

City of Sparks
REDEVELOPMENT AGENCY WORKSHOP

Monday, December 18, 2006

1:30 p.m.

The Redevelopment Agency Workshop was called to order by Agency Chairman Ron Schmitt at 1:30 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada. It was moved City Hall Training Room, 431 Prater Way to the Council Chambers.

Agency Chairman Ron Schmitt, Agency Secretary Debi Dolan, Agency Members John Mayer (via phone), Phillip Salerno, Ron Smith, Geno Martini, Chief Administrative Officer Shaun Carey, Chief Financial Officer Tom Minton, Acting Agency Attorney Tom Riley, PRESENT. Agency Member Mike Carrigan, Agency Attorney Chet Adams, ABSENT.

Staff Present: Chris Cobb, Tracy Domingues, Steve Driscoll, Pete Etchart, Neil Krutz, Adam Mayberry, Kelly McGlynn, Armando Ornelas, Greg Salter, Stan Sherer, Dave Vill, Victor Villarreal and Carrie Brooks.

1. Public Comment

None.

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

Redevelopment Manager Armando Ornelas discussed the following issues:

Disposition of the 10.2 Acres in the Marina district that is owned by the Redevelopment Agency:

- ▶ A review committee will conduct interviews with the two developers that submitted submitted proposals (Westhaven Development and David Dahl) this Thursday. Depending on how the interviews go, we may or may not need to do follow-up interviews. Staff is hoping to bring forward a recommendation sometime in January.
- ▶ Agency Member Mayer asked who the members of the review committee were. Mr. Ornelas responded the Redevelopment Agency Chairman (Ron Schmitt); Assistant City Manager Randy Mellinger, Assistant Planner Jim Rundle, and Real Property Agent Dave Vill. He said the committee will be assisted by various staff, including the Redevelopment Manager, Greg Salter, and the Agency's financial advisor.

David Dahl's project:

- ▶ Staff will be reporting next month on the canal maintenance issues.
- ▶ Agency Member Martini asked what is happening with Mr. Dahl's condo project. Mr. Ornelas responded that he did not have a chance to speak to David Dahl today, but thought Mr. Dahl was looking forward to breaking ground on that project in the next 30 to 60 days.
- ▶ Agency Chairman Schmitt asked if Mr. Dahl had applied for the permits for the project. Mr. Ornelas said he believed he had applied for permits.

Legends Project (RED):

- ▶ The Nevada Commission on Tourism made their finding of preponderance for the Legends project last week... an important milestone in the project. The item now moves

forward to the Governor's Office and we are waiting for the Governor to act; hopefully this will occur on the watch of the current governor, for purposes of timing. Once the governor makes the findings, staff will bring the item back to the Council for creation of the Tourism Improvement District to help with the issuance of the STAR Bonds.

- ▶ Agency Member Martini asked when they could start grading. Mr. Ornelas said it depended on a couple of things: when they are ready to pull permits; when they are in a position, in term of financing, to proceed with grading; while they may be able to obtain bridge financing to start that work, they may wait until the governor has signed off on the district before they move forward with the grading. Community Development Director Neil Krutz said that, with respect to the permit, we are ready to issue a permit as soon as the developer provides us with a re-grading and re-vegetation plan.
- ▶ Chairman Schmitt asked Mr. Ornelas to communicate to the Agency over the next five to ten days regarding whether this current administration will be handling the approval of STAR Bonds or if the next administration will handle the STAR Bonds.
- ▶ Mr. Ornelas said one of the other steps that we need to work through before staff can bring a bond ordinance to the Agency/Council is working through the financing structure in general, and as part of that, what the size of the bonds will be. He said that the City's underwriter, Lehman Brothers, is doing due diligence on the projected sales tax revenues.
- ▶ Another aspect is the Special Assessment District (SAD), which needs to move forward together because, from the lender's perspective (Key Bank), they want to see the other key piece of financing in place. Mr. Krutz said that staff has spent time reviewing several plan submittals of the Special Assessment District and to date the design is at about a 70% stage, so there is a way to go before we are actually going to know the anticipated costs of the SAD and ultimately what may, or may not be included. He said we need to see the 100% plans and the design studies to support it before we can get the SAD engineer going on assigning costs to the various properties. He said staff is concerned that this is not progressing as fast as we want as one of the key components of the financing.

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

Special Events Coordinator Greg von Schottenstein gave a power point presentation which provided a recap of the 2006 Special Events held on Victorian Square as follows:

SPECIAL EVENTS ON VICTORIAN SQUARE

2006

SPECIAL EVENTS OFFICE SPARKS PARKS AND RECREATION

2006 SPECIAL EVENTS

- 27 MAJOR EVENT (DAYS)
- MAY - DECEMBER
- 1 MILLION VISITORS

CINCO DE MAYO

Producer: Nv. Hispanic Services

- 2 days: Saturday, May 6 & Sunday, May 7
- 15,000 per event day

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- Crafters, vendors, food & beverage and entertainment

Financial Overview

TOTAL EXPENSES: \$31,350

TOTAL REVENUE: \$31,350

- Labor: \$31,350 (Public safety/ P & R)

FARMER'S MARKET

Producer: Parks & Recreation

- 10 Market Dates: June 15 – August 24
- Average Nightly Attendance: 15,000+
- Approximately 120 vendors each week including Growers, F & B, Arts & Crafts and Sponsors

2006 Changes

- Amphitheater programming
- “Magic on the Mic” & The Chef Joe Show
- Increased vendor & sponsor participation

Financial Overview

TOTAL EXPENSES: \$176,506

- Production: \$87,440
- Labor: \$89,066 (includes post market)

Financial Overview

TOTAL CASH REVENUE: \$192,600

- In Kind Sponsorship: \$30,254
(Includes RGJ, Sparks Tribune, Charter Communications, RTC, Friendly Computers & Sierra Electronics)

Total Expenses	\$176,506
Total Revenues	<u>\$192,600 (cash only)</u>
Net	\$ 16,094

2006 Challenges:

- Maintaining “family-oriented ” environment
- Escalating public safety costs

STAR SPANGLED SPARKS

Producer: John Ascuaga's Nugget

July 4 - Victorian Square

- Estimated 60,000 attendance
- Fireworks spectacular, food and beverage, children's area, live entertainment

Financial Overview

TOTAL EXPENSES: \$14,900

TOTAL REVENUE: \$27,380

Total expenses: \$14,900

Total revenue: \$27,380

Net: \$12,480

HOT AUGUST NIGHTS

Producers: Hot August Nights & City of Sparks

July 30 – August 5, Victorian Square

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- Estimated 300,000 attendance
- Cruises, live entertainment, Show N’ Shines, arts & crafts, food and beverage

Financial Overview

TOTAL EXPENSES:	\$253,800
▪ Production:	\$156,200
▪ Labor:	\$97,641
TOTAL REVENUE:	\$139,200
Total expenses:	\$253,800
Total revenue:	<u>\$139,200</u>
Variance:	\$114,600

NUGGET RIB COOK OFF

Producer: John Ascuaga’s Nugget
August 30 – September 4 - Victorian Square

- Estimated attendance: 450,000

Financial Overview

TOTAL EXPENSES:	\$95,600
TOTAL REVENUE:	\$47,500
Total expenses:	\$95,600
Total revenue:	<u>\$47,500</u>
Variance:	\$48,100

OKTOBERFEST

Producer: Silver Club
September 29 & 30

Financial Overview

TOTAL EXPENSES:	\$ 16,705
TOTAL REVENUE:	\$24,500
Total expenses:	\$16,705
Total revenue:	<u>\$24,500</u>
Variance:	\$7,795

**KRNV NEWS 4 PRESENTS THE STATE FARM SPARKS
HOMETOWNE CHRISTMAS CELEBRATION**

Producer: Parks & Recreation
December 2

Financial Overview

TOTAL EXPENSES:	\$65,500
TOTAL REVENUE:	\$29,000
Total expenses:	\$65,500
Total revenue:	<u>\$29,000</u>
Variance:	\$36,500

Cost per Event

Cinco De Mayo	\$0
Hot August Nights	\$114,600
Nugget Rib Cook Off	\$48,100

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Hometowne Christmas	<u>\$36,500</u>
Sub-Total Direct Costs	\$199,200
Farmer's Market (net gain)	\$16,094
Star Spangled Sparks (net gain)	\$12,480
Oktoberfest (net gain)	<u>\$7,795</u>
Sub-Total net proceeds	\$36,369
Total Direct Costs	\$162,831

Future Considerations

- RTC Ride Park And Ride
- Increase Revenue
- Reduce Expenses

Agency Chairman Schmitt said the report showed it is costing us \$162,000 a year for Special Events and asked what was budgeted for Special Events. Mr. von Schottenstein said he did not have those figures. Chairman Schmitt said he thought it was about \$225,000, so we came in about 30% under budget for the year. Mr. von Schottenstein said he would have to get back to the Agency on this. Chairman Schmitt said he felt it was important to show that we knew we would have to spend money on Special Events, but we were able to cut down expenses by 30%, which is not always the case.

City Engineer Pete Etchart gave a brief update on the status of the Phase I public improvements for Victorian Square.

- ▶ We are currently under construction of Phase I and the contractor, MKD Construction, is installing utilities along the B/C alley and Par Electric is providing primary power along the Avenue of the Oaks.
- ▶ We are having weekly construction meetings every Wednesday morning at 9:00 a.m. at the Redevelopment office.
- ▶ Staff does not anticipate any power outages downtown during this construction.
- ▶ Construction on Phase I will probably continue through April, depending on the weather.
- ▶ There is an issue with water connection: TMWA's policy is that we have to have approved architectural drawings in place before they will actually put lateral water connections to a property and obviously we will not have the final drawings from Trammell Crow for probably up to a year. We don't want to put in concrete roadways and then have to cut them to put in the water connections. Staff is asking TMWA, on a staff level, if they would be willing to put those water connections in; however, right now they are saying that is not their policy. This may have to go all the way up the chain of command and if it does, then Mr. Etchart said he may have to ask the Agency/Council to get involved.
- ▶ Agency Member Salerno asked if the Nugget was included, or at least invited, to the weekly meetings. Mr. Etchart said absolutely; that the first order of business of every construction meeting is to meet with the property owners and discuss any issues they may have.

Trammell Crow:

- ▶ They opened their sales office last month and are gearing up on their sales effort by advertising in several mediums; however, it is a slow time of the year.

- ▶ For the second phase of the project, the emphasis for the next several months is going to be site assembly and we will be looking to bring the property and property owners into the second phase of the project through a variety of mechanisms, including outright acquisition, additional swaps of property, ground leases, and involvement by private property owners.
- ▶ The other aspect of the second phase of the project that we will start formally working on is negotiating with Trammell Crow to see if they are going to be our Phase II developer. The DDA for Phase I gave them the first opportunity to negotiate with us. We haven't started that process formally because there are a number of unknowns that we would like to have better clarity on before we start those negotiations.

Planning for the New City Hall:

- ▶ We had a visioning meeting last week, which went very well. Staff was very pleased with the input the employees gave to the architect. The architect will come up with the first phase, what they call stacking diagrams, showing the placement of where different departments would be and the relationship between different departments and giving square footage needs.
- ▶ We are also continuing on with the finance team on the budget for City Hall.
- ▶ Mr. Ornelas noted that one of the complexities of the project is that we are looking at a complex of facilities and assuming that ten to twenty years down the line we will need more space, which creates some challenges on how we phase things over time. He said we are also starting to look at some alternatives which may ultimately tie into the financing of those facilities and how they might get done on a phased basis, if necessary.
- ▶ Chairman Schmitt asked if there was a schedule of events on where we are at for Phase II and the timeline for the property acquisition. Mr. Ornelas stated that in the January workshop, staff will provide a revised schedule, as well as provide an update of the estimated costs for the second phase of the project.
- ▶ Mr. Ornelas said staff indicated at the last workshop that they would come back and discuss the parking issues, but they were not far enough along to where they could put anything concrete in front of the Agency today, in terms of fee structures; however, they did receive from Sierra Transportation Engineers a draft of the parking analysis for this portion of the downtown and as staff works through the implications of this analysis, they should be able to get into the issues at the January workshop.

4. Discussion and update of Victorian Square Project

No discussion.

5. Adjournment

The meeting was adjourned at 2:01 p.m.

CAB