



Carson City Center Feasibility Study Frequently Asked Questions

Q. Is the City Center project feasible?

A. The presentation of the feasibility study has been a long time coming. After multiple public, stakeholder and city meetings, in addition to various reports, studies and analysis, it is clear the project is financially feasible. At the end of the day, this project is not about dividing the community. The single, most important purpose of the City Center project is to bring desperately needed jobs and careers, (in sectors not currently a part of the region's economy). The City Center project is an opportunity for Carson City to take control of its own destiny, further supporting the shared vision that has already been established by community members.

Q. How will this project turn around Carson City's economy?

A. Through the introduction of new businesses that are not currently in the region, it is expected the City Center project will create jobs and grow the local economy. Recent circumstances relative to the Carson City Nugget's prime downtown land holdings and Carson City's long held economic development and community development goals (expressed in the Master Plan – Envision Carson City that was adopted in 2006 and further in 2007) with the city's downtown mixed use zoning code now make consideration of a public/private partnership, that could develop Carson City's first mixed-use city center project, entirely possible.

This project is a lifeline to carry this community from its current unstable and fragile economic state into a smarter, more diversified economy that offers a long –term plan for the future of the City. To invest in what is new and relevant and provide access to opportunities through the Carson City Library. If the community doesn't invest in what's new and relevant, Carson City will have no future.

Q. What are the key takeaways in the feasibility study completed by P3:

A. The key find findings of the project include:

- Project has greatest chance of success as public/private partnership
- The plan will not put Carson City in debt; city will not need to issue any new revenue bonds
- P3 will finance the project 100 percent without the city guaranteeing the debt
- There is a simple lease to own on the public section
- The public investment is proposed lower than initially expected and the private investment higher (public - \$30,908,000 and private - \$56,379,000)
- A total of 525 jobs alone will be created and construction trades will be able to immediately get to work.
- After consulting with the City and Foundation, the residential portion of the project is not feasible at this time due to lack of demand and current excess of inventory.

Q. What are the feasible elements of the project at this point in time:

A. The elements outlined in the feasibility study include the following:

- Knowledge and Discovery Center with retail
- Digital Media Lab
- Business Incubator
- Central Outdoor Public Plaza
- Public Parking Garage
- Surface Parking
- Bus Transit Hub
- Two Office Buildings with retail

To help further beautify the downtown area, new infrastructure will include landscaping, upgraded streets, new water, sewer service and storm drainage services, upgrades electrical and new gas service to the project area. Additionally, streets immediately adjacent to the project may be modified by adding turn lanes, curbs, gutters, sidewalks and traffic signs.

Q. What is the proposed financial structure of the project:

A. A financing plan has been prepared for the publicly funded portion of the project. The privately funded portion of the project will be financed when feasible. The financing for the public improvements is created through the joint efforts of P3 Development, Piper Jaffray, Carson City and its financial consultants. The proposed financial plan for the project is based on two important assumptions:

- The City is not issuing the financing
- There can be no impact on the City's debt limit

In addition, the proposed financial structure is based on the following:

- Lease Based Financing
- Viable & Flexible Method
 - › Tax Exempt or Taxable Borrowing Rates
 - › Amount Financed is the Guaranteed Maximum Price
- Numerous Structural Options Available
- Lease/Leaseback Basic Outline
- Developer/Project Leases Land from Hop & Mae Adams Foundation
- Development Team Builds Project for Guaranteed Maximum Price
- Project is Leased to City
- City Makes Lease Payments
- City Acquires Project at end of Lease Term

Q. What about the land ownership for this complex project:

A. The current land for this public/private real estate development is owned by the Carson Nugget Casino; eight acres of existing surface parking, next door to Nevada’s capital, roughly between Robinson, Musser, Carson and Stewart streets. In addition:

- The site is to be deeded to the Hop and Mae B Adams Foundation upon approval of the project.
- The land for the Knowledge and Discovery Center, public plaza and parking garage would remain with Foundation during the term of the lease.
- When lease expires, the Hope and Mae B. Adams Foundation would transfer the land to Carson City.
- The remainder of project site stays under the ownership of the Foundation.

Q. What about the ongoing operations and maintenance?

A. The Knowledge & Discovery Center is to be maintained and operated within current budget. In addition to:

- The land lease for the Knowledge & Discovery Center is to be returned to library during the lease.
- The land lease for public plaza is to be returned to city for ownership and maintenance of the public plaza during lease.
- The land lease for parking garage is to be returned to city for the ownership and maintenance of the pkg. garage during lease.
- The private development land lease payments are to be paid annually to the Foundation

Q. Doesn’t the Carson Nugget stand to benefit as the land owner?

A. No one benefits from the land but the community. Mae Adams’ intent for her foundation ensures that point. She has simply given an opportunity for the community to share what they think should go on her land.

If the community chooses to put a library on Mae’s land, all the proceeds gained from the library portion of that lease will be turned back to the library to keep the library state of the art. The gift to the library is perpetual.

The Carson Nugget casino does not get a dime from its land which is being donated to the foundation. All other lease proceeds from the land will go to the Foundation for the benefit of the community.

The community has had a desire to do a downtown development for years. The Nugget has offered to pay an overriding property tax on its property to support the public infrastructure on the downtown development.

Furthermore, the Nugget has agreed to donate all the land to the foundation set up for the benefit of the Carson City community and youth. It will get nothing for its millions of real property that it owns free and clear.

Q. Isn't this just an easy way for the Carson Nugget to get a free parking garage?

A. No, the Nugget has more parking than it needs. The Nugget actually doesn't want a parking garage. Its present parking is the preferred surfaced parking, as no casino customer prefers to wind through a garage.

The Nugget's existing parking is being used by a number of downtown businesses, as well as government agencies. The Nugget meanwhile is paying property tax and maintenance on an assessed \$15 million worth of property value, much of which is parking for downtown community use.

The Nugget has made it clear they are willing to donate the land under the parking lots, optimizing federal grants for the construction of the parking garage with the city owning the garage.

The Nugget has offered to pay an overriding property tax to support the public infrastructure on the downtown development.

Q. What are the next steps:

A. The project meets the goals of the community and city.

P3 has determined that construction can begin in the summer of 2011 and the City would not have to make the first lease payment until 2015. This is based on the assumption that the Board of Supervisors approves the Development Program by the end of December 2010.

Carson City has the unique resources of being the capital city with a fiercely independent cache of locally owned business, civic assets and plethora of wonderful museums and galleries that house the state's history. This project is seeking to align political views and public and private resources to take advantage of Carson's assets and stakeholder desires.

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