

CARSON CITY REDEVELOPMENT AUTHORITY

Minutes of the June 6, 2002, 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 6, 2002, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, which began at 8:30 a.m.

PRESENT: Chairperson Robin Williamson and Members Ray Masayko, Jon Plank, Pete Livermore, and Richard S. Staub

STAFF PRESENT: City Manager John Berkich, Clerk-Recorder Alan Glover, Redevelopment Manager Rob Joiner, Chief Deputy District Attorney Mark Forsberg, and Recording Secretary Katherine McLaughlin (B.O.S. 6/6/2 Tape 1-1111)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members making the introduction are listed immediately following the item heading. 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 passed the gavel to Redevelopment Authority Chairperson Williamson. Chairperson Williamson convened the meeting by indicating for the record that the entire Authority was present, constituting a quorum. (See Board of Supervisors Minutes for this date for discussion/action on the other Agenda items.)

A. ACTION TO APPROVE A REQUEST FROM MADALENA FARROW (PROPERTY OWNER: BOAC, LTD. [FORMERLY BANK BUILDING INC.]), FOR REDEVELOPMENT INCENTIVE PROGRAM FUNDING IN AN AMOUNT NOT TO EXCEED \$100,000 AND NOT TO EXCEED 20 PERCENT OF THE PROJECT COSTS FOR HEATING, VENTILATION, AND AIR CONDITIONING IMPROVEMENTS, EXTERIOR SHADE STRUCTURES, CONCRETE AND STUCCO ARCHES, LIGHTING AND LANDSCAPING ON PROPERTY LOCATED AT 600 EAST WILLIAM STREET, APN 2-145-01; FURTHER THE REDEVELOPMENT AUTHORITY/BOARD HEREBY FINDS THIS PROJECT MEETS THE REQUIREMENTS OF NRS 279.486 AND FINDS THE PROJECT IS OF A BENEFIT TO THE REDEVELOPMENT PLAN AREA AND THE IMMEDIATE NEIGHBORHOOD AND THAT NO OTHER REASONABLE MEANS OF FINANCING THIS PROJECT IS AVAILABLE; AND DETERMINES THE INCENTIVE AMOUNT PAID BY THE REDEVELOPMENT AUTHORITY SHALL BE ON A REIMBURSEMENT BASIS ONLY AFTER THE WORK HAS BEEN COMPLETED AND AS TAX DOLLARS OR OTHER FINANCING IS AVAILABLE TO THE REDEVELOPMENT AUTHORITY; FURTHER THIS APPLICATION IS APPROVED SUBJECT TO THE APPLICANT FULFILLING ANY OTHER CITY REQUIRE-

MENTS (1-1115) - Redevelopment Manager Rob Joiner - A report indicating the type of projects which had been funded by Redevelopment in the past was distributed. (A copy is in the file.) The project's description was more detailed than the last time the Authority discussed it. The incentive program has funding for the project. Authority comments thanked the applicant for bringing back a more detailed project. The original concerns related to the HVAC and electrical maintenance items were noted. Member Masayko indicated that he would not support inclusion of these items regardless of the Authority's previous policy. Justification for excluding them was based on

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their being maintenance items and the owner's ability to obtain payback from the tenants for them. He also felt that refurbishing the lobby should not be included. The Authority does not have unlimited funding. The funds should be used for refurbishing and maintaining historical buildings and not maintenance items. The remaining items provide an incentive of \$83,000 based on costs of \$414,000.

Applicant's representative Tom Metcalf explained that the budget is in a schematic stage. Additional details still need to be finalized. The original plan had not included a sidewalk along the street side of the building. The retaining wall is very restrictive but the sidewalk has been added. The interior lobby needs a better vestibule to accentuate the lobby on the east side. They transferred the funding for the lobby to the vestibule. The HVAC and electrical items had been included as funding had been provided for these items in the past. Member Masayko reiterated that these improvements are maintenance items and have a payback for the applicant. He could support the vestibule improvements. He acknowledged that this is a change in policy from what had been allowed in the past. Mr. Joiner asked that the policy allow historical buildings which need their HVAC units replaced.

Member Staub supported Member Masayko's position. The Authority must look at the projects. Redevelopment is different from repair. The incentive funds are to be used for blighted, dilapidated properties to provide economic assistance for a project. He did not feel that this is happening with this building. There will be some exterior work. He was certain that a discount in the price of the building had been provided when it was purchased based upon an engineer's report on the building. The owner should not obtain an economic gain for that purpose. He could support the exterior improvements. Repair work is not redevelopment. Mr. Joiner indicated that the applicant knew that the work had to be done before reimbursement is made. A "CofO" must be provided. Reimbursement is based upon the receipts indicating the type of work accomplished. The project includes future items which may be done. Member Staub pointed out the need for it to be clear that these items are not included in this project.

Member Livermore pointed out that the repair/maintenance items had been allowed in the past as indicated by the improvements made to the former Golden Spike. Mr. Joiner explained that the projects are considered on a case-by-case basis and had considered only the core downtown area. It could be expanded from that area and the criteria for incentives revised. Clarification indicated that the downtown area had a better drawing potential for tourist than the project area. Other criteria used to justify the funding has included whether the building is closed and if it will provide retail space. The Golden Spike had received only \$100,000 on a project that was more than \$1 million. The incentive funding ceiling limits the funds to \$100,000. The ceiling was established due to the finite amount of funding that is available. Otherwise, the funds would be gone and not available for any project, even historical buildings. Chairperson Williamson explained that there had been rumors indicating that other projects will be submitted but to date this is the only application that has come forward. The owners had come forward in good faith and had met the requirements. She had concerns but, as the Redevelopment Authority Citizens Committee had supported it, she would too. Member Plank pointed out that the building is not blighted although it could become so. The property across the street to the east would benefit from the project and will need help in the future. Mills Park is also considered part of the district. The area is the eastern gateway to the community. Member Livermore pointed out that the Golden Spike had been a closed building that was a blighted eyesore. He did not wish to see the same thing happen to this building. The bank building has some tenants occupying it. Redevelopment criteria should include helping before blight occurs. Member Staub explained his personal use of Redevelopment funding for his Tenth Street project. He had not felt that he should request funding to repair the lights or fix a toilet.

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Redevelopment funds are not for common repair and maintenance. This is not a blighted or dilapidated building. He could not support repair and maintenance, which a property owner should do. The buyers had made a decision when they had acquired the building. Funding should not be spent just because it is available. There are other projects which will need these funds.

Mr. Metcalf reiterated that the budget is schematic and that budgets never go down during a project. Final plans will be submitted to City staff when developed. Meetings are being held to determine what Code requirements the City staff will want such as upgrading and replacing the curb, gutter and sidewalk. These requirements will change the plans and budget. He recommended that this process become a standard rather than waiting until after construction starts to advise the contractor of the Code.

Member Masayko explained his support for the exterior building improvements. He also reiterated his intent to support \$400,000 of the exterior project improvements. This will provide \$80,000 in Redevelopment Incentive funding. Other items will be considered in the future. Member Masayko then moved that the Redevelopment Authority take action to identify \$400,000 worth of the improvements for the project that are eligible for the 20 percent incentive funding. Member Plank indicated a willingness to second the motion if a revision is made. Member Masayko amended his motion to include for exterior landscaping and vestibule type of improvements. Member Plank seconded the motion. Following a request for another amendment, Member Masayko withdrew his motion and moved to modify the request from Madalena Farrow, property owner BOAC, Limited, formerly Bank Building Inc., for Redevelopment Incentive Program Funding in an amount of \$80,000 and not to exceed 20 percent of the identified \$400,000 in project costs for exterior modifications, landscaping, pedestrian access, and vestibule and specifically find that the HVAC controls, the electrical and lighting systems will be excluded from the incentive on property located at 600 East William Street, APN 2-145-01; further the Redevelopment Authority finds that this project meets the requirements of NRS 279.486 and finds the project is of benefit to the Redevelopment plan area and the immediate neighborhood and that no other reasonable means of financing this project is available; and determines the incentive of \$80,000 that is to be paid by the Redevelopment Authority shall be on a reimbursement basis only after the work has been completed and as tax dollars or other financing is available to the Redevelopment Authority; further this application is approved subject to the applicant fulfilling any other city requirements. Member Plank seconded the motion. Following a request for another amendment, Member Masayko amended the motion to state that the exclusions include the future building plans. Member Plank concurred. The motion was voted and carried 5-0.

B. FINANCE DIRECTOR - David Heath - ACTION TO APPROVE A RESOLUTION TO AUGMENT AND AMEND THE CARSON CITY REDEVELOPMENT AUTHORITY FISCAL YEAR 2001-02 BUDGET (1-1735) - Discussion indicated the Mills Park project should be completed by Labor Day. Member Livermore moved to adopt Resolution No. 2002-RAR-3, A RESOLUTION TO AUGMENT AND AMEND THE CARSON CITY REDEVELOPMENT AUTHORITY FISCAL YEAR 2001-02 BUDGET in the amount of \$75,000. Member Plank seconded the motion. He also indicated that construction on the Mills Park parking improvements along William Street will begin after July 4th and should be completed by Labor Day. The motion to adopt Resolution No. 2002-RAR-3 was voted and carried 5-0.

There being no other matters for consideration as the Redevelopment Authority, Chairperson Williamson adjourned

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the Authority.

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ATTEST: ARE SO APPROVED ON _____, 2003.

Alan Glover, Clerk-Recorder

Robin Williamson, Chairperson