



**CITY OF HENDERSON
REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA – REVISED**

**Regular Meeting
Tuesday, July 24, 2012
4:00 p.m.**

**City Hall Annex Conference Room
280 Water Street
Henderson, Nevada 89015**

Notice to persons with special needs: For those requiring special assistance or accommodation at the meeting, please contact 702-267-1515 or the Relay Nevada TTY telephone 7-1-1 at least 72 hours in advance of the meeting.

The Chairman reserves the right to hear agenda items out of order, combine two or more agenda items for consideration, remove an item from the agenda, or delay discussion relating to an item on the agenda at any time. All items are action items unless otherwise noted.

Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

Electronic agendas can be found at: [HTTP://WWW.CITYOFHENDERSON.COM/](http://www.cityofhenderson.com/)

I. CALL TO ORDER

II. CONFIRMATION OF POSTING AND ROLL CALL

III. ACCEPTANCE OF AGENDA (For Possible Action)

IV. PUBLIC COMMENT

Note: Items discussed under Public Comment cannot be acted upon at this meeting, but may be referred to a future agenda for consideration (NRS 241.020). Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

V. NEW BUSINESS

1.	MINUTES—CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF June 26, 2012 (For Possible Action)
----	---

Approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of June 26, 2012.

2.	FINANCIAL MANAGEMENT POLICIES (For Possible Action)
----	---

Adopt the new and revised Redevelopment Financial Management Policies for: Budget Reporting, Appropriation Carryover, Current Funding Basis, Avoidance of Operating Deficits, Set Aside Expenditures, Fund Balance Restricted for Future Redevelopment Projects, Financial Stabilization-Redevelopment General Fund, Loan Subordination, Loan Default, Loan Short-Sale/Settlement, Loan Write-Off,

(CONTINUED ON NEXT PAGE)

Use of Debt, Cash Management, Investment Strategy, Grant Guidelines, Grant Indirect Costs, Grant Review, Grant Procedures and Reporting, Grant Program Termination, Submission of Initial and Annual Reports, Compliance with Agency Policy Statements, Five-Year Forecast of Revenues and Expenditures, Use of Financial Consultants, and Fiscal Signature Authority.

3.	TERMINATION OF CITY TOWER DISPOSITION AND DEVELOPMENT AGREEMENT AND SETTLEMENT OF PROMISSORY NOTE (For Possible Action)
----	--

Approve the termination of the Disposition and Development Agreement with City Tower LLC and Settlement of the Promissory Note.

4.	PROJECTS UPDATE
----	------------------------

Discuss project updates for the following projects and accept report. Cornerstone Redevelopment Area: Shortfall Note; Ladera Parcels; Loretto Bay. Downtown Redevelopment Area: 19 S. Water Street; Business Recruitment/Development; City Tower (Southeast corner of Lake Mead Parkway and Water Street); Create Comprehensive Development and Business Recruitment Incentive Packages; Environmental Protection Agency Grant for Technical Assistance; Former Asset Central Site: Former Parkline Site; Marketing the Water Street District; Marketing To Developers, Business Owners & Consumers; Massage Envy; NSP Funds; Outreach; Pinnacle Building; Residential; Senior Center/Pacific Pines; Social Gathering Space Team; Site A; Townhouse Motor Lodge; Water Street District Business Association; Façade Improvement Program. Eastside Redevelopment Area: Bifurcation; Boulder Highway Business Coalition; Business Recruitment; Eastside Investment Strategy; Eastside Business Coalition; KMA Tax Increment Analysis; Landwell/Cadence; Museum Site-95/Galleria; Union Village; Wells Park; Façade Improvement Program; Sign Grant Program. Tuscany: Note; OPA; Semi-Annual Payment. Lakemoor Canyon: Bill; Development; House Subcommittee on Energy and Mineral Resources, Federal Land Sale. Administration/All Areas: Audit; Applied Analysis White Paper on Tax Increment; Assistance Programs; Bonds; Budget; Business License Counts; Estimated Fiscal Impact Analysis for FY Ended 2012; Financials; Homeowner Assistance Program; IMPLAN Software; NDC; New Markets Tax Credit; Outreach; Purdue Marion; Redevelopment Association of Nevada (RAN); Revenue; Tax Increment Distribution.

VI. PUBLIC COMMENT

Note: Items discussed under Public Comment cannot be acted upon at this meeting, but may be referred to a future agenda for consideration (NRS 241.020). Individuals speaking on an item will be limited to three (3) minutes and spokespersons for a group will be limited to ten (10) minutes.

VII. DIRECTOR'S/CHAIRMAN'S BUSINESS

VIII. SET NEXT MEETING

- August 28, 2012 at 4:00 p.m.

IX. ADJOURNMENT

Agenda posted prior to 9:00 a.m. on July 17, 2012 at the following locations:

City Hall, 240 Water Street, 1st Floor Lobbies (2)
Multigenerational Center, 250 S. Green Valley Parkway
Whitney Ranch Recreational Center, 1575 Galleria Drive
Fire Station No. 86, 96 Via Antincendio



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

JULY 24, 2012

RAC-001

SUBJECT	Minutes—City of Henderson Redevelopment Agency Advisory Commission Meeting of June 26, 2012.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Approve

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

Approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of June 26, 2012.

Supporting Documentation:

Minutes consisting of three (3) pages

**CITY OF HENDERSON REDEVELOPMENT AGENCY
ADVISORY COMMISSION
MINUTES
June 26, 2012**

I. CALL TO ORDER

Chairman Mark McGinty called the Redevelopment Advisory Commission to order at 4:07 p.m. in the Annex Conference Room, City Hall Annex, 280 Water Street, Henderson, Nevada.

II. CONFIRMATION OF POSTING AND ROLL CALL

MaryAnne Cruzado, Recording Secretary, confirmed the meeting had been noticed in accordance with the Open Meeting Law by posting the Agenda three working days prior to the meeting at City Hall, Henderson Convention Center, Green Valley Police Substation, and Fire Station No. 86.

Present: Chairman Mark McGinty
Richard Serfas
Stan Southwick
Laura Jane Spina

Excused: Tom Foster
David Chavez
Tom Fay

Staff: MaryAnne Cruzado, Admin Assistant III
Christine Guerci-Nyhus, Assistant City Attorney
Anthony Molloy, Business Development Supervisor
Michelle Romero, Redevelopment Manager
Lisa Sich, Special Projects Accountant
April Parra, Minutes Clerk

Guests: None

III. ACCEPTANCE OF AGENDA

(Motion) Mr. Sefas introduced a motion to accept the agenda. The vote favoring approval was unanimous. Chairman McGinty declared the motion carried.

IV. PUBLIC COMMENT:

There were no comments presented by the public.

V. NEW BUSINESS

1.	MINUTES FOR THE CITY OF HENDERSON REDEVELOPMENT AGENCY ADVISORY COMMISSION MEETING OF MAY 22, 2012.
----	---

Recommend approval of the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of May 22, 2012.

(Motion) Mr. Southwick introduced a motion to approve the minutes of May 22, 2012, as submitted. The vote favoring approval was unanimous. Chairman McGinty declared the motion carried.

2.	SPECIAL EVENTS PUBLIC SAFETY GRANT TO THE CITY OF HENDERSON CULTURAL ARTS AND TOURISM IN THE AMOUNT OF \$30,000
----	---

Approve the Grant to the City of Henderson Cultural Arts and Tourism Department to be used for public safety during special events within Redevelopment areas in an amount not to exceed \$30,000.

Michelle Romero, Redevelopment Manager, gave a brief summary of the proposed item and stated staff recommends approval.

(Motion) Mr. Serfas introduced a motion to approve the Grant to the City of Henderson Cultural Arts and Tourism Department to be used for public safety during special events within Redevelopment areas in an amount not to exceed \$30,000. The vote favoring approval was unanimous. Chairman McGinty declared the motion carried.

3.	EASTSIDE MINI FAÇADE GRANT
----	----------------------------

Approve the Eastside Mini Façade Grant Program and Guidelines.

Anthony Molloy, Business Development Supervisor, gave a brief summary of the proposed item and stated staff recommends approval.

Ms. Spina commented that she is pleased that this is a matching program with the owners.

(Motion) Ms. Spina introduced a motion to approve the Eastside Mini Façade Grant Program and Guidelines. The vote favoring approval was unanimous. Chairman McGinty declared the motion carried.

4.	PROJECTS UPDATE
-----------	------------------------

Discuss project updates and accept the report.

Ms. Romero reviewed a memorandum regarding the status of projects as of June 7, 2012.

Ms. Spina said she appreciates all that Redevelopment does.

(Motion) Mr. Southwick introduced a motion to accept the report. The vote favoring approval was unanimous. Chairman McGinty declared the motion carried.

V. PUBLIC COMMENT

There were no comments presented by the public.

VI. DIRECTOR'S/CHAIRMAN'S BUSINESS

Lisa Sich, Special Projects Accountant, gave a brief update and stated that Redevelopment is monitoring the financials very closely to ensure sustainability.

A brief discussion ensued regarding how the State distributes taxes to Redevelopment.

VII. SET NEXT MEETING

The next meeting was scheduled for July 24, 2012, at 4:00 p.m.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 4:24 p.m.

Respectfully submitted,

April Parra,
Minutes Clerk



REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

July 24, 2012

RAC-002

SUBJECT	Financial Management Policies
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Adopt

FISCAL IMPACT:

No Impact Budget funds available Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

It is prudent of the Redevelopment Agency to adopt sound financial management policies. Historically, Agency staff has followed many of the financial policies of the City of Henderson. Recognizing that the Agency is governed by NRS 279 and engages in financial transactions unique to a Redevelopment Agency, staff is preparing financial management policy statements for review and adoption by the Redevelopment Agency Board. Staff began preparing policies for adoption in July 2011 and it is envisioned that over a period of several months, staff will complete a comprehensive compilation of policy statements. From time to time, the Governmental Accounting Standards Board (GASB), Nevada Revised Statutes, and best practices in the industry change. As these changes occur, the financial management policy statements will be reviewed and may require revision. Any proposed revisions will be brought before the Redevelopment Agency Board for review and adoption.

(CONTINUED ON NEXT PAGE)

RECOMMENDED MOTION:

Adopt the new and revised Redevelopment Financial Management Policies for: Budget Reporting, Appropriation Carryover, Current Funding Basis, Avoidance of Operating Deficits, Set Aside Expenditures, Fund Balance Restricted for Future Redevelopment Projects, Financial Stabilization – Redevelopment General Fund, Loan Subordination, Loan Default, , Loan Short-Sale/Settlement, Loan Write-Off, Use of Debt, Cash Management, Investment Strategy, Grant Guidelines, Grant Indirect Costs, Grant Review, Grant Procedures and Reporting, Grant Program Termination, Submission of Initial and Annual Reports, Compliance with Agency Policy Statements, Five-Year Forecast of Revenues and Expenditures, Use of Financial Consultants, and Fiscal Signature Authority.

After its annual financial management policy review, staff is recommending adoption of the following new and revised financial management policy statements:

1. Budget Reporting
2. Appropriation Carryover
3. Current Funding Basis
4. Avoidance of Operating Deficits
5. Set Aside Expenditures
6. Fund Balance Restricted for Future Redevelopment Projects
7. Financial Stabilization – Redevelopment General Fund
8. Loan Subordination
9. Loan Defaults
10. Loan Short-Sale/Settlement (and form)
11. Loan Write-Off (and form)
12. Use of Debt
13. Cash Management
14. Investment Strategy
15. Grant Guidelines
16. Grant Indirect Costs
17. Grant Review
18. Grant Procedures and Reporting
19. Grant Program Termination
20. Submission of Initial and Annual Reports
21. Compliance with Agency Policy Statements
22. Five-Year Forecast of Revenues and Expenditures
23. Use of Financial Consultants
24. Fiscal Signature Authority

Supporting Documentation:

Redevelopment Financial Management Policy Statements consisting of thirty-nine (39) pages

CITY OF HENDERSON REDEVELOPMENT AGENCY



**FINANCIAL MANAGEMENT
POLICY STATEMENTS**

ADOPTED: AUGUST 16, 2011

REVISED:

Introduction	1
100/BUDGET	
01 – Budget Time Period and Type	2
02 – Budget Calendar and Instructions.....	3
03 – Budget Reporting (Revised).....	4
04 – Appropriation Carryover (Revised)	5-6
05 – Transfer of Budget Appropriation.....	7
06 – Limit Mid-Year Adjustments	8
07 – Revenue Estimates for Budgeting	9
200/REVENUES	
01 – Revenue Sources	10
02 – Revenue Projections.....	11
03 – User Fees	12
04 – Administrative service Charges	13
300/EXPENDITURES	
01 – Current Funding Basis (Revised).....	14
02 – Avoidance of Operating Deficits (Revised)	15
03 – Periodic Program Review	16
04 – Purchasing	17
05 – Set Asides Expenditures (New)	18
06 – Redevelopment Financial Assistance Due Diligence	19-21
400/FUND BALANCE/NET ASSETS	
01 – Fund Balance: Restricted for Future Redevelopment Projects (Revised)	22-23
02 – Financial Stabilization-Redevelopment General Fund (Revised)	24
500/LOANS	
01 – Loan Committee	25
02 – Loan Subordination (Revised)	26-27
03 – Loan Default Policy (Revised).....	28-30
04 – Loan Short-Sale/Settlement Policy and Form (New)	31-34
05 – Loan Write Off Policy and Form (Revised)	35-38
600/DEBT	
01 – Use of Debt Financing (New).....	39
700/INVESTMENTS	
01 – Cash Management (New).....	40
02 – Investment Strategy (New)	41
800/INTERGOVERNMENTAL RELATIONS	
01 – Interlocal Cooperation in Service Delivery	42
02 – Legislative Initiatives	43

03 – Monitor and Participate in Statewide Redevelopment Activities 44

900/GRANTS

01 – Grant Guidelines (New) 45
02 – Grant Indirect Costs (New) 46
03 – Grant Review (New)..... 47
04 – Grant Procedures and Reporting (New) 48
05 – Grant Program Termination (New)..... 49

1000/FISCAL MONITORING

01 – Financial Status Reports and Annual Audited Financials 50
02 – Submission of Initial and Annual Reports (New)..... 51-52
03 – Compliance with Agency Board Policy Statements (New) 53
04 – Five-Year Forecast of Revenues and Expenditures (New)..... 54

1100/FINANCIAL CONSULTANTS

01 – Use of Financial Consultants (New)..... 55

1200/ACCOUNTING, AUDITING AND FINANCIAL REPORTING

01 – Conformance to Accounting Principles 56
02 – Selection of Auditors 57
03– Fund Balance Classification 58

1300/INTERNAL CONTROLS

01 – Fiscal Signature Authority (Revised)..... 59
02 – Separation of Duties 60
03 – Proper Recording 61
04 – Access to Assets and Records 62
05 – Internal Control Evaluation 63
06 – Returned Checks 64
07 – Costs and Benefits 65

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 100-03

CATEGORY: BUDGET

SUBJECT: **Budget Reporting**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents

PURPOSE

To establish a budget which best reflects the needs and priorities of the Agency and enables the Agency to plan, control, and manage overall redevelopment activities for the City of Henderson.

GUIDELINES

The budget of the Agency shall be presented annually in the following formats:

- Final Budget (State Forms)
- Redevelopment Agency Budget by Project Area/Fund
- Comprehensive Annual Budget Report (CABR) – included with City of Henderson
- Budget in Brief – included with City of Henderson

These documents will be prepared with different audiences in mind in order to provide information to all interested parties. Because the Agency is a component unit of the City of Henderson for financial reporting purposes, a section of the City's CABR is devoted to the Redevelopment Agency to present the budget in a clear, easy-to-use format to the intended audience.

HISTORY

Redevelopment Agency Board Adopted: August 16, 2011
Redevelopment Agency Board Revision: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 100-04

CATEGORY: BUDGET

SUBJECT: Appropriation Carryover

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers within redevelopment project areas.

PURPOSE

To establish a budget which best reflects the needs and priorities of the Agency and enables the Agency to plan, control, and overall manage its programs, services and finances.

GUIDELINES

In order to establish an efficient and effective means to use the funds for budgetary items that cannot be expended within the fiscal year that the funds were approved, the Agency shall establish a carryover policy. The policy has been developed to require that all carryover requests comply with the written criteria.

The carry over criteria to establish eligibility for the carryover of unexpended funds is as follows:

1. Any purchase order that has an encumbered balance and approved budget that will not be expended in the current fiscal year, and the project or approved usage of funds has not yet been completed, will require a written justification requesting a carryover of the remaining funds.
2. Any unexpended funds, currently not encumbered, that have a reasonable explanation as to why the project or usage for the funds could not be completed in the current fiscal year, will require a written justification requesting a carryover of the remaining funds.
3. Any carryover request will not be used to further obligate the Agency's funds over the previously approved budgeted amount.

The written justification must explain the reason for the request, the amount of funds to be carried over, the intended usage, the general ledger account number, and, when applicable, the purchase order number and vendor's name. The Agency's base budget will not be reflective of the carryover funds in the following year since the purpose of the carryover was a one-time initiative to complete a specific targeted goal.

The carryover of funds will be reviewed by the Agency Treasurer’s Budget Manager for recommendation to the Agency/City’s Five Year Committee as to the funds that should be approved for carryover to the subsequent fiscal year. Those meeting the eligibility requirements will have the carryover balances augmented into the budget for the new fiscal year.

HISTORY

Redevelopment Agency Board Adopted: February 21, 2012

Redevelopment Agency Board Revision: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 300-01

CATEGORY: EXPENDITURES

SUBJECT: **Current Funding Basis**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary programs and services, establishment of appropriate programs, and careful administration of the expenditure of available resources.

GUIDELINES

The Agency shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings. (The use of fund balance shall be guided by the Fund Balance/Net Position Policy Statements.)

HISTORY

Redevelopment Agency Board Adopted: September 20, 2011

Redevelopment Agency Board Revision: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 300-02

CATEGORY: EXPENDITURES

SUBJECT: Avoidance of Operating Deficits

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary programs and services, establishment of appropriate programs, and careful administration of the expenditure of available resources.

GUIDELINES

The Agency shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit (i.e. projected expenditures in excess of projected revenues and planned use of fund balance) is projected at year end. Corrective actions can include hiring freezes, expenditure reductions, temporary elimination of programs, or use of fund balance within the Fund Balance/Net Position Policy. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be used sparingly to balance the budget.

HISTORY

Redevelopment Agency Board Adopted: September 20, 2011
Redevelopment Agency Board Revision: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 300-05

CATEGORY: EXPENDITURES

SUBJECT: Set Asides Expenditures

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary programs and services, establishment of appropriate programs, and careful administration of the expenditure of available resources.

GUIDELINES

Per NRS 279.685, when the decennial census determines that the population of Henderson is 500,000 or more, the Agency must set aside not less than 18% of its revenue from tax increment to increase, improve and preserve low income housing and educational facilities in the redevelopment areas.

Not more than fifty percent (50%) of the set aside may be expended to:

1. Increase, improve and preserve the number of dwelling units in the community for low-income households; or
2. Increase, improve and preserve the number of educational facilities within the redevelopment area

unless the Agency establishes that such an amount is insufficient to pay the cost of a project identified in the redevelopment plan for the redevelopment area.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 400-01

CATEGORY: FUND BALANCE/NET POSITION

SUBJECT: Fund Balance: Restricted for Future Redevelopment Projects

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers within redevelopment project areas.

PURPOSE

To maintain an adequate level of fund balance restricted for future redevelopment projects within redevelopment funds to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures).

GUIDELINES

GASB Statement No. 54 requires that if there is enabling legislation authorizing the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation, then those funds are to be reported as restricted fund balance. Because Nevada Revised Statute 279 enables communities to establish Redevelopment Agencies that may only exercise the powers granted to it in that chapter of NRS, all funds of the Agency are restricted.

GASB Statement No. 54 also provides options for displaying fund balance classifications on the face of the balance sheet: Restricted fund balance may be displayed in a manner that distinguishes between the major restricted purposes, or it may be displayed in the aggregate. The Agency will distinguish between the major restricted purposes on the face of the financials and will include a category, "Fund Balance Restricted for Future Redevelopment Projects." This category shall represent available financial resources for which there is no existing constraint placed on spending other than for redevelopment purposes (i.e. those powers granted in NRS 279).

The Agency's Fund Balance Restricted for Future Redevelopment Projects will be maintained at not less than the percentages required below or total debt service payments for the ensuing year, whichever is greater, with the exception of the last three years of a project area's life where all funds should be spent no later than the closing fiscal year reducing the balance to zero. At no time should the balance be less than zero.

Fund/Project Area	Percent to Maintain
Administration ¹	0%
Downtown	10%
Cornerstone	10%
Tuscany	10%
Eastside	10%
Lakemoor	10%
Revolving	0%

¹The Administrative Fund should have a fund balance of zero at each fiscal year end (due to late interest revenue calculations and other immaterial accruals, sometimes the fund will have a small positive or deficit balance at year end that is corrected at the beginning of the next fiscal year). Cornerstone and Tuscany support the Administrative Fund per the Owner Participation Agreements at 10% of tax increment revenue received during the fiscal year. The Revolving Fund does not support the Administrative Fund. The other project area funds support the administrative fund based on a proportionate share of expenditures.

HISTORY

Redevelopment Agency Board Adopted: April 24, 2012

Redevelopment Agency Board Revision: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 400-02

CATEGORY: FUND BALANCE/NET POSITION

SUBJECT: Financial Stabilization – Redevelopment General Fund

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents

PURPOSE

To maintain the fund balance and net position of the various redevelopment funds at levels sufficient to protect the Agency’s creditworthiness, as well as its financial position, by restricting specific revenue for financial stabilization and defining specific conditions as to when these funds can be drawn.

GUIDELINES

In compliance with Governmental Accounting Standards Board (GASB) Statement No. 54, the Agency will restrict balances to financial stabilization and maintain maximum balances as follows:

Area	Method	Targeted Balance
Downtown	1% of revenue per fiscal year	8.3% of revenue for the ensuing fiscal year
Cornerstone	N/A*	
Tuscany	N/A*	
Eastside	1% of revenue per fiscal year	8.3% of revenue for the ensuing fiscal year
Lakemoor	1% of revenue per fiscal year	8.3% of revenue for the ensuing fiscal year

*N/A – Cornerstone and Tuscany are driven by the Owner Participation Agreements for master planned communities. In the case of Tuscany, 10% of the revenue covers the Administrative Fund and 90% of the revenue reimburses the developer. In the case of Cornerstone, 10% of the revenue covers the Administrative Fund, 40% of the revenue must be used to satisfy the Series B LID and/or Shortfall Note, 25% of the revenue must be used to satisfy the C/S Lot 1 Note. The remainder is envisioned to be used for future projects.

When the balance reaches 8.3% of revenue for the ensuing fiscal year, there will be no additions to the Financial Stabilization Restricted Fund.

Any balances in the Financial Stabilization Restricted Fund may be made available to the operating funds to compensate for shortfalls in actual revenue of two percent (2%) or greater as compared to the Final Budget filed with the State Department of Taxation, or in the event of a natural disaster or terrorist attack that is declared by the Redevelopment Agency Board.

HISTORY

Redevelopment Agency Board Adopted: August 16, 2011
Redevelopment Agency Board Revision: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 500-02

CATEGORY: LOANS

SUBJECT: Loan Subordination

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Loan Recipients; Lender's of Loan Recipients; Developers within redevelopment project areas.

PURPOSE

To establish guidelines for providing financial assistance to developers, property owners, and business owners for pre-defined programs.

GUIDELINES

Background

The Agency provides financial assistance, in the form of loans, to developers, property owners, and business owners for the purpose of removing blight as defined in NRS 279.388 taking into consideration the impact to the Redevelopment area of the creation of the new business, potential job creation, increase to revenues, increase in patronage, unique attributes, labor used to complete the project, and the social and financial benefits to the community. Occasionally, loan recipients will pursue permanent financing to take out a construction loan or refinance their first deed of trust. As the majority lender in the property/collateral, the first deed of trust holder may require that all other liens on the property be subordinate.

Loan Subordination Review

All subordination requests must be reviewed. To complete the review, the requestor (whether it is lender or borrower), must submit the following:

1. Proposed Subordination Agreement
2. Preliminary Title Report including a printout of County property taxes
3. Borrower's signed authorization to release information
4. What are the prior liens on the property and are they being paid off?
5. What is the amount of the current loan?
6. What is the amount of the new loan/modification?
7. What is the current appraised value of the property?
8. What is the current loan payment that is being replaced?
9. What is the proposed new loan payment and terms?

Staff may recommend approval of subordinating an Agency loan under the following circumstances:

1. The Agency already held a subordinate position to the first deed of trust or construction loan; and,
2. The Agency will hold no less than second position; and,
3. The borrower is refinancing a construction loan for permanent financing or other loan that will result in lower payments which will create a higher probability of the Agency's note/loan repayment.

Staff must provide all documentation for legal review and acceptance to the City Attorney's Office prior to forwarding through the approval process as outlined below.

If the criteria set forth above are met and the documentation has legal acceptance, Loan Subordination may be approved/executed in accordance with Financial Management Policy 1300-01:

\$0.01	- \$25,000	Redevelopment Department Director
\$25,000.01	- \$50,000	Executive Director
	Over \$50,000	Approval by the Redevelopment Agency Board and signature by the Board Chairman or authorized representative (Executive Director).

Subordination documents with a fiscal impact over \$10,000 must be:

- Reviewed and signed by the Agency's General Counsel; and
- Reviewed and signed by the Agency's Treasurer; and
- Attested to by the Agency's Secretary and the original maintained in the Office of the City of Henderson's City Clerk

Requests by recipients beyond the criteria set forth above for subordinations with a fiscal impact of \$50,000 or less will proceed to the Agency's Loan Committee for approval. Should a recipient wish to appeal a Loan Committee decision, staff will forward via agenda to the Redevelopment Agency Board.

If there has been a prior subordination of the same loan and there are no material changes to the Agency's collateral position from the execution of the new Subordination, then the new Loan Subordination may be executed as stated in the amounts above, but will not require the Redevelopment Agency Board approval.

HISTORY

Redevelopment Agency Board Adopted: May 15, 2012

Redevelopment Agency Board Revised: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 500-03

CATEGORY: LOANS

SUBJECT: Loan Default Policy

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To establish guidelines for providing financial assistance to developers, property owners, and business owners.

GUIDELINES

Background

The Agency provides financial assistance, in the form of loans, to developers, property owners, and business owners for the purpose of removing blight as defined in NRS 279.388 taking into consideration the impact to the Redevelopment area of the creation of the new business, job creation, increase to revenues, increase in patronage, unique attributes, labor used to complete the project, and the social and financial benefits to the community. Occasionally, loan recipients fail to make their payments. When this happens, staff must take actions to correct the default.

Loan Billing

Prior to the 15th of each month, except in July (due to fiscal year end), the City of Henderson Finance Department (Finance) or the Agency’s third party billing professional service (TPBS) provider will create and send invoices for all Agency loan recipients according to their current amortization schedule for the ensuing month. Finance or TPBS sends monthly statements on or around the first of each month for any outstanding balances.

If payment is not received in 60 days, Finance or TPBS sends a Final Payment Notice and informs Agency staff. Agency staff alerts the City Attorney’s Office (CAO) of a potential default.

Non-Payment Follow Up

Agency staff attempts to contact the loan recipient to complete collections.

Agency staff and CAO follow up with Finance or TPBS 60 days following the Final Payment Notice being sent. If payment has not been received, a default has occurred requiring notification to the loan recipient.

Default Letter

Agency staff will request the most recent amortization schedule including all payments received to date from Finance or TPBS and forward to the City Attorney's Office.

The City Attorney's Office sends a default letter registered or certified mail to the loan recipient with a copy to Agency staff.

Work Out

Upon receipt of the copy of the default letter, Agency staff will contact the loan recipient to inform them that the default letter is in the mail. Agency staff will also inquire as to the circumstances surrounding the non-payment. If applicable, staff will request a formal letter from the loan recipient indicating the circumstances and a request for a loan restructure with a suggestion from the recipient of what amount of monthly payment they could afford to make.

Collections/Legal Action

If no formal response is received within ten (10) days of the Default Letter and non-payment continues, staff will take the following action:

1. If the original loan amount is less than \$15,000, it will be sent to Collections, or
2. If the original loan amount is \$15,000 or more, notify the City Attorney's Office so default proceedings may be undertaken.

If, after six months, the collection agency is unable to collect any funds from the loan recipient, the loan will be evaluated for potential Loan Write-Off per Policy 500-05 or default proceedings.

Restructure Consideration for Approval

If a written response requesting a loan restructure is received, staff will first verify that all of the executed loan documents are accounted for and then recommend two or more amortization scenarios. Staff will share the scenarios with the loan recipient to determine which scenario would work best for them. Staff will then create an agenda item to be presented at the next appropriate Loan Committee meeting sharing all of the amortization scenarios, including the original schedule, and indicating which scenario the loan recipient prefers.

The Agency's Loan Committee has the authority to restructure existing loans under the following conditions:

1. The principal amount owed at the time is not reduced.
2. Deferral of payments cannot exceed six (6) months.
3. The term is not being extended more than an additional five (5) years.
4. The interest rate approved is not lower than two percent (2%) above like Treasury.

The Agency's Loan Committee has the authority to restructure the loans under the conditions above, and on a case-by-case basis to waive penalties and interest that have accrued from non-payment, based on the following criteria:

1. Borrower can document that a financial hardship exists that has caused the non-payment.
2. Delinquency has occurred because of staff error in creation of the legal documents or administration of the loan.

Requests by recipients beyond the scope of the authority of the Loan Committee will proceed to the appropriate Redevelopment Advisory Commission and Redevelopment Agency Board meetings for restructuring consideration. Also, should a recipient wish to appeal a Loan Committee decision, staff will forward via agenda to the Redevelopment Agency Board.

If denied, staff informs the loan recipient and takes the appropriate action outlined in the Collections / Legal Action section above.

Restructure Approved

Upon approval, staff will contact the loan recipient to discuss the approval terms and conditions and advise them that they will be required to come to the Redevelopment office to sign amended loan documents within fourteen days (14) of notification that their documents are ready, in the presence of a Notary. Therefore, the loan recipients will be advised to bring appropriate identification. If the loan recipient fails to execute the documents within the allowed fourteen (14) days of notification, staff will take the appropriate action outlined in the Collections / Legal Action section above.

Invoicing

Agency staff will provide new billing information to Finance or TPBS for all future payments.

HISTORY

Redevelopment Agency Board Adopted: August 16, 2011
Redevelopment Agency Board Revised: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 500-04

CATEGORY: LOANS

SUBJECT: Loan Short-Sale/Settlement Policy

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To establish guidelines for providing financial assistance to developers, property owners, and business owners.

GUIDELINES

Background

The Agency provides financial assistance, in the form of loans, to developers, property owners, and business owners for the purpose of removing blight as defined in NRS 279.388 taking into consideration the impact to the Redevelopment area of the creation of the new business, potential job creation, increase to revenues, increase in patronage, unique attributes, labor used to complete the project, and the social and financial benefits to the community. Occasionally, loan recipients are in a situation where they may request that their property be sold as a short-sale or they request to settle the loan for an amount less than the balance due.

Loan Settlement

- 1) Staff is notified of a potential short-sale.
- 2) Staff is to review the file to determine the amount owed.
- 3) Staff is to review the settlement amount in comparison to the amount owed.
- 4) With the review and consensus of the Agency's General Counsel, staff shall prepare a request to settle a loan. Requests may be approved as per Financial Management Policy 1300-01 (Fiscal Signature Authority Policy) where the principal balance of the loan is:

\$0.01	- \$25,000	Redevelopment Department Director
\$25,000.01	- \$50,000	Executive Director
Over \$50,000		Executive Director with the approval by the Redevelopment Agency Board

Depending on the circumstances, the individual having signature authority (Department Director or Executive Director) may choose to forward the approval to the next level for final disposition.

- 5) If the settlement amount is approved, staff will:

- a. Prepare a letter defining the escrow instruction for the title company including a request that the title company provide the Agency with a conformed copy of the Release and Reconveyance after recordation.
- b. Prepare the Release and Reconveyance and forward to the Agency General Counsel for legal review.
- c. Execute the Loan Settlement Form (attached) and the Release and Reconveyance.
- d. Forward the escrow instruction and Release and Reconveyance to the title company.
- e. Follow up to ensure that the Agency receives the settlement amount upon closing.
- f. Follow up to ensure that the Agency receives the conformed copy of the Release and Reconveyance.
- g. Complete a journal entry to write off the balance due.
- h. Inform Finance or Third Party Billing Service to cease billing and close account.
- i. If the account was sent to collections, inform the collection agency to cease collection activity.

HISTORY

Redevelopment Agency Board Adopted: (Date)



**City of Henderson Redevelopment Agency
Loan Short-Sale/Settlement Authorization Form
(Policy No. 500-04)**

Loan Recipient Name: _____

Loan Recipient Address/APN No. _____

Amount of Proposed Settlement: \$ _____

Amount Forgiven:

Principal	\$	_____
Interest	\$	_____
Penalties	\$	_____
Other	\$	_____
Total	\$	_____

Reason for Settlement: _____

Authorization Required:

\$0.01 - \$25,000
\$25,000.01 - \$50,000
Over \$50,000

Redevelopment Department Director
Executive Director
Executive Director with the approval by the Redevelopment Agency Board

Legal Recommendation for Settlement:

Yes No

Settlement Authorization:

Approved Denied

(Name of Attorney)
General Counsel

(Name of Authorized Signer)
Title of Authorized Signer

Treasurer Recommendation for Settlement:
????? ?????

Attest:
????????????? ???????????

(Name)
Agency Treasurer

(Name)
Agency Secretary

Attachments:

- AMG Payoff or Amortization Schedule
- CAO Memo
- _____

If the Settlement is approved, staff will complete the following:

- Letter defining escrow instructions to title company with request to receive conformed copy of the Release and Reconveyance
- Release and Reconveyance and route for signatures
- Forward escrow instruction and Release and Reconveyance to title company
- Follow up to ensure funds are received from closing

- Follow up to ensure conformed copy of Release and Reconveyance is received
- Journal Entry to write-off the balances due
- Notification to AMG and/or Finance to cease billing

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 500-05

CATEGORY: LOANS

SUBJECT: **Loan Write Off Policy**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To establish guidelines for providing financial assistance to developers, property owners, and business owners.

GUIDELINES

Background

The Agency provides financial assistance, in the form of loans, to developers, property owners, and business owners for the purpose of removing blight as defined in NRS 279.388 taking into consideration the impact to the Redevelopment area of the creation of the new business, potential job creation, increase to revenues, increase in patronage, unique attributes, labor used to complete the project, and the social and financial benefits to the community. Occasionally, loan recipients fail to make their payments. When this happens, staff must take actions to correct the default via Financial Management Policy 500-03 (Loan Default Policy). When staff has exhausted all available legal options or where the benefit to be obtained outweighs the costs, loans may be recommended to be written off.

Loan Write Off

After review and consensus of the Agency’s General Counsel, staff shall prepare a request to write off a loan, Requests may be approved as per Financial Management Policy 1300-01 (Fiscal Signature Authority Policy) where the principal balance of the loan is:

\$0.01	- \$25,000	Redevelopment Department Director
\$25,000.01	- \$50,000	Executive Director
	Over \$50,000	Approval by the Redevelopment Agency Board and signature by the Board Chairman or authorized representative (Executive Director).

Write off documents with a fiscal impact over \$10,000 must be:

- Reviewed and signed by the Agency’s General Counsel; and
- Reviewed and signed by the Agency’s Treasurer; and
- Attested to by the Agency’s Secretary and the original maintained in the Office of the City of Henderson’s City Clerk

Depending on the circumstances, the individual having signature authority (Department Director or Executive Director) may choose to forward the approval to the next level for final disposition.

If the write off is approved, staff will:

- a. Prepare the Release and Reconveyance and forward to the Agency General Counsel for legal review.
- b. Execute the Loan Write Off Form (attached) and the Release and Reconveyance.
- c. Record the Release and Reconveyance.
- d. Follow up to ensure that the Agency receives the conformed copy of the Release and Reconveyance.
- e. Complete a journal entry to write off the balance due.
- f. Inform Finance or Third Party Billing Service to cease billing and close account.
- g. If the account was sent to collections, inform the collection agency to cease collection activity.

HISTORY

Redevelopment Agency Board Adopted: December 20, 2011

Redevelopment Agency Board Revision: (Date)



City of Henderson Redevelopment Agency
Loan Write-Off Authorization Form

Loan Recipient Name: _____

Loan Recipient Address/APN No. _____

Amount to Write-Off:

Principal \$ _____
Interest \$ _____
Penalties \$ _____
Other \$ _____
Total \$ _____

Reason for Write-Off: _____

Authorization Required:

\$0.01 - \$25,000 Redevelopment Department Director
\$25,000.01 - \$50,000 Executive Director
Over \$50,000 Executive Director with the approval by the Redevelopment Agency Board

Legal Recommendation for Write-Off:

[] Yes [] No

Write-Off Authorization:

[] Approved [] Denied

(Name of Attorney)
General Counsel

(Name of Authorized Signer)
Title of Authorized Signer

Treasurer Recommendation for Write-Off:

[] Yes [] No

Attest:

[] Approved [] Denied

(Name)
Agency Treasurer

(Name)
Agency Secretary

Attachments:

- [] AMG Payoff or Amortization Schedule
[] CAO Memo
[] _____

If the write-off is approved, staff will complete the following:

- Journal Entry to write-off the balances due
- Notification to AMG and/or Finance to cease billing
- Complete Release and Reconveyance and record
- Date Email and Spreadsheet sent to Aargon to initiate collections: _____

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 600-01

CATEGORY: DEBT

SUBJECT: Use of Debt Financing

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To utilize debt financing which will provide financing for redevelopment projects, any of its corporate purposes, or to refund existing debt.

GUIDELINES

Debt financing, to include tax increment bonds, advances from the City of Henderson, refinancing of Agency existing debt, and other obligations permitted to be issued or incurred under Nevada Revised Statutes chapter 279 may be used for any of the Agency’s corporate purposes including:

- To finance redevelopment projects that cannot be funded from either current revenues or fund balance/net position; or
- To refund existing debt; or
- To satisfy all or part of the Agency’s obligation due to a developer.

Prior to the issuance of any debt, the Agency shall conduct an objective analysis as to the Agency’s ability to make the anticipated payments to support the debt as well as require a detailed feasibility study of any new or expanded project which will benefit from the debt.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 700-01

CATEGORY: INVESTMENTS

SUBJECT: **Cash Management**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To prudently manage the safety, liquidity and earnings on Agency cash balances.

GUIDELINES

NRS 279.480(e) allows for the Agency to invest any money held in reserves or sinking funds, or any money not required for immediate disbursement, in

any investment in which a city may invest pursuant to NRS 355.170.

To take advantage of economies of scope and scale and as set out in NRS 279.480(e), the Agency deposits its funds with the City of Henderson which invests the funds to pursue the overall goals and objectives of:

1. Cash management activities shall be conducted in full compliance with prevailing local, state and federal regulations. Furthermore, such activities shall be designed to adhere to guidelines and standards promulgated by such professional organizations as the Governmental Accounting Standards Board (GASB) and the Government Finance Officers' Association (GFOA).
2. Operating within appropriately established administrative and procedural parameters, the Agency shall pursue optimum financial rewards, while simultaneously controlling related expenditures. Cash management functions involving outside financial intermediaries, shall be conducted in the best financial and administrative interests of the Agency.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 700-02

CATEGORY: INVESTMENTS

SUBJECT: **Investment Strategy**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To invest the Agency’s cash in order to earn a market rate of return while maintaining the safety of principal and meeting the Agency’s liquidity needs.

GUIDELINES

The Agency pools its funds with the City of Henderson to achieve economies of scope and scale for investment purposes. The City’s cash management program seeks to achieve three objectives in order of priority: safety of principal, adequate liquidity to meet daily cash needs, and finally a reasonable yield commensurate with the preservation of principal and liquidity.

Investments of the Agency’s funds shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived while ensuring funds are available to meet the Agency’s cash needs.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 900-01

CATEGORY: GRANTS

SUBJECT: Grant Guidelines

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To seek, apply, and effectively administer federal, state and foundation grants-in-aid that address the Agency’s priorities and policy objectives.

GUIDELINES

The Agency shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs identified by the Agency Board. Grant applications shall follow procedures outlined by the City of Henderson Finance Department which shall encompass the grant clearinghouse and direction on seeking, applying for, and administering grants. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

The Finance Department will offer Grant training throughout the year. Employees seeking grant funding should contact the Finance Department for scheduled training.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 900-02

CATEGORY: GRANTS

SUBJECT: **Grant Indirect Costs**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To seek, apply, and effectively administer federal, state and foundation grants-in-aid that address the Agency’s priorities and policy objectives.

GUIDELINES

The Agency shall recover full indirect costs unless the funding agency does not permit it. The Agency may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 900-03

CATEGORY: GRANTS

SUBJECT: **Grant Review**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To seek, apply, and effectively administer federal, state and foundation grants-in-aid that address the Agency’s priorities and policy objectives.

GUIDELINES

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Agency’s policy objectives. If there are cash match requirements, the source of funding shall be identified prior to application. All Redevelopment Agency Agenda Items for grant funding must be accompanied by approval from the Grant Clearinghouse Working Group or a representative of the Agency Treasurer.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 900-04

CATEGORY: GRANTS

SUBJECT: Grant Procedures and Reporting

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To seek, apply, and effectively administer federal, state and foundation grants-in-aid that address the Agency’s priorities and policy objectives.

GUIDELINES

If a grant is awarded, staff shall thoroughly review all reporting and accounting requirements creating a checklist or procedures and timetable for reporting to ensure that all grant requirements are met.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 900-05

CATEGORY: GRANTS

SUBJECT: Grant Program Termination

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To seek, apply, and effectively administer federal, state and foundation grants-in-aid that address the Agency's priorities and policy objectives.

GUIDELINES

The Agency shall terminate grant-funded programs and associated positions when grants funds are no longer available, unless alternate funding is identified and approved.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 1000-02

CATEGORY: FISCAL MONITORING

SUBJECT: Submission of Initial and Annual Reports

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners.

PURPOSE

To prepare and present regular reports analyzing, evaluating and forecasting the Agency's financial performance and economic condition.

GUIDELINES

Per NRS 279.6025, the Agency shall submit for each redevelopment area for which a redevelopment plan has been adopted, on or before January 1 next after the adoption of the plan to the Director of the Legislative Counsel Bureau, to forward to the Legislature, and the Agency Board a report that includes:

1. A legal description of the boundaries of the redevelopment area.
2. The date on which the redevelopment plan for the redevelopment area was adopted.
3. The scheduled termination date of the redevelopment plan.
4. The total sum of the assessed value of the taxable property in the redevelopment area for:
 - a. The fiscal year immediately preceding the adoption of the redevelopment plan; and
 - b. The fiscal year during which the redevelopment plan was adopted, if such fiscal year ends before the reporting deadline.
5. The combined overlapping tax rate of the redevelopment area.
6. The property tax rate of the redevelopment area.
7. The property tax revenue expected to be received from any tax increment area within the redevelopment area during the first fiscal year that the agency will receive an allocation.
8. Copies of any memoranda of understanding into which the agency enters during the fiscal year in which the redevelopment plan was adopted.
9. The amortization schedule for any debt incurred for the redevelopment area and the reasons for incurring the debt.

For existing redevelopment areas, the Agency shall submit to the Director of the Legislative Counsel Bureau, to be forwarded to the Legislature, and the Agency Board, a report that includes:

1. The property tax revenue received from any tax increment area, within the redevelopment area.
2. The combined overlapping tax rate of the redevelopment area.
3. The property tax rate of the redevelopment area.
4. The total sum of the assessed value of the taxable property in the redevelopment area.

5. If the amount reported pursuant to the provisions of paragraph (4) is less than the total sum of the assessed value of the taxable property in the redevelopment area for any other previous fiscal year, an explanation of the reason for the difference.
6. Copies of any memoranda of understanding into which the agency enters.
7. The amortization schedule for any debt incurred for the redevelopment area and the reasons for incurring the debt.
8. Any change to the boundary of the redevelopment area and an explanation of the reason for the change.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 1000-03

CATEGORY: FISCAL MONITORING

SUBJECT: Compliance with Agency Board Policy Statements

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To prepare and present regular reports that analyze, evaluate, and forecast the Agency’s financial performance, economic condition, and long-term sustainability.

GUIDELINES

The Agency’s Financial Management Policy Statements will be reviewed at least annually for updates, revisions or refining as deemed necessary. Policy statements adopted by the Agency Board are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained and included in the City’s Comprehensive Annual Budget Report.

From time to time, the Governmental Accounting Standards Board (GASB), Nevada Revised Statutes, and best practices in the industry change. As these changes occur, the financial management policy statements will be reviewed and may require revision. Any proposed revisions will be brought before the Redevelopment Agency Board for review and adoption.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 1000-04

CATEGORY: FISCAL MONITORING

SUBJECT: Five-Year Forecast of Revenues and Expenditures

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To prepare and present regular reports that analyze, evaluate, and forecast the Agency’s financial performance, economic condition, and long-term sustainability.

GUIDELINES

A five-year forecast of revenues and expenditures, to include a discussion of major trends affecting the Agency’s financial position, shall be prepared in anticipation of the annual budget process. The forecast shall also examine critical issues facing the Agency, economic conditions, and the outlook for the upcoming budget year.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 1100-01

CATEGORY: FINANCIAL CONSULTANTS

SUBJECT: **Use of Financial Consultants**

SCOPE

All City of Henderson Redevelopment Employees; Redevelopment Residents; Developers; Property and Business Owners

PURPOSE

To employ the assistance of qualified financial advisors and consultants as needed in the management and administration of the Agency’s financial functions. These areas include, but are not limited to, investments, debt administration, financial accounting systems, program evaluation, financial impact modeling (i.e. tax increment analysis), developer due diligence, and project evaluation.

GUIDELINES

With available resources, the Agency shall seek and employ the assistance of qualified financial advisors and consultants in the management and administration of the Agency’s financial functions, as needed. Advisors shall be selected using objective questionnaires and requests for qualifications/proposals based upon demonstrated expertise relative to the scope of work to be performed and appropriately competitive fees.

HISTORY

Redevelopment Agency Board Adopted: (Date)

**CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY**

POLICY NUMBER: 1300-01

CATEGORY: INTERNAL CONTROLS

SUBJECT: Fiscal Signature Authority

SCOPE

All contractual documents issued on behalf of the City of Henderson Redevelopment Agency.

PURPOSE

To establish and maintain authority for the approval and execution of contractual documents.

GUIDELINES

Signature authority for contractual documents shall be determined by the fiscal impact amount reflected in the documents:

- \$0.01 - \$25,000 Redevelopment Department Director
- \$25,000.01 - \$50,000 Executive Director
- Over \$50,000 Approval by the Redevelopment Agency Board and signature by the Board Chairman or authorized representative (Executive Director).

Contractual documents with a fiscal impact over \$10,000 must also be:

- Reviewed and signed by the Agency's General Counsel.
- Attested to by the Agency's Secretary and the original maintained in the Office of the City of Henderson's City Clerk.
- Signed by the Agency's Treasurer.

HISTORY

Redevelopment Agency Board Adopted: September 20, 2011
Redevelopment Agency Board Revised: (Date)



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

July 24, 2012

RAC-004

SUBJECT	Termination of City Tower Disposition and Development Agreement and Settlement of Promissory Note
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Approve

FISCAL IMPACT:

No Impact
 Budgeted funds available
 Augmentation required

CMTS Number(s): N/A

FUNDING SOURCE, AMOUNT, AND ACCOUNT NUMBER(S) TO BE CHARGED:

2092-1001-306006-H0024	Proceeds from Forfeits	\$100,000.00
2092-1001-601436-H0024	Program Costs	\$ (26,000.00)

BACKGROUND / DISCUSSION / ALTERNATIVES:

On November 15, 2005, City Tower LLC (Developer) entered into an Exclusive Negotiation Agreement with the Agency for development of the 2.15 acres located at the southeast corner of Lake Mead Parkway and Water Street, and deposited \$100,000 for plan and permit review fees, which funds are still being held by the Agency. The Developer entered into a Disposition and Development Agreement (DDA) with the Agency on April 10, 2007.

The Developer owned and/or acquired ten of the thirteen parcels of land needed for the project. As part of the Agreement, the Agency provided relocation assistance to some of the parcel owners, assisted the Developer in purchasing the final two properties needed for the project, and sold to the Developer the Agency-owned property located at 7 East Lake Mead Parkway. In exchange for the assistance, the Developer entered into an Amended and Restated Promissory Note (Note) dated April 10, 2007, whereby the Developer agreed to pay the Agency \$778,909 for the properties, which were then transferred to the Developer.

(CONTINUED ON NEXT PAGE)

RECOMMENDED MOTION:

Approve the termination of the Disposition and Development Agreement with City Tower LLC and settlement of the Promissory Note.

BACKGROUND / DISCUSSION / ALTERNATIVES (CONTINUED):

The DDA set forth specific performance requirements for both parties and the Note set forth specific dates for repayment. Significant changes in the economy have occurred making the project no longer feasible. The parties have agreed to terminate the DDA and settle the Note, releasing all associated Deeds, with the following terms:

- a. Agency shall retain the \$100,000 deposit.
- b. Agency shall release its interest in APN 140-30-505-001 (the property used by the Developer as collateral for the Note).
- c. Developer shall quitclaim 7 East Lake Mead, 18 Victory and 22 Victory to the Agency.

Supporting Documentation:

Termination Agreement Settlement of Promissory Note consisting of four (4) pages

**TERMINATION AGREEMENT
SETTLEMENT OF PROMISSORY NOTE**

THIS TERMINATION AGREEMENT and SETTLEMENT OF PROMISSORY NOTE (the "Termination Agreement") made and entered into the ___ day of _____, 2012, by and between the CITY OF HENDERSON REDEVELOPMENT AGENCY ("Agency") and CITY TOWER, LLC ("Developer"), together referred to as the parties.

WHEREAS, the parties entered into that certain Disposition and Development Agreement dated April 10, 2007 recorded as Document No. 20070801-0002165 of Official Records together with an amendment dated January 1, 2009 (the "DDA") for development of a project commonly known as "City Tower" on Property consisting of approximately 2.15 acres at the corner of Lake Mead Parkway and Water Street as more particularly described in the DDA; and

WHEREAS, upon execution of the Exclusive Negotiating Agreement on November 15, 2005, Developer deposited with the Agency (\$100,000.00) ("the Deposit") for plan and permit review fees and such funds still being held by the Agency; and

WHEREAS, Developer owned and/or acquired ten of the thirteen necessary parcels of land for the project; and

WHEREAS, Agency provided relocation assistance to some of the parcel owners, to wit, 19 Arkansas, 26 Magnesium, 26 Victory and 14 Victory, totaling \$365,000 to assist Developer in the acquisition of the property needed for its project; and

WHEREAS, Agency owned the parcel at 7 East Lake Mead which developer needed for its project, such property having been purchased by the Agency in 1997 for \$165,184.00 and having an appraised value in 2007 of \$300,000; and

WHEREAS, Agency agreed to assist Developer in purchasing the remaining two needed parcels at 18 Victory and 22 Victory; and

WHEREAS, Agency purchased the two properties in 2007 at a cost to Agency of \$478,909.00; and

WHEREAS, the parties further entered into that certain Amended and Restated Promissory Note dated April 10, 2007 recorded as Document No. 20090521-0005759 of Official Records whereby Developer agreed to pay Agency

\$778,909.00 for the properties located at 7 East Lake Mead, 18 Victory and 22 Victory; and

WHEREAS, Agency then transferred the properties to the Developer; and

WHEREAS, the DDA set forth specific performance requirements for both parties; and

WHEREAS, the Note set forth specific dates for repayment; and

WHEREAS, significant changes have occurred in the economy and the project originally contemplated by the Development Agreement is no longer feasible,

NOW THEREFORE, in consideration of mutual covenants made, and for other good and valuable consideration, the receipt and adequacy of which are mutually acknowledged, the parties agree as follows:

1. The foregoing recitals are incorporated herein as if fully set forth. Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the DDA.
2. The parties mutually agree to terminate the DDA and settle the amount due on the Note upon the following terms:
 - a. Agency shall retain the Deposit.
 - b. Agency shall release its interest in APN 140-30-505-001.
 - c. Developer shall quitclaim 7 East Lake Mead, 18 Victory and 22 Victory to the Agency.
3. In furtherance hereof, the parties agree to execute the Release attached hereto as Exhibit 1 as well as the deeds attached hereto as Exhibits 2, 3, and 4 and record the same in the official records, and execute any other documents necessary to effectuate the terms of this Termination Agreement.
4. Notwithstanding anything to the contrary in the DDA and/or the Note, the parties desire to settle and compromise any and all claims arising under the DDA and under the Note pursuant to the terms of this Termination Agreement. Each party agrees to release and forever discharge the other party, its representatives, agents, assigns, attorneys, employees, divisions, departments, agencies and all other persons acting or purporting to act on its behalf, from any and all claims, demands, and causes of action of any kind whatsoever, in law or in equity, whether known or unknown, which they have had, now have or will have against the other party, its representatives, agents, assigns, attorneys, employees, divisions, departments, agencies and all other

persons acting or purporting to act on its behalf, at any time now, or hereafter based upon, arising out of, or relating to the DDA and/or the Note.

5. This executed Termination Agreement contains the entire agreement among the parties hereto relating to rights granted and obligations assumed by the parties herein. Any prior agreement, contract, promise, negotiation, or representation, either oral or written, relating to the subject matter for this agreement not expressly set forth in this Termination Agreement is superseded by this agreement and of no further force or effect. No changes, amendments, modifications, cancellation or discharge of this Termination Agreement, or any part of this Termination Agreement shall be valid unless in writing and signed by the authorized agents of the parties, or their respective successors and assigns. If any provision of this Termination Agreement is held invalid or unenforceable by any court of competent jurisdiction, this Termination Agreement shall be construed without such provision.

6. The parties represent and agree that each party is authorized to enter into this Termination Agreement and that each party has been represented by counsel of it's choosing in the negotiation and preparation of this Termination Agreement.

7. The parties acknowledge and agree that the covenants, agreements and obligations herein contained shall extend to, bind, and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors, transferees, assigns, officers, officials, principals, beneficiaries, agents and partners.

8. This Termination Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. The parties, and each of them, agree that any party to this Termination Agreement may in law or in equity, by suit, action, mandamus or any other proceeding, including specific performance, enforce or compel performance of this Termination Agreement. Any party who is found to be in violation of this Termination Agreement pursuant to an enforcement action hereunder shall be liable for all costs, including attorney's fees, of the enforcing party.

Signatures on following page



RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING

JULY 24, 2012

RAC-003

SUBJECT	Projects Update
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Accept

FISCAL IMPACT:

No Impact

Budget funds available

Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

Accept report.

Supporting Documentation:

Memorandum consisting of three (3) pages



Memorandum

TO: Redevelopment Agency Advisory Commission
FROM: Michelle Romero, Redevelopment Manager
SUBJECT: Projects Update

Following are new or ongoing redevelopment projects, as compiled by staff, in our Redevelopment Areas and their status as of July 12, 2012:

I. CORNERSTONE REDEVELOPMENT AREA

- Shortfall Note

Projects

- Ladera Parcels
- Loretto Bay

II. DOWNTOWN REDEVELOPMENT AREA

Projects

- 19 S. Water Street: The Loan Committee is scheduled to hear a request for the termination of the Façade Loan-to-Grant of \$81,000 on this project due to lack of substantial progress.
- Business Recruitment/Development: Staff has been working with a client to potentially locate an office on the first floor of the Shurtleff Building.
- City Tower (Southeast corner of Lake Mead Parkway and Water Street)
- Create Comprehensive Development and Business Recruitment Incentive Packages
 - Downtown Investment Strategy (DTIS): (Update Implementation)
- Environmental Protection Agency Grant for Technical Assistance: Bay Area Economics (BAE) conducted the open house on July 11. Approximately 15 residents and business owners attended. The BAE representative gave a presentation on what makes a community financially sustainable and had an open forum discussion with attendees on Henderson's specific economic situation and what has been done to date. Attendees felt that the Agency had already addressed most of what was presented and had done everything possible to set the table for development during the downturn.
- Former Asset Central Site: Staff has been contacted by a broker with a client interested in purchasing the former Asset Central site. Real Estate Section has been notified and staff has provided the broker with all requested information.
- Former Parkline Site
- Marketing the Water Street District
- Marketing to Developers, Business Owners & Consumers
- Massage Envy: All improvements are complete and the business is open. Staff is processing the reimbursement for Massage Envy for \$20,000.
- NSP Funds
- Outreach: Notices appeared in several local newspapers announcing the EPA's Building Blocks for Sustainable Communities open house on July 11 and meeting on July 12.
- Pinnacle Building
- Residential
- Senior Center/Pacific Pines
- Social Gathering Space Team

- Site A (SW corner of Victory and Water)
- Townhouse Motor Lodge
- Water Street District Business Association: A Board meeting took place July 11. There are now 44 paid members. The President of the WSDBA sent to the owner of the City Tower site a letter asking on behalf of the Association that his property be cleaned up.

Programs

- Façade Improvement Program

III. EASTSIDE REDEVELOPMENT AREA

Projects

- Bifurcation
- Boulder Highway Business Coalition: Staff met with the group July 11 and discussed further actions that need to be taken to move the group forward, define efforts and priorities. Staff is going to work on a survey and notice that will be sent to the business owners who had indicated an interest in Boulder Highway.
- Business Recruitment
- Eastside Investment Strategy
- Eastside Business Coalition: Staff met with the group on July 11 and discussed further actions that need to be taken to move the group forward, define efforts and priorities. Staff is going to work on a survey and notice that will be sent to the business owners who had indicated an interest in Boulder Highway.
- KMA Tax Increment Analysis: Staff has received the final tax increment analysis from KMA for the Eastside area based on the latest (April) revenue projections received from the State and including calculations for build out of Cadence and Union Village.
- LandWell/Cadence (Cadence)
- Museum Site-95/Galleria
- Union Village:
 - RDA staff met with other City representatives and the developers to discuss the Development Agreement changes being proposed by staff. RDA staff presented their concerns and suggestions at that meeting. There were no concerns with the RDA comments.
 - Staff is also reviewing the framework for the Owner Participation Agreement, which has been submitted by the developer.
- Wells Park: All sod has been installed. The splash pad is now operational and in use. The official grand re-opening of the park will be scheduled for the end of August.

Programs

- Façade Improvement Program
- Sign Grant Program

IV. TUSCANY REDEVELOPMENT AREA

- Note
- OPA
- Semi-Annual Payment

V. LAKEMOOR CANYON

- Bill
- Development
- House Subcommittee on Energy and Mineral Resources
- Federal Land Sale

VI. ADMINISTRATION / ALL AREAS

- Audit
- Applied Analysis White Paper on Tax Increment
- Assistance Programs
- Bonds
- Budget

- Business License Counts
- Estimated Fiscal Impact Analysis for FY Ended 2012: The estimated economic impact of Redevelopment efforts over the past year is \$23,262,035. Economic impact for the rest of the City resulting from Economic Development's efforts is \$71,181,900. Total impact for the division's efforts is \$94,443,935 for fiscal year 2012.
- Financials
- Homeowner Assistance Program
- IMPLAN Software
- NDC:
 - NDC has issued a term sheet to a RDA area business interested in expanding. Loan will be through the Grow Henderson Fund.
- New Markets Tax Credit:
 - Staff had a conference call with NDC and Chase Bank to discuss the next round of NMTC. The applications will come out the week of July 16 and need to be submitted within 60 days. Chase is very interested in using credits in conjunction with the Union Village project. UV representatives have been made aware of the interest and will be following up.
 - NDC will be training staff next week on New Markets Tax Credits.
- Outreach: The summer edition of the Connections Newsletter was distributed the last week of June to all Downtown and Eastside Redevelopment area residents.
- Purdue-Marion Contract: The contract for public relations work with Purdue Marion has ended. All future outreach will be completed exclusively by RDA staff.
- Redevelopment Association of Nevada (RAN)
- Revenue
- Tax Increment Distribution