



Office of Business Development

108 East Proctor Street
Carson City, Nevada 89701

Date: June 19, 2012 **LATE MATERIAL – ITEMS 15(B) & 19(B)**

To: Redevelopment Authority and Board of Supervisors
Meeting of June 21, 2012

From: Lee Plemel, Planning Director

Subject: Carrington Company (Carson Mall) Sales Tax Reimbursement Agreement
Time Extension from July 1, 2012, to December 31, 2012

Attached is a revised Amendment to the Operating Covenant and Agreement with the Carrington Company for your consideration at the meeting of June 21, 2012. The additions to the Amendment document are recommended by staff and shown in Track Changes format, with additional text underlined.

In summary, the revision is intended to formally acknowledge that the sales tax reimbursement incentive only applies to the large tenant space formerly occupied by Gottschalk's and not other smaller tenant spaces within the mall. The Carrington Company representative stated at the meeting at which the agreement was approved that the agreement would only apply to the larger space, but the appropriate verbiage and exhibits to clarify this were not included in the original agreement that was recorded.

If you have any questions regarding the agreement, please contact Lee Plemel at 283-7075 or lplemel@carson.org.

Attachments:
Amended Agreement

LATE MATERIAL
MEETING DATE 6-21-12
ITEM # 15 B. AND 19 B.

**AMENDMENT #1 TO
THE OPERATING COVENANT AND AGREEMENT
by and between
Carson City Redevelopment Authority
and the City of Carson City
and The Carrington Company**

1. **AMENDMENTS.** All provisions of the original Operating Covenant and Agreement ("Agreement") dated May 19, 2011, attached hereto as Exhibit A, remain in full force and effect with the exception of the following amendments:

an An amendment to the first paragraph of Section 3 of the Agreement as follows:

3. **RDA REVENUE SHARING COVENANT.** *The Participant agrees to exercise its right to enter into lease of its retail space. The Participant agrees to make all necessary improvements to the Properties so that its Tenants can fully operate their businesses in the Property by no later than July 1, 2012 ~~December 31, 2012~~. If one or more of the Tenants on the participant property decline to exercise their lease options in the future, and no replacement Tenant occupies that portion of the Property, the RDA's participation payments to the Participant will automatically decrease on a pro-rata basis. The Participant shall execute and record this OCA for the benefit of the RDA and the City binding the Participant, its successors, heirs and assigns. In consideration of the Participant entering in this OCA, the RDA and the City agree to participate in a revenue sharing covenant with the Participant for up to fifteen (15) consecutive years, commencing one year (365 days) from the first monthly sales tax report from the Tenant. The consecutive years shall run without interruption or stay regardless of any vacancy on the Property.*

An amendment to Attachment A of the original Agreement, Description of the Property subject to the OCA, to exclude from the sales tax reimbursement incentive all tenant spaces within the Carson Mall except for the 72,570 square foot space identified on the Carson Mall Shopping Center map as 1443 S. Carson Street (the former Gottschalk's tenant space).

2. **INCORPORATED DOCUMENTS.** Exhibit A (original Agreement) is attached hereto, incorporated by reference herein and made a part of this amended Agreement.

/

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written and intend to be legally bound thereby.

CARSON CITY REDEVELOPMENT AUTHORITY

By:
Its: Chairman

CARSON CITY

By: Robert L. Crowell
Its: Mayor

THE CARRINGTON COMPANY

By: Francis Carrington
Its: President