taxes, fees, loans or other financial obli	gations to the City.	•	
☐ If this project is selected for an incentive from	_	of Carson	
* •			
City, I acknowledge that photographs of my propo	erty may be used in promotional	n materials	
for Downtown Carson City.		· · · · · · · · · · · · · · · · · · ·	
		Date	
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 at	ny unqualified statements that I		
know not to be true			
C' Manual I Was DE DIC			
City Manager, Lawrence A. Werner, P.E./P.L.S.		September	
,		24, 2009	
		24, 2007	
		Ъ	
Applicants Signature		Day	
Applicants Signature		Month	
		Year	
		Dov	
Applicants Signature		Day	
		Month	
		Year	
43.7			
*Note: ALL project related invoices must be sub			
project prior to reimbursement. In addition, appro	oved copies of required City but	ilding, sign	
and other permits must be submitted as a condition	n of reimbursement and in orde	r for any and	
all liens to be released.		- 101 <b>m</b> ily <b>m</b> il	
an heiß to be recased.			
7D Y			
(For Internal Use Only)			
	Date		
Application Approved:			
TI.			
Project Commenced:			
1 Toject Commenced.			
Project Completed:			
Reimbursement Request submitted to Finance			
Department			
Reimbursement remitted to Applicant			