

City of Sparks
REDEVELOPMENT AGENCY WORKSHOP

Monday, July 17, 2006

2:00 p.m.

The Redevelopment Agency Workshop was called to order by Agency Chairman Pro tem Phillip Salerno at 2:00 p.m. in the City Hall Training Room, 431 Prater Way, Sparks, Nevada.

Agency Chairman Pro tem Phillip Salerno, Agency Secretary Debi Dolan, Agency Members John Mayer, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Agency Attorney David Creekman, PRESENT. Agency Chairman Mike Carrigan, Acting Chief Financial Officer Joyce Farley, Agency Attorney Chet Adams, ABSENT.

Staff Present: Tom Burrous, Pete Etchart, Armando Ornelas, JoAnn Meacham, Kelly McGlynn, Greg Salter, Stan Sherer and Lenda Ulrich.

1. Public Comment

None.

2. Discussion of Redevelopment Area 2 (Marina) - Issues and Opportunities

Redevelopment Manager Armando Ornelas asked Civil Engineer Kelly McGlynn to provide an update on the canal maintenance issues at the Marina. Mr. McGlynn said the Canal Maintenance Program is in full operation. The recirculation pump system was installed in mid-June and is now operational. The Consultant that Mr. Dahl has hired, Aquatic Environments, had their engineer examine the recirculation system and they will be adding some valves and flow meters to the pump system, which will allow the system to operate at 100%. They installed an air diffuser system to pump air into the water to promote the growth of bacteria in the bacteria treatments and to help aureate the water. He explained that as the algaecide kills the algae and as the algae dies, it reduces the oxygen in the canal. He said they switched algaecide last month and the new formula seems to be working much better.

Mr. McGlynn said this is the first year that we have had a plan of attack going into the season and we are still working with the consultant to see what works the best; but by the time fall arrives, we should have a real good idea of what works and what doesn't and the costs for the future.

Agency Member Mayer asked what could be done about the sludge deposits in the bottom of the canal. Mr. McGlynn said we are looking at different options for removing the sludge; one of which is using a trash pump which would suck the sediment off the bottom. He said another option would be to actually lower the level of the Marina during the winter, which would drain the canal and then use equipment to clean the bottom of the canal and actually remove some of the rocks, etc., to make it easier to clean in the future.

Mr. McGlynn said that Mr. Dahl is working on hiring an Assessment Engineer to determine the details of an assessment district to pay for the maintenance of the canal. Staff will be reviewing the costs in November and we will go forward with the district, hopefully, in December.

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Mr. Ornelas provided an update regarding the RED project, stating that staff is working with our financial advisor, Lehman Brothers, RED, and Key Bank on a more detailed financing plan. He noted that per our development agreement, RED would buy all of the bonds, initially, and we are looking into alternatives to that; where the bonds would be purchased by a third party instead of RED. Mayor Martini asked what the upside and downside for whoever purchases the bonds. Mr. Ornelas stated that, as with any security, there is the risk of default or non-payment. He said that the enabling legislation attempts to provide a no default provision, but there is a risk of non-payment of the bonds. He said that any party who buys the bonds is going to do their utmost to ensure that the revenues are going to be there to make payment on the bonds.

Agency Member Mayer asked if the bonds were open for the public to purchase. Mr. Ornelas stated that initially no, they would not be open to the public. He noted that these are strictly revenue bonds and are not backed by the full faith and credit of the City or any other revenue pledges on the part of the City and this is essentially a to be constructed project and to be generated revenues; so they are not the type of bonds that would be in the interest of the City to issue publicly, right off the bat.

There was a lengthy discussion regarding the proposed casino and how the roadway would connect to the casino site. Agency Member Mayer again expressed his doubts about the appropriateness of round-a-bouts in the proposed RED project.

Agency Member Moss asked Mr. Ornelas to explain how an assessment district for parking would work and who would participate in the district. Mr. Ornelas stated that one of the possibilities that arise with a hotel/casino component is that the project is of a higher density and in order to provide sufficient parking for the project as a whole, they are contemplating some structured parking versus strictly surface parking. That parking facility would be a shared parking facility and the uses that would share in the structure would be the baseball stadium, the hotel/casino and the RED retail uses. He said all the uses may or may not be part of a parking assessment district; it all depends on how the financing is put together for the parking facilities.

On the preponderance issues, Mr. Ornelas said staff is working with Bond Counsel to assemble the information and various documents that are required for the public hearing scheduled for the 24th.

Agency Member Mayer asked if RED has bought the existing service station and 24 Hour Fitness businesses. Mr. Ornelas stated that RED has been negotiating with those parties, but he did not know the status of those negotiations; however, it is their intent, if possible, to acquire those properties and incorporate them into the project.

Agency Member Mayer also asked if anyone from RED was working with NDOT on the plans for re-striping or looking at that interchange once this project gets going. Mr. Ornelas stated that the traffic studies that have been done in conjunction with the land use entitlements for the project have looked at that interchange and there are recommendations in the traffic study that were conditions to the entitlements that try to squeeze all the capacity they can out of the existing interchange, with perhaps some re-striping to add lane capacity, etc. City Engineer Pete Etchart

noted that on July 11th staff received the first traffic study for the RED development and he has only had time to scan the document. He said the study talks about the level of service now and how they are going to try to maintain that level with improvements on Sparks Boulevard and westbound I-80. He said all Agency Member Mayer's issues were addressed in the study, but staff has not had time to review the details yet.

Agency Member Mayer said he has been asked about Oddie Boulevard and whether or not the State was going to turn over the roadway to Sparks. Mr. Etchart said he knew that Oddie was on the list, but he did not know any specifics. He said Governor Guinn has made it clear that he is tasking NDOT to get rid of these roads and it is going to be tough on the rural counties because they are getting the roads and not the money to help maintain them in the long run. He said this will have a major impact on our revenues and our projections for roadway maintenance in the future.

3. Discussion of Redevelopment Area 1 (Victorian Square) - Issues and Opportunities

Mr. Ornelas noted that there was an item on today's agenda to allow Trammel Crow to place a sales trailer on a parcel of property owned by the Agency. He said they will use this as a sales office for the Phase I residential project and it will remain in place about 18 months. He said that under our code, it can only remain in position for one year, so staff will come back in one year to renew the permission. He said that in order to mitigate any impacts from the project to our upcoming special events, Trammel Crow and Parks staff met with a Hot August Nights (HAN) representative and with the Nugget and the placement of the trailer in the middle of the parcel reflects a position that least interferes with the events. A discussion ensued regarding coordinating a ribbon cutting in conjunction with the start of the public improvements and the start of the Trammel Crow project.

Mr. Ornelas stated that for Phase II, staff is looking at alternatives for delivering City Hall. They range from a design/build type process to some sort of agreement with Trammel Crow similar to the Phase I agreement. He said there are two components to the potential City Hall. One is the space in the mixed use buildings that will line the plaza and the other component is, what we are now referring to now as, the municipal services building, which is essentially a stand-alone City Hall building located on the half block between the alley, 14th Street, 13th Street and Victorian Avenue. He said that because of the nature of the two components, we are most likely looking at some combination of delivery methods for the two types of space. He said staff is trying to define what the alternatives are and do a comparative analysis of them; with the intent to provide an overview of alternatives at the July 31st Council retreat.

With regard to the schedule for the RTC Citistation, Mr. Ornelas said bids are due July 18th and they are anticipating issuing a notice to proceed by September 6th, with construction to start after the Rib Cook-off event. He said they will have a contract time of 540 days from the notice to proceed date. He said this is about a year and a half, which would take the construction through the first quarter of 2008. He said they are obligated to complete construction in the public right of way by July 2007. This is significant because they are going to be impacting the flow of traffic during the construction period because they will be realigning 15th Street to provide better geometry for buses entering the facility.

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Mr. Ornelas noted that Planning staff is starting to work on some potential amendments to the parking district component of Title 20. He said there are some pretty liberal parking exemptions in Title 20 and as we move forward with the Victorian Square project, it is not going to be to the City's advantage to allow new uses to come into the downtown district without providing adequate parking. He said right now they are not sure what those proposed amendments might be, but as they start to get a handle on them, they will discuss this with the Agency/Council and the Planning Commission.

4. Adjournment

The meeting was adjourned at 2:45 p.m.

CAB