

CITY OF ELKO
REDEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
1:00 P.M., P.D.S.T., THURSDAY, AUGUST 29, 2019
ELKO CITY HALL, COUNCIL CHAMBERS,
1751 COLLEGE AVENUE, ELKO, NEVADA

CALL TO ORDER

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

ROLL CALL

Present: **Councilman Chip Stone**
 Councilman Robert Schmidlein
 Councilwoman Mandy Simons
 Mayor Reece Keener

Excused: **Councilman Bill Hance**

City Staff Present: **Curtis Calder, City Manager**
 Scott Wilkinson, Assistant City Manager
 Cathy Laughlin, City Planner
 Michele Rambo, Development Manager
 Bob Thibault, Civil Engineer
 Shelby Archuleta, Planning Technician

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

There were no public comments made at this time.

I. NEW BUSINESS

- A.** Review, consideration, and possible recommendation to Planning Commission for Conditional Use Permit 7-19, for the expansion of Big O Tires to be located at 285 12th Street, and matters related thereto. **FOR POSSIBLE ACTION**

All building permits within the Redevelopment Area and Planning Commission Applications are reviewed by the Agency and/or Redevelopment Manager. The Agency is responsible for reviewing applications for consistency with the goals and objectives of the Redevelopment Plan.

Cathy Laughlin, City Planner, gave a presentation on the Redevelopment Plan (**Exhibit A**). She wanted to start with why the Redevelopment Area was created and why it has a Plan. When the Redevelopment Area was created in 2008, it was created to lift up the entire area. It is a proven

fact that when you have an area that has been redeveloped there is a chain reaction, and there are other surrounding areas that are stimulated into redeveloping their properties as well. A good example is Mr. Romero's Building and the Maverik. After they put up new buildings, there were several other buildings in the area that did facelifts, such as Dairy Queen, Big O, and the old Builders Mart Building. Ms. Laughlin wanted to discuss why this application was in front of the Agency today. In the Redevelopment Plan, on Page 22, it talks about Building Permits. It states,

"No permit shall be issued for the construction of any new building or any addition, construction, moving, conversion or alteration to an existing building in the Redevelopment Area from the date of effectiveness of the ordinance approving this Plan until the application for such permit has been reviewed by the Agency. Any permit that is issued hereunder must be in conformance with the provisions of this Plan, any Design Guidelines adopted by the Agency, any restrictions or controls established by resolution of the Agency, and any applicable participation or other agreement."

Staff looks at every application that comes to the City of Elko. Most reviews are done by the Redevelopment Manager, Ms. Laughlin, unless there is a question on an application. After the Redevelopment Plan was adopted in 2008, all new construction projects had to meet the goals and objectives of the Plan. If staff felt that the projects were not meeting the goals and objectives of the plan, then those applications would have been brought to the RDA. Ms. Laughlin pointed out a metal building that had permitted recently, which wasn't much different from what Mr. Petersen was proposing. Staff felt that it met the goals and objectives. It had different textures, different rooflines, and architectural features. The one Goal that staff has been concerned about is Goal #2, which reads:

"Achieve an environment reflecting a high level of concern for architecture, landscape, and urban design and land use principles appropriate for attainment of the objectives of the Redevelopment Plan."

Staff did not feel that the proposed building, in the architectural style that it is proposed in, is anything more than a metal building shed. Staff doesn't feel that it is meeting the goals and objectives of the Redevelopment Plan. Ms. Laughlin pointed out that the Land Use for the Central Business District, as listed in the Redevelopment Plan, states that heavy, more intense commercial, such as, but not limited to auto and truck service and repair, are discretionary uses in this area. Staff is not stating that they are against the business, as that statement says they could be. They are simply stating that the project is not meeting the goals and objectives of the Plan. The Preliminary Plan, which was adopted in 2007, talks about the gateway into the downtown area. The Central Business District is the most important part of the redevelopment area. This conversation wouldn't be happening if this building were being proposed outside of the Central Business District. Several times in the Plan, it mentions that Railroad Street is a major collector and it is considered as one of the points of access, a gateway, into the downtown Central Business District. Ms. Laughlin stated that staff is not against the metal building; staff just feels that it needs to meet the objective in the RDA plan for architectural detail. The developer has already told staff that they plan to remove all of the grass that is shown in the rendering. Staff is just asking for some architectural design in the building. Page 21 and 22 of the Redevelopment Plan states that in order to permit minor variations from the requirements of the Plan, it needs to have the findings listed (**Exhibit B**).

Michele Rambo, Development Manager, wanted to build upon a couple of things that Ms. Laughlin stated. Ms. Laughlin focused on the Redevelopment Plan, but there are also some points in the Master Plan that are relevant for this particular parcel. The Master Plan states that buildings in downtown need to be high quality and visually appealing. It talks about bring up the

architecture of the buildings in downtown. The Master Plan also states that buildings in downtown should be attractive and beautiful in order to attract people to the area. This project being in a gateway, on a very large intersection, we want people to want to come into the area. Staff's feeling is this is not the type of architecture that generates the feeling of wanting to come into the downtown. Staff is not against the metal building. Metal buildings can be very attractive if you add a few minor details to them.

Mayor Reece Keener asked Mr. Petersen to give a brief presentation on the project.

Chuck Petersen, Big O Tires, started by wanting to point out a few things, since Maverik and Dairy Queen were brought up. Maverik remodeled all of their stores across Utah and Nevada, and it wasn't because of the RDA in Elko Nevada. Dairy Queen remodeled because the franchise made them. Mr. Petersen felt like he had been a good steward of Elko over the years. He also felt that they had done good projects for the community. They built the Oil City; they also developed Royal Crest, and just built a new car wash. Now they are trying to remodel their Big O Store, which they have been working on. This winter they remodeled the inside of the store. He stated that he has spent hundreds of thousands of dollars just remodeling the Big O store. They are hoping when the new building is complete that all three buildings will match. Mr. Petersen found it interesting that the parcel that they are discussing is the only place left to build anything on in the area. The parcel is surrounded by metal buildings. He could understand if this was a vacant lot in the middle of downtown wanting to have a nicer building. For what is surrounding the parcel, Mr. Petersen felt this was a great asset to the location and to the area. Also, when you are building things, and to get a loan, they have to appraise. The building that they are proposing is \$250,000 more than it will appraise for. It will be the nicest building on 12th Street and in that area. This property is going to be more paving than building. Mr. Petersen was looking for an exemption on this. He felt like what they came up with was a great building for this area. It will be a lot better than the weed infested lot that it has been for last 20 years. If he doesn't develop on it, no one will. Otherwise, Mr. Petersen's plan was to put chain link and razor wire around the whole thing. He stated that they weren't going to do grass but it would be a lot of landscape rock and trees. It makes sense for him as an addition to his business.

Mayor Keener said that Mr. Petersen had indicated that he was going to take a metal building down.

Mr. Petersen added that the City would get two buildings taken down for the price of a brand new one being built. He had already taken down the old metal building that was on this property. He has another old building behind Big O that will also be torn down and replaced with paving.

Mayor Keener asked what the timing was on removing that building.

Mr. Petersen stated that it would not come down until the new one goes up.

Robert Schmidtlein asked Mr. Petersen what his annual tax was that he paid on the property.

Mr. Petersen thought it was around \$8,500.

Mr. Schmidtlein asked, once development is completed, what investment Mr. Petersen would have.

Mr. Petersen said the new project was budgeted for \$970,000.

Chip Stone asked what the grey portion shown on the rendering was going to be.

Mr. Petersen thought it was going to be fake rock.

Ms. Laughlin said that she was told it was metal in grey.

Mr. Stone thought if the grey area was to be a fake rock and if they put a nice awning.

Mr. Petersen said he didn't want to do any more to it. He didn't think there was a need for it and he didn't want to spend money just to spend money.

Mayor Keener said they were looking at a significant tax increment increase.

Mr. Petersen felt like for this lot, and what is around it, what he has proposed is nice.

Mr. Stone asked Mr. Petersen if he planned to keep the building for Big O Tires for many years.

Mr. Petersen said it would stay as Big O Tires. He mentioned that he just remodeled what he called his storefront. He said he doesn't need two storefronts, because it confuses customers. This will be a service center and a truck center.

Mr. Schmidtlein wanted to go through the Goals and Objectives of the Redevelopment Plan. Item #1 to promote and ensure public safety and welfare. Mr. Schmidtlein thought the project met that. To promote and support pedestrian oriented downtown; and, to achieve and environment reflecting a high level of concern for architectural, landscape, and urban design. He said it wasn't really the urban design, but it is improving the area. To benefit, sustain and support the visual enhancement and beautification. Mr. Schmidtlein thought tearing down buildings and putting in a new building met the objectives. To ensure adequate vehicle access and circulation. He thought the parking lot was a huge improvement, and they had off-street parking and proper entrances coming from two different directions. To promote historic and cultural interest in the Redevelopment Area. It might not meet that, but it does meet encouragement and investment by a private sector. This project will benefit additional taxes for the Redevelopment Area.

Lina Blohm, RAC Member, stated that she was here to speak in favor of Chuck Petersen and his foresight, motivation, and business acumen to move forward with the project. The property has been blighted for many years. This is counter to what everyone might expect from one of the forefathers of the very document that is in front of you. Ms. Blohm is a businessperson in the Redevelopment Area and is keen on aesthetics, enhancements, and investment in the Redevelopment Area. She is also businessperson and is involved in real estate, so she understood the significance of appraisal versus what the expectation might be. We have to find a common ground, because they are here to encourage investment, not stifle investment. She thought they should jump for joy that Mr. Petersen wants to expand his business. He is a proven businessman, which is known from the other enhancements he has in the area. Ms. Blohm thought it was unfair and uncalled for to ask him to spend \$200,000 more than appraisal, and then beyond that for a few aesthetics. The business environment in Elko right now is sustaining, it is not upwardly

mobile, like it was when Mr. Romero built his buildings. There were very few storefront applicants. Ms. Blohm thought that was because the City doesn't have the local businessperson vested in the community enough to want to split the difference with the Redevelopment to improve their facade. She wanted to employ the Agency to approve this permit to allow Mr. Petersen to move forward on his project.

Jeff Dalling, RAC Member and Planning Commission Chairman, stated that he had an opportunity to meet with Mr. Petersen. Mr. Dalling said he was with Mr. Petersen on this. He felt like the property is on the edge of Redevelopment Area, but every building down there is a metal building. Mr. Dalling felt like with all the improvements that Mr. Petersen was proposing it fit the RDA. We want commerce and business. Mr. Petersen is expanding and dumping money and that goes right into the revenue for the RDA. Mr. Dalling thought this would be a great project. He said if it comes to him at the Planning Commission, he would approve it, because he thinks it looks great and it's what we need. If it were on Commercial Street, or somewhere else, it would be different, but where it sits, on the edge, it's almost light industrial. Mr. Dalling thought it was a good fit and wanted to see it go.

Ms. Laughlin clarified that staff is not against the project. Staff is supportive of Mr. Petersen and his endeavors. The car wash is a fabulous building, and a great investment in the downtown. Staff is by no means against the development.

Mayor Keener said he spoke with Mr. Petersen about his project. Mr. Petersen showed Mayor Keener what he was doing and where he was doing it. Mayor Keener thought that area needed a lot of help. It is, what Mayor Keener would consider, blighted down there. He knew that this would be a significant improvement to that neighborhood. Hopefully, it will encourage the neighbors to up their game, with respect to their own businesses. He has been favorable to the project since he saw it. He was also very favorable to some of the RDA guidelines that call for the higher quality construction. Mr. Keener thought this was one of the exceptions that they needed to provide some allowance for the applicant on. He thought it would be the nicest building in the immediate area. The only thing that he wanted to see was a condition that the metal storage building, which Mr. Petersen is going to be taking out, be removed. He asked Mr. Petersen how much time he would need.

Mr. Petersen stated that it wouldn't come down until the new building was completed.

Mayor Keener asked if 6 months from receipt of Certificate of Occupancy would be enough time.

Mr. Petersen said that would be perfect.

Mandy Simons was worried. She said that you learn quickly that no good deed goes unpunished and that everything sets a precedence. She was worried that someone else was going to come in and say that Mr. Petersen didn't follow the guidelines. It's one thing if they want the guidelines to be that it is an improvement to the area. However, it's another thing if they want the guidelines to be what they have in the Plan. Ms. Simons said she would be more comfortable if there was something that could set this apart from everyone else.

Mayor Keener thought that was why it was important to have findings in the motion. There are exceptions because of the immediate character of the neighborhood that this building will be going in.

Taylor Mori, Big O, said there was nothing else in the area left to be developed.

Ms. Simons pointed out that she was referencing the entire Redevelopment Area.

Ms. Mori asked how far the Redevelopment Area went.

Ms. Laughlin pointed out the Redevelopment Area on the overhead. She added that there was a difference in the Redevelopment Area and the Central Business District. She pointed out that if the building were just located in the Redevelopment Area, and not the Central Business District, then they wouldn't be here having this discussion.

Ms. Mori asked how many vacant lots were located in the Central Business District.

Ms. Laughlin pulled up all the vacant parcels in the Redevelopment Area on the overhead, which showed approximately 10 vacant parcels.

Ms. Rambo said it was important when looking at the Redevelopment Area to keep in mind that the old buildings that are currently in place won't always be there.

Ms. Mori stated that they owned the property and had no intentions of selling it. So, it's either going to be a chain link fence with razor wire, or come to terms with what they are wanting to do. If you look around at what they developed, they haven't skimped on any area of it. She thought common sense had to kick in at some point and you have to be willing to allow exceptions.

Ms. Simons thought everyone understood what Ms. Moore was saying. If they don't make everyone follow the rules there will be someone that will point out that the Petersen's didn't have to follow the rules, so they don't want to either.

Mr. Schmidlein wanted to see if everyone was on board with the findings. Finding No. 1 would be that the area where this building is being proposed is more of a light industrial area that is surrounded by metal buildings. He asked if that would be considered a finding to allow them to put this metal building in the immediate surrounding area, where there is all other metal buildings.

Ms. Simons said they wanted to bring into context the surrounding buildings.

Ms. Laughlin pointed out that the property was zoned commercial.

Mayor Keener said it was zoned commercial with more of a light industrial character.

Mr. Schmidlein said Finding No. 2 was to promote and ensure public safety and welfare. He thought this project was doing that. To promote and support a pedestrian oriented downtown. They will be adding new sidewalk and entrances to allow foot traffic.

Ms. Laughlin suggested they use the findings that are located on Page 21, A, B, C, & D.

Mr. Wilkinson said that 'A' talked about the general purpose and intent of the Plan. He thought they could look at the general purpose and intent of the plan, but overall it is to reduce blight, to encourage development, and to increase the tax increment. If that is the general intent and purpose of the Plan and the proposed project doesn't meet the appraised value, which might be a consideration that produces a hardship.

Ms. Simons asked if prohibitive costs was an allowable hardship.

Mr. Wilkinson said they don't typically consider anyone's budget, but he thought here they were having a conversation about appraised value of a property. Generally speaking, this area is a bunch of metal buildings. These efforts take a lot of time, so Mr. Wilkinson thought if they could get a better development than what is there, then maybe next time someone will demo a building and put something better back. Slowly, overtime, it would start helping improve the area. Mr. Wilkinson thought the project would do a couple of things, reduce blight and produce a higher tax increment. Those are some overall goals of the Plan.

Mr. Stone said the project was reducing blight, will promote safety and welfare, and it is improving that area. He also liked the condition to give Mr. Petersen 6 months to tear down the other building after the new one is built and to keep the landscaping looking nice.

***** A motion was made by Robert Schmidtlein, seconded by Chip Stone, to forward a recommendation to the Planning Commission to conditionally approve Conditional Use Permit No. 7-19 with the condition that the building behind Big O Tires be torn down within 6 months after a Certificate of Occupancy is issued for the proposed building.**

The Agency's findings to support their recommendation were that project will reduce blight in the immediate area, encourage investment, and would enhance the area. It is a better development than what is there. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.

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

Mr. Schmidtlein thanked City staff for bringing this to the Agency's attention. Staff has responsibilities and they understand that. Mr. Schmidtlein said that he appreciates staff bringing it forward.

COMMENTS BY THE GENERAL PUBLIC

There were no public comments made at this time.

NOTE: The Chairman or Vice Chairman reserves the right to change the order of the agenda and if the agenda is not completed, to recess the meeting and continue on another specified date and time. Additionally, the Redevelopment Agency reserves the right to combine two or more agenda items, and/or remove an item from the agenda, or delay discussion relating to an item on the agenda at any time.

ADJOURNMENT

There being no further business, the meeting was adjourned.

A handwritten signature in black ink, appearing to be 'R. Keener', written above a horizontal line.

Mayor Reece Keener, Chairman
Redevelopment Agency