

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

September 3, 2003

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

CHAIRMAN ROBERT L. ELIASON
VICE CHAIRMAN SHARI BUCK

CALL TO ORDER 5:32 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

Acting Executive Director Gregory Rose
Assistant City Manager Dan Tarwater
City Attorney Sean McGowan
City Clerk Eileen M. Sevigny
Community Development Director Jacque Risner
Redevelopment Manager Kenny Young
Assistant City Clerk Karen Storms

WELCOME Chairman Robert L. Eliason

VERIFICATION Eileen M. Sevigny, CMC, City Clerk

AGENDA

1. **APPROVAL OF THE REGULAR REDEVELOPMENT AGENCY AGENDA OF SEPTEMBER 3, 2003.**

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

2. APPROVAL OF REGULAR REDEVELOPMENT AGENCY MEETING MINUTES OF AUGUST 6, 2003.

ACTION: APPROVED

MOTION: Board Member Robinson

SECOND: Board Member Buck

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

NAYS: None

ABSTAIN: None

BUSINESS

3. MONTHLY STATUS REPORT ON THE ECONOMIC FEASIBILITY ANALYSIS OF THE PROPOSED NORTH LAS VEGAS MUNICIPAL GARAGE.

Community Development Director Jacque Risner stated the monthly status report regarding the economic feasibility analysis of the proposed North Las Vegas Municipal Garage. Director Risner explained some time ago, the concept of a parking garage was discussed because of the parking situation at the City Hall complex. Tuesday through Thursday, there was insufficient parking creating an impact in customer service levels. Prospective businesses had been discouraged when they attempted to conduct business at the City Hall campus. When court was in session, the parking situation grew even worse. Drivers were parking in unpaved areas and were being cited for such actions.

A consultant was hired to determine the feasibility of a parking garage. Director Risner pointed out a garage was initially proposed as part of the City's new justice facility but was rejected for a variety of reasons. The consultant surveyed several recent municipal garage projects throughout the country. The projections were made on several assumptions. The garage would be either near or adjacent to the justice facility. The structure would be 42,000 square feet with five above ground levels with the roof finished for some parking. 5,200 gross square feet of commercial space on the ground level with 80 parking spaces were suggested in the hopes it would generate some retail revenue. The remaining four levels would each have approximately 116 parking spaces, some of which or all of which could be leased on a monthly basis to people who worked in the downtown area including City Hall employees. Director Risner summarized by stating there would be a total of 660 parking spaces, 544 would be covered. The users of those spaces would include employees, monthly oversell, and gross spaces to be used by public safety vehicles and retail employees. Annual revenue based on an 80% annual occupancy rate would be approximately \$548,000 per year.

Director Risner reviewed construction and operating costs. Construction costs ranged from \$6,250 to \$23,000 per space, based on location and the amount of commercial, and/or office space available. The average construction cost was approximately \$11,000 per space. Operating costs ranged from \$150 to \$750 per space depending on the use of pay stations or personnel manned stations. There were different costs assigned to the type of collection system used.

Director Risner stated the consultant determined that feasibility was made by comparing the sum of the annual debt service, operations and maintenance, and repair costs with annual revenues from space rental and commercial rentals. If the construction cost came in at \$7,900 per space, the City would break even in year one if pay stations were used with no staffing alternatives. However, if the staffing alternative were used, it would be year eleven before the City would break even. That assumed there were no-cost overruns or additional construction costs. Those costs could bring the cost up to \$15,000 per space. If that were to occur, the break even would not occur until the debt was paid at the end of 30 years because it was assumed the debt would be a bond issued by the Redevelopment Agency.

The Finance Department then reviewed the consultant's study. The construction costs were determined to be a key factor. The average cost of recently constructed parking garages was \$11,000 per space, not the \$7,900 the consultant proposed. The staffing costs versus automated pay stations were also an issue. Director Risner pointed out automated pay stations were widely used in the east but had not become widely popular in the western states. The Finance Department had several questions that needed to be answered. Was the annual cost increase of 2.5% (proposed by the consultant) reasonable or should there be a replacement or major capitalization reserve? The study did not take that into account. Who would use the facility besides City employees? Would it attract others? Would the City be able to maintain an 80% occupancy rate which was what it would take to make the project economically feasible? The consultant projected revenue increases of 25% per year. It was unknown if that figure was reasonable. The consultant assumed an increase in fees of \$.75 every five years. The Finance Department felt that may be an unreasonable increase as spaces could run as high as \$3.00 per hour due to future increases. Additionally, the City and Redevelopment Agency would need to transfer funds from other sources to cover shortfalls if the revenue projections were not met.

The conclusion reached by Staff was the revenue assumptions determined by the consultant needed to be more closely scrutinized for accuracy and to prevent shortfalls. Director Risner's recommendation was to postpone any bonding for construction of a parking garage at that time. The feasibility of the structure needed to be reviewed after the completion of the justice facility to check the parking needs. In the short term, alternative parking solutions would need to be determined. Several assigned parking spaces could be moved to secure more parking for customers. Other alternatives included a partnership with the Regional Transportation Commission to build a garage that would possibly serve

both needs. Customer parking could be freed by assigning employee parking to the rear areas of City buildings. The use of parking permits for City employees could be used as a means of monitoring where employees park. Parking meters and specific signage could be used on both sides of Civic Center Drive to encourage better use of on-street parking.

Director Risner summarized by stating City management had requested Public Works be tasked with completing a comprehensive parking study for the City Hall campus which would include a survey of employee parking needs versus customer parking needs. The resulting study would be presented to City management within 90 days and would include recommendations.

Board Member Smith questioned why construction costs varied with location. Director Risner responded different states and cities had different rates associated with construction.

Chairman Eliason asked if the study contained information regarding the City of Las Vegas' new parking garage. Director Risner stated the study did take into account that information. She noted the per space construction costs were skewed because the structure was built in conjunction with office space and an overpass.

ACTION: STATUS REPORT GIVEN

4. APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH APPLIED ANALYSIS AND BENDER & ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$31,000 TO INCLUDE A MARKET ANALYSIS FOR THE DOWNTOWN AND NORTH REDEVELOPMENT AREAS AND AUTHORIZATION FOR THE AGENCY CHAIRMAN TO EXECUTE AGREEMENT.

Director Risner stated the Acting Director of the Redevelopment Agency had identified a need for the development of a five-year action plan to serve as a general guide to redevelopment activities within the City's redevelopment area. An initial component of this amendment would be a marketing study. Chairman Eliason questioned if staff was available to accomplish the marketing study. Director Risner stated staff was not skilled in that task nor was there enough staff to accomplish the goal.

Board Member Smith questioned the wisdom of amending an agreement for a third of the original amount. Director Risner responded the original contract was for a new redevelopment area. That agreement would be amended to use the same contractor because they were familiar with the City's redevelopment areas. It was two different

projects. Board Member Smith asked what the City would be getting for its \$31,000. Director Risner responded there would be a comprehensive survey of both redevelopment areas from the existing businesses established there and from businesses that may choose to be located there. The residents in both areas would be included to determine their needs. An analysis would then be made of what the City may or may not be reasonably able to attract to the downtown area to revitalize it. Board Member Smith questioned the worth of spending \$31,000 to perform this analysis. Director Risner felt it was a good bid. Board Member Smith felt the City had waited a long time for the information and was dismayed at a further delay and more cost. Director Risner stated a separate contract could have been established but it was easier to amend an existing contract. Board Member Smith did not feel a need to hire consultants when staff existed to accomplish the goals of the department. Director Risner stated there were two redevelopment staff members and they were working on the new redevelopment area, land acquisitions, demolitions, and brownfield grants. Acting Executive Director Rose added the issue was that there were no specialists on staff to accomplish a marketing study. He felt it was appropriate to use a consultant in this instance rather than hire permanent staff to complete one project. Chairman Eliason questioned if a previous market study had been done. Director Risner stated a market study had been completed in the 1990's but was no longer applicable because of the changing demographics of the City. Acting Director Rose stated internal staff would be able to update the plan once it was put in place.

Board Member Buck asked if the Redevelopment Agency Advisory Committee would be involved in the process. Redevelopment Manager Kenny Young responded they would be involved. Board Member Buck stated she wanted to see action after the plan was completed.

Board Member Robinson questioned how many employees were needed to accomplish the tasks that were currently sent to consultants. Director Risner responded staffing levels were sufficient to handle current responsibilities, however, there was no one who specialized in marketing studies. Board Member Robinson asked how often a person with those specialized skills would be needed. Director Risner responded not very often.

ACTION: APPROVED

MOTION: Board Member Robinson

SECOND: Board Member Montandon

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

NAYS: None

ABSTAIN: None

5. VN-07-03; AN APPLICATION SUBMITTED BY PABLO AND TERESA COVARRUBIAS, PROPERTY OWNERS, FOR A VARIANCE IN AN R-A/FA REDEVELOPMENT AREA/FOCUS AREA SUBDISTRICT TO ALLOW A THREE (3) FOOT SIDE SETBACK WHERE FIVE (5) FEET IS REQUIRED ON PROPERTY LOCATED AT 2033 DONNA STREET.

Redevelopment Manager Young explained a letter from the applicant stated the previous owner expanded the building without receiving the proper building permit. There was no record of a building permit being issued through the City. On August 13, 2003, the Planning Commission recommended approval of the item.

Tim Ayala, 4600 Sunset Road, represented the applicant. He stated the addition was made approximately 17 years ago. He concurred with Staff's and the Planning Commission's recommendations.

ACTION: APPROVED

MOTION: Board Member Montandon

SECOND: Board Member Robinson

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

NAYS: None

ABSTAIN: None

6. UN-79-02; A REQUEST, SUBMITTED BY RALPH'S GROCERY COMPANY, ON BEHALF OF SMITH'S FOOD & DRUG, PROPERTY OWNER, TO AMEND THE ORIGINAL CONDITIONS OF APPROVAL TO REDESIGN THE LANDSCAPING PLAN TO SIGNIFICANTLY INCREASE THE DENSITY AND SCALE OF THE SHRUBBERY AND PLANTS ALONG THE PERIMETER OF THE SITE AND CHANGE CONDITION NO. 4 TO READ, "THE INSTALLATION OF WASHINGTONIA HYBRID (HYBRID FAN PALMS) WITH A HEIGHT OF 10 - 12 BROWN TRUNK FEET" FOR THE FOOD-4-LESS GROCERY STORE LOCATED AT 2255 NORTH LAS VEGAS BOULEVARD.

Redevelopment Manager Kenny Young explained on August 25, 2002, the Planning Commission recommended approval of UN-79-02 for a use permit to allow a self-service gas station in conjunction with the existing Food-4-Less Grocery Store located at 2255 North Las Vegas Boulevard. A specific condition of approval, Condition No. 4, was amended to specify that the installation of Phoenix Date Palms with a height of 10 to 12 brown trunk feet, or the installation of Washingtonia Hybrid Fan Palms with a height of 20

brown trunk feet be installed. The palm trees were to be spaced at 15 feet on center along Las Vegas Boulevard. On November 6, 2002, the Redevelopment Agency Board approved the use permit subject to the conditions recommended by the Planning Commission. On July 17, 2003, the Building Safety Division notified Food-4-Less that no landscaping plans had been formally submitted and/or approved by the Development Services Department and the landscaping that had been installed along the perimeter of the site did not conform with the conditions that were originally approved by the Redevelopment Agency Board. Specifically, the applicants erroneously installed Washingtonia Hybrids with a height of 10 to 12 brown trunk feet where they were previously conditioned to be at a height of 20 brown trunk feet. The palm trees, however, were spaced correctly on center along Las Vegas Boulevard. Due to the cost of removing the existing 22 Washingtonia Hybrid Fan Palms and replacing them with the palms required in the condition, the applicants were requesting an amendment to Condition No. 4 of the original conditions of approval. Redevelopment Manager Young explained the applicants were proposing to install 60% ground coverage around the site as well as installing 8 foot Date Palms at the Las Vegas Boulevard entrance. By code, the applicant was only required to install 30% ground cover. Redevelopment Manager Young stated staff believed the error was a legitimate mistake and they had been working diligently with Staff to reach an equitable solution.

Board Member Smith felt it was difficult to believe there was a misunderstanding of the conditions. She was dismayed the situation was allowed to continue for so long before action was taken. She asked staff to be diligent in following up for compliance of conditions. Acting Executive Director Rose responded errors in the process would be identified and corrected.

Robert Schmidt, Great Basin Engineering, 2010 North Redwood Road, Salt Lake City, Utah, understood the projects did not meet the expectations of the Redevelopment Agency and acknowledged there were errors made on their part. A plan had been submitted to attempt to rectify the situation.

Chairman Eliason asked if Mr. Schmidt agreed to the new conditions stated by Redevelopment Manager Young. Mr. Schmidt responded he did.

ACTION: APPROVED; LANDSCAPING TO INCLUDE 60% GROUND COVER AND TWO DATE PALMS AT THE LAS VEGAS BOULEVARD ENTRANCE

MOTION: Board Member Robinson

SECOND: Board Member Smith

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

NAYS: None

ABSTAIN: None

PUBLIC FORUM

There were no participants.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:57 P.M.

MOTION: Board Member Smith

SECOND: Board Member Montandon

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

NAYS: None

ABSTAIN: None

APPROVED: October 1, 2003

/s/ Robert L. Eliason

Robert L. Eliason, Chairman

ATTEST:

/s/ Eileen M. Sevigny

Eileen M. Sevigny, CMC, Agency Secretary