

CARSON CITY REDEVELOPMENT AUTHORITY
Minutes of the August 16, 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, August 16, 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: John Berkich City Manager
Alan Glover Clerk-Recorder
Rob Joiner Redevelopment Director
Melanie Bruketta Deputy District Attorney
Katherine McLaughlin Recording Secretary
(B.O.S. 8/16/01 Tape 1-0632)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. This individual is listed following the heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape 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 of February 4, 1999, for discussion/action on the other Agenda items.)

A. ACTION TO RECONSIDER A REQUEST FROM THE BREWERY ARTS CENTER FOR REDEVELOPMENT FUNDING TO ASSIST IN THE PURCHASE OF THE ST. TERESA OF AVILA CHURCH, THE HENRY DAVID HOUSE, AND THE STEWART-NYE HOUSE, LOCATED AT 501 WEST KING ST., ST., 114 SOUTH DIVISION ST., AND 108 NORTH MINNESOTA ST., RESPECTIVELY, WITH THE REQUESTED TOTAL ASSISTANCE OF \$675,000 TOWARD PURCHASE OF THE SUBJECT PROPERTIES (1-0635) - Redevelopment Director Rob Joiner - Brewery Arts Executive Director Joe McCarthy distributed a schematic of the plan to the Board and Clerk. (A copy is in the file.) Member Staub complimented Mr. McCarthy on his vision. The facts were presented in February changed when the Legislature failed to fund the project. The Board and the public needed an update on the status and plans. Mr. McCarthy read his August 8th memo into the record. (A copy is in the file.) Discussion indicated that the \$750,000 loan had been removed from the original request. Mr. McCarthy had asked the Building Department and the Fire Marshall to inspect the buildings and had received a copy of the inspection reports. Once the property is acquired these improvements will be required as well as an analysis and improvements to the heating, air conditioning, mechanical, electrical, etc., equipment. The purchase agreement is to be based upon an updated MAI appraisal. He was certain it would be a fair agreement for both sides. He still intended to acquire the Henry David House and had obtained an option on it which will expire in nine months. Once these acquisitions are completed, the serious work of adapting and reusing the facilities will occur. He was unable to disclose the funding efforts which are underway at this time. Once the property is controlled, he was certain that the foundations he had been in contact with would began to respond favorably. Negotiations for the purchase are underway at this time.

Member Masayko disclosed for the record that his discussions with Mr. McCarthy and several of his board members indicated his support for the acquisition would be based upon the funding being leveraged and that Carson City would not be the owner of the properties. The funding from the Legislature would have increased the funding for the acquisitions to \$1.2 million and have completed the purchase. He then expressed his concern that the Brewery may not be able to provide the funding necessary for the acquisition and would lose the Church. He suggested that either Carson City or Carson City Redevelopment take a second deed of trust with notification in case the purchase falls through. This would allow Redevelopment to do whatever is necessary to complete the purchase and protect its \$675,000.

Mr. McCarthy expressed a desire to protect the City's funding. He indicated that he had discussed this issue with Chairperson Williamson. It is their intent to protect the City's money. The transaction is to be developed so that if the Brewery "disappears", the property will revert to the City. The market value will be the purchase price.

Member Masayko explained his concerns about the seller financed purchase obligation which must be completed before the property becomes the Brewery's. If this obligation is not finalized, the first mortgage holder will then foreclose and "wipe out all other loans and the down payment". He would like to be in second position with a document requiring notice if a default occurs. This would allow the City to step forward and protect its position if the purchase is not completed. Mr. McCarthy committed to following all legal steps possible to protect the transaction. Member Staub supported Member Masayko's suggestion.

Jenny Lopiccolo indicated she is the real estate broker representing the Church. She explained that the property is an income producer which will help the Brewery make the loan payment. The first mortgage is on a time line that the Brewery had been comfortable with. She did not have a problem with Member Masayko's suggestion and did not believe that the seller would have a problem with it. Member Masayko reiterated his reasons for making the suggestion and his intent to follow through with Redevelopment's funding as had been committed. Chairperson Williamson expressed her feeling that both Redevelopment and the Church want the transaction to be successful. She agreed to plan for the worse case scenario while working for a successful completion. Public comments were solicited.

Discussion between Chairperson Williamson and John Wagner clarified for him that the grant for the acquisition is for \$675,000. Mr. Wagner opposed Mr. McCarthy's outdoor theater concept. Chairperson Williamson explained that the funds were from a bond which will be repaid by Redevelopment from its property tax on the downtown Redevelopment District. There will not be a tax increase on those property owners. Property owners outside of the Redevelopment District will not participate in the funding. Mr. Wagner then wished the Brewery success in its acquisition of the Church and Home.

Maxine Nietz indicated that she and her husband own property within a block of the Church and Brewery. They wholeheartedly support the acquisition.

Assemblywoman Bonnie Parnell expressed an intent to submit a bill draft request to continue asking for funding for the Brewery and its acquisition program. These funds could be used to meet the balloon payment or other funding needs in the future. Her disappointment in Assembly Bill 20's failure and its support were described. The concept will preserve the building's history and provide for future cultural arts programs. Additional comments were solicited but none given.

Member Masayko expressed his intent to replace the March action with today's decision. Member Masayko then moved that the Redevelopment Authority grant the \$675,000 to the Brewery Arts Center toward the purchase of only the St. Teresa of Avila Church under the terms that the two parties negotiate and, additionally, because there will be a seller financed mortgage, that the Redevelopment Authority take the necessary steps to become a second mortgager on the property until the property is finally clearly deeded to the Brewery Arts Center. Member Staub seconded the motion. Motion carried 5-0.

B. ACTION TO APPROVE A REVISED REQUEST FROM THE BREWERY ARTS CENTER FOR REDEVELOPMENT FUNDING TO ASSIST IN THE PURCHASE OF THE ST. TERESA OF AVILA CHURCH LOCATED AT 501 WEST KING STREET WITH THE REQUESTED TOTAL ASSISTANCE OF \$675,000 TOWARD PURCHASE OF THE SUBJECT PROPERTY (1-1148) - Member Masayko explained his intent for his motion to address both Items A and B.

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

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2001.

ARE SO APPROVED ON _____November_15_____,

_____/s/_____

Robin Williamson, Chairperson

ATTEST:

_____/s/_____

Alan Glover, Clerk-Recorder