

CARSON CITY REDEVELOPMENT AUTHORITY
Minutes of the November 15, 2001, 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, November 15, 2001, 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 Linda Ritter, Clerk-Recorder Alan Glover, City Engineer Larry Werner, Deputy District Attorney Melanie Bruketta, and Recording Secretary Katherine McLaughlin (B.O.S. 11/15/01 Tape 1-1640)

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 and any other individuals who spoke 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.)

ACTION ON APPROVAL OF MINUTES - 8/2, 8/16, AND 9/6/01 (1-1650) - Member Plank explained his concern regarding the lack of identification of the referenced street involved in the September 6 Minutes on Page 1. The statements are verbatim. He wished to indicate that the referenced street is Seventh Street. Discussion indicated that the motion could amend the Minutes by placing Seventh Street in parentheses. Supervisor Plank moved to approve the Minutes of September 6, 2001, of the Carson City Redevelopment Authority with addition of the reference to Seventh Street on Page 1 in parens. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Plank indicated that he did not have a problem with the other Minutes and moved to approve the Carson City Redevelopment Authority Minutes of the two meetings, August 2, 2001, and August 16, 2001. Supervisor Livermore seconded the motion. Motion carried 5-0.

DEVELOPMENT SERVICES - City Engineer Larry Werner - ACTION ON APPROVAL OF MUTUAL SUPPLEMENTAL ESCROW INSTRUCTIONS TO RELEASE \$636,837 HELD IN A CURRENT ESCROW ACCOUNT TO COSTCO WHOLESALE PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND TO ISSUE PAYMENT OF \$173,805 TO COSTCO WHOLESALE PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT (1-1712) - City Manager John Berkich, Deni French - Chairperson Williamson noted that she has concerns and issues with the slope and landscaping. Mr. Werner indicated that the Planning Department is working with Costco on those issues. Once the requirements are fulfilled, Planning will release the security bond on the construction site. It is not part of the Development Agreement. Mr. Berkich explained that Costco's General Manager had signed a letter during the last two weeks indicating their commitment to cure all of the landscaping problems next spring. No discussion had occurred about an intent to continue to hold any funding until this is completed. Mr. Berkich indicated an intent to find out if this is agreeable. Member Plank indicated that

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he had the same concerns. He had not realized that there may be litigation issues related to this issue until he discussed it with Chief Deputy District Attorney Mark Forsberg. He also pointed out that there are erosion concerns as well as landscaping problems. Mr. Berkich acknowledged the erosion concerns. Mr. Werner explained that the problem is an ongoing battle among the subcontractor, the landscaper, and the contractor. Staff has attempted to mediate some of these problems, however, has not been successful. Costco has been directed to address the issues. The letter was a response to that direction. If the security bond does not cover these items, the funding for their corrections will not be released. Discussion indicated that the Disposition and Development Agreement (DDA) had excluded the funding for the Forest Service parcel due to the City's inability to deliver on the parcel at that time. The DDA requires the City to provide that parcel and that Costco agrees to purchase the parcel when the City provides it. The City will not hold reserves for it. Member Masayko explained his hope that this is the final funding requirement from the \$1.7 million held in reserves from the sale. He also wanted the Authority to have approval over any other funding commitments from the \$1.7 million. Mr. Berkich indicated that there are no other charges that he is aware of to made against the funds. Member Masayko indicated that these charges are to include anything within the vicinity including across the street or in the neighborhood. The funds are not to be used pay for any presale costs of any other parcels. The remaining balance is dedicated toward capital improvements on the remaining portion of Fuji Park. He intends to be a watch dog to ensure that the funds are left alone. For the record he indicated that these funds total \$1,771,495. Mr. Berkich agreed. Chairperson Williamson indicated that the Authority joins Member Masayko in watching over the funds. She directed Mr. Werner to check and see if there are other funds available for the landscaping. Public comments were then solicited.

Mr. Berkich explained for Mr. French that the DDA papers are on file with the District Attorney's office and are open to the public. Chairperson Williamson concurred. Additional public comments were solicited.

Discussion explained the funding and payments listed on the sheet "DDA - Construction Cost Distribution" 99-514 of May 3, 2000. (A copy is included in the file.) The City's cap on the grading costs was noted. Carson City's share, according to Mr. Berkich, was \$681,000. Extra ordinary offsite costs were \$637,000 with 60% being reimbursed to Costco which makes the City's share \$466,000. The change orders total \$359,000 of which Carson City is responsible for 60% for a total of \$681,000. Offsite costs for the Lepire improvements cost the City \$20,000. This totals \$1.3 million of which is \$810,000 is the City's share. The onsite and offsite improvements have been added together to make the \$810,000 as shown on the reconciliation. The project had incurred change orders and cost more than had been anticipated due to extenuating circumstances that were unknown when the agreement was drafted. Member Staub explained his concern about adding offsite improvements to the onsite improvements when they have different funding accounts. Chairperson Williamson also questioned whether there are duplicated charges included in the billing. Member Staub felt that the duplicate charges were for offsite costs as indicated on the attachment 4.11 and the cap of \$700,000. Mr. Berkich indicated that this relates to grading and retaining walls. Clarification then indicated that this item is below the \$700,000 limit.

Mr. Werner then explained that the landscaping had been approved as it was planted and as it was required. The landscaping, however, was allowed to die which created a problem with erosion control. This occurred during the warranty period. Costco was required to "fix it". Security for the landscaping is not on file any where with the City. Member Plank suggested that the matter be tabled until this issue is resolved. Mr. Werner asked for direction concerning the amount of funds which should be withheld. Member Masayko suggested \$180,000 be withheld as leverage. Discussion explained the valve problem which had caused the

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landscaping to die. Mr. Werner also explained that Costco is responsible for the landscaping and that the City's leverage should be placed against it rather than the landscaper. The landscaper is responsible to Costco. It is not the City utility's fault. Mr. Werner explained that Principal Planner Skip Canfield has been working with Costco on the landscaping. He was uncertain of the value that should be placed on the landscaping. A value can be determined. He did not feel that it would be in excess of \$173,000. He suggested that it may be in the \$10,000 to \$20,000 range. Public comments were solicited but none were given.

Member Masayko moved that the Redevelopment Authority release the amount in escrow of \$636,837 and withhold the direct payment of \$173,805 pending further information on the landscaping security. Member Plank seconded the motion. Clarification indicated the withheld amount as being \$173,805. The motion was voted and carried 5-0.

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

The Minutes of the November 15, 2005, Carson City Redevelopment Authority meeting

ARE SO APPROVED ON June 16, 2005.

/s/

Robin Williamson, Chairperson

ATTEST:

/s/

Alan Glover, Clerk-Recorder