

SPECIAL MEETING OF THE SPARKS REDEVELOPMENT AGENCY
January 19, 2006, following the City Council Meeting scheduled for 11:30 a.m.

1. Call to Order Time: 12:03:55 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 12:03 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Roll Call Time: 12:04:00 p.m.
Agency Chairman Mike Carrigan, Agency Secretary Debi Dolan, Agency Members John Mayer, Judy Moss, Geno Martini, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Joyce Farley, Agency Attorney Chet Adams, PRESENT. Agency Members Phillip Salerno, Ron Schmitt, ABSENT.

Staff Present: Chris Cobb, John Dotson, Steve Driscoll, Joyce Farley, Neil Krutz, Adam Mayberry, Dan Marran, Randy Mellinger, Armando Ornelas, Stan Sherer, and Carrie Brooks.

Comments from the Public Time: 12:04:22 p.m.
None.

3. Minutes Time: 12:04:30 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the minutes of the Regular Meeting of December 12, 2005 and the Regular Meeting of December 19, 2005. Agency Members Mayer, Moss, Martini, Carrigan, YES. Agency Members Salerno, Schmitt, ABSENT. Motion Carried.

4. DDA with RED Development for Legends at the Sparks Marina Time: 12:04:52 p.m.
An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approve a Disposition, Development and Financing Agreement (Legends at the Sparks Marina Project) with RED Development, LLC for construction of a 1.35 million square foot retail and entertainment project, including sale and leaseback of the Don Mello Sports Complex.

This item was withdrawn from the agenda.

4. Professional Services Agreement with RTKL for Public Improvements for Victorian Square Time: 12:05:08 p.m.
An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approve a professional services agreement with RTKL in the not to exceed amount of \$184,500, including reimbursable expenses to provide professional services for the public streetscape improvements and enhancements for Phases I and II of the Victorian Square Development Plan. RTKL and its

Special Sparks Redevelopment Agency Meeting Minutes for January 19, 2006

sub-consultants would provide landscape design including the preparation of landscape construction documents, construction administration and a complete environmental graphics program which would include elements such as gateway monument and signage and graphics to enhance the visual quality of the development. Funds for this contract are budgeted in this year's CIP.

Redevelopment Manager Armando Ornelas noted that this was a companion item to the Professional Services Agreement that the Agency approved on December 19th with Hunter Creek Engineering for the Phase I public improvements for the Victorian Square Project. In the case of Hunter Creek, they are responsible for the civil and infrastructure construction documents and RTKL would be providing the landscape design component of the project and will be working very closely with Hunter Creek. He stated that at the conclusion of these contracts we will have the documents necessary to bid out the Phase I public improvements and RTKL will also do some of the construction administration in support of city staff.

A motion was made by Agency Member Mayer, seconded by Agency Member Moss, to professional services agreement with RTKL in the not to exceed amount of \$184,500. Agency Members Mayer, Moss, Martini, Carrigan, YES. Agency Members Salerno, Schmitt, ABSENT. Motion Carried.

5.
Comments from the
Agency and Chief
Administrative Officer

Time: 12:06:41 p.m.
None.

6.
Adjournment

Time: 12:06:46 p.m.
There being no further business, the meeting was adjourned at
12:06. p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
February 27, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Call to Order Time: 5:30:23 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 5:30 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2. Roll Call Time: 5:30:27 p.m.
Agency Chairman Mike Carrigan, Deputy Agency Secretary Lenda Ulrich, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, ABSENT.

Staff Present: Pete Etchart and Carrie Brooks
- Comments from the Public Time: 5:30:50 p.m.
None.
3. Approval of the Minutes Time: 5:30:52 p.m.
A motion was made by Agency Member Moss, seconded by Agency Member Schmitt, to approve the Minutes of the Special Meeting of January 19, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion carried.
4. Report of Claims and Bills and Appropriation Transfers Time: 5:31:09 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Schmitt, to approve the Report of Claims and Bills approved for payment and appropriation transfers made for the periods covering November 10, 2005 through December 7, 2005; December 8, 2005 through January 4, 2006; and January 5, 2006 through February 8, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.
5. Comments Time: 5:31:22 p.m.
There were no comments from the Agency and Chief Administrative Officer.
6. Adjournment Time: 5:31:26 p.m.
There being no further business, the meeting was adjourned at 5:31 p.m.

Chairman

Agency Secretary

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SPECIAL MEETING OF THE SPARKS REDEVELOPMENT AGENCY
March 20, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Time: 4:17:02 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 5:30 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 4:17:14 p.m.
Roll Call Agency Chairman Mike Carrigan, Deputy Agency Secretary Lenda Ulrich, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, Agency Members John Mayer, Ron Schmitt, ABSENT.

Staff Present: David Fitzpatrick.

Comments from the Time: 4:17:33 p.m.
Public None.

3. Time: 4:17:38 p.m.
Approval of the Minutes A motion was made by Agency Member Martini, seconded by Agency Member Salerno, to approve the Minutes of the Regular Meeting of February 27, 2006. Agency Members Salerno, Moss, Martini, Carrigan, YES. Agency Members Mayer, Schmitt, ABSENT. Motion carried.

4. Time: 4:17:50 p.m.
DDF with Sparks Legends Development, Inc. for The Legends at the Sparks Marina Project An agenda item from Redevelopment Manager Armando Ornelas requesting the Agency approve a Disposition, Development and Finance Agreement between the City of Sparks, the Redevelopment Agency of the City of Sparks and Sparks Legends Development Inc. for The Legends at the Sparks Marina retail and entertainment project.

Mr. Ornelas noted that specific to the Agency's consideration of this [versus the Council's consideration] is that the agreement provides for the Agency to contribute property tax increment financing to the project in an amount up to \$5 million for the purchase of improvements after the project is completed and secondly, subordinate to the first pledge, the Agency would agree to pay to the developer an amount equal to the property taxes on the baseball stadium, in the event there is a stadium, and in return would receive the right to use the stadium up to 12 days per year and a sky box for City use.

A motion was made by Agency Member Moss, seconded by Agency Member Schmitt, to approve a DDFA with Sparks Legends Development Inc. for The Legends at the Sparks Marina retail and entertainment project. Agency Members Salerno, Moss, Martini,

Sparks Redevelopment Agency Meeting Minutes for March 20, 2006

Carrigan, YES. Agency Members Mayer, Schmitt, ABSENT. Motion carried.

5.
Comments

Time: 4:18:29 p.m.
There were no comments from the Agency and Chief Administrative Officer.

6.
Adjournment

Time: 4:18:33 p.m.
There being no further business, the meeting was adjourned at 4:18 p.m.

Chairman

Agency Secretary

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City of Sparks
REDEVELOPMENT AGENCY WORKSHOP
Monday, March 20, 2006
12:00 Noon

The Redevelopment Agency Workshop was called to order by Chairman Mike Carrigan at 1:34 p.m. in the Council Chambers, 745 Fourth Street, Sparks, Nevada.

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

Staff Present: Tom Burrous, Tracy Domingues, Steve Driscoll, Pete Etchart, Armando Ornelas, Linda Patterson, Margaret Powell, Greg Salter, Greg Von Schottenstein and David Fitzpatrick.

1. Public Comment

None.

2. Nevada Commission on Economic Development Presentation on Global Trade and Investment Opportunities for the City of Sparks

Redevelopment Economic Analyst Tom Burrous introduced Alan Di Stefano, Director of Global Trade and Investment of the Nevada Commission on Economic Development. He said he asked Mr. Di Stefano to give the Agency/Council an overview of how the Nevada Commission on Economic Development and the City of Sparks can work hand in hand to bring future foreign trade interests to the City. Mr. Burrous said that after Mr. Di Stefano's presentation, he would introduce Mr. Russell Romine of the Griffin Transportation Services, who manages and leases property in Northern Nevada in the designated foreign trade zone districts. He said there are 7500 acres of designated foreign trade zone properties in northern Nevada and the better percentage of those are located in the City of Sparks. He said Mr. Romine will explain what that means for our ability to attract foreign companies to our City.

Outline of Mr. Di Stefano's Power Point:

Global Trade and Investment Office

Alan Di Stefano, Director of Global Trade and Investment
Gayle Anderson, Chief of Protocol & Global Trade Representative
NEVADA COMMISSION ON ECONOMIC DEVELOPMENT

WHAT WE DO

- Provide assistance/research to NV companies to grow through exporting or increase exports to new markets
- Conduct Export Readiness and other programs to educate companies on exporting; review sources of financing and grants
- Conduct Foreign Direct Investment (FDI) for foreign companies to locate in NV
- Conduct foreign Trade Shows, Trade Missions and Inbound Buying Missions; provide trade leads to companies
- Educate companies on state incentives and use of local Development Authorities

Redevelopment Agency Workshop Minutes for March 20, 2006

- Expose companies to sources of financing, potential investors and joint-venture opportunities
- Create new jobs; each \$71K increase in exports supports one new job (DOC data): exports support about 53,000 jobs in NV

WHERE ARE WE

- Reorganized in early 2000 to fill Trade Director position and increased emphasis on FDI; currently two full-time employees.
- Increased cooperation with other state & federal agencies and NGO organizations.
- Increased Honorary Consular Corps to 16 countries (more countries in progress).
- Increased USDA grants to \$440K in 2005.
- Export Directory on website; 400+ Co's.
- Marketing programs: 500+ leads/year.

15 HONORARY CONSULS GENERAL IN NEVADA

- Austria, Belize, Chile, Ecuador
- El Salvador (permanent), France
- Germany, Guatemala, Honduras
- Ireland, Italy, Japan
- Mexico (permanent), Romania, Uruguay

The UK is currently in progress. We intend to have 20+

WHERE ARE WE - FDI

- Started major emphasis on FDI in 2000; several major projects and a number of smaller ones are in various stages of progress:
 - Chinese Trade Center in Las Vegas
 - Several smaller Chinese investments including a pharmaceutical company
 - Several Italian and Slovenian companies currently interested
 - A number of smaller companies have located here in the last several years including those from Australia, Japan, Switzerland, etc..

RESULTS

- Nevada in top three states for third consecutive year in percent increase in exports (73% in 2003, 43% in 2004, 35% in 2005). Highlights:
 - Switzerland was our largest market in 2005 (45% of total)
 - Our largest traditional export markets are Canada, China, Mexico and Japan
 - Exports to China increased 254% and Mexico 72% in last two years
 - In 2005 we exported to 165 countries; Exports were approximately \$4 billion
 - NV exporters generate \$319 million in tax revenue to state/local governments

Nevada's Exports by Year (\$ Million)

- 2005 \$3,937
- 2004 \$2,907
- 2003 \$2,032
- 2002 \$1,177
- 2001 \$1,423
- 2000 \$1,482
- 1999 \$1,067
- 1998 \$688

Redevelopment Agency Workshop Minutes for March 20, 2006

- 1997 \$1,075
- 1996 \$1,268

Nevada's Top Export Markets-2005 (\$ Million)

- Switz. \$1,832
- Canada \$561
- China \$186
- Mexico \$179
- Japan \$154
- Israel \$112
- Holland \$104
- Australia \$80
- UK \$78

Nevada's Exports by Commodity - 2005 (\$ Million)

- Prec. Metals \$1,987
- Elec. Eqpt. \$470
- Toys/Games \$358
- Indust. Mac. \$261
- Instruments \$203
- Ores \$152
- Plastic Art. \$58
- Iron/Steel \$41
- Non-met. Min. \$40
- Vehicles/parts \$39

WHERE ARE WE GOING

- Increased federal funding for 2005/06
- \$440,000 from USDA for food/ag. Exports
- Applied for Emerging Markets Program grant from USDA for project for NV alfalfa growers in China
- Increased foreign companies moving to Nevada; Currently have about 90 in state
- Honorary consular corps to increase to 20+; we then get federal funds for heads of state to travel to Nevada
- Started International Representative Program in 2002. Currently reps are in: China (3), Italy, Japan, Korea, Southeast Asia (Singapore) and Taiwan; UK is next

What we do to recruit foreign companies to NV

- Work with local DA's (Development Authorities) when they have a foreign client to answer relevant questions
- Work with foreign companies who come direct to us to find the best resources to meet their needs; turn them over to DA's
- Work closely with our 9 foreign rep offices to help them with leads they develop
- Work with foreign Consulates/Embassies for clients they refer to us

State Incentives for Companies (foreign or domestic)

- Sales and Use Tax Deferral Program
- Sales and Use Tax Abatement

- Modified Business Tax Abatement
- Property Tax Abatement
- Train Employees Now (TEN)
- Property Tax Abatement for Recycling
- Renewable Energy Abatements
- Special incentives from local authorities where available
- Use of Foreign Trade Zone (FTZ)

Foreign Companies in Sparks

- Hydro Conduit Corp. (Australia)
- Anachemia Sciences; Racan Industries (Canada)
- Aventis Pharma; Aventis Pasteur (France)
- Sarstedt; Sonopress (Germany)
- Ormat (Israel)
- *Zhermack (Italy)
- Ebara; Molten; Sigma Game (Japan)
- Coats & Clark (Scotland)
- Carlo Gavazzi; Franke Contract Group (Switz.)

How can Sparks partner with NCED in the future

- Appoint specific individual(s) as contact person for NCED
- Assist us in recruiting Sparks companies for our programs (Trade shows/missions, Inbound Buying Missions, Export Readiness Training, etc.)
- Request our assistance when dealing with a foreign company of government at the beginning of the process
- Participate in our events as appropriate

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

Redevelopment Manager Armando Ornelas noted that the Agency/Council had received a copy of the DDFA with RED Development, along with a staff report and numerous attachments and also a 14 page executive summary and he offered to address any questions the Council/Agency may have with regard to the agreement.

Mr. Ornelas displayed a map of Redevelopment Area 2 and discussed the area of the proposed RED Development, stating that there is a total of 147 acres; 145 acres excluding the existing gas station and fitness facility properties. Mr. Ornelas clarified that for this project RED Development has formed a Nevada corporation known as Sparks Legends Development, Inc., and this is the Developer of Record for this project. He said that the project, as proposed, would include approximately 1,350,000 square feet of retail space and attachment 2-1 describes what the project would be in broad strokes; however, the DDFA only commits the developer to build 800,000 square feet of retail space and potentially less if the actual amount of retail built would be sufficient to support whatever STAR bonds are ultimately issued for the project. The total cost of the project, as proposed is \$475.6 million dollars and this is addressed in the financing plan (attachment 2-5). Of this total cost, approximately \$252.7 million would be private sector equity and debt capital with the balance, \$220 million coming from several sources of public financing. There are basically four sources of public financing: STAR bonds (\$169.5 million); a special assessment district (\$23.7 million) for construction of public infrastructure; bonds for a baseball stadium only which would be repaid with the car rental fee provided by the Legislature;

Redevelopment Agency Workshop Minutes for March 20, 2006

and finally property tax increment through the Redevelopment Agency. Mr. Ornelas stated the DDFA calls for the City to try to provide up to \$5 million in bond proceeds from a property tax increment financing that probably would not occur until the project is actually constructed and we have a real strong basis for going to the public market and issuing these type of bonds. In the interim the City would make a payment of \$500,000 to the Developer until that bond issue relieved us of that responsibility. He noted that if the projected sales tax revenues are strong enough we could substitute additional STAR bonds for the \$5 million in property tax increment financing. He said this is the four basic forms of financing, but there would also be TIF involved if the baseball stadium is built and in that event the Agency would pay to the developer an amount equal to the property taxes paid on the baseball stadium and in return we would be gaining rental of the stadium for up to 12 days a year as well as a sky box that would be available for the City and other public agencies to use as determined by the Redevelopment Agency.

Agency Member Salerno asked if the proceeds from the sale of Don Mello would be enough to build new ball fields at Golden Eagle Park. Mr. Ornelas noted that under article 5 of the agreement, we agree to sell to the Developer the Don Mello property for \$16,804,000 (a base price for the land of \$14,270,000 based on the appraised value of the property, plus \$2,534,000 for 72.4 acre feet of water rights associated with the property). In addition the developer has agreed to pay up to \$903,151, depending on the bids for the replacement facility, to the extent that the bids for the new facility come in above the base price amount of \$16,804,000. Any costs above that would be the City's responsibility.

The meeting adjourned and reconvened with discussion under Agenda Item 2 heard at this time. After the power point by Mr. Di Stefano, Mr. Ornelas returned to the discussion of the DDFA and discussed a couple final points about the Don Mello aspects of the DDFA and reviewed some additional points with regard to the financing.

He noted that once the Don Mello property is sold to the developer, the City would lease it back (for \$1.00 per year) for a term as specified in table 5.1 of the agreement so that the City can continue to use the facilities while the replacement facilities are constructed. The City would have 10 to 12 months from the close of the sale to build the new facilities with the ability to request a 1 or 2 month extension; however, if the City does not turn over the property by the extended construction deadline, the City would owe the developer \$5,000 per day in liquidated damages. He explained that the intent was that in order to move forward with development of the property and to borrow money to purchase the property, the developer has to have some certainty as to when they can take possession of the property.

The Agency asked what happens if the deed restriction on part of the Don Mello property is not resolved? Mr. Salter said the developer has the option of going ahead and purchasing the 18 acres without the deed restriction, in which case the City would have to do something with the 9 acres that are restricted because it can only be used as a park and right now it is a parking lot.

Mr. Ornelas then explained the STAR bond process, specifically the establishment of a Tourism Improvement District and then the issuance of the STAR bonds, stating all the steps were spelled out in the enabling legislation, which was SB 306 from the 2005 Legislative Session. He noted that the process is under way with the Council passing a resolution in February authorizing staff to provide a 45 day notice to the Washoe County Commission and the Washoe County School District Board of Trustees that the City was intending to have a public hearing on March 31st to

consider the fiscal impacts of the project and the required finding in order to establish the tourism improvement district is that the project will have a positive impact on the provision of local governmental services. He noted that the School District held a public hearing last week and the comments that were forwarded to the City Council were very positive and the comments will be presented at the Council's public hearing on March 31st. He said the County Commission will have their public hearings on March 21st and 28th.

Mr. Ornelas stated that the other finding that the enabling legislation requires is the preponderance finding and this will be on the agenda in April. He then reviewed the specific steps and agencies that have to review and approve the STAR Bond issuance, stating the total amount of the bonds will be about \$141 million. He also noted that the bonds would not be a general obligation of the city, but strictly repaid from sales tax revenues and the construction completion guarantee form to be signed by the principal partners of RED and this provides that the project will be constructed as agreed.

He noted that there was a provision in article 3.14 in which the City agrees to use its best efforts to obtain all required approvals and re-name the portion of Sparks Boulevard, between Greg and Lincoln Way as Shields Boulevard. He stated that this is a requirement of the retailer as the primary retailer in the project to gain signage right on the freeway and in exchange for the name change, and subject to Shields entering into a 20-year lease agreement with the developer, Shields will pay to the City \$50,000 per year for 20 years, plus up to \$50,000 for the cost of new signage and expenses associated with the name change.

Mr. Ornelas reviewed the termination conditions for both parties and noted there is a provision that prohibits the City from providing sales or property tax increment finance to other projects in the Marina District through August 31, 2006. Also, if the developer starts construction on the project, this prohibition will extend for an additional period of 42 months.

Agency Member Martini asked if the \$50,000 per year for re-naming Sparks Boulevard was earmarked for any particular expenditure. Mr. Salter responded that the money is "ours" for whatever we choose to do with it. City Manager Carey stated that although we won't see this money for a few years, he saw it as an excellent opportunity to provide funding for maintenance and upkeep of the Sparks Marina Park, however, it would be considered general fund money.

Mr. Ornelas continued discussing the terms of the agreement and then responded to questions and concerns from the Council.

Agency Member Carrigan questioned the provision that would allow the project to go forward without the baseball element and asked how enthusiastic RED was to pursue the stadium. A representative of RED stated that they are very interested and will use their very best efforts to accomplish the stadium project, but they would be in an awkward position in their negotiations if they had to have a baseball project. Agency Member Carrigan also asked when they planned to acquire the Blume property. The response was sometime in the next four months.

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

Special Event Coordinator Greg von Schottenstein gave a power point presentation on Special events to be held on Victorian Square this year as follows: Cinco de Mayo, May 5th and 6th (this is returning to Victorian Square and is being produced by Nevada Hispanic Services); Arts in

Redevelopment Agency Workshop Minutes for March 20, 2006

Bloom Festival presented by Centex Homes (Mother's Day), May 14th; 14th Annual Farmers Market, June 15th through August 4th (10 event days); John Asquaga's Nugget Star Spangled Sparks, July 4th; Hot August Nights, August 1st through 5th; John Asquaga's Nugget Rib Cook-off, August 30th through September 4th. He noted that this year instead of the Big Easy, the Silver Club is going to produce October Fest, September 29th through 30th. Next is the T-Mobile Plaza Youth Music Awards in the amphitheater, October 7th; and finally the KRN News 4 presents the State Farm Sparks Hometowne Christmas, December 2nd (the 20th anniversary of the Christmas event).

Mr. von Schottenstein noted that we have partnered with RTC and will be providing, as a public service, transportation to and from Reed High School to the "C" Street Station from 3:30 to 9:30 for farmers market. He said the understanding is that the other event producers are going to do the same. He stated that wrist bands, hand stamps and 16 oz. cups will once again be used to monitor the alcohol consumption and accompanying problems. He said the market will be from 4:00 to 9:00 p.m. and the music will stop at 10:00 p.m. It being an election year, staff is anticipating interest by those who wish to campaign and we will make space available to them, but we are asking that those who wish to participate in Farmer's Market follow the same parameters as the sponsors and vendors and operate in their booth space. He said they will try to avoid people circulating the event and distributing materials outside the booth space.

Mr. von Schottenstein stated that they have a plan in place to utilize the amphitheater more during Farmer's Market. The goal is to fill up the amphitheater and create some programming, in addition to the cooking demonstrations.

He explained that with all the new development that is planned, this is probably our last year to do the Arts in Bloom event on the plaza and it will have to be moved to another location. He said that this year we have teamed up with the Susan G. Komen Foundation, which is a great association for the event and will help generate some funding for them. He said they have also reached out to celebrities, athletes and entertainers all across the country and asked them to paint a plate and send it back to us and the plates will be auctioned off to raise funds.

Mr. von Schottenstein then discussed the goals for each of the events and some of the tentative plans for sponsorships and entertainments for the events, as listed in his power point presentation, including the anticipated costs to the city for providing services and sponsorships for the events.

Outline of Mr. von Schottenstein Power Point:

Redevelopment Agency Workshop 2006 Victorian Square Events Preview

2006 Victorian Square Events

- Cinco de Mayo, presented by Nevada Hispanic Services, May 6 & 7
- 4th annual Arts in Bloom Festival, presented by Centex Homes, May 14
- 14th Hometowne Farmer's Market, June 15 – August 24 (10 event days)
- John Ascuaga's Nugget Star Spangled Sparks, July 4
- Hot August Nights, August 1 – 5

Redevelopment Agency Workshop Minutes for March 20, 2006

- John Ascuaga's Nugget Rib Cook-off, August 30 – September 4
- Silver Club's Oktoberfest, September 29 & 30
- T-Mobile Applause! Youth Music Awards, October 7
- KRNV News 4 presents the State Farm Sparks Hometowne Christmas, December 2 (20th Anniversary)

Event Topics

- RTC Park 'n Ride to Farmer's Market, 3:30 – 9:30 pm (+ other events)
- Wristbands, hand stamps & 16 ounce cups
- Market over @ 9 pm, music to cease at 10 pm
- Campaigning by local candidates, standard Farmer's Market procedure
- Utilize Amphitheater, combined cooking demos and Karaoke tournament, supported by MAGIC 95.5

Event-specific Topics

- Will relocate Arts in Bloom to other Victorian Square location in 2007. Susan G. Komen Breast Cancer Foundation tie-in.
- Filling in space at Farmer's Market with sponsor booths
- Rib Cook-off expanding to Wednesday, perhaps longer in future
- Increase participation and attendance at T-Mobile Applause! Youth Music Awards
- Renew State Farm, increase presenting sponsorships

Hot August Nights Entertainment

- Final stages of new three year HAN deal, 2006 – 2008
- Headliner entertainment capped at \$80,000 in 2006. Total headliner cost for 2006: \$102,500
- 2007 & 2008, entertainment capped at \$60,000

Hot August Nights Entertainment Production

- For 2006, HAN will pay \$20,000 towards cost of production (\$40,000 total estimate)
- For 2007 & 2008, HAN responsible for 50% of production costs
- Final charges may vary depending on band requirements and cost-of-living increases (approximate 3% rate change built into agreement)

Hot August Nights City Service Costs

- Current agreement is capped at \$16,000
- For 2006, HAN will pay 50% of City Service costs. \$20,000 gain.
- For 2007, HAN will pay 65% of City Service costs. \$30,000 gain.
- For 2008, HAN will pay 75% of City Service costs. \$38,000 gain.
- Approximate 10% rate change built into agreement

Hot August Nights Revenue

- City to receive 25% of crafters fees
- City to receive 50% of food and beverage sales
- HAN will pay city \$20,000 annually for costs associated with overall event

Cost Comparison

- In 2006, \$5,000 less
- In 2007, \$56,000 less
- In 2008, \$65,000 less

Redevelopment Manager Armando Ornelas reported that Trammel Crow has submitted a handbook, which is currently under review by staff for the Phase I residential project. Staff is expecting that it will go to the Planning Commission sometime in April for approval.

As the owner of the parcels that Trammel Crow will ultimately buy and develop, the Agency will have to do merger and subdivision maps to create new, reconfigured parcels for the downtown area and staff is working with Tri-State Engineering on the required maps. There will also need to be some reconfiguration done on the properties owned by the Nugget/Asquaga's before development can begin.

With regard to the Phase I public improvements in the area around the Trammel Crow parcels, those improvements are currently under design by Hunter Creek Engineering and by RTKL, who is doing the landscape component of the improvements. The intent is to have the project ready to bid by the end of the summer and the idea is to wait until right after the Rib Cook Off event so we don't interrupt this summer's event season.

With regard to Phase II, staff will begin formal discussions with property owners for the land that needs to be incorporated in the second phase in the next few weeks. In advance of those discussions, staff will be bringing to the Council a "Participation and Relocation Policy" for adoption.

Mr. Ornelas stated that at a future workshop staff will be laying out before the Agency/Council the costs and revenue sources for the various stages of the Victorian Square Redevelopment project before the City goes out for a bond issue for not only the Victorian Square project, but also the West End Community Center.

5. Adjournment

The meeting was adjourned at 2:33 p.m.

CAB

SPECIAL MEETING OF THE SPARKS REDEVELOPMENT AGENCY
March 31, 2006, following the City Council Meeting scheduled for 1:00 p.m.

1. Time: 1:49:35 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 1:49 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 1:30:27 p.m.
Roll Call Agency Chairman Mike Carrigan, Acting Agency Secretary David Fitzpatrick, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Deputy Agency Attorney David Creekman, PRESENT. Agency Secretary Debi Dolan, Agency Member Ron Schmitt, Agency Attorney Chet Adams, ABSENT.

Staff Present: Randy Mellinger, Armando Ornelas, Greg Salter and Carrie Brooks

Comments from the Time: 1:30:50 p.m.
Public None.

3. Time: 1:30:52 p.m.
Professional Services Agreement with Linda S. Congleton & Associates to Provide a Victorian Square Phase II Merchandising/Leasing Plan An agenda item from Redevelopment Manager Armando Ornelas, recommending the Agency approve a professional services agreement with Linda S. Congleton & Associates (LSCA) in the not to exceed amount of \$40,000 (in AB205 room tax revenues) to provide a Victorian Square Phase II Merchandising/Leasing Plan.

Mr. Ornelas noted that this was the first step toward looking at Phase II of the Victorian Square project. He said we have underway the preparation of a facility program for the City Hall component of the proposed Phase II project and this is the counterpart or leasing/merchandising plan and what its impacts are with regard to the physical space that is necessary to accommodate retail uses. The scope of the contract involves identifying specific retail and dining uses and identifying the recommended locations, space allocations and design characteristics. The consultant will be preparing an actual leasing program and will be identifying (preliminarily) potential tenants.

He said given the nature of the project, this agreement will help the City prepare to negotiate a development agreement with a Phase II developer and to have a clear goal as to what we are looking to do on the retail side of the project so that the project ultimately meets the City's needs, as well as the down town area.

Council Member Salerno asked if this was the same contract that was previously approved with Ms. Congleton. Mr. Ornelas clarified that this

Sparks Redevelopment Agency Meeting Minutes for March 31, 2006

was a contract for Phase II and the previous contract was primarily for Phase I. He said there was a retail component in Phase I for the restaurant pads. Council Member Salerno commented that Ms. Congleton had not attended a Council meeting for quite some time. Mr. Ornelas stated that Ms. Congleton has been working on strategies for pursuing the development of those restaurant pads, including recommendations with regard to lease terms and possible restaurants, but staff has purposely not brought a report to Council because it is proprietary information as to who we would pursue and what the lease terms would be. Council Member Carrigan then asked that there be a closed door session scheduled so that they can be briefed by the City Attorney on this matter. Council Member Salerno echoed the request, stating that he would like more information so that when he is asked to approve an expenditure of \$40,000 or more, he knows what is going on.

Council Member Mayer asked if the Nugget is still sharing the cost of consultants. Mr. Ornelas stated that the Nugget was sharing consultant costs several years ago when there were other consultants involved, but the project parameters have changed since we have moved forward with the new mixed-use development plan for Victorian Square and the consultants are now on our dime.

A motion was made by Agency Member Mayer, seconded by Agency Member Salerno, to approve a professional services agreement with Linda S. Congleton & Associates for a Victorian Square Phase II retail merchandising/leasing plan. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion carried.

4.
Approval of the Second
Amendment to the
Independent
Contractor's
Agreement, Fiscal
Impact Analysis,
Proposed Marina
District Retail and
Entertainment Project

Time: 1:57:27 p.m.

An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approval of the Second Amendment to the Independent Contractor's Agreement, Fiscal Impact Analysis, Proposed Marina District Retail and Entertainment Project with the Howard Consulting Group, Inc. (dba Meridian Business Advisors) in the amount of \$18,000, increasing the contract amount from \$33,200 to \$51,200.

Mr. Ornelas stated that we have received the initial fiscal impact analysis from Meridian; however as we go forward through the approval process, we have been asked by various other approving entities to provide additional analysis, for example the School District asked that the term of the analysis be extended. He said Meridian staff have also met with the various approving bodies and their staff and we have exhausted the original contract amount. He said the amendment will add \$18,000, which should provide enough consultant time to get us through the approval process for the STAR Bonds.

Sparks Redevelopment Agency Meeting Minutes for March 31, 2006

A motion was made by Agency Member Martini, seconded by Agency Member Mayer, to approval of the Second Amendment to the Independent Contractor's Agreement with Meridian Business Advisors. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion carried.

5.
Comments

Time: 1:59:33 p.m.
There were no comments from the Agency and Chief Administrative Officer.

6.
Adjournment

Time: 1:59:39 p.m.
There being no further business, the meeting was adjourned at 1:59 p.m.

Chairman

Agency Secretary

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City of Sparks
REDEVELOPMENT AGENCY WORKSHOP
Monday, April 17, 2006
1:30 p.m.

The Redevelopment Agency Workshop was called to order by Chairman Mike Carrigan at 1:33 p.m. in the Council Chambers, 745 Fourth Street, Sparks, Nevada.

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

Staff Present: Tom Burrous, Adam Mayberry, Pete Etchart, Armando Ornelas, Randy Mellinger, Stan Sherer, Neil Krutz, Greg Salter, Kelly McGlynn, Karen Todd and Carrie Brooks.

1. Public Comment

None.

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

Redevelopment Manager Armando Ornelas introduced Civil Engineer Kelly McGlynn, who gave an update on maintenance procedures for the canal at the marina. Mr. McGlynn stated the maintenance program for the Sparks Marina canal began last Thursday with an initial application of sonar aquatic herbicide by the contractor/environmental consultant from Aquatic Environments Inc., who has been retained by the developer, Mr. David Dahl, for the entire maintenance season. He said that a representative from the Nevada Department of Agriculture was on site during the application and there were no problems noted.

Mr. McGlynn said this was the first step in a series of treatments that will take place, in addition to construction of capital improvements which include a recirculation and aeration system within the canal. He said he spoke with the developer's contractor and was told that weather permitting, they are looking forward to breaking ground with the electrical and concrete pad for the pumping facilities next Monday and that they have been given the go ahead from Sierra Pacific for the power and the Building Department has approved their plans and they are ready to pull the permit. The contractor said the improvements should be in place four to six weeks after that with a May 31st deadline imposed on Mr. Dahl for those improvements.

Mr. McGlynn said we will run the maintenance district for the summer and get a firmer idea as far as costs and the menu of items it will take to clean and maintain the canal and in the fall we will revisit actual costs. He said staff will then take a look at establishing a maintenance district in 2007 and per Mr. Dahl's agreement, he would be charged with running that district through December 31, 2007.

Agency Member Mayer questioned the maintenance district being run by Mr. Dahl. Mr. Ornelas stated that staff will be bringing the 6th Amendment to the Dahl reimbursement agreement the first week in May and per that agreement Mr. Dahl would be responsible for operating that district through the end of the next calendar year. Agency Member Mayer asked what happens after that. Mr. McGlynn said ideally, we would have a maintenance district in place and the costs would be paid for by the homeowners. Agency Member Mayer asked if the maintenance

Redevelopment Agency Workshop Minutes for April 17, 2006

district would then be charged with the maintenance of the canal and not the City of Sparks. Mr. McGlynn said as he understood it, the canal was dedicated to the City sometime in 2000/2001 and the improvements will eventually be turned over to the City and become City property and it would be up to the City to maintain the improvements and the canal, but they would be paid for through the maintenance district. He said there would also be funds set aside from the maintenance district every year to cover major replacement parts over the long term.

Community Development Director Neil Krutz explained why the canal was not a loop, stating that the development plans were ultimately changed because it wasn't cost effective.

Mr. Ornelas then discussed the major points of the 6th amendment to the Dahl reimbursement agreement as follows:

1. Reinstate and extend the termination date of the agreement.
2. Provide for the City to have the opportunity to step in and address the canal maintenance issue if it is not addressed adequately this summer by Mr. Dahl.
3. Obtain from Mr. Dahl some payment toward public amenities in that area; perhaps the Centennial Light House or the amphitheater, which would come out of the proposed forth payment.
4. In general the reimbursement agreement provides for making the same payments, with the exceptions just noted, to Mr. Dahl, but for different improvements than were previously contemplated. Specifically, where as payment four was tied to the hotel project, in this amendment it would be tied to a series of condo developments. There would be three phases to the condo project that Mr. Dahl is proposing in place of the hotel and in place of the additional commercial improvements. The benefit to the Redevelopment Agency is that the value of the condo improvements will be substantially higher (more than double) than the value of the previously proposed projects.

Agency Member Carrigan asked if we had figured out how much Mr. Dahl owed in extension fees. Mr. Ornelas noted that the total fines were \$410,000, of which he has already paid all but \$197,000.

Mr. Ornelas then discussed the 10.2 acres owned by the Agency which is located on the west side of Marina Gateway Drive. He said staff will be coming to the City Council hopefully on April 24th seeking authorization to dispose of that property at public auction. Special Assistant to the Community Development Department Greg Salter noted that in June of 2005, the Agency passed a resolution authorizing staff to sell the property under a request for proposals and this is still an option; however staff doesn't know if there is enough time to go through the full request for proposal process. If we don't, then staff will ask for another resolution allowing staff to sell the property by public auction. He stated this will depend on when the Agency has to pay back the general fund for the \$1.2 million loan that was made in order to purchase the property.

Agency Member Carrigan asked if the inter fund loan could be extended so that we could hold onto the property until other projects get going and the property value increases. Mr. Salter stated that Acting Chief Financial Officer Joyce Farley has been in touch with the State

Redevelopment Agency Workshop Minutes for April 17, 2006

Department of Taxation to see if we can extend the loan; but it was his understanding that those inter fund loans can only go for one year. Mr. Ornelas agreed that it would be more beneficial to hold onto the property; however, staff has to proceed on the assumption that the loan will have to be paid back and that we need to be prepared to sell the land rather quickly.

Mr. Ornelas then gave a brief on the RED Legends project stating, staff is working on a series of items that have to be completed by April 25th per the DDFA with RED. He asked Mr. Salter to provide an overview of those items, saying some of them are our responsibility and some are RED's responsibility. He said in general they are attachments or amendments to the DDFA and both sides are striving to get those things done.

One of the items is an alternative financing plan to that proposed in the development agreement. He said that in the development agreement the Agency would basically do a private placement of the bonds with RED and then at some future date there would be a take out based on the issuance of publicly traded bonds. That approach had disadvantages for both Sparks and RED and both sides are interested in an alternative approach and staff is working on this in conjunction with our financial advisor and Lehman Brothers, which is the underwriter that we have retained. He said that if we can develop this alternative and it is acceptable to all the parties, then it will be brought back as an amendment to the DDFA.

Mr. Salter stated the biggest thing we have going on right now is getting set up to make the preponderance finding that we need to make in order to get the STAR bond district going. After that is done, RED and the City need to go down to the State Tourism Commission and the Governor's Office to get their approval. Then the project will be brought back to the Council for the establishment of the Tourism Improvement District and hopefully the bond ordinance to issue bonds to get the project going.

He said there are a number of loose ends in the Development Agreement that need to be tied up by next week. He said that when they presented the agreement there were a number of exhibits that had not yet been completed. For example: all the property sale documents on Don Mello had not been worked out at that time; we need to do some work on the Special Assessment District (we have received the improvements list and are working on that now); we also need to meet with the County and get started on the agreement to get the baseball project going.

Agency Member Mayer said the County has been collecting the car rental tax all this time and if the baseball doesn't happen, where does the money go? Mr. Ornelas said the money goes to the County, but the car rental fee is earmarked specifically for a baseball stadium that is suitable for AA or AAA baseball. He said as he understands it, there will be a lot of proposals as to what to do with that fee if we get to the 2007 legislative session and it hasn't been earmarked for a specific project. The County would need to go back to the legislature to change where it can be spent.

Agency Member Mayer said there are rumors about the money and what is happening to it and he felt we needed to get some type of accounting as to what they are doing with the money. Mr. Salter noted that a lot of the money was spent on designing the initial baseball stadium that was going to go on the property in Sparks. Agency Member Mayer asked if the bills had been paid for the design. Mr. Salter said they were being paid the last time we checked, but he didn't know if it had all been paid. Agency Members asked for an accounting of the funds. Mr. Salter said

Redevelopment Agency Workshop Minutes for April 17, 2006

we would be getting one anyway in connection with the issuing of the bonds. Agency Member Carrigan said he was curious to know how much comes in each year. Mr. Ornelas stated the DDFA with RED obligates the Agency, if requested by RED, to ask the County to pass through that car rental fee to the City for the City to issue the bonds, so obviously we will have to discuss this with the County and see what terms they will require for this to occur.

Agency Member Salerno asked for the status of the preponderance finding. Mr. Salter said there are a lot of discussions going on with the City Attorney's Office, bond counsel and staff to put together the proposed findings. He said we received an updated market report from Mr. McClure late last week and staff is reviewing that as well as additional material and staff is hoping to get the preponderance hearing before the City Council, hopefully, in May. Mr. Ornelas stated the notice of the hearing has to be published at least 15 days in advance of the hearing, so as soon as we have information that legal counsel is comfortable advising staff to proceed, then we will notice that hearing. Attorney Adams said the hearing will more than likely be late May.

Mr. Ornelas then reported that the Paradise Plaza on Oddie Boulevard (the one with K-Mart in it) was acquired late last year by a retail development entity out of Southern California. Staff has had some initial conversations with them and they are interested in potentially pursuing some sort of development agreement with the Agency to give the center a substantial face lift and constructing some new buildings on the parameter and in general upgrade the center. This would be something staff would encourage the Agency to consider because it could be a real boost for trying to revitalize that retail corridor. He said as soon as staff had something more specific they would share it with the Agency.

Agency Member Mayer asked if they would have to go before the Design Review Committee. Mr. Ornelas responded that we do not have a Design Review Committee (DRC) for the Oddie corridor of Redevelopment Area II. He then asked if we could utilize the downtown committee to come up with a design theme for that area. Mr. Ornelas noted that the DRC for Area I was comprised, for the most part, of property owners and other interested parties from the downtown area and staff is currently re-evaluating the role of that committee, given the proposed development project. He said he did not know if the DRC would continue to play its current role downtown and it is really focused on the downtown area. Mr. Ornelas stated that we need to prepare more specific plans for the Oddie Boulevard Corridor, as well as the Conductor Heights area. He said in the Area II redevelopment plan there are lists of potential projects for each district, but it is pretty general and there is not much detail in the plan. He said as we move to start working those areas in, hopefully, in the not to distant future, the basis for establishing design criteria would be through a specific planning effort.

Agency Member Schmitt said he would like to go back to the RED project and clarify that the Council won't be seeing a preponderance hearing before the end of May. Attorney Adams stated that right now, with the information available to us, he did not see how we could make the early May meeting. He said that because of the 15 day notice requirement, staff will not be able to review and approve the information and get it on the agenda until the latter part of May. Agency Member Schmitt asked if this information qualified for a closed-door attorney-client meeting. Mr. Adams said he would be more than happy to speak with any or all of the agency members at any time. Agency Member Schmitt then requested a closed-door attorney-client meeting regarding the preponderance information.

Agency Member Carrigan commented that he would like to know what direction we are going to take when we do start improvements in the other redevelopment areas.

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

Mr. Ornelas provided an update on the Trammel Crow (TC) project, stating the Council approved the rezoning on the three parcels that they are planning to build on and the tentative handbook is under preparation. Staff expects it to be approved by the Planning Commission in May, and then ultimately to the City Council in early June.

Regarding the Phase I public improvements: the civil drawings are at about 50%; the landscape design should be catching up here pretty quickly; and we are looking to bid the project in time to have the bid awarded and for construction to start right after Labor Day so as not to disturb the Summer event season.

He then provided handouts and discussed how the different phases of the Victorian Square project are expected to move forward; what the estimated costs are; and, the amount of tax increment we can anticipate being generated by the project.

City Engineer Pete Etchart introduced the new Capital Projects Coordinator, Brian Casein, stating Brian would be helping himself and Armando a great deal on the Victorian Square Project.

Mr. Ornelas noted that the 8-1/2 x 11 sheets were a snapshot of the working spreadsheets that staff is utilizing to put together sources and uses budget for the project as well as trying to allocate the costs between a number of different sources of funding that will cumulatively be used to move forward with this project. He said that on the cost side, he was hoping that this was quite a conservative cost estimate. He then displayed the color coded maps and discussed the various phases as follows:

Phase I: The public improvements include modifications to the Avenue of the Oaks which involve removing the roundabouts on either side of the plaza and making it a through street to provide east/west access; doing the utility modifications and upgrades, including water, sewer, electric, gas and irrigation systems; providing landscaping and streetscape improvements including major modifications and enhancements to the B/C alley on the south side of parcels Band C; extending the landscaping treatments that we have in the Victorian Square area east along C Street between 10th and 11th Streets; enhance the pedestrian connection between the City's original parking structure and Victorian Square to enhance the use of that garage; improve the pedestrian environment in front of the Silver Club (there are very narrow sidewalks and not a particularly attractive stretch of C Street. On the private side in Phase I, there will be Trammel Crow's Phase I residential project (basically townhouse style condos and live/work units). Their estimated development costs are about \$45 million, which would generate various estimates from more conservative to more aggressive, \$8.7 to \$11.1 million from 2007/2008 to 2023 when the Redevelopment Agency District dissolves, having arrived at the end of its statutory life.

Council Member Carrigan asked if we had heard anything else about the Silver Club Hotel conversion. Mr. Ornelas stated that they have spoken to the broker that is handling this, both sides are still interested in seeing that transaction go through and the would-be buyer is still in

contract. He stated they are still dealing with some issues with the cost of converting the building.

Council Member Mayer asked if there was going to be street parking in the yellow areas of the map. Mr. Ornelas stated there will continue to be some parking along the Avenue of the Oaks and along 13th Street. There will not be much in the way of parking in the alleys that surround parcels B and C. Mr. Etchart noted that the Trammel Crow facilities are going to have their own off-street parking, but there is not a lot of off-street parking in Phase I of the public improvements. It was clarified that there would not be parking on Avenue of the Oaks where it bends around the fountain, but there would be parking further down on the east and west sides where there is currently parking. There was further discussion regarding the parking plan for surface streets in Phase I. Mr. Etchart noted that we have a consultant working on the traffic issues and doing a parking study for the downtown. He noted we don't have parking meters in the City, so we asked the consultant to look at time limited parking and other options.

Council said they thought that we had already done a lot of under grounding for utilities. Mr. Etchart responded that a great deal of the infrastructure was put in place years ago, but some of it will have to be changed a bit because of the new locations of some of the pad. However, overall this is a fantastic opportunity for any developer because a lot of the infrastructure is already in place.

Phase II: The second phase has four components, in terms of the way costs have been broken down. The public improvements involve the construction of the north/south streets on either side of the plaza. These streets were recommended to us by our design and retail consultant team as being important to the ultimate success of the retail uses along the plaza and to re-establish a grid in the downtown area. There will be some modifications and upgrades of utilities and additional irrigation lines, etc, along with landscaping and streetscape improvements, including the proposed City Hall fountains, gateway elements, additional signage. He said although it is still optional, for the purposes of cost estimates, the multi-use outdoor pavilion was included in the plans, the idea being to provide a multi-purpose space that could be used for small events, performing arts, etc.

He said City Hall is based on constructing five buildings with the bulk of City Hall at the southwest corner of Victorian Plaza Circle and Victorian Avenue. It would house the most public functions and would go up two to four stories, depending on the City's needs. Other offices would be located on the second and third floors of the four buildings along the plaza, with retail on the first floor of the buildings.

Mr. Ornelas noted that the cost estimates reflect the City owning and building or buying all of its space. He said staff will be evaluating, over the next several weeks, just what the City's options are for delivery of Phase II, in general, and City Hall, specifically. There may be a lot of merit, for example, to leasing at least some portion of the space, but staff will try to lay out a number of options for the Council/Agency to provide direction on.

Mr. Ornelas said there is a relatively small amount budgeted for design of the retail and private office space. He said vertically integrated buildings require that we at least plan for that space as part of our budget. He said the plan calls for a range of 50,000 to 100,000 square feet of retail and private office space on the ground floors of these buildings in Phase II.

Redevelopment Agency Workshop Minutes for April 17, 2006

Agency Member Mayer asked what the plan was for the displaced businesses and if we were required to provide space for them to participate in the project. Mr. Ornelas stated that Nevada Redevelopment Law has two primary provisions in this area. One is for property owners who desire participation and we are obligated to consider that. With regard to tenants, in general we follow the Federal Uniform Relocation Act and then there are some additional provisions. Typically if there is a tenant that would be displaced, we would have to find them a comparable location to move to and cover relocation expenses, etc. He cautioned that there are some uses that may be more compatible with the overall intent of the project. He stated our consultants are preparing a retail program so we can try to put together an optimum leasing plan for the retail component of the project. When this is complete, it will be the basis for making the decision as to whether a displaced tenant is a good fit for the project or not.

Agency Member Moss asked if we owned the property for the proposed City Hall building. Mr. Ornelas responded that we own most of the property for the main building (pink), but the other four are owned exclusively by other parties (blue), so we would have to negotiate with the owners to bring that property into the project either as acquisitions or on a participation or development agreement basis.

Mr. Ornelas stated the fourth component of Phase II is property acquisition and the budget assumes acquisition of all the property (which is very unlikely to be the case) and also includes, not only the actual working estimate of the price of the properties, but also consultant services for appraisals and relocation and relocation benefits for tenants.

Phase III: This involves two primary sets of activities: the redevelopment of some or all of the block between 14th and 15th Streets, C Street and Victorian Avenue. In the development plan we were purposely ambiguous as to what the uses on this block might be, in part because it is 3 to 5+ years out and also depending on the property we are able to assemble and what the market dictates at that time. The success or lack of success of any elements developed in the first two phases will also have a bearing on what occurs in the third phase.

The second aspect of Phase III that is important is the additional structured parking on the current surface parking lot in front of the existing parking structure east of the theater and on the court house block. The plan calls for approximately 650 spaces in those two structures and this parking will be needed to accommodate both City Hall uses and the retail and private office uses developed in Phase II. The estimated cost on the parking structures is estimated at \$10.4 million, which is a middle of the range type estimate.

He said another aspect is property acquisition, which has an estimated cost of a little over \$6 million and includes all the estimated consultant and relocation costs. Mr. Ornelas said total Phase III costs on the part of the City/Agency are about \$16.4 million, which would generate \$4.5 to \$9.1 million in property tax increment to the agency, based on 130,000 to 135,000 square feet.

Mr. Ornelas said one of the challenges we have with tax increment right now is that it is very unsettled in terms of the calculations that the County Assessor and the State are providing to us right now. He told the Agency if they have questions about that, Ms. Farley can address those, but given some of the changes that occurred in the 2005 [legislative] session, we have some on-

Redevelopment Agency Workshop Minutes for April 17, 2006

going issues with the County. Mr. Ornelas stressed that the tax increments are working estimates at this time and there is about an \$11 million range from low (conservative) to high (aggressive) and based on our experience so far, we are estimating toward the conservative side. He said that the total private investment, based on the amount of square footage laid out in his report would be in the \$81 million to \$111 million range. The costs of the New City Hall and structured parking and property acquisition would be a little under \$75 million.

Agency Member Mayer asked if we were going to have a bond to fund the City Hall and the Community Center, etc. and if so, when will it be coming to the Council for approval. Mr. Ornelas stated that staff will be bringing a bond ordinance to the Council at the April 24th meeting and there will be four projects rolled into the 2006 bonds, which will be backed by "C" tax. The bond will include approximately \$3.5 million for the Phase I public improvements; approximately \$2 million for design of City Hall; money for the West End Community Center; and funds to finish the Golden Eagle Regional Park, if we sell Don Mellow to RED. The total bond issue will be about \$16 million.

4. Adjournment

The meeting was adjourned at 2:52 p.m.

CAB

REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
April 24, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Call to Order Time: 4:23:16 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:23 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2. Roll Call Time: 4:23:23 p.m.
Agency Chairman Mike Carrigan, Deputy Agency Secretary Lenda Ulrich, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, ABSENT.

Staff Present: Tom Clewell, John Dotson, Steve Driscoll and Carrie Brooks.
- Comments from the Public Time: 4:23:45 p.m.
None.
3. Approval of the Minutes Time: 4:23:49 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the Minutes of the Special Meeting of March 20, 2006 and the Special Meeting of March 31, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion carried.
4. Report of Claims and Bills and Appropriation Transfers Time: 4:24:08 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the Report of Claims and Bills approved for payment and appropriation transfers made for the periods covering February 8, 2006 through March 8, 2006 and March 9, 2006 through April 5, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.
5. Comments Time: 4:24:29 p.m.
None.
6. Adjournment Time: 4:24:33 p.m.
There being no further business, the meeting was adjourned at 5:31 p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
May 15, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Time: 5:16:10 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:16 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 5:16:17 p.m.
Roll Call Agency Chairman Mike Carrigan, Acting Agency Secretary David Fitzpatrick, Agency Members John Mayer, Phillip Salerno, Judy Moss, Ron Schmitt, Geno Martini, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, ABSENT.

Staff Present: None.

Comments from the Time: 5:16:37 p.m.
Public None.

3. Time: 5:16:41 p.m.
Approval of the Minutes A motion was made by Agency Member Moss, seconded by Agency Member Martini, to approve the Minutes of the Regular Meeting of April 24, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion carried.

4. Time: 5:16:56 p.m.
Approval of Five-Year CIP Beginning July 1, 2006 An agenda item from Public Works Director Wayne Seidel recommending the Agency approve the Sparks Redevelopment Agency's Five-Year Capital Improvement Plan (CIP) for Fiscal Years beginning July 1, 2006.

A motion was made by Agency Member Mayer, seconded by Agency Member Moss, to continue to the meeting of May 22, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion carried.

5. Time: 5:17:23 p.m.
Comments None.

Sparks Redevelopment Agency Meeting Minutes for May 15, 2006

6.
Adjournment

Time: 5:17:29 p.m.
There being no further business, the meeting was adjourned
at 5:17 p.m.

Chairman

Agency Secretary

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City of Sparks
REDEVELOPMENT AGENCY WORKSHOP
Monday, May 15, 2006
2:00 p.m.

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

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

Staff Present: Armando Ornelas, Adam Mayberry, Randy Mellinger, Greg Salter, Wayne Seidel, Stan Sherer and Carrie Brooks.

1. Public Comment

None.

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

Redevelopment Manager Armando Ornelas said staff is preparing the 6th amendment to the reimbursement agreement with David Dahl and it should go to the Agency Board for approval on June 12th. Special Assistant to the Community Development Department Greg Salter gave an overview of the proposed amendment, stating hopefully this amendment will resolve all the issues the Agency has with Mr. Dahl.

Mr. Salter said that Mr. Dahl is reconfiguring the project to replace the hotel and two of the commercial buildings with condominium units, so we need to restructure the payment schedule to accommodate the new condos. One of the things the amendment does is reset the due dates for the three remaining payments for the reimbursement agreement. He has also agreed, because he is not going to put a lighthouse facility in the project, to donate \$100,000 toward the Centennial Lighthouse project. We also settled up on how much he owes us in extension fees: he has paid us \$213,000 so far and he has agreed to pay another \$197,000 in extension fees, which will be taken out of payment #6. This will bring us current on all the extension fee issues.

With regard to the canal, Mr. Salter said Mr. Dahl has hired Aquatic Engineers, who are proposing a dual system to re-circulate and aerate the water in the canal. The cost is about \$147,688 and under this amendment, Mr. Dahl agrees to pay this cost. And then the Agency would purchase that equipment out of payment #4 of the agreement and Aquatic would continue to monitor the algae and weeds and apply herbicides as necessary through October of next year. Then in December of 2007, the City will take over the canal. He said in December of 2006, Mr. Dahl has to present a new petition to the City Council for formation of the taxing district that will be used to allocate the cost of maintaining the canal. Mayor Martini asked what happens if everything is not working right in the canal when it comes time to take over the canal. Mr. Salter said if everything is not working right, then we expect the City Council to deny the petition for the taxing district. He said if something goes wrong in that period of time, and the City is not happy with the progress being made on the canal, the agreement provides that the City can, at

Redevelopment Agency Workshop Minutes for May 15, 2006

any time, step in and take over the canal and whatever costs we incur would come out of future payments to Mr. Dahl under the reimbursement agreement.

Council Member Mayer asked if general funds would have to pay for the canal maintenance. Mr. Salter explained that the taxing district would pay for the maintenance and under that taxing district we will be allocating the cost of maintaining the canal over the 59 residences that are there, plus the condos that are being built on the canal. He said that the City will also assume a portion of maintaining the canal, because some of the problems with the canal are related to debris coming in from the beaches, etc. Mr. Salter said the negotiations on what percentage of the costs the City will pay for have been put off until we have a system that we know works.

Council Member Mayer also asked for confirmation that there will be no Ferris Wheel. Mr. Salter confirmed, stating that the Ferris Wheel is not going to be included and some of the boardwalk that was going to be there needs to be eliminated because we are no longer going to have all the commercial activity that would benefit a boardwalk environment. Mr. Ornelas stated there were also issues with the Ferris Wheel being up today's safety standards.

Council Member Schmitt said he received a complaint this weekend that the algae has come back in full force and whatever mitigation that is being done is not working. Public Works Director Wayne Seidel stated that staff has been out at the canal on a weekly basis and AEI is under contract with David and they have been coming every Tuesday to do water testing and applying chemicals as needed. He said on April 10th, they added three chemicals (sonar, an oxidizer and bacteria), based on their water testing. The circulation system is supposed to be built by the end of this month (Mr. Dahl is constructing this). Mr. Seidel said he would talk with the contractor tomorrow and follow-up with Mr. Schmitt. Council Members Carrigan and Mayer said the water looked pretty clear to them on Saturday, when they checked on the canal.

Council Member Moss asked how many condos will be built on the canal and become part of the taxing district. Mr. Salter said the Villas will be 127 residential units and 10 retail units. The Marina Square project to the north has 30 residential units. 137 units will be part of the taxing district. A discussion ensued regarding which units should or should not be part of the taxing district. It was noted that the Agency would use a consultant to determine the taxing district.

Council Member Carrigan asked how much money we had, so far, for the Centennial Lighthouse. It was noted that we received \$25,000 from the City of Reno, \$19,000 from the County, \$100,000 from David Dahl, and \$40,000 was left over from the Centennial Commission. It was estimated that the lighthouse would cost \$200,000 to construct.

Council Member Mayer asked if Mr. Dahl had acquired the Manke property. Mr. Ornelas stated Mr. Dahl looked at the property adjacent to the RV Park, but as of this date he has not done so.

Council Member Salerno asked if we were doing anything with Mr. Manke to get him to put up some type of screening along the fence of the storage business. Mr. Mellinger said that right now the City has a set-back requirement of 15 feet. Mr. Manke came in with a 5 foot proposal with an 18 foot wall at a Planning Commission workshop, but the Planning Commission didn't like the plan and Mr. Manke has not re-submitted his plans. Council Member Carrigan noted that Mr. Manke has managed to pick up every old school bus between here and San Diego to put in the storage area. Mayor Martini stated he is probably trying to send us a message. Mr.

Redevelopment Agency Workshop Minutes for May 15, 2006

Mellinger agreed that he is probably putting junk vehicles near the fence so they will be visible and “drive us crazy” so we will agree to the 5 foot setback. Several solutions were discussed, including putting slats in the chain-link fence or putting code enforcement into action on this. Mr. Seidel stated staff priced a new fence along that section, chain link with slats, which would cost \$180,000. Mr. Mellinger said Mr. Manke wants to put in climate-controlled RV storage; however he could do this with the 15 foot setback. Mr. Mellinger said the 18 foot wall could also be done; however, it would need to be coated because it would quickly become the ultimate graffiti wall; unless we did a public art mural and then coated it. Mr. Mellinger said he did not feel that Mr. Manke would ever budge on the setback and the problem that we have is that there is no room between the existing sidewalk and the fence for the City to plan landscaping for screening purposes. Council Member Mayer said he thought there would be room for some pyracanthus or some other type of bush.

Mr. Ornelas stated staff is still working with bond counsel and RED to reach agreement on the information that is needed to serve as the basis for the City Council to consider a finding of preponderance. The focus is on the nature of the developer’s commitment that is required; and after meeting with bond counsel, staff expects to convey to RED an alternative to what has been under discussion over the last two weeks.

Mr. Ornelas stated we have started the preliminary work that is necessary to move forward with a SAD. The City has engaged the services of Stantec to serve as the assessment engineer and we are meeting almost weekly with the whole team (bond counsel, underwriter, assessment engineer, RED engineers and City staff). Mr. Salter said they will have a project description done this week and at this juncture we are right on schedule and will be in a position to issue bonds by September.

Mr. Ornelas said another thing that we will be making progress on is an alternative to the financing structure that is called for in the DDFA with RED. That structure calls for the Agency to do privately placed bonds that RED would buy (STAR bonds) and then at some future date, after the project is actually constructed and generating revenues, we would refund those bonds with the proceeds of a publicly issued bonds. He said in many respects this arrangement is not satisfactory to either RED or to the City, and in the agreement is a provision that both sides look to come up with an alternative to that. Council Member Mayer asked about the public. Mr. Ornelas discussed at length the amount of the bonds and how they would work.

Council Member Mayer asked if they had a baseball team. Mr. Ornelas said it was a chicken and egg thing: they have an operator for the project, but they can’t sell that agreement until we get through the STAR bond process. He said there is a good chance of baseball being part of the project, if we have a project that is moving forward as envisioned. He said if the baseball plan did not go through, RED would put additional retail in that spot. Council Member Mayer said he was concerned about the lack of specifics on this project. Mr. Ornelas said that this is typical with regard to where retail developers are at this stage of the project.

Regarding the sale of the 10.2 acres the Agency owns, Acting Chief Financial Officer Farley noted that she has started the process rolling to re-do the loan, because inter-fund loans can only be 12 months. She said we are kind of on the edge with the Department of Taxation about re-doing the interfund loan, but she felt at this point we would be okay. She said she spoke with our auditors and found a fund that has the money (the Group Health Insurance Fund) and can make

the loan. She said approval of the loan will be on the June 12th council meeting. Mr. Ornelas said this will give us another year; however, we do need to sell the property this next fiscal year.

Ms. Farley said that at the June 12th meeting there will be a request for approval of a resolution to give Washoe County our permission to put two properties on the block for delinquent SAD fees. She noted that if the fees are paid, then the resolution will not be on the agenda.

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

Mr. Ornelas reported that the handbook for the Trammel Crow Phase I residential project will go before the Planning Commission this Thursday for tentative approval and, if approved, should go to the City Council on June 12th.

Mr. Ornelas stated he talked to the broker in the Silver Club transaction and apparently there have been some re-negotiations, but they are still looking to acquire that property and do the conversion. He noted that there are still issues with regard to construction costs because they want to add a 7th story to the building.

He said he had received a letter from Pacific Cap indicating that they are not going to pursue the multi-family project adjacent to the new Citi-Station site, primarily because of big increases in costs, relative to when they started with the idea. Council Member Mayer asked who gets the tax credits and a discussion ensued regarding the use of tax exempt bond cap. Mr. Ornelas emphasized that right now there is no one who wants to use the bond cap.

4. Adjournment

The meeting was adjourned at 2:57 p.m.

CAB

SPECIAL MEETING OF THE SPARKS REDEVELOPMENT AGENCY
May 16, 2006 7:00 p.m.

1. Time: 7:01:03 p.m.
Call to Order The special meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 7:01 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 7:01:10 p.m.
Roll Call Agency Chairman Mike Carrigan, Acting Agency Secretary David Fitzpatrick, Agency Members John Mayer, Phillip Salerno, Judy Moss, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Acting Agency Attorney David Creekman, PRESENT. Agency Secretary Debi Dolan, Agency Member Geno Martini, Agency Attorney Chet Adams, ABSENT.

Staff Present: Stacie Hemmerling, Debi Hunt, Adam Mayberry and Carrie Brooks.

Comments from the Time: 7:01:37 p.m.
Public None.

3. Time: 7:01:39 p.m.
P.H. on the Tentative Chairman Carrigan opened the public hearing on the Tentative Budget for the Redevelopment Agency for Fiscal Year 2006-2007 and asked if there was anyone present who wished to make comments. There being no one present who wished to comment, the public hearing was closed.
Budget for Fiscal Year
2006-2007

4. Time: 7:01:57 p.m.
Comments There were no comments from the Agency and Chief Administrative Officer.

5. Time: 7:02:05 p.m.
Adjournment There being no further business, the meeting was adjourned at 7:02 p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
May 22, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1.
Call to Order

Time: 6:39:16 p.m.

The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 6:39 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2.
Roll Call

Time: 6:39:22 p.m.

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

Staff Present: None.
- Comments from the
Public

Time: 6:39:44 p.m.

None.
3.
Approval of the
Minutes

Time: 6:39:49 p.m.

None.
4.
Report of Claims and
Bills and Appropriation
Transfers

Time: 6:39:49 p.m.

A motion was made by Agency Member Mayer, seconded by Agency Member Schmitt, to approve the Report of Claims and Bills approved for payment and appropriation transfers made for the period covering April 6, 2006 through May 3, 2006. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.
5.
Approval of Five-Year
CIP Beginning July 1,
2006

Time: 6:40:08 p.m.

An agenda item from Public Works Director Wayne Seidel recommending the Agency approve the Sparks Redevelopment Agency's Five-Year Capital Improvement Plan (CIP) for Fiscal Years beginning July 1, 2006.

Mr. Seidel noted that the CIP for the Redevelopment Area is very thin. He said that they have added funds in 07/08 for the Washoe County School District projects and staff will spend this year working with the School District to develop some projects.

Sparks Redevelopment Agency Meeting Minutes for May 22, 2006

A motion was made by Agency Member Mayer, seconded by Agency Member Moss, to approve the Sparks Redevelopment Agency's Five-Year Capital Improvement Plan (CIP) for Fiscal Years beginning July 1, 2006. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.

6.
Approval of Final
Budget for the
Redevelopment
Agency for FY
2006/2007

Time: 6:45:56 p.m.

An agenda item from Acting Chief Financial Officer Joyce Farley recommending the Agency adopt the Final Budget for the Redevelopment Agency of the City of Sparks for Fiscal Year 2006-2007.

Ms. Farley said this budget document contains all the recommendations that the Agency Members have approved prior to this meeting and aside from inserting a couple of cosmetic items, this is the complete budget that will be filed with the Department of Taxation.

A motion was made by Agency Member Schmitt, seconded by Agency Member Moss, to approve the final budgets for Redevelopment Agencies I and II. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.

7.
Comments from the
Agency and Chief
Administrative Officer

Time: 6:42:21 p.m.

None.

8.
Adjournment

Time: 6:42:28 p.m.

There being no further business, the meeting was adjourned at 6:42 p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
June 12, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Time: 5:59:42 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 5:59 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 5:59:47 p.m.
Roll Call Agency Chairman Mike Carrigan, Agency Secretary Debi Dolan, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT.

Staff Present: Steve Driscoll, Adam Mayberry, Randy Mellinger, Armando Ornelas, Greg Salter, Wayne Seidel and David Fitzpatrick.

Comments from the Public Time: 6:00:11 p.m.
None.

3. Time: 6:00:15 p.m.
Approval of the Minutes A motion was made by Agency Member Mayer, seconded by Agency Member Moss, to approve the Minutes of the Special Meeting of May 15, 2006 and the Special Meeting of May 16, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.

4. Time: 6:00:36 p.m.
Approval of the First Amendment to the Agreement for Market Analyses with McClure Consulting An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approve the first amendment to the Independent Contractor's Agreement with McClure Consulting LLC, for Market and Related Economic Analyses for RED Development's Legends at the Sparks Marina Project. This amendment will increase the contract amount by up to \$35,000, from \$47,540 to \$82,540. The City may be reimbursed for this cost from bond proceeds if bonds are issued.

Mr. Ornelas stated that McClure Consulting is the firm that was retained to do the market analysis and some related analysis, including a displacement analysis for the RED project, more specifically; this report is anticipated to be the basis for the determination on the part of the City Council of preponderance. That is that the project will achieve a preponderance of it sales from out of state visitors, as is required by NRS 271A, which is the

enabling legislation for the issuance of STAR bonds and proceeding that, the creation of a tourism improvement district.

He said the amendment would increase the contract amount by \$35,000, for a total of \$82,450. He said the additional funds are necessary because the process of establishing a tourism improvement district has been extended and we have required new iterations and analysis from McClure Consulting.

Agency Member Mayer asked why the City was footing the bill for this instead of the Developer, because the Developer was going to benefit from the bonds, not the City. Mr. Ornelas stated that essentially we agreed to pay the cost of the market analysis up to a certain point and as we move forward with the bond process, we have picked up the cost of the amendment to that analysis. He said it is appropriate for the Agency to be the contracting party because it is part of the split of pre-development costs that we have worked out with RED Development.

Agency Member Moss noted that the staff report stated that the Agency may be reimbursed from bond proceeds if the STAR bonds are issued. Mr. Ornelas said yes, staff believes this to be a cost that is reimbursable from STAR bond proceeds, so if we do issue bonds, we expect that would occur.

City Attorney Adams said that it was his understanding that during a public presentation made by RED down in Las Vegas that they were promoting their project as having a gaming component, along with a 1,000 room hotel and asked Mr. Ornelas if he knew anything about that. Mr. Ornelas responded that the possibility of a hotel/resort casino has been raised by RED in the most recent descriptions of the project, so that is a possibility, but it is not something that is a certainty. Mr. Adams said if this project continues to be changed by RED, we are going to end up paying more and more for consulting. He said if there is going to be a casino, we may have to start this whole process over again and he didn't feel that this project contemplates taxpayer money being used to purchase land for a hotel/casino. He said that if that is what they want their project to do, then all this work may be required to start anew, and that is why he asked Mr. Ornelas about the validity of the hotel/casino rumor. Mr. Ornelas stated it was his understanding that it was a possibility. Mr. Adams said then that possibility should be put in the next McClure report so we can study it accordingly. Mr. Ornelas stated the focus of the McClure report is on sales tax projections and so that particular use would not necessarily impact sales tax revenues in a direct way, in that it is not a use that generates a lot of sales tax.

Mr. Adams countered that if public money is going to be used to purchase land that a hotel casino will ultimately be built on... Mr. Ornelas said potentially there may be a way to segregate that use in such a manner that that cost is reimbursed.

A motion was made by Agency Member Schmitt, seconded by Agency Member Salerno, to approve the amendment as outlined. Agency Members Salerno, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Mayer, NO. Motion Carried.

5.
Approval of the 6th
Amendment to the
Reimbursement
Agreement with
Marina Village

Time: 6:07:23 p.m.

An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approve the 6th Amendment to the reimbursement Agreement with Marina Village, LLC.

Mr. Ornelas stated the reimbursement agreement provides that the developer will provide certain public improvements and that the Redevelopment Agency will, in turn, reimburse the developer for (the amount in the original agreement, \$5,019,420) those improvements and that reimbursement would be out of property tax increment generated by the project. He said to date, the Agency has made payments totaling \$2,601,420 and the balance owed, after taking into account \$410,000 in extension fees that the developer has either paid or will pay to the Agency (or reduce the amount of payment #6 by a portion of the amount owed), would be \$2,008,000.

Mr. Ornelas said basically we would make three payments:

Payment #4 would be \$600,000 to be paid to the developer upon completion of the first phase of the Villas project. The agreement reflects some changes in land use where the developer has determined that, due to changing market conditions, he will no longer be doing additional office space or the hotel, and some changes to the public sphere, including the loss of a lighthouse building and the Ferris wheel. Instead of those improvements, there will be 127 residential units and 8 retail units.

Payment #5 would be \$1,000,000 to be paid upon completion of the Villas. This would provide an additional 78 residential units and 5 more retail units which would have a value of about \$25.7 to \$30 million.

Payment #6 would be the final payment of \$818,000, less the \$197,000 in extension fees for an amount of \$621,000 when Marina Square is completed. This is a condominium project

which has about 30 residential units for a value of \$13.7 million.

Mr. Ornelas said the 6th Amendment would extend the termination date of the reimbursement agreement with the developer to December 31, 2008. Also required, per the 6th amendment, is that the developer will install recirculation and air diffuser systems to help improve the quality of the canal that serves those units and comes out of the marina. He said those canal improvements have been completed. He said that because the developer will no longer be doing the Ferris Wheel and lighthouse as part of the office and retail projects, the developer has agreed to make a \$100,000 payment to the Centennial Lighthouse project.

Chairman Carrigan asked if this was the last amendment. Mr. Ornelas said he would hope so, but agreements are evolving documents.

Agency Member Mayer said the staff report was very confusing and he said that he was walking the path at the Marina and when he looked, he could not see the bottom of the canal. Public Works Director Wayne Seidel explained that the circulation system was completed last week and they are beginning construction on the air diffuser system this week. There was further discussion regarding the location of the systems, what each system did to maintain the clarity of water in the canal and maintenance of the canal, in general.

Agency Member Mayer asked Mr. Seidel if he thought these systems would work to take care of the algae problem in the canal. Mr. Seidel stated they are doing better than last year, but it still needs some work. Agency Member Mayer asked what happens if the system doesn't work after we take over the canal from the developer (Dahl). Mr. Seidel stated that Mr. Dahl is responsible to set up a program that will work and prove to the homeowners and the Agency/Council that this is the program and costs that it will take to maintain the canal. He said staff is anticipating seeing that proof in November/December, once he has successfully run the systems this season.

Agency Member Mayer asked if the commercial owners will also participate in the cost of maintaining the canal. Special Counsel Greg Salter said the commercial property will not be included in the assessment district and this was decided a few years back when we were trying to allocate the overall costs for the marina area. It was decided that the town homes and condominiums that line the canal are the ones that primarily benefit by keeping the canal clean. He

Sparks Redevelopment Agency Meeting Minutes for June 12, 2006

explained that initially we were going to add to that the cost of maintaining the pathway that went around the lake, but we decided to pass that cost onto the commercial development and keep the homeowners responsible only for maintaining the canal.

Agency Member Mayer said he had his doubts about the whole thing and if it works out it would be terrific, but he felt there would always be algae in the canal. Mr. Seidel stated it was discussed at the neighborhood meeting that there is going to have to be an acceptable level of water quality that we can achieve, because it is not a swimming pool or a closed body of water where you can add chemicals and turn the water clear. He said the program will control the algae, but it will not make it go away. Several comments were made that despite the algae, the quality of the water in the canal, as well as the lake, is very good.

A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the 6th Amendment as outlined. Agency Members Salerno, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Mayer, NO. Motion Carried.

6.
Comments from the
Agency and Chief
Administrative Officer

Time: 6:23:32 p.m.

Agency Member Martini commented about the free kids fishing day, saying it went well and he thanked the Sparks Rotary and Mark, Fore & Strike for stocking the lake with 1,000 trout for the kids. A thank you letter signed by each agency member will be sent.

7.
Adjournment

Time: 6:24:32 p.m.

There being no further business, the meeting was adjourned at 6:24 p.m.

Chairman

Agency Secretary

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City of Sparks
REDEVELOPMENT AGENCY WORKSHOP
Monday, June 19, 2006
2:00 p.m.

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

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

Staff Present: Steve Driscoll, Pete Etchart, Armando Ornelas, Randy Mellinger, Greg Salter and Carrie Brooks.

1. Public Comment

None.

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

Redevelopment Manager Armando Ornelas said that RED Development was working with staff to schedule a press conference for additional tenant announcement a week from today, on Monday, before the City Council Meeting, here at City Hall, around 2:00 p.m.

He said RED has also indicated that they will close on the Blume property at the end of the month and then they would have three weeks to close on some of the additional property and they are working on their financing to do that. Staff is looking to schedule the preponderance hearing sometime during the month of July; ideally as soon as the 10th, but that will depend on a bond counsel decision. He said we are going to the Nevada Commission on Tourism on July 8th, to give an informational presentation to the Commission on the project. This meeting will occur in Las Vegas and if anyone wants to watch the meeting, it will be simulcast in Carson City. He said the commission will also be considering the Cabella's project in Reno on this date. He stated that we are working with our financial advisors, Fieldman Rolap and with Lehman Brothers to put together some financing proposals of the first issue of STAR bonds.

Assistant City Manager Randy Mellinger reported that staff is working on an entitlement now that will include the final handbook for the Blume property and another possible amendment to the project. He said staff has been working with RED's team and they should be through with all this in the next month or so. Mr. Ornelas said that the idea is to have a single handbook for most of the property.

Special Assistant to the Community Development Department, Greg Salter gave an update on some of the steps that are coming up with regard to the disposition of Don Mello; stating they want to "take down" the property on October 31st; however there are still some water rights issues we need to get coordinated and some sales documents that need to be coordinated, but the acquisition is on schedule and moving along smoothly. Agency Member Salerno asked for confirmation that they can't tear the park down until the replacement facility is built. Mr. Salter said the way it will work is that RED will take title to the property in October and the City will

Redevelopment Agency Workshop Minutes for June 19, 2006

then lease it back for \$1 per year for the period of time we need to build the Golden Eagle Regional Park. He noted that RED will give us \$4 million up front and the rest will be a direct pay letter of credit for the remainder of the \$16 million dollar price. He said we should have enough to build the new park, unless we get some real surprises when we send the bids out. Mr. Mellinger assured the Agency that RED will not be able to tear down Don Mello until the new park is ready.

City Engineer Pete Etchart discussed the plans for the new park (Golden Eagle), stating we are looking at two bids, one for the earth work and one for the actual field improvements. There will be 6 softball fields and 2 baseball fields.

Mr. Salter said there was a hearing set for the Council meeting on June 26th to make the finding that it is in the best interest of the City to sell Don Mello to RED Development without going out to a public bid. Agency Member Salerno expressed concern that we put the word out about the public hearing, stating he did not want this to come back later with accusations that this was a back-room deal. Mr. Salter said that this was scheduled as a regular public hearing with the normal notice procedures for a resolution.

Agency Member Salerno asked if RED was part of a tour of the marina that took place on Saturday. Agency Member Mayer said he went over with some of the staff and there is definitely improvement in the canal water; however there is still a problem with trash. Agency Member Mayer stated the problem with the canal was that it was not dug deep enough and it should have been 12 feet deep because the water is very warm, which accelerates growth of plants. Mr. Etchart noted that there were utility lines that went under the canal, so it would be difficult to dig the channel deeper. There was further discussion regarding time table for when the City takes over maintenance of the canal and about possible solutions regarding the excess trash from the lake that goes into the canal.

Agency Member Mayer suggested that the Park Rangers be given citation power for littering and not picking up after their dogs and perhaps this would help eliminate the trash, etc. around the marina area. City Attorney Adams explained that while he was not in support of giving the Park Rangers criminal citation power; his staff was looking into a plan to provide them with the authority to enforce the park rules through a civil process.

Agency Member Mayer asked about the rumors that RED was going to build a casino on the project. Mr. Ornelas stated the hotel/casino option was something that RED has been looking at. Mr. Mellinger emphasized that you hear a lot of things, but until it is submitted and approved, it is not a "done deal".

Mr. Ornelas noted staff is going to start the process for disposal of our 10.2 acres at the Marina and the Agency has assured the Finance Department that it will be sold in this upcoming fiscal year; in time to pay back the interfund loan. Agency Member Carrigan expressed concern that the RFP process would allow the Agency to say what they want on the property, versus what they don't want. Mr. Ornelas stated this could be discussed at the next Agency Workshop in July.

Agency Member Mayer expressed concern about the western nightclub on Oddie Boulevard, Pure Country, stating they had really loud music and it appeared that patrons were drinking

outside. Mr. Mellinger said that outdoor dining/drinking was not part of their use permit. It was noted that Code Enforcement would be notified of this situation.

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

Mr. Ornelas asked City Engineer Pete Etchart to give the Agency Members an update on the public improvements for Phase I and the City Hall component of Phase II. Mr. Etchart said they have the second draft of the civic center master plan, which basically has the staff and space requirements out to the year 2026. He said this will be used for the sizing of City Hall and includes space requirements for every level of employee; whether they have cubicles or offices, etc. He said the next step is to work with RTKL on how these work stations and offices will look and then meet with Shaun and the Department Heads and get their input on the space requirements.

Mr. Etchart said after we finalize the space requirements, we will start allocating how the different departments are going to work with one another and which building they will be assigned and how interaction between the departments is going to occur.

Mr. Etchart said we are a few weeks behind the schedule on the Phase I public improvements, but we are still going great. He said we have the plans and staff is ready to give final comments on those; and we still hope to be under construction in September. He noted that we have been in contact with some contractors to let them know this project is coming up, so we should get some good bidders.

Mr. Ornelas stated the Phase I public improvements include the utilities and road network that are necessary to support the Phase I private improvements and a landscaping component and updated signage. He then passed around a schematic design for the new signage for the project area, noting that these were part of the larger set of construction drawings that Pete will be using to go out to bid with. Mr. Etchart noted that this project will be in two phases: we are going to put in the initial utilities and road infrastructure that Trammel Crow will need to build their portion and then once they build the buildings, we will go back in and finish the landscaping up to the buildings.

Mr. Ornelas said the other aspect of the space planning for the 2nd phase is the retail component and our consultant, Linda Congleton, is working on this. She has a pretty good idea of where she is going with the proposed tenant mix she is recommending and we should have a product back from her in July that is pretty close to final. This will be the basis for the Agency pursuing retail uses for Phase II of the project (which is the retail along Victorian Avenue and along either side of the plaza; approximately 60,000 square feet of retail). He said this tenant mix will also be the basis for some of our negotiations with Trammel Crow on their role with regard to Phase II.

Mr. Ornelas noted that Trammel Crow submitted the Victorian Square Development Plan to the Pacific Coast Builders Conference and they have a "Gold Nugget" award they give out each year. The Plan won the award in the category of "Best on the Board" site plan and it is eligible for the Grand Prize in that category.

Agency Member Mayer asked if the Silver Club Hotel project is kaput. Mr. Ornelas said they still have the property under contract and they are still trying to make the numbers work. Agency Member Mayer also asked if the plan for affordable housing is still viable. Mr. Ornelas

Redevelopment Agency Workshop Minutes for June 19, 2006

stated that is kaput. He said that the plan involved acquiring 13 individual parcels and that is a challenge that is difficult to overcome and that was why Pacific Cap walked away from the proposed project. A discussion ensued regarding tax exempt public bond financing and affordable housing, with Mr. Ornelas stating that there is still bond cap available and right now there is not a lot of affordable housing being built because of cost factors and lack of sites.

4. Adjournment

The meeting was adjourned at 2:46 p.m.

CAB

REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
June 26, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Time: 5:46:40 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 5:59 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 5:46:46 p.m.
Roll Call Agency Chairman Mike Carrigan, Agency Secretary Debi Dolan, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Acting Deputy Agency Attorney David Creekman, PRESENT. Agency Attorney Chet Adams, ABSENT.

Staff Present: Lenda Ulrich.

Comments from the Time: 5:47:08 p.m.
Public None.

3. Time: 5:47:10 p.m.
Approval of the Minutes A motion was made by Agency Member Martini, seconded by Agency Member Salerno, to approve the Minutes of the Regular Meeting of May 22, 2006 and the Regular Meeting of June 12, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.

4. Time: 5:47:24 p.m.
Report of Claims and Bills and Appropriation Transfers A motion was made by Agency Member Moss, seconded by Agency Member Martini, to approve the Report of Claims and Bills approved for payment and appropriation transfers made for the period covering May 4, 2006 through June 7, 2006. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.

5. Time: 5:47:36 p.m.
Notification of Appropriation Transfers Between Accounts Within Funds and Between Funds An agenda item from Acting Chief Financial Officer Joyce Farley recommending the Agency accept notification of appropriation transfers between accounts within funds and between funds for Sparks Redevelopment Areas No. 1 and No. 2, pursuant to NRS 354.606. The Agency must be notified of these budget adjustments prior to June 30 of each fiscal year.

Ms. Farley noted that this was a housekeeping, cost-covering item

Sparks Redevelopment Agency Meeting Minutes for June 26, 2006

for the end of the fiscal year.

A motion was made by Agency Member Martini, seconded by Agency Member Mayer, to accept notification of appropriation transfers between accounts within funds and between funds for Sparks Redevelopment Areas No. 1 and No. 2. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.

6.
Comments from the
Agency and Chief
Administrative Officer

Time: 5:48:19 p.m.
None.

7.
Adjournment

Time: 5:48:24 p.m.
There being no further business, the meeting was adjourned at 5:48 p.m.

Chairman

Agency Secretary

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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.

Redevelopment Agency Workshop Minutes for July 17, 2006

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.

Redevelopment Agency Workshop Minutes for July 17, 2006

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

REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
July 24, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Call to Order Time: 3:47:20 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 3:47 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2. Roll Call Time: 3:47:32 p.m.
Agency Chairman Mike Carrigan, Agency Secretary Debi Dolan, Agency Members Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Acting Agency Attorney David Creekman, PRESENT. Agency Members John Mayer, Phillip Salerno, Agency Attorney Chet Adams, ABSENT.

Staff Present: Tom Clewell, John Dotson, Steve Driscoll, Neil Krutz, Adam Mayberry, Armando Ornelas and Lenda Ulrich.
- Comments from the Public Time: 3:48:06 p.m.
None.
3. Approval of the Minutes Time: 3:48:10 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the Minutes of the Regular Meeting of June 26, 2006. Agency Members Moss, Martini, Carrigan, Schmitt, YES. Agency Members Mayer, Salerno, ABSENT. Motion Carried.
4. Report of Claims and Bills and Appropriation Transfers Time: 3:48:24 p.m.
A motion was made by Agency Member Schmitt, seconded by Agency Member Martini, to approve the Report of Claims and Bills approved for payment and appropriation transfers made for the period covering June 8, 2006 through July 5, 2006. Agency Members Moss, Martini, Carrigan, Schmitt, YES. Agency Members Mayer, Salerno, ABSENT. Motion Carried.
5. Comments from the Agency and Chief Administrative Officer Time: 3:48:40 p.m.
None.

Sparks Redevelopment Agency Meeting Minutes for July 24, 2006

6.
Adjournment

Time: 3:48:47 p.m.
There being no further business, the meeting was adjourned at 3:48 p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
August 14, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Call to Order Time: 8:00:24 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 8:00 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2. Roll Call Time: 8:00:29 p.m.
Agency Chairman Mike Carrigan, Agency Secretary Debi Dolan, Agency Members John Mayer, Judy Moss, Geno Martini, Ron Schmitt, Acting Chief Administrative Officer Randy Mellinger, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Member Phillip Salerno, Chief Administrative Officer Shaun Carey, ABSENT.

Staff Present: Greg Salter and David Fitzpatrick.
- Comments from the Public Time: 8:00:54 p.m.
None.
3. Approval of the Minutes Time: 8:00:58 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the Minutes of the Regular Meeting of July 24, 2006. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.
4. Report of Claims and Bills and Appropriation Transfers* Time: 8:00:36 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the Report of Claims and appropriation transfers. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.

*No staff report was submitted for this item.
5. Agreement for Bond Counsel Services for The Legends at Sparks Marina Bond Financings Time: 8:01:21 p.m.
An agenda item from Acting Finance Director Joyce Farley recommending the Agency approve an agreement for Bond Counsel Services with Orrick, Herrington & Sutcliffe to serve as bond counsel for the Legends at Sparks Marina STAR bond financings. Mr. Greg Harrington, a partner in the Los Angeles Office, will serve as the principal attorney from this global law firm. The contract calls for the following hourly fees: For Mr. Harrington, \$620/hour;

Sparks Redevelopment Agency Meeting Minutes for August 14, 2006

for Mr. Larry Sobel (tax attorney), \$635/hour; associate attorneys, \$235-475/hour; for project managers and legal assistants, \$75-250/hour. In addition, the City and Agency agree to reimburse Orrick for costs and expenses (direct and indirect) incurred in connection with the services rendered including (without limitation) filing and publication, document reproduction and delivery, travel, long distance telephone, telecopy, word processing, transcript preparation, computer research, secretarial overtime and other similar expenses. See Section 3 of the attached contract. The fees will be taken out of bond proceeds if bonds are issued. Otherwise, the Agency may be billed on an hourly basis.

A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the agreement for bond counsel services with Orrick, Herrington & Sutcliffe, as outlined by staff. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, Absent. Motion Carried.

6.
Comments from the
Agency and Chief
Administrative Officer

Time: 8:02:17 p.m.
None.

7.
Adjournment

Time: 8:02:22 p.m.
There being no further business, the meeting was adjourned at 8:02 p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
September 11, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Time: 4:19:12 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:19 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 4:19:22 p.m.
Roll Call Agency Chairman Mike Carrigan, Deputy Agency Secretary Lenda Ulrich, Agency Members John Mayer, Judy Moss, Geno Martini, Ron Schmitt, Acting Chief Administrative Officer Randy Mellinger, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, Agency Member Phillip Salerno, Chief Administrative Officer Shaun Carey, ABSENT.

Staff Present: Robin Pagni, Margaret Powell and Carrie Brooks.

Comments from the Time: 4:19:50 p.m.
Public None.

3. Time: 4:19:53 p.m.
Approval of the Minutes A motion was made by Agency Member Martini, seconded by Agency Member Moss, to approve the Minutes of the Regular Meeting of August 14, 2006. Agency Members Mayer, Moss, Martini, Carrigan, Schmitt, YES. Agency Member Salerno, ABSENT. Motion Carried.

6. Time: 4:20:07 p.m.
Comments from the Agency and Chief Administrative Officer Agency Attorney Chet Adams apologized to the City Council/Agency Members for remarks he recently made which were reported in the news media; stating that the remarks were inappropriate and unprofessional and he had no excuses.

7. Time: 4:20:54 p.m.
Adjournment There being no further business, the meeting was adjourned at 4:20 p.m.

Chairman

Agency Secretary

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City of Sparks
REDEVELOPMENT AGENCY WORKSHOP
Monday, September 18, 2006
2:00 p.m.

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

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

Staff Present: Pete Etchart, Armando Ornelas, Greg Salter, Wayne Seidel, Dave Vill and David Fitzpatrick.

1. Public Comment

None.

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

Redevelopment Manager Armando Ornelas noted that the five remaining single family homes (out of 59) in David Dahl's project are under way and two have actually received their certificate of occupancy and the other three should be finished by the end of the year. This will finish out the single family subdivision. The final map for the condominium project is being reviewed by staff and Mr. Dahl hopes to start construction by the end of the year.

Mr. Dahl is also doing the last of the work on SAD No. 2. The traffic light is being installed, but staff is not planning to activate the lights. City Engineer Pete Etchart said there is a sight-distance problem with the traffic light (at Marina Gateway Drive) and we can either bag it or operate it right away, it is our choice. Mr. Ornelas said the only other work item on SAD No. 2 is some landscaping and Mr. Dahl expects to start that in about two weeks and finish it up this fall. This would close out SAD No. 2.

Mr. Ornelas said that Mike Kelly is the expert on the canal maintenance issues; however, he is out today, so he will give an update on the canal maintenance issue at the workshop next month.

Mr. Ornelas gave an update on the RED Development project, stating the Nevada Commission on Tourism preponderance hearing is scheduled for September 26th in Las Vegas. Staff is working with RED and our various consultants to prepare for the hearing. He said that assuming that the Commission makes a preponderance determination, the next step in the process would be for the Governor to approve the creation of a star bond district and the bond issue. He pointed out that the findings that the Governor makes are a little different: they are more general with regard to fiscal impact, particularly on education and economic development. Mr. Ornelas said once the Governor approves a star bond district, then it comes back to the City Council to consider the actual tourism improvement district (TID) ordinance and then either concurrently or at a subsequent step, there would be an ordinance for the issuance of star bonds for the project.

Mr. Ornelas said staff is still working with RED and their engineering team on the special assessment district for the RED project. They still need to define the projects that are going to be built and once the projects are defined it then goes to the assessment engineer, who will prepare a cost estimate of the projects, which will be the amount of the bonds that will be issued. Mr. Salter added that the assessment engineer will also figure out the assessments that will be placed on the individual properties. From there the City Council will approve the assessment engineer's report and assess the properties accordingly.

Mr. Ornelas said there is no new information to report on the potential baseball project: RED continues to pursue a Pacific Coast League Triple A franchise for the project and if they are successful, we would then go to the County to request the use of the car rental fees. He said that it would probably take having a franchise "in hand" to get the County to give up the car rental fees and once they have agreed, the City can move forward to ultimately issue bonds based on the fees for construction of a portion of the stadium costs. Council expressed concern that the City Manager was in Kansas City in a last ditch effort to obtain a Triple A franchise and that this was our last shot at getting a franchise. Mr. Ornelas said he did not know enough about the negotiations to speculate, but he would relay to Mr. Carey the Council's interest in receiving an update of his meeting as soon as possible. A discussion ensued regarding the possibility of getting a double A franchise, if the triple A franchise did not come through. It was noted that the car rental fees could not be used for a double A franchise, only triple A.

Mr. Salter gave a briefing on the sale of the Don Mello facility, stating we are shooting for a closing date of October 27th. Council asked if there were any special conditions attached to the sale of the property, such as some type of monument or something being named after Don Mello. Mr. Salter said one of the issues that had to be resolved is getting the deed restriction that currently exists on the parking lot portion of Don Mello lifted. RED has entered into an agreement with the Helms family that they would release the deed restriction if certain things were done and the two things that the City needs to do in order to get that release are: taking over a sewer lift station at the intersection of Parlanti and Prater, and; naming a ball field in the new Section 18 park after Bob Helms. He said that our engineers have examined the sewer lift station and we are ready to take it over and he is preparing the document where they convey the lift station to us and we agree to maintain it. The naming of a ball field will go to the Parks and Recreation Commission in September. Council Member Mayer said that we already named the lake after Mr. Helms. Mr. Salter said this was a condition of the family in order to lift the deed restriction and Parks and Recreation Director Stan Sherer didn't think this would be a problem.

Mr. Ornelas said he would like to issue a Request for Proposals (RFP) for disposition of the 10.2 acres that the Redevelopment Agency owns at the Marina. He displayed a map showing the property was located on Marina Gateway Drive. He noted that RED has acquired the former Outlet Mall property and the balance of the Blume property. They have also acquired four parcels (the two SAD remnants from the City) and also the two parcels from Lakemont Properties. He said they are proposing to close on the Don Mello facility next month. So, what remains is a 5+ parcel owned by the Ghiggeri family and portions owned by Bill Manke; a property under contract to a residential developer and our 10.2 acres. Mr. Ornelas said he felt that we should dispose of the property on a competitive basis with an RFP and he then reviewed

highlights of the RFP. He said we are trying to strike a balance between the type of development that would be most consistent with the Agency/City objects and get through the process in time for the buyer to close on the property so we have the proceeds to repay the loan that the health insurance fund made. Ms. Farley noted she received a letter from Taxation saying the loan needed to be paid back as soon as possible.

Mr. Ornelas said that the RFP gives preference to medium/high density residential (minimum density of 18 units per acre), the higher the density the better. This would advance the objective of higher quality, high assessed value type development. The second preference is a medium to high density residential, office buildings, or business park. To the extent that this is not speculative office space, the better, so to the extent that a proposal comes forward that identified the specific tenants, the RFP would favor that type of development. Retail and commercial uses would be a third preference; however, the language [in the RFP] suggests that single story retail uses with a low floor area ratio are discouraged. The fourth option would be mixed-use developments that combine one or more of these uses; although obviously we would be looking for medium to higher densities. He then asked the Council for feedback on whether they felt these were the right preferences or whether we should consider other ones.

Council Member Salerno said he thought the parcel was originally purchased for parking if they built the stadium. Mr. Ornelas responded that we acquired this property with the thought of putting City Hall on this site with the parking for City Hall being made available on a shared parking basis for baseball. However that was under the original location of the proposed baseball stadium and the location of the stadium has shifted to the south. He said the original purpose for acquiring the property is no longer valid and the decision was made, previously, that acquisition of that property, given the dynamics and the real estate market at the Marina represented a good investment on the part of the Redevelopment Agency. He said with the original purposes no longer being applicable, we need to dispose of the property and repay the loan that was used to acquire the property.

Council Member Moss said there was talk at one time of exchanging property with a developer for the homes that were planned in that area so the homes could go somewhere else. Mr. Ornelas said that was another reiteration of what we could do with the property. Mr. Salter said that we were going to do a three-way property swap with RED Development and Lakemont Properties, but that deal did not materialize.

Council asked if there had been any interest in our property. Mr. Ornelas responded that over the past two years several entities have expressed interest, so the RFP should be a competitive process. Council asked what an affordable housing project would do to the property values in the marina area. Mr. Ornelas said the RFP says high quality/high property assessed value and to the extent that affordable housing is done with a property tax exemption, affordable housing may not meet the given criteria. Council asked what the current appraised value of the property was. Mr. Ornelas said the most recent appraisal was nine and a quarter per foot, including the SAD assessment. He noted that the property is currently being reappraised by Bill Kimmel.

Mr. Ornelas said they are proposing to use a very similar process to the one that was employed when we selected a developer for the Victorian Square project, except this will be more

streamlined in the interest of time and we don't anticipate the type of land rights that were required for Victorian Square. He said we are proposing to utilize a review panel of staff and consultants with the Agency Chair participating on the panel. He said a review panel will review the responses and interview the firms that submit responses and ultimately they will make a recommendation to the Agency Board, who will make the final decision. He said they will have to allow a period of due diligence and part of what we are asking for in their proposal is a schedule. He said we would like to close on the property before the end of this fiscal year.

Council Member Salerno asked what type of project would generate the most traffic. Mr. Ornelas stated that each type of project would have different traffic patterns. Mr. Etchart said residential usually has a 8:00 a.m./5:00 p.m. pattern, where as commercial/retail would generate traffic all day.

Mr. Ornelas said the third part of the RFP is the evaluation criteria. He said as proposed, there would be three broad criteria: one would be the price, expressed as the price per square foot that the developer would propose to pay for the property. As laid out, we are proposing that 40% of the evaluation be based on the price they are offering for the land. The second criteria would be the proposed use of the property and how it would be developed as compared to our expressed preferences. This would be another 40% of the score. The third criteria would be the experience, qualifications, and financial capacity of the buyer/developer to initiate and complete the proposed project.

Mayor Martini said he thought that the financial capacity of the developer should be weighted a little heavier because we have found in the past this can be very important. Ms. Farley said this would be a good idea because she was in the process of looking into getting a medium term loan to repay the Health Insurance Fund, because the Department Taxation is not happy with our third loan on this property. She said an interfund loan means 12 months or less and we have kind of circumvented that process by doing it three times. She said we could probably get a loan from a bank, interest only, until we could sell the property. She said if we waited and she did not look into getting medium term financing to repay the loan, we might be in trouble. Mr. Ornelas noted that we could always just sell the property to the highest bidder, but then we would not have any control over what type of project was built.

Council then discussed the breakdown of the criteria. Council Member Carrigan suggested 30/30 with one and three. Mayor Martini said that with the price of this property, 30/30 would make more sense. Council Member Carrigan said he wanted to make sure that those responding to the RFP understood that we were not giving this property away.

Mr. Ornelas then discussed the schedule for the selection process, noting that the RFP would be "on the street" for four weeks, with proposals due October 20th.

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

Mr. Ornelas then focused the discussion on the Phase I Improvements for Victorian Square stating the project went out to bid, with the bid opening on September 22nd. Mr. Etchart said it should be on the agenda for award on October 9th, with ground breaking as soon as possible after that.

4. Discussion and update of Victorian Square Project

No discussion.

5. Adjournment

The meeting was adjourned at 2:55 p.m.

CAB

REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
October 16, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Call to Order Time: 4:06:57 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:19 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2. Roll Call Time: 4:07:02 p.m.
Agency Chairman Mike Carrigan, Agency Secretary Debi Dolan, Agency Members John Mayer, Phillip Salerno, Judy Moss, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT.

Staff Present: Steve Driscoll, Pete Etchart, Adam Mayberry, Robin Pagni and Carrie Brooks.
- Comments from the Public Time: 4:07:26 p.m.
None.
3. Approval of the Minutes Time: 4:07:28 p.m.
A motion was made by Agency Member Salerno, seconded by Agency Member Martini, to approve the Minutes of the Regular Meeting of September 11, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.
4. Report of Claims and Bills and Appropriation Transfers Time: 4:07:48 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Salerno, to approve the Report of Claims and Bills and appropriation transfers for the periods covering July 6, 2006 through September 6, 2006 and September 7, 2006 through October 4, 2006. Agency Members Mayer, Salerno, Moss, Martini, Carrigan, Schmitt, YES. Motion Carried.
5. Bid Award for the Victorian Square Phase I Public Improvement Project Time: 4:08:00 p.m.
An agenda item from City Engineer Pete Etchart recommending the Agency award to MKD Construction the bid (No. 06/07-006) for the Victorian Square Phase I Public Improvement Project in the amount of \$3,649,000.

This item was pulled from the agenda. It was noted that the funds for this project were from bonds issued by the City and not by the Agency; therefore, the City Council would have to approve this bid award.
6. Professional Services Agreement with Summit Engineering Time: 4:08:00 p.m.
An agenda item from City Engineer Pete Etchart recommending the Agency award to Summit Engineering Corporation a professional services agreement for providing on-call materials testing during

Sparks Redevelopment Agency Meeting Minutes for October 16, 2006

construction of the Victorian Square Phase I Public Improvement Project in the amount of \$60,000.

This item was pulled from the agenda. It was noted that the funds for this project were from bonds issued by the City and not by the Agency; therefore, the City Council would have to approve this bid award.

7.
Professional Services
Agreement with Tri-
State Surveying

Time: 4:08:00 p.m.

An agenda item from City Engineer Pete Etchart recommending the Agency award to Tri-State Surveying, Ltd. a professional services agreement to provide construction surveying services during construction of the Victorian Square Phase I Public Improvement Project in the amount of \$73,700.

This item was pulled from the agenda. It was noted that the funds for this project were from bonds issued by the City and not by the Agency; therefore, the City Council would have to approve this bid award.

8.
Ratification of the
Purchase Order
Authorization to
Great Basin Lighting
for Street Lights and
Bollards

Time: 4:08:00 p.m.

An agenda item from City Engineer Pete Etchart recommending the Agency ratify the Purchase Order Authorization to Great Basin Lighting for street lights and bollards for the Victorian Square Phase I Public Improvement Project in the amount of \$221,643.

This item was pulled from the agenda. It was noted that the funds for this project were from bonds issued by the City and not by the Agency; therefore, the City Council would have to approve this bid award.

9.
Comments from the
Agency and Chief
Administrative
Officer

Time: 4:08:33 p.m.

10.
Adjournment

Time: 4:08:40 p.m.

There being no further business, the meeting was adjourned at 4:08 p.m.

Chairman

Agency Secretary

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REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
November 13, 2006, following the Special City Council Meeting scheduled for 3:00 p.m.

1.
Call to Order

Time: 3:29:02 p.m.

The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:19 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2.
Roll Call

Time: 3:29:10 p.m.

Agency Chairman Mike Carrigan, Acting Agency Secretary Lenda Ulrich, Agency Members John Mayer, Phillip Salerno, Ron Smith, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Acting Chief Financial Officer Farley, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, ABSENT.

Staff Present: Rick Bareuther, Kathy Clewett, John Dotson, Steve Driscoll, Pete Etchart, Andy Flock, Rob Joiner, Dan Marran, Adam Mayberry, Armando Ornelas, Linda Patterson, Greg Salter, Chris Syverson, Dave Vill and Carrie Brooks.
- Comments from the Public

Time: 3:29:31 p.m.

None.
3.
Approval of the Minutes

Time: 3:29:35 p.m.

A motion was made by Agency Member Martini, seconded by Agency Member Salerno, to approve the Minutes of the Regular Meeting of October 16, 2006. Agency Members Mayer, Salerno, Smith, Martini, Carrigan, Schmitt, YES. Motion Carried.
4.
Financial Advisor Services Agreement with JNA Consulting

Time: 3:29:54 p.m.

An agenda item from Acting Chief Financial Officer Joyce Farley recommending the Agency approve a financial advisor services agreement with JNA Consulting Group, LLC, engaging their services as financial advisors to the Agency for a period of three years.

Ms. Farley noted that our long-term financial advisor, Kermit McMillin, recently retired and staff sent out a Request for Qualifications (RFQ) for a new financial advisor. She said we received four responses and three agencies were interviewed. Ms. Farley stated that JNA had very favorable references and their price quotes were very similar to those of Mr. McMillin; therefore staff is recommending that the Agency approve an agreement to engage JNA as the Agency's financial advisor for a period of three years.

A motion was made by Agency Member Salerno, seconded by Agency Member Martini, to approve the agreement. Agency Members Mayer, Salerno, Smith, Martini, Carrigan, Schmitt, YES. Motion Carried.

5.
Amendment No. 1 to
the DDA with High
Street Victorian Square

Time: 3:31:28 p.m.

An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approve Amendment No. 1 to the Disposition and Development Agreement (DDA) with High Street Victorian Square LLC (“Developer”) for development of the residential component of Phase I of the Victorian Square Development Plan. This amendment would reduce the sales price for the three parcels (145,387 square feet) to be sold to the Developer from \$10 per square foot (for a total of \$1,453,870) to a base price of \$100,000 plus possible revenue sharing.

Mr. Ornelas said that basically the amendment reduces the sales price from \$10 per square foot, which translates into approximately \$1.453 million (assuming 145,387 square feet parcels to be conveyed to Trammell Crow), to a base price of \$100,000 plus a possible additional price that would be tied to the project achieving net sales revenues of over \$71.3 million. He said the reasons for the proposed amendment are that essentially in the time period since the approval of the original agreement there have been very significant increases on the cost of construction and also because the residential “for sale” market is now substantially softer than it was a year or 18 months ago. He said this limits Trammell Crow’s ability to raise the prices on the units, particularly given that the price is already somewhat on the aggressive side.

Mr. Ornelas said that Trammell Crow would make a \$50,000 payment into escrow, which would represent earnest money, within 10 days of this amendment being approved and then once the project is done and we can calculate what the sales figures were for the various units, we would settle up. He said that as they sell units, we would track what the values are and if they hit the \$71.3 million figure, we would then start to see additional collection of the sales price. Mr. Ornelas noted that the additional price is to allow the possibility of the Agency recapturing some of the original sales price, if the project does very well, but it is unlikely that we will get up to that figure.

Mr. Ornelas said that both staff and Trammell Crow are still very bullish on this project and he believes that this is a good project and it remains vital to the implementation of the Victorian Square Development Plan.

Agency Member Schmitt expressed concern that the Council was not notified of this potential reduction in the sales price prior to negotiations with the developer and that nothing has been reported back to the Council on the progress of this project. He said he was concerned that the amendment would make the City responsible for profits and losses on this project. Mr. Ornelas responded that he thought he had brought up this issue at a previous workshop, but he would have to check on this. He also said the amendment establishes a base price for the property of \$100,000, which is the price, unless the project achieves \$71.3 million in net sales value, in which case the Agency could receive additional money and that he also maintained that the Agency/City was not assuming the risk for this developer. He emphasized that in the current market, it is necessary to reduce the price of the property in order for the developer to maintain their margin of profit on the project.

Agency Member Schmitt expressed concern that if we give our prime land away, how will this affect our ability to proceed with the redevelopment plan and where is the money going to come from in the long term to complete this redevelopment project. Mr. Ornelas emphasized that this project, if built out as projected, will add about \$65 million in value to our redevelopment district and we will receive a property tax increment from this project so that we can finish the Victorian Square Plan. A lengthy discussion ensued and at the conclusion of the discussion, Agency Member Schmitt said he was going to object to the amendment and vote against it because he felt that his questions have not been answered, and that it was unfair that the City Council was not notified prior to Thursday that we were going to be discounting the property. He said discounting the land has a tremendous affect on the long-term position of this project and he felt that the Council should have had more time to get their questions answered.

Agency Member Mayer asked what the new per square foot figure was for the land. Mr. Ornelas clarified that the \$100,000 sales figure represented about \$.70 per square foot, down from the original \$10.00 per square foot sales price in the original agreement. Agency Member Mayer also asked if the only reason the Agency is discounting the land was because of the labor costs due to the requirement by the Agency to pay prevailing wage. Mr. Ornelas responded that it was a significant factor, but not the only factor that was considered when making the decision to discount the land. He emphasized that discounting the land below market value is typical for redevelopment projects.

Agency Member Mayer said he felt it was unfair to the other developers who submitted proposals for this property to discount the property now, because their proposals included the full cost of the land. Mr. Ornelas clarified that the process for choosing a developer was a request for qualifications and the winning company was chosen based upon their qualifications and ability to complete the project, not the cost for the land, which was negotiated with the developer after they were selected. Agency Member Mayer said that while he supported the project, he felt that the developer was holding us hostage with the land because if we didn't discount it, they couldn't build the project and this was a tough choice. Mr. Ornelas responded that the Agency has a choice as to whether or not to modify the price; however, the developer has to look at the economics of the deal and determine whether they can proceed with the project.

Mayor Martini said the reality is that this is redevelopment and how many more years will we have to wait for another project to come up. He said \$1.4 is a tough pill to swallow, but the land is only worth what someone is willing to pay for it and we need to get something built so we can get a property tax increment from the project.

Agency Member Salerno said he agreed that this is a tough pill to swallow, but it is not going to get any better: costs are going to continue to rise in construction and there is nothing we can do about the prevailing wage requirement. He said if we want the project, we have no choice.

Chairman Carrigan said we are leveraging \$1.2 million against \$65 million in future tax value and what the Agency has to decide if this is a good deal. He said if we can't do that, then the project goes down the drain. He then invited representatives from Trammell Crow to address the Agency.

Mr. Brent Davis, representing Trammell Crow, responded to the concerns of the Agency, stating they have talked about the possibility of not going forward with this project if the land is not "written down" and it is unlikely that they would go forward with the project if the payment for the land is not what is reflected in the amendment. He emphasized that in hard equity dollars they will have between \$15 and \$20 million at risk in this project and in addition they will have to sign a construction guarantee. He said they already have \$1 million invested in this project and by the first of February, they will have \$3 million already invested in this project.

Mr. Davis said that they are looking at a 19% gross margin on this project and their target from day one has been 20%, which is what they need to achieve in order to attract equity capital and they are in their third round of cost cutting on this project so that they can meet their goals. Agency Member Schmitt asked when the ground breaking was scheduled for this project. Mr. Davis said they are targeting March of 2007, predicated on meeting a pre-sale requirement imposed by the lender. He said in good market conditions that requirement could be 25% to 30% of the number of units and in a challenging market like we have now; it could become 35% or 40%. Agency Member Schmitt asked when they could start selling units. Mr. Davis said they could sign contracts as of today and accept earnest money deposits; however, until they file the final subdivision map, they cannot hold the earnest money deposits as non-refundable.

Agency Member Smith asked about the pricing of the units. Mr. Davis said most of the units will sell at about \$400,000 each, although they will have about 15 of the smaller units which will start in the mid-\$200,000 range.

A motion was made by Agency Member Martini, seconded by Agency Member Salerno, to approve Amendment No. 1 to the DDA with High Street Victorian Square LLC. Agency Members Mayer, Salerno, Smith, Martini, Carrigan, YES. Agency Member Schmitt, NO. Motion Carried.

6.
Public Hearing and
Approval of a DDA
with Sparks Nugget for
Property Exchange
(Mint Casino) in
Victorian Square

Time: 4:22:03 p.m.

An agenda item from Redevelopment Manager Armando Ornelas recommending the Agency approve a Disposition and Development Agreement (DDA) with Sparks Nugget Inc. and John and Rose Ascuaga regarding an exchange of properties in Victorian Square, and making findings that exchanging said property for less than its fair market value is necessary to effectuate the Redevelopment Plan.

Mr. Ornelas displayed a map of the Redevelopment Area and noted that this agreement is fairly complex, in terms of its mechanics. He referred to the table behind "Tab 1" of the binder of information provided to the Agency Members, saying that this table essentially lays out the transaction. He then discussed the proposed exchange of property, referring frequently to the map on display.

He said the agreement would grant the City a temporary construction easement to start construction on the re-alignment of Avenue of the Oaks and allow the City to use a parcel owned by the

Ascuagas as a staging site for Phase I construction. He said the agreement would also allow the City and all the other property owners involved north of the alley to go forward with a merger and re-subdivision map that will ultimately create the three parcels that will be conveyed to Trammell Crow and create two smaller parcels which would be owned by the Ascuagas and the Nugget. He said the subdivision map would create 8,939 square feet and would be conveyed from the Agency to the City as a right-of-way to accommodate the public improvements.

Mr. Ornelas stated the other transactions involved in the agreement include a further exchange of property where the Agency receives a parcel located on the half-block that formerly included the Duke's Casino site and would give the Redevelopment Agency control of the entire half-block west of the Plaza that will ultimately be the site of the proposed municipal services building as part of the City Hall Complex in the Phase II component of the Redevelopment Plan. He said that in exchange for the right of way and the parcel, the Nugget/Ascuaga entity would receive ownership of the parcel that is currently occupied by the structure that houses the Mint Casino.

Mr. Ornelas noted that the conveyance of the Mint Casino property has conditions and obligations imposed on the property (Article 6 of the agreement) and include that the new owner of the property has to make it available for redevelopment as part of Phase II of the Victorian Square Project and they are limited in terms of the value that they can ascribe to that parcel to an amount essentially equal to the value of the parcels that the Agency is receiving in exchange. He said the table lays out the appraised values, and based on those values, there was a difference of \$507,119 and this constitutes an imbalance in the transaction; however, because the property is being conveyed with restrictions, in reality, staff believes the value of that property is less. He said ultimately, when the Agency is ready to move forward with at least two of the four mixed use buildings on the plaza, as designated by the Victorian Square Development Plan, the new owner is obligated to clear that site and combine it with the parcels they own on either side and either redevelop it themselves, consistent with the Plan, or alternatively, make it available to the Agency, or its designee, at that same written down price. Mr. Ornelas said that ultimately what the agreement is looking to accomplish is to make that property ultimately available for redevelopment, consistent with the plan, and we are starting the write-down process at the front end of the swap.

Mr. Ornelas emphasized that the appraised value of the property does not reflect the restrictions and conditions that will be placed on

the property upon the exchange being made and he has asked Scott Griffin from Johnson, Perkins, and Associates what those conditions do to the value of the property. He said that today staff received a letter from them and they feel that the value is significantly less than the \$1.375 million listed in the chart and that under these conditions, the value is closer to \$1,040,000; which would make the write-down in the property exchange less—closer to \$172,000.

Mr. Ornelas stressed that in order to bring this transaction into balance we have to write-down the value; but that written-down value has to be passed down to the ultimate re-developer of the property and the Ascuagas cannot sell that property for more than the \$867,000 which is the value of the properties that the Agency is receiving. He said this is just one of a series of transactions that will be required to assemble the property we need for Phase II of the Victorian Square Redevelopment Plan. He said that there are also some intangibles in terms of the value of this transaction, because if we are able to move forward with Phase I and we are able to start putting in place one of the key building blocks for the Phase II site assembly, we can gather some momentum and start negotiations with other property owners.

Agency Member Salerno asked if the Mint Casino would be moved from the property. Mr. Ornelas responded that this agreement does not preclude them from closing the casino, but the rental agreement that is in place requires a six-month notice and the Ascuaga's have indicated that they have no intention of terminating the rental agreement at the present time. Agency Member Salerno asked about the condition of the building. Mr. Ornelas said that it is an old building and does require some degree of maintenance and as the new owners of the property; the Ascuagas would need the flexibility to terminate the rental agreement when, and if conditions necessitate it.

Agency Member Martini asked the appraiser to explain the methodology of his appraisal, which came in lower than the previous appraisal done for the Agency. Mr. Scott Griffin from Johnson, Perkins, and Associates said they appraised the property by analyzing the income/rent and condition of the building. He said their appraisal came in at \$1.040 million and that without the income from the building being rented, the appraisal would have come in a lot lower.

Agency Member Martini asked if the building would eventually need to be torn down in order for the Redevelopment Plan to go forward. Mr. Ornelas confirmed that the agreement provides that

this property must be combined with the adjacent properties and the site cleared. He said this is one of the reasons that staff feels the write-down is justified: At present there is an income producing building and that is what the appraisal is based on; however if the property is to be redeveloped, we have to look at it as bare dirt; and the proposed land swap is more reflective of a “dirt for dirt” exchange.

Agency Member Martini asked about the income the Agency is now receiving from the Mint and why it can't continue to come to the Agency until the imbalance in the trade is made up. Mr. Ornelas said that the appraisal is based on the income from the property and as the owners of the property the Ascuagas will assume all the liability for the property as well as the income.

Agency Member Schmitt asked numerous questions regarding the proposed land swap and expressed concern regarding the benefits of the swap to the Agency/City.

Chairman Carrigan said he had a difficult time with this swap because we are “writing down” the value of the land that the Agency owns, but we are not getting a lot of benefit out of the deal. He asked if we needed this swap in order to move forward with Phase I of the Redevelopment Plan. Mr. Ornelas said we need this deal in order to move forward with the merger and re-subdivision map, which will ultimately create the parcels and we need some of the property to accommodate the Phase I public infrastructure. Chairman Carrigan said that according to how he understood the proposed agreement, it was not necessary to swap the Mint Casino property in order to move forward with the Redevelopment Plan and he felt that we would be better off to purchase those portions of property that we needed rather than trade the Mint Property and lose money on the deal. He said that the motion requires that the Agency make a finding that the price is less than fair market in order to do the swap and he felt they couldn't make that finding because the Agency could do Phase I and re-negotiate for Phase II, because there are other properties that we could use for trade. Mr. Ornelas said that staff's view is that we can make those findings, but obviously it was ultimately the Agency's determination.

Mr. Ornelas responded to an earlier question from Agency Member Schmitt – is there anything preventing Trammell Crow from selling units – stating that until we complete the merger and re-subdivision process and create these parcels they cannot file a final subdivision map and they can not sell units until they file the final subdivision map. He emphasized that this agreement advances a lot of

objectives of the Agency: it acquires the right-of-way for Phase I public improvements; acquires right-of-way for Phase II public improvements; allows us to create the parcels that are needed by Trammell Crow in Phase I, as well as two of the Phase II parcels; and it is a first step in the site assembly process. He said there is going to be a series of transactions in acquiring the sites for the Redevelopment Plan and this is one of the key transactions and allows us to start to build some momentum for the project.

Mr. Ornelas said he was not speaking out of turn by suggesting that the Nugget and the City of Sparks are the two entities that are the biggest property owners in the downtown and that have the most at stake in terms of moving the redevelopment project and in terms of having the most direct control over the redevelopment project. He said that by approving this agreement we start to put some building blocks into place and we can move forward and earnestly negotiate with some of the other property owners that we will have to work with to get this project done.

Agency Member Schmitt said that at the last briefing he received about a month ago he was told by staff that this was going to be a square foot for square foot exchange or do the balance and he was never told that we were going to write down property to be able to maintain that balance. He asked when this agreement came into play and whether the Agency was ever told about the write down prior to the information released in this agenda packet. Mr. Ornelas responded that the necessity for the write down came into play after the Agency received the appraisal for the properties. He said we had an agreement, in concept, and it was agreed by both parties that once an agreement was reached, in concept, we would order the appraisals. It took several weeks for the appraisals to be prepared and reviewed and once we received the appraisals, the imbalance was noted. He said they explored a number of alternatives for balancing the transaction; however it became apparent that what was really most workable was the need to go ahead and write down the land. Agency Member Schmitt said he was concerned that the Agency was presented with this agreement 24 hours before ground breaking and the agreement was different from anything that had been presented before and not what they were expecting.

Chairman Carrigan opened the public hearing by asking if there was any one present who wished to speak on this matter. There being no comment, the public hearing was closed.

Agency Member Martini asked if there was any way that the Agency could negotiate some of the money from the income from

the Mint Casino coming back to the Agency. He said he could live with the \$175,000 versus the \$500,000 write down because he understood the need, but he would like to negotiate the income from the rental of the property. Mr. Ornelas said that the Agency could discuss this, but he did not think it was wise to try and re-negotiate the agreement at the podium. He noted that during negotiations they did not discuss a return on the income stream from that property back to the Agency and he assumes the income was a factor in the agreement; but if you think about what the Nugget is taking on, he felt it was a fair agreement. He said they are taking on the obligation to ultimately redevelop this property.

A motion was made by Agency Member Mayer, seconded by Agency Member Salerno, to approve a DDA with Sparks Nugget Inc. and John and Rose Ascuaga regarding an exchange of properties in Victorian Square, and making findings that exchanging said property for less than its fair market value is necessary to effectuate the Redevelopment Plan. Agency Members Mayer, Salerno, Smith, Martini, YES. Agency Members Carrigan, Schmitt, NO. Motion Carried.

7.
Comments from the
Agency and Chief
Administrative Officer

Time: 5:01:47 p.m.
Agency Member Mayer thanked Public Information Officer Adam Mayberry and Parks and Recreation Director Stan Sherer for a very nice Veteran's Day ceremony.

8.
Adjournment

Time: 5:03:01 p.m.
There being no further business, the meeting was adjourned at 5:03 p.m.

Chairman

Agency Secretary

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City of Sparks
REDEVELOPMENT AGENCY WORKSHOP

Monday, November 20, 2006

2:00 p.m.

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

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

Staff Present: Tom Burrous, Chris Cobb, Steve Driscoll, Pete Etchart, Neil Krutz, Adam Mayberry, Kelley McGlynn, Armando Ornelas, Greg Salter, Stan Sherer, 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:

RED Development:

- a preponderance hearing before the Nevada Commission on Tourism (NCOT) is scheduled for November 29th
- we will have to go back to NCOT to request approval of a “turbo” provision for the bonds, per the statute
- he gave a review of the STAR Bond approval process and timeline
- the City is working with our financial advisor, bond counsel and our underwriter to put together the public financing proposals for the RED Project, which includes STAR Bonds, SAD bonds, possibly the car rental fee bonds (if baseball is part of the project) and some tax increment financing
- RED has asked that we extend the date by which they have to close on the Don Mello land sale from November 30th to January 15th. The issue is that we don’t want to constrain ourselves with regard to the deadlines we have for construction of the replacement facility (Golden Eagle Park) before we have to turn over the facility to RED
- Council requested that if RED is going to extend the closing date by 45 days, then it should be spelled out that we get an additional 45 days before we have to turn over the property.
- David Dahl had a concern that the shadow cast by the proposed casino towers did not overshadow his developments at the marina. He was also concerned about the City’s level of oversight on the project during construction.

Update on the 10.2 acres owned by the City:

- there were two responses to our RFP – David Dahl and Westhaven Development.

- proposals were similar in that the primary use was high-density residential. Mr. Dahl's proposal also included condominiums and apartments. Westhaven's proposal was for a town home product and a small amount of retail live/work space adjacent to the street. The proposed price that they would pay in both cases was in the \$10 per square foot range, plus assumption of the SAD assessment that goes with the property. The price offered is approximately the appraised value with the assessment subtracted and in both cases more than we paid for the property three years ago.
- Neither party would be able to close on the parcel before the end of the City's fiscal year, so our Finance Department will be working with our new Financial Advisor to provide some sort of interim financing or some other way to repay the loans from the City for the purchase of the property.
- we will employ a committee process for the review of the proposals and selection of a developer
- Council Member Schmitt said a developer called him and said that there was no way that the \$10 per square foot price was going to work out and we would have to devalue the property substantially in order for someone to build a project.

Paradise Plaza:

- A Special Use Permit has been submitted for the redevelopment of the K-Mart shopping center (Paradise Plaza) on Oddie Boulevard. They are looking to add three new building pads (restaurants and a potential drug store); a rehab of the existing center to include the façade; and an increase and updating of the landscaping.
- will go before the Planning Commission on December 7th
- are not contemplating any assistance from the Redevelopment Agency
- Council Member Mayer expressed concern that they would not replace the mature landscaping (trees).
- Council Member Schmitt asked what the Agency could do to encourage developments like this by improving the appearance of Oddie Boulevard. Mr. Ornelas noted that the Agency is somewhat constrained with what we can do because Oddie Boulevard is a State road.
- Council requested that this SUP go before the City Council for review.
- City Engineer Pete Etchart said staff is talking with NDOT regarding relinquishing Oddie to the City. He said a great future stewardship project would be improvements on Oddie, but right now we are concentrating on Victorian Avenue and Prater Way.

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

Mr. Ornelas then focused the discussion on the proposed revisions to the Town Center Parking District No. 1 as follows:

- Title 20, Chapter 49 provides for a number of exemptions and reductions in the amount of parking that is required for specific types of projects. Planning staff has been reviewing those exemptions at the direction of the City Council and they are currently preparing possible code amendments to this chapter.
- Solutions include eliminating some of the exemptions.
- Also imposing a fee on those parking generating uses in the district that are not providing their own parking.

Redevelopment Agency Workshop Minutes for November 20, 2006

- There are several projects scheduled to be built in the downtown area that will take up most of the surface parking in the parking district.
- These projects will add to the perceived “parking problem” in the downtown area.
- The municipal code currently has very generous exemptions for parking for casino and commercial uses.
- The code mentions a fee structure that charges the tenants in the district some sort of a leasing fee for the spaces in City-owned structures; however, there is currently no fee structure in place.
- Staff researched the maintenance costs on the current parking garages to determine the average cost per space and the lifetime cost of a space (see handout) for parking structures.
- Staff is also looking at modifying the boundaries of the parking district to make them more uniform and eliminate those uses that won’t be using the parking district.
- Staff is recommending to the Council that we do away with those provisions in the code that provide exemptions or reductions in parking requirements, because the time for these has passed.
- The basic question is that since we are going to be building additional parking structures in the downtown area, to what extent is the City/Agency going to bear the full cost of all the parking versus passing some of that cost down to others.
- There are many ways to implement fees: charge an upfront fee to defray a portion of the construction cost of the space that will be needed; charge a monthly fee based on a percentage of the maintenance cost of the space; or a percentage of the maintenance cost combined with the construction cost.
- If we do establish a fee structure, are we going to charge existing users (those that have been using the spaces for some time for free) the same as someone who is coming in with a new development project; or do we want to implement a graduated fee schedule; or not charge them at all.
- Another consideration is the type of development project: is it a project that someone is doing on their own without the support of the Agency; or are they developing through an agreement with the Agency.
- Non Agency development may be discouraged because there are a number of different methods that we can use to determine what the fee is going to be and if we are charging, up front, a percentage of the construction cost, it can be rather expensive.
- The Council needs to provide direction on how they want the fees levied against new development versus development that has been in place for some time and development under an agreement with the Agency versus an independent development.
- These changes will be in two forms: the code amendment will come to the Council as an ordinance; and the fee issue will be in the form of a resolution (as specified in Chapter 49).
- We will lose approximately 420 surface parking spaces when the Trammell Crow closes on their properties; however, the new development will be self-parked.
- On a day-to-day basis, these surface parking spaces are used; however, there are nearly 700 spaces in the near-by parking garage that are rarely used on a day-to-day basis and the only time we have a shortage of parking is during special events; although during busy weekends most of the two parking structures are used.
- Mr. Etchart noted that Sierra Transportation Engineers is doing a parking study for the Agency right now. The draft study basically says that for Phase I, we have enough spaces downtown for current needs – we are not over-parked, but people will utilize the parking

garage instead of the surface parking. The draft report also shows that we will need an additional parking structure for Phase II, when we build City Hall and the other developments. We are looking at doing a parking garage of approximately 400 spaces, but that might change when we get the final parking study. Sierra Engineers is not only looking at the parking, but at all the intersections in downtown to see how traffic is going to flow. We should have the final study in the next two months.

- the current plan proposes two locations for parking garages: the surface lot adjacent to the court house for the first garage and, if additional parking is needed, another one in front of the current parking garage adjacent to the theater.
- Council Member Schmitt said he did not see any way we could not change the code and not pass on some of the cost of a new parking garage onto developers, because where was the Agency going to come up with six million dollars for a new parking structure.
- We can't pass along the full cost of a new parking structure onto the retail and get any retail in the redevelopment area; however, we have for some time, been absorbing the parking demands of downtown businesses and we can no longer do this.
- The consensus of the Council was that we should get rid of the parking exemptions right away.
- Council Member Mayer reminded everyone that public transportation was available because the new transit center would be located just across the street.
- A suggestion was made that the City build the parking structures and pass on the maintenance costs to the businesses in the parking district.
- Council asked that this issue be brought back for additional discussion. They also asked that staff prepare a fee structure for consideration at the next discussion.

City Hall:

Mr. Etchart said that they have completed the initial staff projections for the next 20 years and space allocations and they are looking at having a "visioning" meeting on Wednesday, December 13th. He said the RTKL, our consultant, is looking to become familiar with our organization and culture and what we are envisioning for a City Hall and our workplace standards. This will help them to start developing some of those workplace standards and design criteria for the new City Hall. He asked that a council member be present at the envisioning meeting.

4. Discussion and update of Victorian Square Project

No discussion.

5. Adjournment

The meeting was adjourned at 2:58 p.m.

CAB

REGULAR MEETING OF THE SPARKS REDEVELOPMENT AGENCY
November 27, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Time: 4:53:25 p.m.
Call to Order The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:53 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.

2. Time: 4:53:33 p.m.
Roll Call Agency Chairman Mike Carrigan, Acting Agency Secretary Lenda Ulrich, Agency Members John Mayer, Phillip Salerno, Ron Smith, Geno Martini, Ron Schmitt, Chief Administrative Officer Shaun Carey, Chief Financial Officer Minton, Agency Attorney Chet Adams, PRESENT. Agency Secretary Debi Dolan, ABSENT.

Staff Present: John Dotson, Tom Clewell, Joyce Farley, Jon Salerno and Carrie Brooks.

Comments from the Time: 4:53:58 p.m.
Public None.

3. Time: 4:54:02 p.m.
Report of Claims and Bills and Appropriation Transfers A motion was made by Agency Member Salerno, seconded by Agency Member Schmitt, to approve the Report of Claims and Bills and appropriation transfers for the period covering October 5, 2006 through November 8, 2006. Agency Members Mayer, Salerno, Smith, Martini, Carrigan, Schmitt, YES. Motion Carried.

4. Time: 4:54:20 p.m.
Election of a Chairperson and Vice Chairperson of the Redevelopment Agency An agenda item from Chief Administrative Officer Shaun Carey recommending the Agency elect a Chairperson and a Vice Chairperson, per the Rules of Procedure, approved by Resolution 31 on June 13, 1988. The current Chairperson, Mike Carrigan and Vice Chairperson, Philip Salerno, were both re-elected on November 7, 2006 and the "expiration of their term as a City Council member" occurred on November 13, 2006, prior to their swearing in for the succeeding term. Accordingly, the Agency must elect one of its members as Chairperson and one of its members as Vice Chairperson for a two-year term of office.

Agency Member Martini nominated Ron Schmitt as Chairperson. Agency Member Mayer nominated Phil Salerno as Chairperson. Agency Member Salerno said that since the present Chairperson was willing to give up his seat to Mr. Schmitt, he would withdraw his name as Chairperson.

Sparks Redevelopment Agency Meeting Minutes for November 27, 2006

A motion was made by Agency Member Martini, seconded by Agency Member Carrigan, to elect Agency Member Ron Schmitt as the Redevelopment Agency Chairperson. Agency Members Mayer, Salerno, Smith, Martini, Carrigan, Schmitt, YES. Motion Carried.

Agency Member Schmitt nominated Agency Member Ron Smith as Vice Chairperson.

A motion was made by Agency Member Schmitt, seconded by Agency Member Salerno, to elect Agency Member Ron Smith as the Redevelopment Agency Vice Chairperson. Agency Members Mayer, Salerno, Smith, Martini, Carrigan, Schmitt, YES. Motion Carried.

5.
Comments from the
Agency and Chief
Administrative
Officer

Time: 4:56:06 p.m.
Agency Member Martini thanked Agency Member Carrigan for his 5+ years of service as the Chair of the Redevelopment Agency. Agency Member Carrigan thanked the members of the Redevelopment Agency, as well as the staff, working on behalf of the Agency.

6.
Adjournment

Time: 4:56:42 p.m.
There being no further business, the meeting was adjourned at 4:56 p.m.

Chairman

Agency Secretary

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SPECIAL MEETING OF THE SPARKS REDEVELOPMENT AGENCY
December 18, 2006, following the City Council Meeting scheduled for 3:00 p.m.

1. Call to Order Time: 4:43:31 p.m.
The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Mike Carrigan at 4:43 p.m. in the Council Chambers of the Legislative Building, 745 Fourth Street, Sparks, Nevada.
2. Roll Call Time: 4:43:44 p.m.
Agency Chairman Ron Schmitt, Agency Secretary Debi Dolan, Agency Members Phillip Salerno, Ron Smith, Geno Martini, Mike Carrigan, Chief Administrative Officer Shaun Carey, Acting Agency Attorney Tom Riley, PRESENT. Agency Members Mike Carrigan, John Mayer, Chief Financial Officer Tom Minton, Agency Attorney Chet Adams, ABSENT.

Staff Present: Carrie Brooks.
- Comments from the Public Time: 4:44:11 p.m.
None.
3. Approval of the Minutes Time: 4:44:19 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Smith, to approve the Minutes of the Regular Meeting of November 13, 2006 and the Regular Meeting of November 27, 2006. Agency Members Salerno, Smith, Martini, Schmitt, YES. Agency Members Mayer, Carrigan, ABSENT. Motion Carried.
4. Report of Claims and Bills and Appropriation Transfers Time: 4:44:34 p.m.
A motion was made by Agency Member Martini, seconded by Agency Member Smith, to approve the Report of Claims and Bills and appropriation transfers for the period covering November 9, 2006 through November 29, 2006. Agency Members Salerno, Smith, Martini, Schmitt, YES. Agency Members Mayer, Carrigan, ABSENT. Motion Carried.
5. Comments from the Agency and Chief Administrative Officer Time: 4:44:54 p.m.
None.
6. Adjournment Time: 4:45:02 p.m.
There being no further business, the meeting was adjourned at 4:45 p.m.

Chairman

Agency Secretary

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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

Redevelopment Agency Workshop Minutes for December 18, 2006

- 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

Redevelopment Agency Workshop Minutes for December 18, 2006

- 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

Redevelopment Agency Workshop Minutes for December 18, 2006

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