

**CITY OF NORTH LAS VEGAS  
REGULAR REDEVELOPMENT AGENCY MEETING MINUTES**

January 7, 2004

Website - <http://www.cityofnorthlasvegas.com>

CHAIRMAN ROBERT L. ELIASON  
VICE CHAIRMAN SHARI BUCK

**CALL TO ORDER** 5:47 P.M., Council Chambers, 2200 Civic Center Drive, North Las Vegas, Nevada

**ROLL CALL**

**PRESENT**

Robert L. Eliason, Chairman  
Shari Buck, Vice Chairman  
Michael L. Montandon, Board Member  
William E. Robinson, Board Member  
Stephanie S. Smith, Board Member

**STAFF PRESENT**

Executive Director Gregory Rose  
Assistant City Manager Dan Tarwater  
City Attorney Sean McGowan  
Assistant City Clerk Karen Storms  
Community Development Director Jacque Hinchman  
Redevelopment Manager Kenny Young

**WELCOME**

Chairman Robert L. Eliason

**VERIFICATION**

Karen L. Storms, CMC, Assistant City Clerk

**AGENDA**

**1. APPROVAL OF THE REGULAR REDEVELOPMENT AGENCY AGENDA OF JANUARY 7, 2004.**

ACTION: APPROVED

MOTION: Board Member Smith

SECOND: Board Member Robinson

AYES: Chairman Eliason, Vice Chairman Buck, Board Members Montandon, Robinson, and Smith

NAYS: None

ABSTAIN: None

**BUSINESS**

**2. APPROVAL OF THE REGULAR REDEVELOPMENT AGENCY MEETING MINUTES OF NOVEMBER 5, 2003.**

ACTION: APPROVED

MOTION: Board Member Smith

SECOND: Board Member Montandon

AYES: Chairman Eliason, Vice Chairman Buck, Board Members Montandon, Robinson, and Smith

NAYS: None

ABSTAIN: None

**3. APPROVAL OF THE REGULAR REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 3, 2003.**

ACTION: APPROVED

MOTION: Board Member Smith

SECOND: Vice Chairman Buck

AYES: Chairman Eliason, Vice Chairman Buck, Board Members Montandon, Robinson, and Smith

NAYS: None

ABSTAIN: None

**4. MONTHLY STATUS REPORT REGARDING THE CURRENT STATUS AND PROJECTED TIMELINE OF THE CITY'S BUSINESS/INDUSTRIAL REDEVELOPMENT AREA.**

Community Development Director Jacque Hinchman gave a status report on the Business/Industrial Redevelopment Plan. Director Hinchman was seeking direction from the Board on whether or not to proceed with the Plan. The tax base was set annually in March, and the Board needed to make a decision at this time.

Director Hinchman itemized the reasons for the selection of the designated Business/Industrial Redevelopment Area:

- Fault Lines/Fissures
- Unstable Soil Conditions/Cracking Building Foundations/Sagging Streets
- Exposed Utility Lines
- Code Violations
- Higher than Normal Development Costs

Director Hinchman stated redevelopment created a distinct financial tool, assisted with the elimination of blight, and acted as a catalyst for development in other areas of the City. In addition, redevelopment provided incentives for public/private partnerships that were not available in other funding sourced areas.

Director Hinchman reported redevelopment of these areas:

- Encouraged New Investments into a Designated Area - Targeted Investments
- Stimulated Economic Development - Created Jobs
- Provided Flexibility with Municipal Investments - Appropriations

Redevelopment Agencies had the ability to:

- Encourage public/private partnerships
- Promote innovative ways to redevelop affected sites
- Encourage implementing local solutions to local problems, rather than relying upon Federal or other State funding sources
- Revitalize underutilized properties

Director Hinchman referred to the site map depicting the Downtown Redevelopment Area established in 1990. There were construction issues, as well as residential areas that did not generate significant tax increment. Director Hinchman pointed out the commercial area along Lake Mead Boulevard narrowed to the extent where it was not possible to find a

parcel of land large enough to develop, and there were restrictions with the Downtown Redevelopment Area. Non-configuration existed in the Northern Redevelopment Area and was narrow along the lines where a deeper inset was needed in the neighborhood to make a dramatic difference. Both areas suffered from a lack of vacant properties that could be revitalized.

Director Hinchman identified the new Redevelopment Area and stated it was deep in most places. This area included the air terminal, Nellis Industrial and Windsor Parks and the area extended along the new Cheyenne Technology Corridor. Those areas had significant, individual problems. The Plan would provide funding sources to address those issues. Redevelopment Area selection criteria was based upon Nevada Revised Statute (NRS) 279.519 and required a minimum of 75% of the Redevelopment Area be developed. The airport was included and provided a base of large sections of developed land without affecting the City's tax base. The airport did not generate a significant tax base, but assisted the City in meeting its State criteria.

Board Member Montandon asked Director Hinchman about the existing holes in the Nellis Industrial Park shown on the map. Director Hinchman deferred to Redevelopment Manager Kenny Young who stated in order to meet certain provisions of the NRS, some properties were developed. The assessed valuation on those particular properties had to be excluded in order to meet those guidelines.

Director Hinchman added all of the Redevelopment Areas combined must be equivalent to ten percent of the entire City's assessed value. The process of trying to meet that criteria created the existing holes. The City's redevelopment consultant provided advice on what should and should not go into those Redevelopment Areas.

Director Hinchman reviewed the Redevelopment Area Selection Criteria:

- NRS 279.519 (2) requires that a minimum of 75% of the Redevelopment Area be developed
- The Redevelopment Areas' total land mass was 2919 gross acres, of which 2200 (76%) were improved
- The requirement was met
  
- NRS 279.676 (2)(a) Limits the total revenue to be paid to the Redevelopment Agency to an amount not exceeding 10% of the City's assessed value
- The City had a net assessed valuation of \$2.7 billion, as of March, 2003
- The combined net assessed valuation of the Redevelopment Area was \$226 million (8.3%)
- The requirement was met

Director Hinchman summarized the proposed redevelopment activities:

- Roadway and Signal Improvements: \$2.8 Million
- Tech-Corridor Fiber Optics Project: \$5 Million
- Losee Road, Brooks Avenue and Cheyenne Avenue Commercial Facade Upgrades: \$5 Million
- Windsor Park Acquisition and Demolition: \$10 Million

The total cost of redevelopment activities were:

- \$38.1 Million (Hard Costs)
- \$ 1.5 Million (5% Administrative Costs)
- \$48.6 Million (Total Anticipated Expenses)

The economic feasibility (in millions of dollars) was:

- \$288.4 Gross Tax Increment for Projects
- \$ 38.1 Less Project Costs
- \$ 10.5 Less Administrative Costs (5%)

Director Hinchman stated tax increment projections over the 30-year life of the Business/Industrial Redevelopment Plan were \$288 million. \$288.4 million less project and administrative costs and over the 30-year life would result in an additional funding source of \$239.8 million that could be used for redevelopment activities.

Director Hinchman reviewed the timeline to initiate the Redevelopment Plan. Beginning February 4, 2004, the City Council would consider receipt of:

- The proposed Business/Industrial Redevelopment Plan and the Redevelopment Agency's Report on the Plan (Redevelopment Resolution No. 22)
- The Agency's adopted rules governing participation and preferences (Redevelopment Resolution No. 23)

Executive Director Rose requested Director Hinchman address how the Redevelopment Plan would impact the General Fund and Director Hinchman requested to address this issue at the conclusion of her presentation.

Director Hinchman discussed the action steps that would be taken throughout the timeline:

- February 4, 2004 City Council Meeting. Council considers the first reading of the Ordinance for the Adoption of the Redevelopment Plan. (Resolution No. 1760).
  - Making the necessary findings and;
  - Consenting for and calling for a Public Hearing on the proposed Redevelopment Plan
  
- February 5, 2004  
February 12, 2004  
February 19, 2004  
February 18, 2004 Notice of Public Hearing Publication Dates
  
- March 3, 2004 City Council Meeting. Council considers the second reading of Ordinance No. 1760
  
- June 15, 2004 Expiration of the 90-day period to question the validity of the Redevelopment Plan adoption process (NRS 279.609)

Director Hinchman stated indebtedness could not be incurred beyond 20 years from date of the adoption of the Plan, and reviewed the potential bonding timeline:

- Downtown Redevelopment Area, 7 years remaining
- Northern Redevelopment Area, 16 years remaining
- Business/Industrial Redevelopment Area, 20 years remaining, if approved

Director Hinchman estimated the Downtown and Northern Redevelopment Areas had approximately \$8-\$10 million in bonding capacity and adding the third Redevelopment Area would increase the City's bonding capacity by \$40-\$50 million.

The Business/Industrial Redevelopment Plan:

- Conformed with existing City priorities
- Provided the City with increased flexible funding alternatives to provide incentives
- Acted as a catalyst for additional development
- Stimulated economic development
- Stimulated job creation
- Encouraged public/private partnerships
- Provided a mechanism to revitalize underutilized properties and infrastructure
- Served as a funding mechanism for \$58 million worth of capital improvement projects
- Provided \$240 million in a funding surplus for new redevelopment programs and other activities
- Increased the Redevelopment Agency's funding capacity

One bond would cover the three areas designated for redevelopment and the projects within these areas could progress as planned. The City would increase bonding capacity by designating three areas for redevelopment, rather than two.

Director Hinchman responded to Executive Director Rose's earlier request regarding the impact of redevelopment on the General Fund. Director Hinchman stated redevelopment froze the tax base in the year of adoption, and reiterated the tax base was set annually, in March. The taxes distributed on existing properties would continue without any change in the manner of tax distribution. All of the tax increment above the fixed taxing level on future projects would go into the Redevelopment Area. The impact on the General Fund could be looked upon in two separate ways: 1) Would those projects have appeared and created tax increment or General Fund Property Tax without the Redevelopment Area? (2) If the projects would not have appeared, then there would be no impact on the General Fund because those properties would continue to exist. Some projects would be carried forward and would have developed regardless. If the Board did not move forward with the projects, the City would lose its ability to function efficiently within redevelopment. If the City did move forward with the projects, it would impact the General Fund. The money would go into a separate funding source if the projects went forward and not into the General Fund. Redevelopment Staff suggested the projects would not take place if the City were not able to intervene with redevelopment funds to provide incentives and the necessary infrastructure. Director Hinchman recommended the Board meet with Finance Director Stoeckinger to obtain definitive figures for review.

Executive Director Rose reiterated Staff sought direction from the Board as to whether or not there was a desire to move forward with this project prior to investing a significant amount of resources. Staff had not decided definitively on which properties would be included and that could be adjusted at this point. Executive Director Rose stated it was a philosophical issue about whether or not the Board thought this type of redevelopment

should be used and was proper. If the Board supported this redevelopment area, Staff would move forward with developing guidelines. If the Board did not support this redevelopment area, then Staff would forego the project and direct the resources elsewhere.

Board Member Smith asked whether the Cheyenne Technology Corridor would be developed whether or not it was designated as a Redevelopment Area by the Redevelopment Agency. Director Hinchman responded certain projects would carry forward anyway. In order to have an effective Redevelopment Area, viable areas needed to be included as well as those areas that would not be viable. If some viable areas were not included, there was no tax increment being created to help those areas that would not be viable. There would be a continuation of some projects such as the Cheyenne Technology Corridor. Director Hinchman opined the City would have more success with the Cheyenne Technology Corridor if it were designated as part of a Redevelopment Area.

Board Member Smith asked whether the tax money in the General Fund would go to the Redevelopment Fund. Director Hinchman confirmed that it would and stated once funds were in place, the City would proceed with projects such as the infrastructure that was in the Capital Improvement Plan in the General Fund.

Board Member Smith asked Director Hinchman what her recommendations were and she responded this was a non-action item. Board Member Smith asked Director Hinchman for her opinion for the record and Director Hinchman deferred to Executive Director Rose's response.

Executive Director Rose stated it was reasonable to do some type of Redevelopment Area. The size of the Redevelopment Area would be up for discussion and some of the properties that were questionable would be addressed. The issue was whether the Board wanted to move forward with this project because there was a very tight time frame.

Board Member Smith conveyed Mayor Goodman of Las Vegas spoke at the State of the City about public/private partnerships and what they were able to bring to the table to encourage participation. Board Member Smith stated there could be an opportunity for this type of partnership, and the City of North Las Vegas did not have a lot to offer other than a warm hand shake and a friendly smile – which may or may not be enough to generate business.

Board Member Robinson announced it was seven minutes into the City Council meeting and requested the Board make a decision. Board Member Robinson recommended the Board proceed with its recommendation, Board Member Smith seconded the motion and Director Hinchman advised this was a non-action item, but requested direction from the Board. Director Hinchman advised this issue would be brought back to the Board very quickly.



Board Member Montandon stated having viable areas helped; however, labeling one of the more booming corridors in the country as blighted and in need of redevelopment did not meet the spirit of the redevelopment law.

ACTION: STATUS REPORT GIVEN

### **PUBLIC FORUM**

There were no participants.

### **ADJOURNMENT**

ACTION: MEETING ADJOURNED AT 6:10 p.m.

MOTION: Board Member Smith

SECOND: Board Member Robinson

AYES: Chairman Eliason, Vice Chairman Buck, Board Members Montandon, Robinson, and Smith

NAYS: None

ABSTAIN: None

Approved: February 4 , 2004

/s/ Robert L. Eliason  
Robert L. Eliason, Chairman

ATTEST:

/s/ Karen L. Storms  
Karen L. Storms, CMC  
Acting City Clerk