



CHAIRMAN
Ron Smith

AGENCY
Julia Ratti
Ed Lawson
Geno Martini
Mike Carrigan
Ron Schmitt

AGENCY ATTORNEY
Chet Adams

SPARKS REDEVELOPMENT AGENCY MEETING MINUTES
Following the City Council Meeting on Monday, December 9, 2013
City Council Chambers, Legislative Building, 745 Fourth Street, Sparks, Nevada

1. Call to Order (Time: 2:57 p.m.)

The regular meeting of the Sparks Redevelopment Agency was called to order by Chairman Ron Smith at 2:57 p.m.

2. Roll Call (Time: 2:57 p.m.)

Chairman Ron Smith, Agency Members Julia Ratti, Ed Lawson, Geno Martini, Mike Carrigan, Agency Manager Shaun Carey, Agency Attorney Chet Adams, Agency Secretary Teresa Gardner, PRESENT.

ABSENT: Agency Member Schmitt

Staff Present: Jim Rundle, Brian Allen, Tom Garrison, Tracy Domingues, Perla Tavera, Curtis Cho, Wayne Webber, Armando Ornelas

Comments from the Public (Time: 2:58 p.m.) - None

Approval of the Agenda – Consideration of taking items out of sequence, deleting items and adding items which require action upon a finding that an emergency exists (Time: 2:58 p.m.)

A motion was made by Agency Member Martini, seconded by Agency Member Lawson, to approve the agenda as submitted. Council Members Ratti, Lawson, Smith, Carrigan, YES. Council Member, Schmitt, ABSENT. Passed unanimously with those present.

3. Recommendation to Approve Minutes of November 25, 2013 (Time: 2:58 p.m.)

3.1 Consideration and possible approval of the minutes for the Sparks Redevelopment Agency meeting of November 25, 2013

A motion was made by Agency Member Martini, seconded by Agency Member Ratti, to approve the minutes of the Redevelopment Agency meeting of November 25, 2013 as submitted. Agency

Members Ratti, Lawson, Martini, Carrigan, YES. Agency Member Schmitt, ABSENT. Passed unanimously with those present.

4. Report of Claims and Bills approved for payment and appropriation transfers for the period November 7, 2013 through November 20, 2013 (Time: 2:59 p.m.)

A motion was made by Agency Member Ratti, seconded by Agency Member Martini, to approve the Claims and Bills approved for payment and the appropriation transfers as submitted. Agency Members Ratti, Lawson, Martini, Carrigan, YES. Agency Member Schmitt, ABSENT. Passed unanimously with those present.

5. Review, consideration and possible acceptance of an offer from LandCap Investment Partners, LLC to purchase the Sparks Redevelopment Agency's 10.2 acre parcel located on Marina Gateway Drive between East Prater Way and Lincoln Way and having Assessor's Parcel Number 037-020-50. (FOR POSSIBLE ACTION) - (Time: 3:00 p.m.)

An agenda item from City Planner Armando Ornelas recommending the Redevelopment Agency accept LandCap's offer for purchase of the 10.2 acre property, subject to the clarifications and considerations discussed in the staff report, and direct staff to negotiate a Purchase and Sale Agreement with Landcap for consideration by the Agency Board in January 2014. On September 23, 2013, the Agency Board directed staff to proceed with soliciting offers for purchase of the Redevelopment Agency's 10.2 acre parcel located on the east side of Marina Gateway Drive. The Agency received one offer, from LandCap Investment Partners, LLC. The offer is for \$2,400,000 (the appraised value of the property is \$2,250,000) and LandCap has requested the Agency carry back a Purchase Money Note and Deed of Trust in the amount of \$1,900,000 at an interest rate of 6 percent for three years. Staff recommends the Agency Board accept LandCap's offer, subject to the clarifications and considerations discussed in the staff report, and direct staff to negotiate a Purchase and Sale Agreement. Sale of the property, if realized, would generate sales proceeds of up to \$2,400,000 (plus, possibly, interest carry) for Redevelopment Agency Number 2.

City Planner Armando Ornelas said this item is to consider accepting the offer to purchase the property as submitted by LandCap Investment Partners, LLC. Terms include:

- \$2.4 million purchase price; appraised at \$2.2M
- Request for 30-day due diligence period
- Total of \$100K deposit after due diligence period, applicable to the purchase price
- 90-day period to submit a plan of development for the full 20-acre parcel shown on map
- At close of escrow, Sparks Redevelopment Agency will have received \$500K total; LandCap to repay the remaining purchase balance at 6% interest, with loan carried by the Agency.
- LandCap deposits would be non-refundable
- If Sparks Redevelopment Agency agrees to carry the balance, the land will serve as the security; the Agency will retain title of the property. The land will need to be unencumbered; the deed of trust and other documents must allow the City to retain title to the property until the note is paid in full.
- If LandCap elects to begin construction before the land is paid for, they will need to pay off the note.

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- After the close of escrow LandCap would assume all maintenance and financial obligations, which are about \$60K / year.

The Sparks Redevelopment Agency would approve the terms of the sale of the property and will not approve use of the property, which is a City function. LandCap is considering an all-residential project, including cluster homes.

After the close of escrow LandCap would assume all maintenance and financial obligations, which are about \$60K / year.

Staff believes the offer has merit and is a good use of the land; they recommend approving the sale.

Agency Member Lawson asked if the expansion of Marina Gateway would affect the property. Mr. Ornelas said it shouldn't, but some of the access points might affect commercial interests.

Agency Member Martini asked about property tax liens. Mr. Ornelas said staff would consult with the Sparks city attorney and outside council to address all issues.

Agency Member Carrigan said he supports the offer and believes it is fair. He said the city will profit about a million dollars and it's a good deal for the City of Sparks.

Agency Member Ratti said she is on the fence because the original goal for sale of the property was for cash up front and said she opposes the general fund supporting the redevelopment district. She said she is concerned the city might be selling the property right before it goes up in value; that the City may be selling too quickly. Ms. Ratti questioned that because this is not an all-cash deal, what is the compelling reason to sell quickly.

Agency Member Smith said he does not support putting the property on the market and then pulling it off. Mr. Smith said LandCap should submit a conforming plan with the offer.

Agency Attorney Chet Adams asked if the offer is contingent upon sale of the adjacent parcel. He said he is concerned that this item is agendized as an acceptance of an offer to purchase property and the null and void language suggested in the proposal does not constitute a full offer and that the offer has to be a firm offer. Mr. Adams said the Agency has agreed to some issues in principle; they have not been submitted in the form of the offer. He said changes to the offer constitute a rejection and a counter offer should be submitted.

Agency member Smith confirmed the Agency is directing staff to negotiate – not accept an offer.

A motion was made by Agency Member Carrigan, seconded by Agency Member Lawson, to direct staff to negotiate the purchase and sale agreement with LandCap Investment Partners, LLC, subject to the clarifications and considerations discussed in the staff report, and direct staff to negotiate a Purchase and Sale Agreement with LandCap. Agency Members Ratti, Lawson, Martini, Carrigan, YES. Agency Member Schmitt, ABSENT. Passed unanimously with those present.

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6. Comments (Time: 3:19 p.m.)

6.1 Comments from the Public - None

6.2 Comments from Agency and Chief Administrative Officer - None

7. Adjournment

There being no further business, the meeting was adjourned at 3:19 p.m.

Ron Smith, Chairman

Teresa Gardner, Agency Secretary

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