



Community Development Department

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Staff Report To: Redevelopment Authority Citizens Committee

Meeting Date: May 6, 2019

Staff Contact: Lee Plemel, Director (lplemel@carson.org; 283-7075)

Agenda Title: For Possible Action: Discussion and possible action to provide direction to staff regarding the creation of an application for capital improvement and public infrastructure projects requested as part of the annual budget allocation process.

Staff Summary: The Redevelopment Authority Citizens Committee (RACC) annually makes recommendations to the Redevelopment Authority regarding the allocation of undesignated Redevelopment funds and certain discretionary program funds. Many of the funding requests are for public infrastructure projects that meet the goals of the Redevelopment Areas. The purpose of this item is to help create an application for such projects in order for the RACC and Redevelopment Authority to have consistent information regarding those projects to appropriately allocate funding.

Proposed Motion: I move to direct staff to prepare an application for capital improvements and public infrastructure requests based on the comments by RACC.

DISCUSSION:

From the 1990's through the 2000's, Redevelopment provided incentive funding to help with the construction or rehabilitation of existing buildings for private businesses. In 2010, the Redevelopment Authority suspended the Redevelopment Financial Incentives program for private property owners. Since then, the focus of Redevelopment expenditures has shifted from funding for individual, private projects towards projects and programs that have a broader general benefit to properties within the Redevelopment District and the public in general.

During budget planning for FY 2020, staff solicited funding requests from Public Works and Parks and Recreation for projects within the Redevelopment Areas that need additional funding to be completed and meet the goals of the applicable Redevelopment Area. Several projects were submitted by each department for consideration by RACC and the Redevelopment Authority for funding in FY 2020 or future years. In order to establish a consistent review process, staff will work with the RACC to create an application form that contains the information that the RACC and Redevelopment Authority would like to have to consider the merits of each project.

Section 3.1 of the adopted Redevelopment Authority Policies and Procedures (attached) contains criteria for review of applications for financial incentives. This section of the policies was originally written with incentives for private properties in mind, but the policies can be used as the basis for reviewing public infrastructure projects, as well. Refer to the attached Section 3.1 of the Policies for the complete policies regarding Redevelopment incentives.

Based on past questions and comments from RACC members during the review of public infrastructure funding requests earlier this year, and based on the applicable Redevelopment incentive application policies, staff recommends the following questions and information requirements for public infrastructure funding applications.

- Name of City department making the request
- Location of project
- Written description of project
- If funds are awarded, expected date of project completion
- Conceptual drawings and site plan, as applicable
- Total project cost
- A breakdown of the sources of funds available and proposed to be used for the project, by fiscal year
- An explanation why Redevelopment funds are needed to complete the project
- An explanation of how the project complies with and advances the objectives of the Redevelopment Plan for the Plan Area in which the project is located (see the list of objectives and activities for each applicable Redevelopment Area, attached).
- A description of how the project will advance at least one of the following factors:
 1. Encourages the creation of new business or other appropriate development;
 2. Creates jobs or other business opportunities for nearby residents;
 3. Increases local revenues from desirable sources;
 4. Increases levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located; or
 5. Possesses attributes that are unique, either as to type of use or level of quality and design;

The RACC may review the Redevelopment Authority Policies and Procedures and recommend other information to be included in the proposed application to assist the RACC and Redevelopment Authority in the review of future requests for public infrastructure funding.

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

Attachments:

- 1) Section 3.1 of the adopted Redevelopment Authority Policies and Procedures
- 2) Redevelopment Area #1 Plan objectives and activities
- 2) Redevelopment Area #2 Plan objectives and activities

TITLE 3.0 FINANCIAL INCENTIVES

Section 3.1 Financial Incentives for Value of Land or Cost of Construction

[Note: The Carson City Incentives Program for small, private redevelopment projects was suspended indefinitely by Resolution 2010-RA-R-3 in July 2010 and reaffirmed by Resolutions 2011-RA-R-3 and 2011-R-41. The policies and procedures of Section 3.1 are only applicable as determined by the Redevelopment Authority and Board of Supervisors.]

3.11 Financial Incentives to Carry Out Plans

The Redevelopment Authority may, with the consent of the Board of Supervisors, pay all or part of the value of the land for the construction of any building, facility structure or other improvement which is publicly or privately owned and located within or without the redevelopment area.

The Redevelopment Authority may, with the consent of the Board of Supervisors, pay all or part of the cost of construction of any building, facility structure or other improvement which is publicly or privately owned and located within or without the redevelopment area.

The Redevelopment Authority may, with the consent of the Board of Supervisors, pay all or part of the cost of the installation of any improvement which is publicly or privately owned and located within or without the redevelopment area.

3.12 Incentive Application Process

The Redevelopment Authority considers incentive applications on a quarterly basis. The deadline for filing an incentive application is April 1st, July 1st, October 1st and December 1st. All applications for incentive payments must be complete and must be submitted to the Redevelopment Authority Director prior to the application deadline in order for it to be considered for payment within that quarter.

If the incentive request is for a redevelopment project in or near a particular redevelopment area, the Director must place it on the redevelopment agenda of the advisory committee for that particular area no later than 30 days after the application deadline.

The advisory committee must review the application and make a recommendation to the Redevelopment Authority as to whether the incentive should be given and the amount of the incentive. In order to recommend that an incentive be given, the advisory committee must determine that: (1) The buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood

in which the redevelopment area is located; and (2) No other reasonable means of financing those buildings, facilities, structures or other improvements are available.

If the advisory committee determines that an incentive should be given, it must make its recommendation to the Redevelopment Authority. If the advisory committee recommends that an incentive should not be given, the applicant has 10 days to file an appeal with the Redevelopment Authority.

The Redevelopment Authority must review any incentive recommendation as well as any appeal within 30 days after receipt from either the advisory committee or the applicant. In order to recommend that an incentive be given, the Redevelopment Authority must determine that: (1) The buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located; and (2) No other reasonable means of financing those buildings, facilities, structures or other improvements are available. If the Redevelopment Authority does not recommend the approval of the incentive application, the applicant cannot appeal the Redevelopment Authority's decision.

If, after determination by the Redevelopment Authority that an incentive should be given, it must submit the application request to the Board of Supervisors with its findings and the findings of the advisory committee, if any. The Board of Supervisors must consider the application within 30 days from receipt of the Redevelopment Authority. The Board of Supervisors may consent to the payment of the incentive if it determines that: (1) The buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located; and (2) No other reasonable means of financing those buildings, facilities, structures or other improvements are available. The consent of the Board of Supervisors must be made by a resolution of the Board of Supervisors consenting to the payment of incentive and authorizing the expenditure from the Revolving Fund for the Redevelopment Authority for the payment of the incentive. The resolution of the Board of Supervisors must be passed by the applicable number of votes required for an expenditure from the Revolving Fund as set forth in Section 6.4.

The determinations by the Redevelopment Authority and the Board of Supervisors are final and conclusive.

3.13 Materials to Be Submitted in Conjunction with Application for Financial Incentive

In order for the Redevelopment Authority to properly assess an application for a financial incentive and analyze conformance with the standards for granting a financial incentive, the applicant must submit to the Redevelopment Authority, at the time the application is submitted, the following materials:

- (a) A description of the proposed development.

- (b) A history of the development entity.
- (c) Resumes for all principals and key individuals in the development entity.
- (d) Organizational structure of the development entity including delineation of lines of responsibility.
- (e) Narrative description of the project.
- (f) Schematic drawings of a conceptual site plan.
- (g) Proof that the development entity controls the ownership of the property or a description of how the development entity intends to gain control of the ownership of the property.
- (h) A breakdown of the sources and use of funds for the construction of the project.
- (i) A pro-forma profit and loss statement for the project covering at least five (5) years.
- (j) Current financial statements including a balance sheet and profit and loss statement with explanations regarding the valuation of assets and recognition of revenues and expenses. Corresponding tax returns should also accompany the financial statements.
- (k) Identification of current banking relationships and major credit references.
- (l) Name, address and phone number of companies that have issued performance bonds on previous developments.
- (m) Demonstration of why Redevelopment Authority funds are required for the development. There must also be evidence provided that no other reasonable means of financing is available.
- (n) Explanation of how the project complies with the objectives of the Redevelopment Authority plan.
- (o) Description of how you intend to adhere to the employment plan if applicable.

3.14 Factors That Must Be Considered Prior to Awarding An Incentive

The advisory committee, the Redevelopment Authority and the Board of Supervisors must consider the following factors when determining whether or not an incentive application is of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located:

- (a) Whether the buildings, facilities, structures or other improvements are likely to:
 - (1) Encourage the creation of new business or other appropriate development;
 - (2) Create jobs or other business opportunities for nearby residents;
 - (3) Increase local revenues from desirable sources;
 - (4) Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located;
 - (5) Possess attributes that are unique, either as to type of use or level of quality and design;

(6) Require for their construction, installation or operation the use of qualified and trained labor; and

(7) Demonstrate greater social or financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the agency.

(b) The opinions of persons who reside in the redevelopment area or the immediate neighborhood in which the redevelopment area is located.

(c) Comparisons between the level of spending proposed by the agency and projections, made on a pro forma basis by the agency, of future revenues attributable to the buildings, facilities, structures or other improvements.

3.15 Prevailing Wage

If the Redevelopment Authority, with the consent of the Board of Supervisors, provides property for development at less than the fair market value of the property, or provides financial incentives to the developer with a value of more than \$100,000, the Redevelopment Authority must provide in the agreement with the developer that the development project is subject to the provisions of NRS 338.010 to 338.090, inclusive, to the same extent as if the Authority had awarded the contract for the project. This provision applies only to the project between the Redevelopment Authority and the Developer. It does not apply to future development of the property unless additional financial incentives with a value of more than \$100,000 are provided to the Developer.

3.16 Conditions on Lessees and Purchasers

When the Redevelopment Authority leases or sells property the following conditions may be placed on the property:

1. The lessee or purchaser must use the property for the purpose designated in the redevelopment plan.
2. The lessee or purchaser must begin redevelopment of the property within a period of time which the Redevelopment Authority believes is reasonable.
3. The lessee or purchaser must comply with any other condition the Redevelopment Authority deems necessary to carry out the purposes of NRS 279.382 to NRS 279.685, inclusive, including, without limitation, the provisions of an employment plan or a contract approved for a redevelopment project.

3.17 Employment Plan

As appropriate for a particular project, each proposal for a redevelopment project must include an employment plan. The employment plan must include:

1. A description of the existing opportunities for employment within the area;
2. A projection of the effect that the redevelopment project will have on opportunities for employment within the area; and
3. A description of the manner in which an employer relocating his business into the area plans to employ persons living within the area of operation who:
 - (a) Are economically disadvantaged;
 - (b) Have a physical disability;
 - (c) Are members of racial minorities;
 - (d) Are veterans; or
 - (e) Are women.

3.18 Deed of Trust or Lien to Secure Incentive Funding

If the Redevelopment Authority approves, with the consent of the Board of Supervisors, a financial incentive, the person to whom the financial incentive is paid shall agree to execute a Deed of Trust or other appropriate lien to secure the performance of the person to whom the financial incentive is paid. The Deed of Trust or other lien shall have the amount of the financial incentive as the principal amount secured by the Deed of Trust or other lien. The Deed of Trust or other lien shall provide that the principal amount secured will be reduced annually by equal amounts over a period of 7 years. Any financial incentive approved by the Redevelopment Authority, and consented to by the Board of Supervisors, shall not be paid until the appropriate Deed of Trust or other lien has been executed.

Section 3.2 Financial Assistance for Special Events

3.21 Financial Assistance for Special Events Application Process

The deadline for filing an application for financial assistance for a special event is April 15 each year. If excess funding is available after the initial application review process has been concluded, the Redevelopment Authority, at its sole discretion, may decide to entertain additional applications for financial assistance. All applications for financial assistance for a special event must be complete and must be submitted to the Redevelopment Authority Director prior to the application deadline. If an application is deemed to be incomplete it shall lose its eligibility for consideration.

REDEVELOPMENT PLAN
FOR THE
CARSON CITY REDEVELOPMENT PROJECT NO. 1

FEBRUARY 6, 1986

Prepared By
Carson City Redevelopment Authority
In Cooperation With
Carson City Planning Commission

Assisted By
Patterson, Stewart and Associates
and
Region West Research Consultants

SECTION 300 - REDEVELOPMENT OBJECTIVES

The principal objectives of the City and of this Plan is to improve the 488 acre Redevelopment Project Area economically, physically and aesthetically--making the Area more attractive for private sector development and redevelopment and to protect the substantial public investment in State and City facilities. Further objectives are to correct deficiencies in the Area's aging infrastructure, repair and modify the present street system, provide amenities for the use and enjoyment of the people of Carson City and the many visitors who travel to this capitol city annually for business and recreation reasons. The following more specifically describe the intent, purpose and objectives of this Redevelopment Plan:

301. Strengthen the local economy by attracting new and expanded private investments in the Area, create new employment opportunities, increase the City's tax base, and expand public revenue to be used to improve the quality of life for the people of Carson City;
302. Repair, construct, install, or replace new publicly owned utility systems such as water, storm drains and sanitary sewers where existing systems are nonexistent, inadequate, undersized or substandard.
303. Improve the street, highway, bicycle and pedestrian circulation system to assure safe, convenient and aesthetically pleasing access to and throughout the Area;
304. Develop a physical linkage and an appropriate transportation mode among the Virginia and Truckee (V & T) Roundhouse, the Downtown and the Railroad Museum;
305. Promote the restoration of the V & T Roundhouse;
306. Develop a common theme in the housing, business and government sectors of the Redevelopment Area, to unify the mixture of residential, office, retail, lodging, gaming and government facilities by understanding, respecting and utilizing the City's rich historic past and its roll as Capitol of the State of Nevada;
307. Establish a unifying tree planting program throughout the Redevelopment Area.
308. Develop appropriately designed street lighting, street signage and street furniture systems with a full understanding of the diversity and special character of the several functional and historic use areas within the Project Area;

309. Provide informational and directional kiosks in convenient pedestrian locations to allow visitors an opportunity to become familiar with the locations of the City's historic, business, cultural, gaming, recreational and other places of interest;
310. Develop additional, conveniently located parking facilities--including parking structures where appropriate--together with pleasant, auto-free, pedestrian ways linking business, government and places of historic interest;
311. Improve the appearance of commercial areas through street beautification programs, building rehabilitation and improved development requirements in the areas of sign controls and landscaping;
312. Encourage more intensive landscaping on Downtown properties and parking lots;
313. Encourage and assist in providing "people oriented areas" in the Downtown for daytime and evening special events and promotional activity;
314. Underground present overhead utility systems where feasible and encourage the serving utility companies to assist in the costs thereof;
315. Integrate and protect older existing structures having historic value, with new development;
316. Cooperate and support officially recognized Historic Preservation and Architectural Review groups in their undertaking of the design for the restoration and rehabilitation of historically designated structures and places;
317. Provide informational plaques for on-site display in conjunction with recognized historic structures and places;
318. Accommodate planned population growth in ways which will not damage the social, economic and environmental well being of Carson City;
319. Continue and enhance a land use pattern which creates vitality through diversity in activities and the age of improvements;
320. Establish the highest possible level of recreational opportunity for the residents and visitors of all age levels;

321. Promote greater cooperation between City and School District in the joint use of public land for school-park-recreation purposes;
322. Promote greater cooperation between City and State government in order to achieve harmony in public development;
323. Initiate programs with appropriate public and private groups to develop decent, safe and sanitary housing for persons and families in the Redevelopment Area who are living under substandard conditions; and
324. Where rehabilitation of property may be unfeasible and where clearance and redevelopment may be necessary to eliminate blighting influences, cause such property to be cleared and redeveloped and in the process, assist and encourage the owners of such property to participate in these activities.

SECTION 400 - REDEVELOPMENT ACTIVITIES AND PROCEDURES

401. General: The redevelopment of the Project Area will be undertaken pursuant to and in conformance with State Law. The Authority proposes to eliminate and prevent the spread of blight and deterioration in the Project Area by:

- A. Acquisition of certain real property where necessary;
- B. Demolition or removal of certain buildings and improvements;
- C. Providing for participation by owners and tenants presently located in the Project Area by extending options to remain or relocate within the redeveloped Project Area;
- D. Management of property under the ownership and control of the Authority;
- E. Relocation assistance to displaced residential and non-residential tenants;
- F. Installation, construction, or reconstruction of streets, utilities, and other public improvements;
- G. Disposition of property for uses in accordance with this Plan;
- H. Redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;
- I. Explore methods of assisting the City's Architectural Review Committee in conjunction with their undertaking the design of restoration and rehabilitation work for officially designated historic structures and places;
- J. Rehabilitation of structures and improvements by present owners, their successors and/or the Authority;
- K. The Redevelopment Authority may operate a rehousing bureau to assist site occupants in obtaining adequate temporary or permanent housing. Pursuant to NRS 279.476, the Authority may incur any necessary expenses for this purpose; and
- L. The Authority may loan money, obtained from whatever source, to businesses to assist and encourage them to locate in the Redevelopment Area.

2. DESCRIPTION AND MAP OF THE PROJECT AREA

The boundaries of Project Area No. 2 are shown on the map and the boundary description has been incorporated into the ordinance that adopts the Redevelopment Plan

3. PROPOSED REDEVELOPMENT ACTIONS

A. Specific Redevelopment Activities

The Redevelopment Authority plans to carry out the following strategies to achieve the goals of redevelopment in Project Area No. 2:

1. **Assistance with site acquisition:** The Redevelopment Authority, by assisting with site acquisition for auto dealers, has the ability to influence the economics related to the expansion or retention of auto sales on South Carson Street. The use of financing tools and public/private partnerships will allow the Redevelopment Authority to work with existing auto dealers to obtain commitments to remain doing business and to expand their operations on South Carson Street.
2. **Relocation assistance:** The Redevelopment Authority has the capability to assist auto dealers to relocate from other parts of the region to South Carson Street. For example, auto sales operations currently located on North Carson Street could benefit from clustering with the dealers on South Carson Street to produce the synergy of an auto row.
3. **Expansion in number of franchises:** For example, Carson City lacks the following franchises: Volkswagen, BMW, Mitsubishi, Acura, and Mercedes. The Redevelopment Authority could provide inducements for auto dealers to increase the number of franchises offered on South Carson Street.
4. **Armory Site:** Currently, the State of Nevada owns the site of the former Nevada National Guard. With the concurrence of the State, the Redevelopment Authority could work with the State of Nevada to maximize private development potential on this site through the means authorized by this Plan.
5. **Improvements in traffic circulation, landscaping and streetscape:** South Carson Street is currently a major state highway making access difficult. Also, it has limited landscaping and attractive visual amenities. The anticipated completion of the freeway from Fairview Drive to South Carson Street will significantly reduce traffic and leave South Carson Street in City control, with the need to transition the street back from a state highway to a local arterial street serving the properties along it. The Redevelopment Authority has the ability to invest in infrastructure, traffic improvements, landscaping, maintenance and other public enhancements to improve

traffic circulation and the appearance of South Carson Street. This strategy includes forming a business improvement district to address maintenance needs in the area.

6. **Marketing assistance:** A strong marketing program has the potential of contributing to the success of auto sales operations on South Carson Street. The Redevelopment Authority can assist auto dealers with marketing efforts to enhance Carson City as an auto purchase destination for the region. This assistance could include helping to establish a strong and active Dealer Group to conduct destination advertising and other marketing efforts such as special events. It could also include assistance with signs and other design features to create identity for South Carson Street as an auto purchase destination for the region.
7. **Re-use of existing sites if a regional auto mall proceeds:** If a regional auto mall is developed in Carson City, the Redevelopment Authority could assist dealers to obtain productive and financially viable re-use of their existing sites on South Carson Street.
8. **Re-use of vacant retail buildings:** Since the Plan was adopted in 2004, numerous businesses have been affected by the economy, resulting in a high commercial vacancy rate. Additionally, the vacant former K-Mart building on North Carson Street has been added to the plan to address the vacancies and deterioration of the property and other properties in the vicinity. The Redevelopment Authority could assist with various types of incentives, including economic studies, to encourage new, viable uses for these buildings.
9. **Utility Extensions:** While the Plan Project Area is largely served by existing public infrastructure, there are some properties to which utilities such as water and sewer lines do not currently reach. The Redevelopment Authority could assist in constructing necessary utility lines to serve new development on commercial properties within the Plan Project Area upon submittal of a plan for a project that would benefit the Redevelopment District.
10. **NDOT right-of-way:** The Nevada Department of Transportation owns significant right-of-way along Carson Street. In some cases, NDOT owns up to 70 feet of property behind existing street improvements. This significantly limits adjacent property owners' ability to use this property for economic development purposes. The Redevelopment Authority can assist property owners in working with NDOT to dispose of these excess rights-of-way or provide financial assistance to help to lease or purchase these rights-of-way from NDOT to the extent the law and NDOT may authorize.

In conducting the redevelopment activities as set forth above, the Redevelopment Authority shall be enabled by the authority and requirements set forth in Section 5 of the Plan.