

CITY OF ELKO
REDEVELOPMENT AGENCY
REGULAR MEETING MINUTES
1:30 P.M., P.D.S.T., TUESDAY, AUGUST 25, 2015
ELKO CITY HALL, COUNCIL CHAMBERS,
1751 COLLEGE AVENUE, ELKO, NEVADA

CALL TO ORDER

The meeting was called to order by Mayor Chris Johnson, Chairman of the City of Elko Redevelopment Agency (RDA).

ROLL CALL

Present: Mayor Chris Johnson
Mandy Simons, (*Left at 3:10 p.m.*)
Reece Keener
John Rice
Robert Schmidlein, (*Arrived at 2:10 p.m.*)

City staff: Curtis Calder, City Manager
Scott Wilkinson, Assistant City Manager
Dave Stanton, City Attorney
Rick Magness, City Planner
Rebecca Hansen, Planning Technician
Jeremy Draper, Development Manager

PLEDGE OF ALLEGIANCE

INITIAL PUBLIC COMMENT PERIOD

There were no public comments.

APPROVAL OF MINUTES

April 14, 2015 – Regular meeting **FOR POSSIBLE ACTION**

The minutes were approved by general consent.

June 9, 2015 – Regular meeting **FOR POSSIBLE ACTION**

The minutes were approved by general consent.

I. UNFINISHED BUSINESS

A. MISCELLANEOUS ITEMS, PETITIONS, AND COMMUNICATIONS

1. Review, consideration, and possible action to approve an agreement between the RDA and the City for the Community Development Block Grant (CDBG) award for the City of Elko Downtown Storefront Improvement Program in the amount of \$292,000, and matters related thereto. **FOR POSSIBLE ACTION**

Rick Magness, City Planner, explained we recently discovered we needed to do an agreement between the City and the RDA for the CDBG award.

**** A motion was made by Reece Keener, seconded by Mandy Simons, to approve the agreement between the RDA and the City regarding the CDBG award for the Downtown Storefront Improvements Program in the amount of \$292,000.**

The motion passed unanimously. (4-0)

2. Review consideration, and possible action to amend the adopted 2015-2016 RDA fiscal budget to include the \$292,000 for the Storefront Improvement Program, and matters related thereto. **FOR POSSIBLE ACTION**

Mr. Magness said on both sides of the ledger we show \$292,000. It can be administered within the RDA. There will be an ability to amend this as we continue to reimburse and the amount will decrease at certain times.

Mayor Johnson said it is just so the RDA can provide the cash because the project will be done before the grant money becomes available.

Mr. Magness said typically how it has worked is we administer the grant, we submit what is billed and paid and then CDBG reimburses those costs.

Mayor Johnson questioned if there is a lag.

Mr. Magness answered yes, but GOED is usually only 90 days behind.

Scott Wilkinson, Assistant City Manager, said we'll have to work through that detail as we develop contracts between the property owner and RDA. We may have to pay a contractor but we will work it out with our City Attorney.

**** A motion was made by Mandy Simons, seconded by John Rice, to adopt the amended 2015-2016 Redevelopment Agency fiscal budget, which includes \$292,000 for the Storefront Improvement Program.**

The motion passed unanimously. (4-0)

II. NEW BUSINESS

A. MISCELLANEOUS ITEMS, PETITIONS, AND COMMUNICATIONS

1. Review, consideration, and possible action regarding the Preliminary Downtown Corridor Plan and estimated costs, including the determination of a maximum project budget and a review of available funding resources and matters related thereto. **FOR POSSIBLE ACTION**

Mr. Magness presented the preliminary downtown corridor plan to date. He thanked all the people who have gotten us to this point. The initial concerns the consultants heard were traffic, costs and phasing. The other concerns were turning the one-way streets into two-way streets and blocking off some streets. The initial cost was \$17.3 million with another \$2.8 million with side streets. If we took the first phase at approximately \$1.7 million it would allow for micro-surfacing, restriping and plantings in the islands.

John Rice asked if the green in the presentation represented the islands.

Mr. Magness answered yes they represent the islands. He gave an overview of the new plan and the cost menu. The red in the presentation represented the areas where the development improvements could occur. This phasing took into consideration the plan that was presented to the RDA on July 28th. Some concerns were what funding sources were available and working with the public. Examples of where the funds could come from were presented. If there is a special improvement district used we will have to notify all those within 400 feet of the parking corridor.

Mandy Simons asked how much tax increment we currently have.

Mr. Magness answered \$400,000 – 450,000.

Ms. Simons asked for an estimate of how much comes in each year.

Mr. Magness answered approximately \$200,000. The uptick comes from new construction in the redevelopment area.

Curtis Calder, City Manager, explained we are budgeted for \$225,000 with a 1% increment. That is based solely on new construction. Eventually you will run out of land to develop, then the only increase would be if you tore something down and rebuilt like the new Maverik. He continued to explain the bonding numbers. That would obligate all of the available increment at this point in and time.

Mr. Rice asked if the bonding would obligate the all of the tax increment for the life of the district.

Mr. Calder answered it would for 22 or 23 years and it certainly would be the life of the district.

Mr. Rice clarified we have a capacity of approximately \$3 million with 1% annually.

Mr. Calder said he explained this to the consultants because they are from out of state. The state capped the property tax (6%). That applies to RDA districts as well as regular property. As soon

as new construction stops the increment stops. With new construction we get the full value in year one, but they are capped after that through the life of their structure.

Mr. Magness said he agreed and we should put in \$1.5 million so we don't commit the full amount. We may decide we want to assist a new builder at some point or other opportunities.

Mayor Johnson said the agenda is to identify a maximum project amount whether or not it is funded by the RDA.

Mr. Wilkinson said he provided some additional information for the RDA to review.

Dave Stanton, City Attorney, explained a procedural legal issue that has become an increasing concern as the project has progressed. Statute NRS 279.608, says if something you do is a material deviation from the RDA Plan, then the plan should be amended. The Preliminary Plan contains some design guidelines and broad criteria for redeveloping the corridor. The Vision document was also adopted. As you move along you start to see inconsistency between the documents. This agency should consider if any of these design criteria's are going to be adopted then the agency needs to review the plan first and compare the two. The RDA is empowered to adopt implementation strategies without a major plan amendment. It's not an onerous process but there is public notice requirement.

Mr. Rice questioned if we were to go forward with this plan, are you suggesting we would amend the plan and incorporate it into the plan we've already approved.

Mr. Stanton said he would like to see a plan amendment. For example the plan itself talks about abandoning 7th Street, which this plan does, but it also goes farther than that. He suggested coming back with a proposed amendment, something that is consistent. He didn't think it would be outside of the agenda item to direct staff to come back with an amendment.

Mayor Johnson felt setting a maximum project budget should have happened long ago.

Pam Borda, NNRDA and RAC, felt Item 1 and 2 should be tabled since RAC hasn't approved them yet. She felt RAC hasn't had an opportunity to review anything close to a final draft for Item 1. They were nowhere close to establishing a budget. The City is concerned about the budget.

Sharon Horn, Chamber of Commerce and RAC, said she wanted clarification, any project that falls within the RDA district should fall within the Vision Statement.

Robert Schmidlein arrived at the meeting.

Mr. Stanton explained the Redevelopment Plan is a document that is adopted by statute. When you do something that materially deviates from the plan, then you need to go through the process of amending the plan. You're not just implementing something, you're changing it.

Ms. Horn asked if items that weren't initially addressed in the plan required to have a plan amendment. She gave an example of the Police Station being one of those items.

Mr. Stanton explained the City Council and RDA are two separate legal entities. The City Council has one set of legal responsibilities and duties and the RDA has a very discrete set of things it can do. The Police Station was a City project that happened to be located in the redevelopment area, but it wasn't an RDA project.

Ms. Horn said the presentation was quite different from what was presented to the RAC. She asked who the members of the task force were and what happened between then and now.

Mr. Magness answered the task force included elected officials, the RAC champion Jacques Errecart, Catherine Wines, stakeholders, and staff. Your meeting was earlier than the culmination of efforts. We felt it needed to be put out there during the discussion today and whatever was decided would come back to the RAC.

Mayor Johnson said he thought the agenda action sheet said the action from RAC would be available. He question if RAC had a number of what the maximum project amount should be.

Mr. Magness answered the information presented today was not presented to the RAC because it was a result from a meeting yesterday. The RAC felt traffic and funding still needed to be understood, so they didn't make a recommendation. They asked for the item to be tabled.

Ms. Horn reiterated RAC wanted the facts so they could make a recommendation to RDA.

Mr. Rice said the \$3.37 million came up at the task force meeting yesterday. He asked if that is maximum project cost for the three phases of phase 1.

Mr. Wilkinson answered this is an estimate the consultant presented to the task force. It wasn't approved by the task force. The idea was to come up with a phased approach to present to the RDA. The project presented was \$17 million, which will cost more long-term due to inflation. We need to look at the contract and make sure each task for all the phases has been satisfied because we can't move forward to the next phase without approval by RDA. Under phase 1 we're required to come up with preliminary cost estimates. The consultant was supposed to provide detailed funding options, which they haven't done. We need to move this project forward under the contract. Then the RDA needs to accept and approve it. There is concern regarding whether or not we've done a satisfactory traffic analysis.

Ms. Borda said we're doing this backwards. We need to finish this project before we establish an arbitrary budget for what it may or may not cost. She was at a loss of why RAC hasn't been provided the opportunity to review this before the RDA. It hasn't been approved by RAC to come through today. In order for RAC to do their job, we need to agree to the plan before a budget is established.

Mr. Rice asked how much more time RAC needs.

Ms. Borda answered she wasn't sure because they just started looking at it. They've been doing three projects over the last year and a half, and this one was the last to hit the table. The public expressed concern at a couple of their last meetings. Staff said they would get everybody's input

and come back to discuss what could or could not be done. At the most recent meeting it was on their agenda for action. She felt they weren't that far with it.

Mr. Wilkinson said the consultant is anxious to move the contract forward. He felt the Project Champion and the Redevelopment Manager could have done a better job in presenting the project to the RAC during the process. In the contract, there is a preliminary designs of sufficient scale to determine costs. We know its \$20 million, but that number is far away from what can be funded. We need direction from RDA to either proceed along those lines or have a project that's substantially reduced based on a maximum budget.

Ms. Borda said she respectfully disagrees.

Reece Keener said he has been involved with several of the meetings along the way and he agrees we need to establish a budget. A \$20 million budget is not achievable. He gave an example of if you were approved for a \$250,000 home loan, but refused to look at anything under \$1 million. He felt a budget in the \$5 million range, was more appropriate. We heard from the City Manager, we have \$3 million we can bond for. There will certainly be help from the community and grants, but if we set it at \$5 million we'll be able to see things change. We need to use the existing footprint and street circulation.

Mr. Rice said at the last RAC meeting he was in agreement with the \$5 million cost. He met with Jacques Errecart regarding a memo which was emailed to him. It explained when you establish parts of the corridor as a park or trail grant funding becomes available. It may be worth looking into, as it could increase funding by more than a couple million dollars. He wants to see a report for some realistic grant opportunities for them to approve in the next budget cycle. If we could task the RAC with that, he'd like to be able to up the maximum project budget cost.

Mr. Keener said he was willing to give RAC time to explore those funding options, but it's strictly hypothetical. We need to remember we are asking for grant funding for a parking lot. Grant funding isn't as readily available as it used to be.

Mr. Rice said he would like to move forward sooner rather than later. There is urgency from our consultants, downtown business owners and others.

Catherine Wines, RAC and a downtown business owner, said she asked Mr. Keener where the board was at regarding the money. She has been on the task force since January and she was frustrated with the fact that they didn't start discussing money until the consultants mentioned it would be \$17 million. She said she questions the \$5 million and the message that sends from the City of Elko. We're spending \$20 million on the ballfields which are used six months out of the year. The message that sends is "the softball fields are more important than the core of our city and the heart of our business district". The police station was also brought up. Again the message we're sending is "we are spending \$6 million on a government building, but only \$5 million on the core of our economic machine". The perception to outside developers is that business development in Elko is of very little importance.

Jacques Errecart, 518 Commercial Street, said \$3 million is not a lot of money. The corridor is approximately 6 million sq. ft., which is only \$0.50 sq. ft. The number one rule for spending TIF

is you don't want to spend it on objects. The second is you don't want to bond for the whole amount. Spending all the money right out of the gate is a mistake. Peace Park is a good example. The City had \$200,000-300,000 and we leveraged that amount into \$1.2 million. We need to leverage the anticipated \$3 million into \$15 million. He felt the item should be tabled. The RAC isn't suggesting to dump this on the RDA to figure out funding. He felt after the plan is approved the RAC should be tasked with finding some of these other funding sources. If you make a decision today on a maximum budget for this project, you're crippling it.

Mr. Calder read Section 1.6 of the agreement between the City and the consultants. They want to proceed with a design that the City can never implement. He would like to take this back to the consultants, while there is still a budget left, to correct it. If you set a project budget and come up with more funding, then you can add to the project. As of today if the bond is pulled for the Sport Complex, the City of Elko will have \$23 million in outstanding debt.

Ms. Simons said she thought with the tennis courts, they came back with four designs. After the first plan it was determined it would be too expensive, so we gave them a list of priorities. It was decided we would rather have less courts of a higher quality than more courts of a lower quality. She questioned if we only have this much money what are our priorities. If we get additional grants or funding then what are our next goals at that point?

Mr. Wilkinson said if you look at the available resources the \$5 million mark is what we're looking at. If you look at the RDA budget there is a line item for \$200,000. There was a comment that it gives a bad opinion to the outside developers. The City of Elko established the parking corridor and we have maintained it over the years. The City then went a step further and created an RDA to use the TIF in a redevelopment area with the focus being downtown. He felt the City has done a lot to promote healthy businesses downtown. The corridor is actually smaller than 6 million sq. ft. and the cost is more like \$18 per sq. ft.

Robert Schmidlein said when we hired Logan Simpson there were approximately 10 consultants we reviewed. One of the items on the assessment review was who was going to help us get funding. We are at that point now. He felt the design is beautiful, but we should live within our means. This is no different than the Sports Complex. He doesn't see us getting anywhere near \$10 million. We need to set a limit and if we want to bump it, then let's do \$7.5 million. At the end of the day if we do a \$20 million project, will it bring 2,000 people down there every day? He doesn't know, but he does know the ballfields will fill them every day. He doesn't want to see them continue to compare this to the Sports Complex. He felt \$20 million was out of the question.

Mr. Rice suggested giving direction to the consultants and the RAC of a \$5 million budget, with \$2.5 million added as a last resort. There is no way we're going to come up with \$20 million. The plan is from 3rd to 11th, the uses are already there. The business plans for the new development of the corridor are dependent on the parking that already exists. He suggested concentrating on 4th through 8th. There is a half block of gravel parking lot that belongs to Stockmen's. He said while he appreciates everything Stockman's does, he felt doing improvements in front of that gravel lot is a waste of time as it is under-utilized. There is a significant amount of development investment on the east end. He wants to make sure they aren't disrupting further development there, as it may be dependent on the existing parking.

Mr. Wilkinson said that is exactly why we need a comprehensive plan. If there is someone who wants to rebuild their building and asks what needs to be done to the store frontage, we need to give them a plan. We need a comprehensive plan with a reasonable cost. If someone comes in with private funds then we need to be able to help them.

Mr. Schmidlein said he didn't think the flow of traffic needed to be changed. He wants to see better utilization of the current layout in the plan.

Ms. Horn addressed Mr. Keener's comment regarding a home loan. She questioned why the consultants were directed to design a plan which we had no intention of building or nor affording. She also questioned why these conversations are occurring now rather than at the beginning of the process. Unless the intention all along was to design something ideal for the community with only a portion being funded by the City.

Mandy Simons left the meeting.

Mr. Keener felt there was misdirection from the Redevelopment Manager with the expectations for the plan.

Jon Karr, 346 Silver and RAC, felt the goal is a little vague. We want to improve the downtown. There needs to be clear direction regarding the budget. He questioned the goal, what are we envisioning this plan will do to the corridor. Will it bring five more businesses downtown or possibly get rid of some businesses?

Ms. Wines said we also need direction on the \$5 million budget and what it covers. Does it cover the whole corridor or just a portion?

Mayor Johnson explained the consultant has been paid up to what they've done to this point. It wouldn't hurt the consultant to wait while we figure out a maximum budget.

Mr. Wilkinson said the RDA also has some items which have to be done in a timely manner. The consultant couldn't do a further phase without the RDA taking action. We also need to bring all the tasks for phase one back to the RDA.

Mayor Johnson said let's stay with what the agenda item is today. We need to set a maximum project amount. If the private side and grant side can be defined, the budget amount may go up. Whether the commitment is \$5 million or \$7.5 million, does that mean we are going to take whatever amount the RDA can produce from the TIF.

Mr. Calder said we've spent a tremendous amount of staff resources to date. The sooner we know the maximum budget then we can start trying to get grants and other funding options. He liked Mr. Rice's idea of a base budget with additive alternates. He's been asking for budgets for four months and felt he isn't getting satisfactory answers.

Mr. Rice said he likes the idea of a \$5 million budget with two \$2.5 million additive alternates. He asked if that is asking too much of the consultants and the designers.

Mr. Wilkinson answered it will be up to the consultants to come up with a design that can be implemented in layers.

Mr. Keener said he agrees with Mr. Rice's suggestion and felt it still gives RAC the ability to look for funding sources and ideas.

Mayor Johnson asked if staff has ran numbers about replacing the existing infrastructure.

Jeremy Draper, Development Manager, answered it is approximately \$1 million per block. Some of the blocks with amenities are up to \$2 million.

Mr. Wilkinson said we could do the improvements such as re-surfacing the entire corridor, rather than one or two blocks. He suggested instead of taking a design to 60% maybe we could use \$350,000 of RDA money to start a phase of the project and determine where to go from there in the next budget cycle.

Mr. Magness said many consultants have taken a look at not only what they know, but what will work for Elko. They all agree, you should concentrate your efforts and it will have a ripple effect from there. We want to stimulate dollars by getting private investment in the downtown.

**** A motion was made by John Rice, seconded by Reece Keener, to determine a maximum project base budget of \$5 million with a \$2.5 million add alternate, up to \$7.5 million, and an additional \$2.5 million add alternate up to \$10 million; direct staff to draft an amendment reflecting this budget proposal to the RDA Plan to keep us in compliance with the N.R.S.**

The motion passed unanimously. (4-0)

After the motion, but before the vote Mayor Johnson asked if this motion includes letting the consultant finish their contract.

Mr. Wilkinson answered no this helps us complete phase one of the contract and allows us to move into phase two. We need to determine phase one is completed and it needs to come back to the RDA to show the tasks have been satisfied so we can get a written authorization to move into phase two.

Mr. Stanton said it will be after that process that we amend the plan, once we have something from the consultants.

Mr. Keener asked if the 30% drawings will be based on the \$5 million base budget.

Mr. Wilkinson answered yes.

Mr. Schmidlein said Mr. Karr had a very good point about goals. Down the road, especially when we get further into phasing, we need to start establishing those goals. Not only do they need direction, but goals are very important.

Mr. Keener felt there should also be a separate committee for fundraising.

The board voted on the motion.

2. Review, consideration and possible action regarding the current Urban Design Overlay (UDO), and matters related thereto. Action may include direction to staff to finalize the UDO for possible adoption into the RDA Plan; development of code for consideration by the City Council to codify the UDO, and bring it back for consideration, or discontinue further action on the UDO. **FOR POSSIBLE ACTION**

Mr. Magness presented goals of the UDO, how the UDO will work and the schedule. This is where we have the conversation of how we want the City to use the code.

Ms. Wines said this caught her off guard because it was tabled at the last RAC meeting. She thought the plan was with the City Attorney so it could become part of the RDA plan.

Mayor Johnson explained it was to a general concept, not necessarily the details. The code will bring changes such as the requirement of a two story building and requirement of a certain ceiling height. It was to determine the opinion of the RDA and whether or not to move forward with that type of a code overlay.

Ms. Wines felt it was inappropriate they were reviewing it as RAC hasn't recommended anything. She requested an explanation from the City Attorney regarding why this item is in front of the RDA because RAC tabled the item.

Mr. Stanton said it is unclear to him at this point what the document is intended to do. Is it an implementation, an amendment to the plan or is it intended to be adopted into the City's Zone Code? He didn't see this document, in its current form, doing any of those things. If it's going to be in City Code, it will take a significant amount of work. If it's going to be adopted as part of the RDA Plan, effort needs to be made to reconcile this document with existing documents. One of his concerns was its unknown how the document will be used. Most of the language in the document seems to be mandatory language. Legally a mandatory document needs to have some type of authority to implement it.

Mayor Johnson asked if the RDA adopted it could it be enforced through code. He explained when this code first came up, he heard the concerns were there were the problems with the older buildings and a need to relax the codes, but this just restricts the codes. He said he has to question if the RDA would conceptually support this code overlay as it is drafted today. If the RDA does support it, then we can move forward with addressing the details.

Ms. Wines said her experience and education is based on this and would love to have the opportunity to give reasons why it is important. She wasn't prepared to do that because she assumed it would be tabled. She hasn't seen Mr. Stanton's comments and would like to review them to make this work. She recommended tabling the item in order for her to prepare a presentation based on why greater massing is important.

Mayor Johnson said the RDA does need to start having those pin point discussions. He wants to give this the best chance possible.

Mr. Wilkinson said the reason this needs to come to RDA is because we have spent all our available resources on the consultants. Before we spend money engaging our City Attorney to work on the document, the RDA needs to give direction on how they will utilize the document. There will be legal fees in order to take that document one direction or another.

Mr. Schmidlein said the way this is currently written, he would not adopt it. When the draft came out a couple months ago there were several comments. He sees this as more of a guideline than a code. This isn't user friendly, it is onerous.

Ms. Wines said it is similar to CC&R's. This is strictly for new construction or a major remodel. You can't tell people what to do with existing buildings.

Mr. Stanton said that is not clear in this document.

**** A motion was made by Reece Keener, seconded by Robert Schmidlein, to table the Urban Design Overlay and send it to RAC for vetting and recommendations for the RDA.**

The motion passed unanimously. (4-0)

FINAL PUBLIC COMMENT PERIOD

Nancy Ernaut, 1175 1st Street, asked if Mr. Keener's motion applied to all redevelopment.

Mr. Keener answered just the Urban Design Overlay.

Ms. Ernaut asked on what property?

Mayor Johnson said it's just in general, it's not specific.

Ms. Ernaut said she thought this entire discussion was on the Railroad relocation. She questioned what is going on with that.

Mayor Johnson answered no, the Urban Design Overlay has to do with the existing RDA boundary. It has nothing to do with the Railroad Property.

ADJOURNMENT

There being no further business, the meeting was adjourned.

Mayor Chris J. Johnson, Chairman
Redevelopment Agency