

**CITY OF ELKO**  
**REDEVELOPMENT AGENCY**  
**REGULAR MEETING MINUTES**  
**3:00 P.M., P.S.T., TUESDAY, MAY 9, 2017**  
**ELKO CITY HALL, COUNCIL CHAMBERS,**  
**1751 COLLEGE AVENUE, ELKO, NEVADA**

**CALL TO ORDER**

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

**ROLL CALL**

**Present:** Mayor Chris Johnson  
Councilman Robert Schmidtlein  
Councilman John Rice  
Councilwoman Mandy Simons (*arrived at 3:05 pm*)

**Excused:** Councilman Reece Keener.

**City Staff:** Scott Wilkinson, Assistant City Manager  
Cathy Laughlin, City Planner  
Shelby Archuleta, Planning Technician

**PLEDGE OF ALLEGIANCE**

**COMMENTS BY THE GENERAL PUBLIC**

*There were no public comments made at this time.*

**APPROVAL OF MINUTES**

April 11, 2017 – Regular meeting **FOR POSSIBLE ACTION**

**\*\*\* A motion was made by Councilman John Rice, seconded by Councilman Robert Schmidtlein to approve the meeting minutes from April 11, 2017 as presented.**

*\*Motion passed unanimously. (3-0)*

**I. NEW BUSINESS**

- A. Review, consideration, and possible action on the 2017 Storefront Improvement Grant Recipients and amounts allocated, and matters related thereto. **FOR POSSIBLE ACTION**

2017 Storefront improvement grant applications were open from January 1, 2017 to March 31st, 2017. RDA has allocated \$50,000 each year for 5 years for storefront improvement grants. The Redevelopment Advisory Council reviewed all applications and rated them with the rating sheet in the grant packet at their meeting April 27, 2017. There were 7 applications and some were deemed as complete and others as not complete. Their recommendation to the RDA was in the following two motions:

- Motion 1: The RDA fund the following projects with the highest rating; J.M. Capriola's (\$5,775.56), Gerber Law Office (\$15,000), Hesson Hardware Building (\$25,000) and increase the budget amount by \$15, 549.49 to fund the Western Folklife Center in full or allocate the remainder of the \$50,000 (\$4,224.44) towards the Western Folklife Center grant application.
- Motion 2: The RDA to consider a public-private partnership with Henderson Bank Building and NV Energy for the requested amounts listed in each grant application.

Cathy Laughlin, City Planner, explained that each of the Storefront Grant Applications were rated and reviewed by the Redevelopment Advisory Council. The rating sheet was part of the approved Grant Application Packet. Each of the RAC Members rated each grant application. Before the rating they went over each application and decided if it was complete or not. J.M. Capriola's was the first application that they reviewed. The application was considered complete, and it scored a total of 158 Points. Gerber Law was the next application to be considered. It was also considered complete and scored a total of 161 Points. Lostra Inc.'s application was considered complete, but they voted 4 to 0 that it didn't meet the intent of the Grant Application and Program, therefore they did not rate the project. It was for a new reader board sign on their existing business. The Hesson's Hardware Building application was considered complete and scored a total of 183 Points. The Henderson Bank Building application was considered incomplete, due to only having one bid. They voted 2 to 2 for consideration on rating the project, so it did not move on to be rated. The Cowboy Arts and Gear Museum application was considered incomplete due to not having any bids. It was voted 2 to 2 for consideration on rating the project. The Western Folklife Center application was considered complete and scored a total of 105 Points, which was the lowest score. In the RAC's recommendation that's why they said the top three highest rated projects to receive full funding, and leaving the option up to the RDA to either complete the \$50,000 or to increase the budget to allow for the full amount. The motion did go 3 to 1. Ms. Laughlin explained that one of the members of the Advisory Council felt that the application clearly stated that 50% of the lowest bid would be funded, and Hesson's Hardware had two bids that were submitted by general contractors, which had a complete scope of work, and the third bid was only for windows and a door, which was not the full scope of work. There are four options for a motion listed in the Planning Department Memo, which was included in the agenda packet.

Robert Schmidtlein asked which budget year the funding would be coming from.

Ms. Laughlin answered that it will be funded from the 2017/2018 Budget, but it was budgeted in both 2016/2017 and 2017/2018.

Mr. Schmidtlein asked if the funds could potentially carry over from the previous fiscal year.

Ms. Laughlin explained that \$50,000 is budgeted for this year and next year. If the applicants don't have their expenses, for reimbursement, done prior to July 1<sup>st</sup>, it will come out of this year's budget but it will go into next year.

Mr. Schmittlein said that if they could do a carry over, they potentially have \$100,000.

Ms. Laughlin said no, because the application period will open up again in January, in the next fiscal year.

Mandy Simons asked what 50% of the lowest bid was for Hesson Hardware.

Ms. Laughlin said it would be \$14,686.75.

Ms. Simons asked what the full 50% was for Western Folklife Center.

Ms. Laughlin said they were asking for \$20,399.93.

Ms. Simons said if they only fund 50% of the lowest bid for Hesson's Hardware, then they could fund Western Folklife Center in full without going over budget.

Ms. Laughlin explained that in her memo she clearly stated the intent of the program. She also showed a couple of pictures for examples. She felt that the Hesson's Hardware Project was a project that will make an impact and you will see a difference.

Ms. Simons said everything that they do sets a precedence, so down the road will they have applications that are almost complete but just not quite there. She was worried that it may cause them problems in the future.

Ms. Laughlin explained that the bid came in at the last minute, and she personally made the decision to include it, because if it wasn't included it wouldn't have been a complete application.

John Rice asked how much they would need to extend the budget to fully fund the Western Folklife Center.

Ms. Laughlin explained that there are four options in the memo, which will answer that question, listed as follows:

1. Increase the storefront grant program budget to \$66,175.49 and fund J.M. Capriolas (\$5,775.56), Gerber Professional Building (\$15,000), Hesson Hardware (\$25,000) and Western Folklife Center (\$20,399.93) grants in amounts as requested.
2. Fund J.M. Capriolas (\$5,775.56), Gerber Professional Building (\$15,000), & Hesson Hardware (\$25,000) in full with the balance of the \$50,000 budget going towards Western Folklife Center (\$4,224.44)
3. Fund J.M. Capriolas (\$5,775.56), Gerber Professional Building (\$15,000), & Hesson Hardware at 50% of the lowest bid (\$14,686.75) with the balance of the \$50,000 budget going towards Western Folklife Center (\$14,537.69)

4. Increase the storefront grant program budget to \$55,862.24 and fund J.M. Capriolas (\$5,775.56), Gerber Professional Building (\$15,000), & Hesson Hardware at 50% of the lowest bid (\$14,686.75) and Western Folklife Center (\$20,399.93).

Mr. Schmidtlein said it would be a shame not to look at this with open eyes and an open mind. He felt the board that sent them this information did a great assessment and evaluation with their scoring. When you look at the Hesson's Hardware Building, it had the highest ratings all the way through. If you don't look at this open minded, you have a prime example of a redevelopment project that is going to increase tax increment. Whether the Western Folklife Center is a part of the tax base or not, any improvements they can be assisted with is something they need to look at open minded as well. What is it going to do for the development of the downtown and the heart of the corridor?

Mr. Rice agreed with Mr. Schmidtlein. He didn't have a problem funding the Western Folklife Center, even if it doesn't increase the tax increment. It has a huge return to the community in a bunch of other ways. The Hesson's project is a historical building that has a lot of historical characteristics that are very important. They are all good projects. We could afford to increase the budget and make a huge difference in downtown. He was looking at Option 1 as a direction to go. He believed that investment begets investment.

Lina Blohm, from the Redevelopment Advisory Council, thanked the Agency for their passion and heart felt consideration on these projects. This is an opportunity for tax payer's money to showcase elements of the downtown that are blighted, historical, and antiquated. She reminded the Agency that this was their first time out of the shoot with this Storefront Program. This program will do more to showcase downtown, than pouring more asphalt, which could cost up to \$100,000. We have funding available to increase the budget. To expand the Program, and do it right the first time, would be important to show the rest of the community that it can be done and we are here to help.

Mr. Schmidtlein commented that it would be money well spent if they move forward.

Mayor Chris Johnson said he could go couple different directions. As far as nonprofit and for profit goes, you could make good argument that the nonprofit should have all the help they can get and the profits would be able to pass that cost onto the customers and get reimbursed. He thought getting the storefronts improved was the goal and what will make a difference, and all of the projects would fall into that category. The Hesson's packet would have been thrown out, if it was at a contract. He didn't know how sticky they needed to get with that. He said he would give some leeway since it is the first time for the Program. He would like to stay within the budget, but he was not opposed to fully fund the projects. If they could consider, instead of having the next applications in January, another application period starting July 1<sup>st</sup>.

Scott Wilkinson, Assistant City Manager said from a staff prospective, he would like to get through one season before they go back into applications, because he wasn't sure how much time staff was going to be dedicating to this program and the applicants. We did commit \$250,000 over five years, and he thought if they went higher this first year, maybe at the end there won't be as many applications and they might still end up in the \$250,000 range.

Mr. Rice agreed with Mr. Wilkinson that they could make it up on the back end, but he also thought that they would see the tax increment increase. To have some significant projects happen in the downtown, in one year, will have a huge impact and get the attention of other developers.

Ms. Simons asked for clarification on the language of the application for the bids.

Ms. Laughlin explained that for the Hesson's application the other two bids were for over \$82,000, so they would only be eligible for up to \$25,000, because that is the maximum amount. He will have to submit invoices and copies of the checks for \$50,000, in order to get that \$25,000.

Ms. Simons said she was fine with accepting the application as complete, but she still had a question on the verbiage in the application regarding the bids, and funding.

Mr. Rice suggested they include a finding in their motion.

Mr. Wilkinson explained that as they move through the process they can tighten up the language going forward and sort out the little details for the first year.

**\*\*\* A motion was made by John Rice, seconded by Robert Schmidlein to adopt Option 1, from the Planning Department Memorandum, to increase the storefront grant program budget to \$66,175.49 and fund J.M. Capriolas (\$5,775.56), Gerber Professional Building (\$15,000), Hesson Hardware (\$25,000) and Western Folklife Center (\$20,399.93) grants in amounts as requested.**

**Mr. Rice's finding was that the Hesson's Hardware submission was complete and responsive after the RDA's discussion, because the understanding is that the grant announcement asked for '3 bids', which Hesson's Hardware has provided.**

***\*Motion passed. (3-1 Mandy Simons voted nay)***

After the motion but before the vote Ms. Simons said she wanted to see the language in the application.

Mr. Rice pointed out that there was an understanding that the 3<sup>rd</sup> bid was for glass work only, and not the full scope of work.

Ms. Simons thought the wording would be important to determine her decision.

Mr. Rice also pointed out that the grantee would have to provide evidence of the expenditure to be reimbursed.

Ms. Simons read Section J(1) from the Program Guidelines.

Ms. Laughlin explained that that section gave the applicants the option of selecting a different contractor, if they didn't want to use the contractor that gave the lowest bid.

Mr. Rice said the question here was if they were granting for the project or for the window work. He thought they were granting for the full project.

Ms. Simons said in that case they didn't have three bids.

There was further discussion regarding bids, scope of work and eligibility.

**The Agency then voted on the motion.**

- B. Review, consideration, and possible approval of a Public-Private Partnership with Henderson Bank Building and NV Energy for the requested amounts listed in each Storefront Improvement Grant application, and matters related thereto. **FOR POSSIBLE ACTION**

2017 Storefront Improvement Grant applications were reviewed by the RAC on April 27, 2017. Two applications were determined to be incomplete as they didn't provide the 3 required bids in their application. The RAC made a motion to recommend to the RDA to consider entering into a public-private partnership with Henderson Bank Building and NV Energy for the Cowboy Arts and Gear Museum for the amounts requested in their Storefront Grant applications.

Ms. Laughlin explained that in reviewing the applications the RAC voted 2 to 2 on moving these two projects forward to rating. Two individuals felt they were incomplete, due to the bids, and two felt they had merit and that they should move forward to be rated and to be considered for funding. The Henderson Bank Building submitted some photos but not any plans, and the Cowboy Arts and Gear Museum included plans and photos. The Cowboy Arts and Gear Museum went out to bid yesterday. The RAC felt that the projects had great merit and that they should be considered for Public-Private Partnerships, since they did not meet the qualifications of the Storefront Grant. The total amount of the Public-Private Partnerships would be around \$36,000.

Mayor Johnson asked if the funds would come out of the \$75,000 line item.

Ms. Laughlin said it could, that \$75,000 was allocated as Public-Private Partnership, which turned into the Demolition Program. If this is funded it will come out of that line item.

Mr. Wilkinson asked if those funds were specific for a Demolition Program.

Ms. Laughlin explained that it was listed as Public-Private Partnership in the budget approval.

Mayor Johnson asked if there was criteria in place.

Ms. Laughlin said it is in the RDA Plan. There are several pages in the existing plan for a Public-Private Partnership, which is a requirement by NRS. There is a form, not really an application, for the Partnership. We have entered into agreements in the past, some of which were not complete.

Mr. Wilkinson thought the details of the project would be worked out in a proposed contract. It would have to be fully vetted and then brought back to the RDA.

Mayor Johnson asked if the constraints of the Public-Private Partnership was similar to the Storefront, in the aspect that there is a 50% maximum.

Ms. Laughlin explained that there are no restraints in The Plan, but the recommendation from the RAC was to fund these projects for the 50% that the applicants requested. Cowboy Arts and Gear Museum would be \$25,000 and Henderson Bank Building would be \$14,000.

Catherine Wines, 421 Railroad Street, Design Professional representing the NV Energy building for the Cowboy Arts and Gear Museum, wanted to clarify that the schedule for the project was established before the Storefront Grant Application came out. They tried to make it clear in the application that NV Energy owns the building and they are going to donate it to a 501c(3), which will be a new museum. They have a set budget and any additional funding will go towards the museum.

Mayor Johnson said he didn't like to go into these without having them defined. He couldn't get past the three bids, which was not included on either application. He suggested they come back to the RDA with an application for a Public-Private Partnership.

Mr. Wilkinson suggested they make a motion to direct the applicants to bring back an application under the existing Public-Private Partnership in the RDA Plan. We've had a few applications come to the RDA and you decided that you wanted to have a specific program and a budget associated with it. He thought that process would give them time to consider if they wanted to have another specifically defined program. It will just take some time to put everything together.

**\*\*\*A motion was made by John Rice, seconded by Mandy Simons to direct the applicants to come back with a plan for a Public-Private Partnership and for the City Attorney to take a look at the viability of a retroactive application.**

***\*Motion passed unanimously. (4-0)***

## **II. REPORTS**

### **A. Budget**

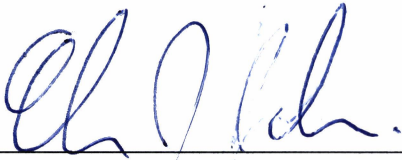
*Ms. Laughlin reported that the budget was up to date as of May 4<sup>th</sup>. We are trending higher than expected in revenues and the interest revenue.*

## **COMMENTS BY THE GENERAL PUBLIC**

*There were no public comments made at this time.*

## **ADJOURNMENT**

There being no further business, the meeting was adjourned.

A handwritten signature in blue ink, appearing to read "Chris J. Johnson", is positioned above a horizontal line.

Mayor Chris J. Johnson, Chairman  
Redevelopment Agency