



MEMORANDUM

To: Carson City Nugget Citizen's Committee

From: Larry Werner, P.E. / P.L.S.
Carson City Manager

Sara Jones, M.L.S.
Carson City Library Director

Re: Knowledge + Discovery Center Project Staff Report

Date: August 8, 2011

By Carson City Resolution No. 2010-R-6 the Carson City Nugget Citizen's Committee was impaneled to:

- "advise Board of Supervisors (B.O.S.) on matters concerning the development and means of funding"
- "coordination and implementation of enhancement projects (public pieces)"
- "promote fairly and accurately public awareness regarding the project as it relates to the Disposition Development Agreement"

Committee work to date includes (NOTE: " * " indicates B.O.S. work):

March 8, 2010 – leadership selected, general overview of project

April 26, 2010 -

- Mayor Crowell reported findings from the Mayor's Institute on City Design held in Phoenix, Arizona, where he presented the Knowledge + Discovery Center project for peer review
- Project partners shared information regarding the developer selection process and outcome, which was selection of P3 Development, Inc.; updates about a necessary feasibility study were also provided
- Project partners defined next steps

May 10, 2010 – Presentation by P3 Development, Inc. emphasizing that a public-private partnership is "a process' not a product"

*June 3, 2010 – Carson City RDA, the Mae B. Adams Trust, the Carson City Library, and P3 Development Inc., entered into a Development Coordination Agreement (DCA) where P3 Development agreed to "perform an analysis of the Project and the Desired Elements to determine the feasibility of the Desired Elements and a development program acceptable to the parties"

June 30, 2010 – P3 Development, Inc. organized a community open house regarding the development and the envisioned public pieces

September 27, 2010 – Partners provided a project status report and restated primary long term goals are to serve the youth of the community, help provide careers for residents and that construction goals include using Nevada companies. The Carson City Nugget Citizen's Committee forwarded the project to the Board of Supervisors with a recommendation to negotiate the Development and Disposition Agreement (DDA).

*February 17, 2011 - P3 Development, Inc. presented its findings pursuant to the DCA, and the B.O.S. authorized (4-1) project partners enter into a Development and Disposition Agreement (DDA). The Board directed staff to develop an agreement with P3 Development, Inc.

All parties negotiated in good faith but could not come to terms. As a consequence, the partnership with P3 Development, Inc. has been terminated. However, project partners (with resources and leadership from the Mae B. Adams Trust and the Carson City Library Foundation) have completed a conceptual site and building study, with accurate and conservative cost estimates. Design includes a 65,000 square foot Knowledge + Discovery Center, a 395 stall parking structure and a public plaza.

H+K Architects, of Reno, Nevada, has been contracted by the Carson City Library Foundation, with restricted underwriting resources from the Mae B. Adams Trust. H+K Architects, with Winston and Associates, have prepared preliminary conceptual plans based on the Carson City Library's 2009 Space Needs Assessment.

The restructured project resolves issues presented during public hearings including land ownership, parking amounts, parking location and proximity of the library to the casino. To provide the Nugget Citizen's Committee with a current understanding of the project's revised structure please find the following:

Plan Structure

A not-for-profit entity comprised of the Carson City Board of Supervisors, Carson City Library Board of Trustees and the Mae B. Adams Trust will equally assume the roles, responsibilities, risks and rewards of developing the public portions of the Carson City Knowledge + Discovery Center project.

Upon project commitment from the City, the Mae B. Adams Trust will immediately deed the three parcels assigned to the project's public pieces to the not-for-profit entity. The entity will seek financing collateralized by the land, a down payment and library/city leases assigned to the Knowledge + Discovery Center, public plaza and parking garage.

The library/city will lease buildings from the not-for-profit entity, with all proceeds going toward the purchase of buildings, improvements and land. Upon payment completion, the not-for-profit entity will deed the land, buildings and improvements to the library/city and dissolve the not-for-profit entity.

The primary mission of the not-for-profit entity includes business and economic development as well as special focus on career paths and workforce training for youth through formal and informal educational opportunities. The secondary mission is to create a central community gathering place. The missions are ensured through the entity's governance which designates voting rights as such: the City with 34%, the Library Board of Trustees 33% and the Mae B. Adams Trust 33%.

A project owners association (POA) comprised of both the public and private entities within the entire project area will ensure common areas are appropriately maintained, safe, insured, programmed and marketed. Project covenants, codes and restrictions (CCR's) will be developed and enforced by the not-for-profit entity, and association dues will be equally assessed.

H+K Schematic Design + Project Construction Cost Detail

See design document, page 9.

Financing

With a total project construction cost estimated at \$45,092,300, and land valued at \$4,500,000 the total project's estimated value is \$49,592,300.

Estimated Revenues

Down Payment of Land	value (donated by Mae B. Adams Trust)	\$4,500,000
Proposed One Eighth Cent Sales Tax Increase	yields (over approx. 30 yrs - estimated \$26/yr per family of four)	\$12,000,000
Redevelopment Agency Funds	yields (over approx. 30 yrs – from existing funds only available for redevelopment area project)	\$11,300,000
Water/Sewer/Stormwater Funds =	onetime	\$500,000
General Fund		0
	Subtotal:	\$28,300,000
 <u>Other Public Funds</u>		
Federal Economic Development Agency Grant		\$3,000,000
 <u>Expected Private Funds:</u>		
Mae B. Adams Trust + Carson City Library Foundation		\$18,292,300
	Total:	\$49,592,300

Public-Private Partnership

Partners are in agreement regarding the key points that define roles, responsibilities, risks, and rewards. The partnership secures a long term, healthier future for the entire community.

Partners:

- Carson City Board of Supervisors - providing leadership for the City
- Carson City Library - catalytic piece of the overall development and includes a 65,000 square foot, state-of-the-art Knowledge + Discovery Center
- Mae B. Adams Trust - committed partner investing millions of dollars toward the positive outcomes of the Carson City Knowledge + Discovery Center project, and partner in the long-term benefit of the entire community.

The past two years of conceptualization gathered stakeholders, gleaned their opinions of the vision and integrated their input into today's revised program. This work follows the community's downtown revitalization plan described within the City's downtown mixed-use, form-based urban code (DT-MU) which was passed in 2007, and demonstrated in 2008 when 300 citizens and 47 downtown businesses aligned as the Carson City Downtown Consortium and delivered seven successful projects, including the Saturday Morning Curry Street Farmer's Market.

The Knowledge and Discovery Center

Nationwide, recently-built libraries are offering spaces and services that are transforming communities. In cities such as Durango, Colorado; Bozeman, Montana; and Cheyenne, Wyoming, public libraries buzz with constant activity, ring cash registers in nearby, areas and host family and community-focused activities and events. In fact, new public libraries are seen by urban planners as true economic catalysts.

The role of new libraries is wedded to the changing economic landscape, both locally and globally. The shift of the last two decades to a global information economy demands different, non-routine, interactive and analytic skills, and lifetime learning, for the 21st century workforce. Libraries offer rich and authentic content, modern libraries add immediate accessibility to the latest knowledge. Staff foster lifelong learning, as well as help people build and keep marketable skills. To that end, libraries and the people they serve are becoming more purposeful and intentional in addressing the learning needs of the new economy.

Technology and media literacy skills, communications skills, cross-disciplinary thinking skills, health literacy skills, financial and business skills ... all ... and more, can be acquired in the library setting as part of self-directed lifelong learning. Of course, libraries will never replace institutions of formal learning, but the reality is that people today, youth as well as adults, spend much of their lives learning outside the walls of formal classrooms. In modern libraries, teenagers as well as adults can participate in out-of-school programs that enhance formal education and better prepare them for the workforce.

Input from community-wide surveys, focus groups and suggestions recognize a new library facility in downtown would become even more valuable, and an indispensable part of the fabric of community life. In November 2009, the Mae B. Adams Trust opened the door for turning what was formerly a dream for a new library, into an attainable reality.

The Mae B. Adams Trust's mission guided its proposal to facilitate the construction of a new library. With mission in mind, the Trust determined that a new Knowledge and Discovery Center in the heart of downtown would be pivotal to strengthening the skills of teenagers, and could be the anchor of a project aimed to provide an economic boost to the entire community.

The Carson City Knowledge + Discovery Center project is a result of years of planning that has fostered a cooperative venture to promote economic diversity, learning and sustainability. It combines community investment with private philanthropic resources to create a vibrant economic and civic core in Nevada's State Capital.