

CITY OF ELKO
JOINT REDEVELOPMENT AGENCY AND
REDEVELOPMENT AGENCY ADVISORY COUNCIL
REGULAR MEETING MINTUES
5:30 P.M., P.D.S.T., THURSDAY, AUGUST 13, 2009
FIRE STATION NO. 2, 725 RAILROAD STREET, ELKO, NEVADA

CALL TO ORDER

The meeting was called to order by RDA Chairman, Mayor Michael J. Franzoia. A quorum was not present for the RDAAC.

ROLL CALL

Redevelopment Agency Present: Mayor Michael J. Franzoia,
Jim Conner, Chris Johnson,
Jay Elquist (left at 6:57 p.m.)

Redevelopment Agency Absent: John Patrick Rice

Redevelopment Agency
Advisory Council Present: Lori Lynch, Lina Blohm, Duane Jones,
Elaine Barkdull-Spencer (ex-officio member)

Redevelopment Agency
Advisory Council Absent: Jacques Errecart, Tony Buettner,
Morris Gallagher,
Steve Bowers (ex-officio member),
Randy Brown (ex-officio member),
Cathie Horn (ex-officio member)

City Staff Present: Ed Wynes, City Planner
Delmo Andreozzi, Assistant City Manager
Kelly Watson, Planning Technician
Curtis Calder, City Manager
Scott Wilkinson, Development Manager
Ted Schnoor, Building Official
Ryan Limberg, Utilities Director
Dawn Stout, Administrative Services Director

Others Present: Katrinka Russell, Elko County Assessor

APPROVAL OF MINUTES: May 19, 2009 – Joint RDA and RDAAC Meeting
(for approval of RDAAC only)

****Due to the lack of a quorum for the RDAAC, there was no action taken.**

July 9, 2009 – Joint RDA and RDAAC Meeting
(for approval of RDA only)

****Mr. Johnson moved to approve the July 9, 2009, regular meeting minutes as submitted. Mr. Elquist seconded the motion and the motion passed 3-0 with Mr. Conner abstaining.**

I. PUBLIC COMMENT PERIOD

This agenda item is to provide time for the general public to address the City of Elko Redevelopment Agency and the City of Elko Redevelopment Agency Advisory Council regarding items of concern not specifically listed on the agenda. Action cannot be taken at this time, but a matter can be set on the agenda for a future meeting, as appropriate.

There were no public comments made at this time.

II. NEW BUSINESS

A. MISCELLANEOUS ITEMS, PETITIONS AND COMMUNICATIONS

1. Election of Officers. Pursuant to the adopted Bylaws of the City of Elko Redevelopment Agency Advisory Council a chairperson, vice-chairperson and secretary shall be elected from its members in July of each year. Due to the lack of a quorum in July action was postponed until the August meeting. **ACTION ITEM. FOR ACTION OF THE REDEVELOPMENT AGENCY ADVISORY COUNCIL ONLY.**

- Chair
- Vice Chair
- Secretary

****Due to the lack of a quorum for the RDAAC, there was no action taken.**

2. Appointment of a Redevelopment Agency Advisory Council member to serve on the Selection Committee to select the consultant team to perform work on the Master Plan update. **ACTION ITEM. FOR ACTION OF THE REDEVELOPMENT AGENCY ADVISORY COUNCIL ONLY.**

Mayor Franzoia asked whether this appointment was a vote of the board or an appointment by him.

Mr. Calder asked who had the bylaws and said those will say how that's done.

Ms. Lynch noted in the past it was done internally. When we chose the chairman and vice chairman we did that internally.

Mayor Franzoia asked if they had anyone.

Mrs. Blohm stated she has had a conversation with Mr. Buettner and he indicated he is willing to take over the role of the Chairman.

Mayor Franzoia state this would be to be on the selection committee of a consultant for the Master Plan.

Ms. Lynch said I would be interested in that.

Mr. Andreozzi said we have this as an action item by the Redevelopment Agency Advisory Council only on the agenda.

Mayor Franzoia noted that could create an issue since a quorum is not present and it is an action item of the Advisory Council. If the bylaws allow him to appoint someone to serve on a committee then this can be done anytime without a quorum of the RDAAC. He then said I would imagine in lieu of not having it specific we have a lot of latitude.

Ms. Lynch noted she thought it should be an action by the Redevelopment Agency.

Mayor Franzoia said it could be but amongst yourselves you could decide what person could serve in the capacity better than others. Ideally if I had the opportunity to pick I'd rather have you decide from your point of view representing your interests than having me pick someone.

Mrs. Blohm noted Mr. Buettner would be a good candidate for that position because of his construction and development background not knowing Ms. Lynch was interested but I felt he certainly has the expertise and the background to serve in that capacity.

Mayor Franzoia said what he is bringing to the table is a big asset. He has been interested in this process because he has attended the meetings.

Mrs. Watson noted there's nothing in the bylaws that says one way or the other.

Mayor Franzoia said this board is a mirror to the City Council. I would think that the appointment of something as simple as that would not need to be put on the agenda. However, I'd still like you to discuss that and just let me know what you think.

Ms. Lynch asked if this has gone out for RFQs.

Mr. Wynes said the SOQs are due August 20, 2009.

Mayor Franzoia noted once those are in the selection committee will create a short list.

Mrs. Blohm asked what criteria should be used to pick a representative and what other representation will be there.

Mayor Franzoia noted Parks and Recreation, Mr. Rice for City Council, Planning Commission, and Staff members are all on it.

Mr. Andreozzi noted Reece Keener was selected for Planning Commission and for Staff there is Mr. Wynes, Mr. Wilkinson, Eric Howes and himself. There is also going to be someone from the Parks and Rec, Board. The SOQ spells out the judging criteria specifically.

Mayor Franzoia noted Mr. Buettner understands what should be looked at to make sure whoever comes in does have the skills they say they do.

Mrs. Blohm asked if there currently was someone on the interview panel who has those skills because we don't want to duplicate skills.

Mayor Franzoia noted there is a mix of backgrounds and skills. This is different than ten years ago. We didn't have others outside of Staff included in the selection.

Mrs. Blohm questioned the relevance of the Master Plan as it relates to Redevelopment.

Mayor Franzoia noted the relevance is the opposite. Redevelopment relates to the Master Plan because the Master Plan incorporates all of the aspects of the City in a complete document and then the details of each individual component are in their own place such as the Redevelopment Plan, which is more structured as compared to the Master Plan which is more flexible.

Mrs. Blohm said so it's integrated and interrelated.

Ms. Lynch asked if a clause was put in the SOQ that asked about Redevelopment qualifications.

Mr. Wynes said yes.

Mayor Franzoia noted the Selection Committee could ask those questions too. It is an interview process.

3. Economic Report. Report on status of Tax Increment Funding available. **REPORT ONLY. NO ACTION REQUIRED.**

Ms. Stout overviewed the first couple points of her memo for item 7 and explained a new bill, AB564, that passed in the late legislature which exempts voter approved tax rates from the Redevelopment Area and that reduces revenues by 21.86% going forward.

Ms. Lynch asked if the estimates were based on the pay as you go because she understood that was excluded from the beginning.

Ms. Stout said the tax increment over the base was all supposed to go to the Redevelopment Agency but this legislation changed that. It carved out the school, capital projects tax and the state tax.

Mr. Andreozzi noted the consultant's assumption was based on \$3.4967 per \$100 for our original numbers.

Ms. Stout said the bill was introduced and passed on May 29, 2009.

There was continued discussion regarding the effect of the expiration of the pay as you go tax on the funds that the Redevelopment Agency would receive.

Mayor Franzoia asked Ms. Stout to bring back some kind of a graph for informational purposes.

4. Review of a list of possible deliverable items for a consultant to prepare as a part of a study of the RDA area. **ACTION ITEM.**

Mayor Franzoia read the list and conclusion from Mr. Wynes' memo and asked him if this list was what we want from the consultant that is chosen.

Mr. Wynes confirmed that.

Mayor Franzoia noted some of these items are already included in the RDA are we going to reinvent them?

Mr. Wynes said I'm just tossing these out. There may be ones you feel are not critical or that are already in the plan and good enough. These are the things as potential they are not locked in stone. Our Preliminary Plan shows rough concepts. Do we want concrete concepts?

Ms. Lynch said isn't this something we've been asking for all along?

Mr. Wynes said these are some of the things that came out of all those discussions.

Mr. Wilkinson said you have design concepts in your plan already.

Ms. Lynch said they're very vague.

Mayor Franzoia noted concepts are good and you can have many concepts but the limiting factor is going to be when you decide on one and you may change the whole plan because of cost.

Ms. Lynch noted these are also the design concepts for when construction comes in and building permits are being issued as far as steel buildings vs. stone, or the theme of any new construction. We need these for that to go forward and the ones in the plan are too vague for the Building Department to interpret.

Mayor Franzoia noted currently it has to blend in.

Mr. Wilkinson said the key issue is that plan is adopted and that is all City Staff has to consider until RDA decides on design criteria.

Ms. Lynch said in my opinion these are critical answers that need to be done now.

Mr. Wilkinson said it might be best to discuss and consider item six first and then come back to this one.

Mayor Franzoia incorporated item 6 in the current discussion.

Mayor Franzoia noted Mr. Wynes' memo discusses the Preliminary Plan project area which is specific to the downtown district and is already defined because years ago City Council wanted to find a way to make it easier for older buildings to comply with today's standards. I think that is the intent to have the downtown prosper. It is a tool to allow existing businesses or owners of land with obsolete buildings and facilities to still be a viable part of the community with increased safety and health standards but not so much that it makes it financially impossible to utilize therefore you end up with an empty building.

Mrs. Blohm said when you talk about economic obsolescence, what we have in the Master Plan now is General Commercial Zoning for downtown and that probably isn't in harmony with the ideas we have for the future corridor.

Mayor Franzoia said your comment ties back to item 4 with individual lots. The current zoning is rigid and should be adjusted to allow new uses. Historically you would have residences above the stores. I think they could still do it if they are grandfathered in but if new I don't know if it is

allowable. It makes sense to integrate a combination of retail and residential in the downtown core.

Ms. Lynch said wouldn't this be a great opportunity to get the businesses and residents within this overlay educated and allow them to give their input for future development.

Mayor Franzoia said items 4 and 6 give that flexibility in the process going forward if they read the stuff we send them.

Mr. Wilkinson noted Mr. Wynes was saying the current General Commercial Zoning is flexible and we went even further when we created the Central Business District and relaxed some of the requirements. The conclusion was what are we gaining by creating a special overlay at this point in time when you haven't defined what you want? Until design guidelines are determined then there is no point in creating a special overlay.

Ms. Lynch said at this point the consultant is not an option for that type of information. The consultant that is hired now is for the Master Plan only.

Mr. Wynes noted the deliverables and decision on an overlay would be related to a future consultant hired by the RDA not the Planning Department.

Ms. Lynch asked what the point of Number 6 is.

Mayor Franzoia said this is to allow flexibility with the current ordinances.

Mr. Wilkinson said we deal with those types of issues with conditional uses in the current code.

Ms. Lynch noted that is why I'm confused about what is being asked of Number 6.

Mrs. Blohm noted the confusion is we jumped from Master Plan consultants and we're talking about two different issues. We are not currently hiring a consultant but we need to refine these issues.

Mr. Elquist noted what Staff is trying to communicate with item 6 are all the zoning problems downtown that Mr. Errecart brought up do not exist because the zoning is very flexible. We can define some overlays to put certain themes in certain areas.

Mrs. Blohm noted when Dennis Crooks was involved he mentioned the fact that General Commercial is so general and just about any business can come in and maybe there should be some refinement.

Mr. Andreozzi noted within the RDA allows us to filter some of the types of business and that has been done in other cities.

Mr. Wynes noted some uses require a conditional use permit in the General Commercial Zoning and that tied with the RDA it creates two layers of protection to review the use.

Mr. Wilkinson said this is on the agenda because we were instructed to evaluate an overlay. Our conclusion is there's no reason to create an overlay until you define your goals and objectives.

****Mr. Johnson moved that a Special Overlay District be considered when and if continuity and design is established. Mr. Elquist seconded the motion and the motion passed unanimously.**

The following discussion took place after the motion and second but before the vote.

Mrs. Blohm said that's a very vague motion. It seems to need a little bit more refinement.

Mayor Franzoia said no because it will be established once other things like what's listed in item 4 are identified and approved. Then Staff can take that information along with the concept of an overlay to the Planning Commission.

Ms. Lynch said I think the motion is perfect for item 6 but then we need more discussion for a motion on item 4.

The vote for item 6 took place and discussion for item 4 continued.

Mayor Franzoia asked if all the things listed need to be done by consultants or if some of it can be done in-house.

Mr. Wynes said all of these are just points.

Mr. Johnson asked are we satisfied with the layout of the RDA as far as traffic patterns, pedestrian movement and that kind of thing? Are we willing to leave the corridor as is with the wide parking lot and two narrow streets on each side?

Mrs. Blohm said I think we need a consultant to further analyze that. There was a lot of discussion when that corridor first went in. The first plan was all together different. That is a good topic for discussion.

Mayor Franzoia said we saw the original plan and I thought that was a good looking concept. I bet if we had a consultant focus on that it is more conducive to growth for business than the current one.

Ms. Lynch said today we are not anywhere near looking to hire a consultant either financially or timeline. There is a lot of legwork that can be done. Let's get input from everyone downtown to see what's working for whom.

Mayor Franzoia said I would imagine they did something like that for traffic pattern in modifying the corridor. Gathering information is part of it but getting everyone to participate by attending a meeting isn't going to happen. You need to go to them and that's what a consultant would do.

Ms. Lynch asked if a consultant was something in the works within the next six months or are we going to say we need to hire a consultant and let this slide until we can afford one.

Mayor Franzoia noted you can afford a consultant at any time but the cost factor depends on what you're making them do. If you want them to do nine items we don't have the money for it. To pick up something that is logical and obtainable like the traffic pattern for the parking corridor is simple and affordable.

Ms. Lynch asked if some of that was already done.

Mr. Wilkinson noted all the meetings have come down to needing a consultant and Staff is trying to identify the objectives and goals to see approximately how much this is going to cost.

Mr. Andreozzi noted one of the main goals is to create a pedestrian oriented downtown. There are a couple design options done for the downtown corridor and we need to see if they're still what people want.

Mrs. Blohm noted there was a good list of priorities and action items in the Preliminary Plan that a consultant could start with that would take meager funding.

Mr. Johnson noted once the City adopted the plan the basic concept was to leave the corridor in its current state.

Mr. Andreozzi said this is an adopted plan we are administering it today. Until it's refined, if we're going to do some corridor rehabilitation we would make it look like what's been adopted.

Mr. Jones said the corridor has a lot of potential for multiple uses but we need to know what plans we have future plans for this corridor.

Ms. Lynch noted there are many restrictions on the corridor because of the railroad relocation.

Mayor Franzoia noted the only restriction is that it remains in the City's ownership.

Mr. Wilkinson noted a lot of the businesses depend on the parking for customers.

Mr. Elquist indicated that is one of the reasons we don't have parking requirements with the corridor there. Consultants would just come in and tell us what we already know and have done. I am looking at the amount of dollars that are truly available. We have a priority list and concepts. We need to take the Preliminary Plan, pick four or five things, have people rank them, pick a project and go with that.

Ms. Lynch said put it on the Advisory Council to do the workshops and meet with business owners. There are many ideas out there.

Mrs. Blohm noted in Mr. Johnson's letter that was sent out a couple of months ago said we need to start with impact. An idea that was brought up by Mrs. Barkdull-Spencer, and was also discussed when we worked with Dennis Crooks was a welcome sign, an arch, or something to identify downtown Elko. We have some funds to move forward with this. It would identify and focus on downtown. Kicking-off with a feature that shows the beginning of redevelopment and then follow up the use of some funds in areas where we need more expertise that isn't available on this panel. Rethink how we're going to market this, kick it off, know what our funding is going to be for the next two years, find out how we can use that money for further bonding or whatever and start working on a project that is visible. The corridor is deteriorating and weed abatement is huge. There are projects we can be working on. We can start historic tours of old downtown Elko. There are a lot of things we can do to move forward.

Mr. Conner noted in the 1990s there was talk about an entry feature on a lot over by the Basque restaurants on Silver Street. There should be some other signage done too.

****Mr. Johnson moved that until a revenue amount for RDA is established consideration for a consultant need not be determined at this time. Mr. Elquist seconded the motion. The motion passed 3-1 with Mayor Franzoia, Mr. Conner and Mr. Johnson voting in favor of and Mr. Elquist against.**

The following discussion took place after the motion and second but before the vote.

Mr. Andreozzi noted Staff is trying to come up with a list of deliverables so we have a budgetary number of what a consultant might cost.

Mayor Franzoia noted we can identify how much revenue will be available in five to fifteen years so we know how much to bond for. You could go out and borrow money on a short term deal and hire a consultant based on what you want done. We need to develop more deliverables that are a benefit for the community but we need to get the downtown businesses involved. We don't need to rush with the list because there's nothing we can do this construction season, but this is the perfect time to come up with deliverables and if needed a consultant. When all of the people are involved then we can come up with the top ideas.

Ms. Lynch noted the welcome sign is a good idea but we still don't know what design concept we want.

Mayor Franzoia noted based on all the years of discussion there won't be one common design.

Mrs. Blohm noted there is a good design concept already.

Mayor Franzoia noted the Preliminary Plan design concept can be used as a picture to give people something to look at.

Ms. Russell noted when spending the money you want to put that towards improvements and not regular maintenance but actual improvements so businesses will relocate downtown and your value goes up.

There was additional discussion about increasing the value by the potential improvements bring in and the sequencing of the improvements to meet the goals.

Mrs. Blohm said this has all been done and is included in the Preliminary Plan.

Mr. Wilkinson brought attention to the task list and said maybe more items need to be added.

Ms. Lynch asked if the headers were generic or in the order Staff feels needs to be done.

Mr. Johnson noted there is a motion on the floor and said I would not support moving forward with a consultant until I knew what the revenue stream was coming back into RDA. That is why we need to establish a revenue stream and then develop a plan of how we want to spend the money.

Mr. Elquist noted maybe we can give a consultant some concepts but not make it such a big list. Have a consultant come in and review our last forty years of work, pick the top five concepts that are within our revenue and get it out to the public for rating.

Ms. Lynch said basically you're asking for a consultant to compile all of the other consultants' work together into one report.

Mr. Elquist said also gather public feedback so we can make the decision.

The vote for item 4 took place followed by more comments.

Mr. Elquist said when I say consultant I don't care if Staff wants to take that on or if several members want to jump in and pick five.

Mayor Franzoia said we can do the process of elimination ourselves. The deliverables would be consistent with what is available and prioritize that, for example we may only do parts of the corridor. We will have Staff compile the ideas and craft something to make it work.

Mrs. Blohm asked who initiates the action to pull together all this as a workshop. How does this move forward to become an action?

Mr. Wilkinson asked if the concepts are not already included in the adopted Plan. Individuals could look at some of the history, look at the current plan, identify anything that they feel was missed along the way, for a start.

Ms. Lynch said the DBA is the people that are directly affected by the decisions being made without any input.

Mayor Franzoia acknowledged that everything is advertised and they have to get involved. Staff can figure out a way and we can have a separate workshop if we think it is going to take that much longer or have it on another meeting.

Mayor Franzoia moved discussion to item 7.

5. Review of a Critical Path Task and Time Matrix that has been developed for the benefit and use of the RDA in identifying the goals and objectives with associated time lines to further the adopted Redevelopment Plan. **NON-ACTION ITEM.**

Mayor Franzoia said I think this is looking at the discussion we've had of all the items tonight but is probably premature because any task is defined through a process. The matrix is an ideal thing to utilize but to identify the blanks to be filled in is premature.

Mr. Conner noted he'd like everyone to see all the information that has already been approved that is part of the Plan and those things that have already been worked on, so everyone is on the same page.

Mr. Andreozzi noted he would share all of his information and it is his understanding in looking at those and comparing them to what is in the Preliminary Plan. Many of the concepts came out of that which started as the Downtown Development Plan.

Mr. Conner noted he just wanted the stuff that's already been approved.

Ms. Lynch noted there's frustration because there are different documents referred to and the focus needs to be on what is adopted or the different documents need to be compiled and then change the Plan to include it.

Mrs. Blohm noted it's good for everyone to go through everything that was done in the past.

6. Review and consideration to forward a recommendation to the Planning Commission to consider establishing a Special Area Overlay or other similar tool for the Central Business District (CBD) within the redevelopment area and matters related thereto. **ACTION ITEM.**

Discussion and action on this item was incorporated with item 4.

7. Review and discussion of funding resources available to the Redevelopment Agency and possible action to identify and compile a list of tasks and/or projects to be funded by the resources available including allocation and priorities. **ACTION ITEM.**

Mayor Franzoia said let's focus just on funding because the wording is consistent with the item we just talked about as far as allocation and priorities but they aren't developed yet.

Mrs. Stout reviewed her memo.

Mayor Franzoia noted historically assessed valuations lag behind economic downturn. What's the lag time for realistic numbers to drop?

Ms. Russell said I don't see a huge drop happening here because the cap went into place before the values jumped and we were very conservative on land values.

Mrs. Blohm noted Elko residential real estate only dropped about one percent.

Ms. Russell noted commercial property held its own too.

Mayor Franzoia noted it's great that the City doesn't have any obligations as to the guarantee of money.

Mrs. Stout said it would be extremely difficult to get bonding based on no history for probably about five years.

Ms. Lynch said every redevelopment district has a beginning. We won't be the first one to try getting a bond with no history.

Mayor Franzoia said we don't need to make a motion on this because we still need to incorporate deliverables and other things. Our limitation is going to be what we have in cash on hand for the first five years to utilize.

Mrs. Blohm said it doesn't preclude public/private partnerships which we already see happen in the downtown or going after grants.

Ms. Russell said look at ways to improve or increase values. I don't know if that would be investing a little money to make downtown look better or helping property owners make improvements. You need to think \$35 million is the base. There are utility companies that own land here and State gets the majority of that money. We have railroad property and leasehold improvements that are not on the tax roll. Let's get all of these properties back on the tax roll.

Ms. Lynch noted filling vacant buildings or remodeling falling buildings will help.

Mr. Johnson said we need to come to an agreement that our resource is what it is.

****Mr. Johnson moved to acknowledge, agree, or recognize revenue projected amounts of \$500,000 over the next 5 years for RDA. Mr. Conner seconded the motion for discussion and the motion passed unanimously.**

The following discussion took place after the motion and second but before the vote.

Ms. Lynch asked how can you do that without a crystal ball? These are just guesses based on a one year history.

Ms. Russell noted it's a very good estimate.

Mayor Franzoia said when you do a conservative estimate more than likely you're going to get at least that number.

Mr. Johnson said I'm open to more but based on the information we have today we're close to see \$500,000 in the next five years. That's all the motion is.

Ms. Lynch said acknowledging it.

Mrs. Blohm said from a marketing perspective we may or may not be capable of developing through the RDA. It's very limiting to state a number. Can we just acknowledge the report has been made? I'm saying what the newspaper will grab on to.

Mayor Franzoia said his position is no different than estimating a budget forecast. We do it at the City all the time. It's worse to estimate \$1 million to make it look good and not be able to come up with it. That would be the worst thing that could ever happen in the newspaper.

Ms. Lynch said or just not mention a number.

Mayor Franzoia said no because then people will think we don't know what we're doing. Public/private partnerships and grants add to that. Staff can tie that back into the potential list of deliverables that will be based on the limitation of the resources.

Mrs. Blohm said then this is high priority on Union Pacific land and moving forward on bringing those into the City books as far as leasehold improvements.

Mayor Franzoia said leasehold improvements are already being taxed so nothing really changes by the City acquiring it unless they we make the terms more reasonably than is being done currently by the Union Pacific.

Mr. Andreozzi noted in the agenda packet there's a memo from David Stanton who is our RDA legal counsel. We also brought back the flowchart regarding Redevelopment's big three, one being the funding component and the marketing segment was added.

The vote took place followed by more discussion.

Mayor Franzoia noted this is similar to item 4 and the deliverables.

Mr. Johnson said I see this as recognizing that we have a certain amount coming in via property tax. How do we want to strategize this now that we have the basis of the revenue source? Do we want funding to go to infrastructure or purchasing the U.P. property? We come back to the opportunity to expand and that is where I see we can continue in future discussion to strategize and recognize in order to meet the goals of RDA. How can we get there and possibly at this time it is to purchase property because we know that is where the funds come from.

Mayor Franzoia said that's also a deliverable. You have the concept of acquiring land for parking lot and the other one that could be a deliverable based on the amount of resources available would be outside of developing all of the corridor would be façade improvements on a low interest grant that was paid back over several years which regenerates that. Help them out where banks won't or can't.

Ms. Lynch asked is RDA property taxable because if not that is not going to increase the taxable value?

Mayor Franzoia said this is how it works government property is non-taxable for government use. Once the government property is leased to private enterprise the whole thing is taxable; the property and any improvements on the property.

Ms. Lynch asked is RDA considered a governmental entity?

Mayor Franzoia said yes, it's the best way to generate revenue. In the long term it's cheaper for somebody to buy the property because as you lease it over 30 years you have escalating clauses in there to keep up with inflation.

Mrs. Blohm said it's unfortunate we couldn't have brought the Newmont Building and all of that new development into the RDA but it doesn't meet the requirements.

Mayor Franzoia said I think we can tie some of the issues still related to item 7 with item 4.

Mayor Franzoia moved discussion back to item 5.

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.

III. ADJOURNMENT

There being no further business, the meeting was adjourned.

Mayor Michael J. Franzoia, Chairman