CITY OF HENDERSON
REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA

Regular Meeting
Tuesday, January 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/

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 NOVEMBER 22, 2011 (For Possible Action)

Recommend approval of the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of November 22, 2011.

2.	ELECTION OF CHAIRMAN (For Possible Action)

Election of Chairman of the Redevelopment Advisory Commission to hold office for one (1) year or until their successor(s) is elected and qualified.

3.	ELECTION OF VICE-CHAIRMAN (For Possible Action)

Election of Vice-Chairman of the Redevelopment Advisory Commission to hold office for one (1) year or until their successor(s) is elected and qualified.

(CONTINUED ON NEXT PAGE)

4.	AGREEMENT BETWEEN THE CITY OF HENDERSON NEIGHBORHOOD SERVICES DIVISION AND THE CITY OF HENDERSON REDEVELOPMENT AGENCY IN WHICH THE AGENCY WILL RECEIVE $500,000 FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT-NEIGHBORHOOD STABILIZATION PROGRAM FOR THE PURCHASE OF ELIGIBLE RESIDENTIAL PROPERTIES WITHIN THE TARGET AREA BOUNDED BY WEST BASIC ROAD, WEST PACIFIC AVENUE, WEST ATLANTIC AVENUE, AND NICKEL STREET (For Possible Action)

Ratify approval of the agreement between the City of Henderson Neighborhood Services Division and the City of Henderson Redevelopment Agency in which the Agency will receive $500,000 from the Community Development Block Grant-Neighborhood Stabilization Program for the purchase of eligible residential properties within the Target Area bounded by West Basic Road, West Pacific Avenue, West Atlantic Avenue, and Nickel Street.

5.	A RESOLUTION OF THE CITY OF HENDERSON REDEVELOPMENT AGENCY APPROVING THE ASSUMPTION AGREEMENT TO RECOGNIZE DR HORTON, INC. AS A PERMITTED SUCCESSOR TO THE HOF FINANCIAL I, LLC OPA (CORNERSTONE RDA) (For Possible Action)

Ratify adoption of the Assumption Agreement to recognize DR Horton Homes of Nevada, Inc. as a Permitted Successor to the HOF Financial I, LLC OPA.

6.	FINANCIAL MANAGEMENT POLICIES (For Possible Action)

Recommend adoption of Redevelopment Financial Management Policies for: Appropriation Carryover, Transfer of Budget Appropriations, Limit Mid-Year Adjustments, Revenue Estimates for Budgeting, Revenue Sources, User Fees, and Administrative Service Charges.

7.	PROJECTS UPDATE

Discuss project updates for the following projects and accept report. Cornerstone Redevelopment Area: Shortfall Note; HOF Financial Properties; Diamond Cornerstone; Ladera Parcels; Loretto Bay. Downtown Redevelopment Area: 323 Water Street; Business Recruitment Marketing Team; City Tower (Southeast corner of Lake Mead Parkway and Water Street); Create Comprehensive Development and Business Recruitment Incentive Packages; Downtown Power Need; Emergency Assistance Loan; Former Asset Central Site; Former Parkline Site; Henderson Hyundai; Historic Walking Tour; Increase Curb Appeal; Targeted Façade Improvement; Lake Mead Crossing; Marketing the Water Street District Team; Marketing To Developers, Business Owners & Consumers; Outreach; Parking Signs; Phase III Improvements; Pinnacle Building; Residential Development Team; Senior Center/Pacific Pines; Social Gathering Space Team; Shurtleff Building (38 S. Water Street); Site A; The Meridian (155 S. Water Street); Townhouse Motor Lodge; Urban Lounge; Water Street District Business; Water Street District Business Association; Façade Improvement Program. Eastside Redevelopment Area: Bifurcation; Business; Eastside Business Coalition; Landwell/Cadence; Museum Site-95/Galleria; Union Village; Wells Park; Façade Improvement Program; Sign Grant Program. Tuscany: OPA; Reimbursement; Semi-Annual Payment. Lakemoor Canyon. Administration/All Areas: Audit; Bonds; Business License Counts; Homeowner Assistance Program; NDC; Outreach; Revenue.

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**

- Financial Update

VII. **SET NEXT MEETING**

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

VIII. **ADJOURNMENT**

Agenda posted prior to 9:00 a.m. on January 17, 2011 at the following locations:

City Hall Annex, 280 Water Street
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 JANUARY 24, 2012 RAC-001

SUBJECT	Minutes—City of Henderson Redevelopment Agency Advisory Commission Meeting of November 22, 2011.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Recommend Approval

FISCAL IMPACT:

[x] No Impact [ ] Budget funds available [ ] Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RECOMMENDED MOTION:

I move to approve the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of November 22, 2011.

Supporting Documentation:

Minutes consisting of six (6) pages

CITY OF HENDERSON REDEVELOPMENT AGENCY
ADVISORY COMMISSION
MINUTES
November 22, 2011

I. CALL TO ORDER

Chairman Stan Southwick called the Redevelopment Advisory Commission to order at 4:03 p.m. in the Annex Conference Room, City Hall Annex, 280 Water Street, Henderson, Nevada.

II. CONFIRMATION OF POSTING AND ROLL CALL

Lisa Sich, Special Projects Accountant, 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 Stan Southwick
David Chavez
Tom Fay
Tom Foster
Mark McGinty
Richard Serfas
Laura Jane Spina (4:10 p.m.)

Excused: None

Staff: Mark Backus, Assistant City Attorney
Bob Cooper, Manager of Economic Dev./Redevelopment
Anthony Molloy, Redevelopment Project Manager
David Norris, Real Estate Portfolio Manager
Michelle Romero, Redevelopment Manager
Lisa Sich, Special Projects Accountant
April Parra, Minutes Clerk

Guest: Lee Ferris, Landwell Company
Stephanie Zimmerman, Landwell Company
Tom Donahue, Piercy Bowler Taylor & Kern
Kade Stratton, Piercy Bowler Taylor & Kern

III. ACCEPTANCE OF AGENDA

(Motion) Mr. Fay introduced a motion to accept the agenda as presented. The vote favoring approval was unanimous. Chairman Southwick 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 SEPTEMBER 27, 2011.

Recommend approval of the minutes of the City of Henderson Redevelopment Agency Advisory Commission meeting of September 27, 2011.

(Motion) Mr. McGinty introduced a motion to approve the minutes of September 27, 2011, as submitted. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

2.	PRESENTATION AND DISCUSSION BY LANDWELL COMPANY REGARDING PROPOSED CHANGES TO THE DEVELOPMENT AGREEMENT AND DEVELOPMENT STANDARDS FOR CADENCE PLANNED COMMUNITY

Lee Ferris, Landwell Company, gave a presentation on the proposed changes to the development agreement and development standards for the Cadence Planned Community.

Responding to a question by Ms. Spina regarding the window alignments, Mr. Ferris stated there are requirements on how the windows line up on the side, but not in the front.

3.	GROUND LEASE AGREEMENT BY AND BETWEEN THE CITY OF HENDERSON REDEVELOPMENT AGENCY, A PUBLIC BODY CORPORATE AND POLITIC, AND PATRAN LAND LIMITED, FOR THE PURPOSE OF PROVIDING PUBLIC PARKING IN THE WATER STREET DISTRICT

Recommend approval of the Ground Lease Agreement between the City of Henderson Redevelopment Agency and PATRAN Land Limited for the purpose of providing public parking Water Street District in an amount of $2,960.00 per year, plus a two percent per year inflation adjustment.

David Norris, Real Estate Portfolio Manager, gave a summary of the proposed item and stated staff recommends approval.

(Motion) Mr. McGinty introduced a motion recommending approval of the Ground Lease Agreement between the City of Henderson Redevelopment Agency and PATRAN Land Limited for the purpose of providing public parking in Water Street District in an amount of $2,960.00 per year, plus a two (2) percent per year inflation adjustment. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

4.	TERMINATION AGREEMENT AND RELEASE OF PROMISSORY NOTE BY AND BETWEEN DIAMOND CORNERSTONE LLC AND THE CITY OF HENDERSON REDEVELOPMENT AGENCY

Ratify approval of the Termination Agreement and Release of Promissory Note by and between Diamond Cornerstone LLC and the City of Henderson Redevelopment Agency.

Lisa Sich, Special Projects Accountant, gave a summary of the proposed item and stated staff recommends ratification.

(Motion) Ms. Spina introduced a motion to ratify approval of the Termination Agreement and Release of Promissory Note by and between Diamond Cornerstone LLC and the City of Henderson Redevelopment Agency. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

5.	REDEVELOPMENT AGENCY ADVISORY COMMISSION AMENDED BYLAWS

Recommend adoption of the amendments to the Redevelopment Advisory Commission Bylaws.

Ms. Sich gave a summary of the proposed changes and stated staff recommends approval.

Responding to a question by Ms. Spina regarding voting via email, Mark Backus, Assistant City Attorney, stated that due to this being a public meeting, in-person voting is necessary.

Mr. Serfas requested that under Section XII, Adoptions and Amendments, the last sentence be changed to read as follows: “These Bylaws may be amended at any regular meeting by a majority vote of the members present at the Commission meeting and approval by the Agency Board.”

(Motion) Ms. Spina introduced a motion to recommend adoption of the amendments to the Redevelopment Advisory Commission Bylaws with the requested change. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

6.	SUBMISSION OF REDEVELOPMENT AGENCY ANNUAL AUDIT – FISCAL YEAR 2010-2011 AND REQUIRED COMMUNICATIONS LETTER

Recommend adoption of the Redevelopment Agency's Fiscal Year 2010-2011 Audited Financial Statements.

Ms. Sich gave a summary of the proposed item and stated staff recommends adoption.

Tom Donahue, Piercy Bowler Taylor & Kern, gave a brief presentation and was available to answer questions.

Michelle Romero, Redevelopment Manager, complimented Ms. Sich and Daphney Jeffers for their hard work on the audit.

Mr. Chavez commented that an audit without comments is outstanding.

(Motion) Mr. Serfas introduced a motion recommending adoption of the Redevelopment Agency's Fiscal Year 2010-2011 Audited Financial Statements. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

7.	FINANCIAL MANAGEMENT POLICIES

Recommend adoption of Redevelopment Financial Management Policies for: Introduction, Financial Status Reports and Annual Audited Financial Statements, Conformance to Accounting Principles, Selection of Auditors, Fund Balance Classification, Separation of Duties, Proper Recording, Access to Assets and Records, Internal Control Evaluation, Returned Checks and Costs and Benefits.

Ms. Sich gave a summary of the proposed item and stated staff recommends adoption.

(Motion) Mr. McGinty introduced a motion recommending adoption of Redevelopment Financial Management Policies for: Introduction, Financial Status Reports and Annual Audited Financial Statements, Conformance to Accounting Principles, Selection of Auditors, Fund Balance Classification, Separation of Duties, Proper Recording, Access to Assets and Records, Internal Control Evaluation, Returned Checks and Costs and Benefits. The vote favoring approval was unanimous. Chairman Southwick declared the motion carried.

8.	FINANCIAL MANAGEMENT POLICIES

Recommend adoption of Redevelopment Financial Management Policies for: RDA Loan Write Off.

Ms. Sich gave a summary of the proposed item and stated staff recommends adoption.

At Ms. Spina's request, Ms. Sich reviewed the system of checks and balances and noted that the process is documented on the form.

Responding to a question by Mr. McGinty regarding if this is the standard across all the departments, Ms. Sich stated that they are a little more regimented than other departments due to the amount and number of write-offs.

Ms. Romero noted that the City Council requested that staff come up with a policy to deal with write-offs.

It was noted that on page one, under Background, the word "required" should be changed to "recommended".

(Motion) Ms. Spina introduced a motion to recommend adoption of Redevelopment Financial Management Policies for: RDA Loan Write Off. Those voting aye: Fay, Foster, McGinty, Serfas, Southwick, and Spina. Those voting nay: Chavez. Those abstaining: None. Those absent: None. Chairman Southwick declared the motion carried.

9.	PROJECTS UPDATE

Discuss project updates and accept the report.

Ms. Romero reviewed a memorandum regarding the status of projects as of November 9, 2011.

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

V. PUBLIC COMMENT

There were no comments presented by the public.

VI. DIRECTOR'S/CHAIRMAN'S BUSINESS

There was no business to be discussed.

VII. SET NEXT MEETING

The next meeting was scheduled for December 20, 2011, at 4:00 p.m.

VIII. ADJOURNMENT

There being no further business to be discussed, the meeting was adjourned at 5:00 p.m.

Respectfully submitted,

_____
April Parra,
Minutes Clerk

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA ITEM

REGULAR MEETING January 24, 2012 RAC-002

SUBJECT	Election of Chairman
PETITIONER	Michelle Romero, AICP, Redevelopment Manager
RECOMMENDATION	Elect Chairman

FISCAL IMPACT:

[x] No Impact [ ] Budget funds available [ ] Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RAC bylaws include the following:

"The officers of the RAC shall consist of a Chairman and Vice-Chairman. The Chairman and Vice-Chairman shall be elected from among the appointed members of the RAC by a simple majority vote at the first regular meeting of the RAC in January. They shall hold office for one (1) year or until their successor(s) is elected and qualified. Any Officer may be re-elected."

RECOMMENDED MOTION: I move to elect _____ as Chairman.

Supporting Documentation:
N/A

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA ITEM

REGULAR MEETING January 24, 2012 RAC-003

SUBJECT	Election of Vice-Chairman
PETITIONER	Michelle Romero, AICP, Redevelopment Manager
RECOMMENDATION	Elect Vice-Chairman

FISCAL IMPACT:

[x] No Impact [ ] Budget funds available [ ] Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

RAC bylaws include the following:

"The officers of the RAC shall consist of a Chairman and Vice-Chairman. The Chairman and Vice-Chairman shall be elected from among the appointed members of the RAC by a simple majority vote at the first regular meeting of the RAC in January. They shall hold office for one (1) year or until their successor(s) is elected and qualified. Any Officer may be re-elected."

RECOMMENDED MOTION: I move to elect _____ as Vice-Chairman.

Supporting Documentation:
N/A

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA ITEM

REGULAR MEETING | JANUARY 24, 2011 | RAC-004

SUBJECT	Agreement between the City of Henderson Neighborhood Services Division and the City of Henderson Redevelopment Agency in which the Agency will receive $500,000 from the Community Development Block Grant-Neighborhood Stabilization Program for the purchase of eligible residential properties within the Target Area bounded by West Basic Road, West Pacific Avenue, West Atlantic Avenue, and Nickel Street.
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Ratify Approval

FISCAL IMPACT:

☐ No Impact ☒ Budget funds available ☐ Augmentation required

CMTS Number(s): #132-11-500,000-CDBG-NSP3-RDA

Funding Source, Amount, and Account Number(s) to be charged:

Account #	Description	Funds Available	Augmentation Amount
2101-6202-601436-D2030	Expense	$500,000	

FINANCIAL COMMENTS:
Funding Source: Community Development Block Grant-Neighborhood Stabilization Program, CFDA #14.218 program under the Title 1 of the Housing and Community Development Act of 1974

BACKGROUND / DISCUSSION / ALTERNATIVES:

The City of Henderson Neighborhood Services Division has received a Community Development Block Grant under the Neighborhood Stabilization Program (CDBG-NSP) and wishes to engage the City of Henderson Redevelopment Agency to identify and purchase eligible properties within the Target Area. The properties eligible to be purchased under the program must be either in foreclosure, abandoned or short sale properties. They must be purchased at one percent (1%) below the appraised value and must be in the Target Area. It is anticipated that the amount of funding provided should be adequate to assemble and make ready for development approximately eight properties. The Agreement requires that the properties purchased shall be subject to City HOME Investment Program definitions and standards, as well as Labor Standards as provided in 24 CFR 570.603.

RECOMMENDED MOTION:

I move to ratify approval of the agreement between the City of Henderson Neighborhood Services Division and the City of Henderson Redevelopment Agency in which the Agency will receive $500,000 from the Community Development Block Grant-Neighborhood Stabilization Program for the purchase of eligible residential properties within the Target Area bounded by West Basic Road, West Pacific Avenue, West Atlantic Avenue, and Nickel Street.

Supporting Documentation:

Agreement between City of Henderson Neighborhood Services and City of Henderson Redevelopment Agency consisting of eight (8) pages
Exhibits A, B, and C consisting of six (6) pages

AGREEMENT BETWEEN
CITY OF HENDERSON NEIGHBORHOOD SERVICES
AND
CITY OF HENDERSON REDEVELOPMENT AGENCY

THIS AGREEMENT ("Agreement") is made and entered into this_____day of _____, 2012 (the "Effective Date"), by and between the CITY OF HENDERSON NEIGHBORHOOD SERVICES, a municipal corporation and political subdivision of the State of Nevada ("City"), and the CITY OF HENDERSON REDEVELOPMENT AGENCY, a Nevada public body corporate and politic ("Developer").

WITNESSETH

WHEREAS, City has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development ("HUD") for participation in the Community Development Block Grant, Neighborhood Stabilization Program ("CDBG-NSP"), CFDA-#14.218 program under Title I of the Housing and Community Development Act of 1974; and

WHEREAS, City is responsible for planning, administering, implementing, and evaluating the CDBG-NSP to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, City, as Grantee under the Grant Agreement, wishes to engage Developer to assist City in utilizing such funds by providing services to meet the CDBG-NSP's broad National Objective to benefit low-moderate, and middle-income households.

NOW, THEREFORE, in consideration of the premises, covenants, and conditions herein contained, the parties hereto agree as follows:

I. Scope

A. Program Description

City will make available to Developer CDBG-NSP funds in the amount of FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS ($500,000.00), as a non-interest bearing deferred payment loan for a period of ten years, to be used solely for the purposes set forth in the terms and conditions of this Agreement. In consideration of such loan, Developer agrees to be bound by the covenants set forth in this Agreement. Developer will be responsible for administering such CDBG-NSP funds for acquisition and demolition activities in concert with a coordinated program of redevelopment and other improvements in the Target Area (the "Program"), as further described herein.

B. Program Activities/Procedures

Developer will administer CDBG-NSP funds for the Program as follows:

1) Developer will purchase residential properties that have been foreclosed upon, or are abandoned or vacant (individually, a "Property" and collectively, the "Properties") within the area generally bounded by West Basic Road, West Pacific Avenue, West Atlantic Avenue, and Nickel Street, within the City of Henderson (the "Target Area").
2) Developer will record a Declaration of Deed Restriction against each purchased Property, substantially in the form attached as Exhibit A, at closing.
3) Developer will provide for the demolition of existing homes and/or on-site improvements on purchased Properties, to prepare the land for redevelopment.
4) Developer will prepare a plan of development for the Target Area, and provide such plan to City for review, by _____ (date)

Procedures for the Program are outlined in Exhibit B (Program Procedures), attached. These procedures may be amended from time to time during the term of the Agreement by Developer and City, as may be required by law, or otherwise by mutual consent.

C. Eligible Costs

Program costs which are eligible for payment using the CDBG-NSP funds provided under this Agreement ("Eligible Costs") include:

1) Acquisition costs, up to 1% below appraised value, for foreclosed, abandoned and vacant Properties.
2) Demolition costs, including environmental assessments and testing, environmental remediation, dust palliative, structure and on-site utility demolition, and demolition of other impediments to redevelopment.
3) Document preparation costs including but not limited to such items as appraisals, preliminary title reports, escrow fees, recording fees and transfer taxes, if any.

Any and all maintenance and operations costs associated with the Program are not eligible costs for CDBG-NSP funding, and are the sole responsibility of Developer.

D. Funding Availability

1) City will make the CDBG-NSP funding for Eligible Costs described herein available to Developer from the date of the Agreement first set forth above through June 30, 2013. All CDBG-NSP funds provided under this Agreement must be fully expended and applied to Eligible Costs described in Section C by this date. City may grant, in its discretion and consistent with NSP regulations, an extension to this deadline upon receipt of a written request from Developer.

2) Developer acknowledges that any Program costs exceeding the $500,000 in CDBG-NSP funds provided by the City pursuant to this Agreement will be the responsibility of Developer.
3) City will not be required to fund or otherwise provide any payment to Developer for Program costs, to the extent City does not receive the CDBG-NSP grant award funds described in this Agreement.
4) Any authorized funds not expended under this Agreement or otherwise accounted for in accordance with the provisions of this Section will revert to City and will be used to finance other CDBG projects.

E. Repayment.
1) Developer expressly agrees to repay to City all CDBG-NSP funds provided to Developer under this Agreement, for Eligible Costs for each Property purchased by Developer, on or before January 31, 2022.
2) In the event Developer does not repay City for any Property within the time provided in E.1 above, Developer agrees that the Property shall be subject to City HOME Investment Program definitions and standards as well as Labor Standards as provided for in 24 CFR 570.603.

F. Recapture.
1) During the term of this Agreement, if ownership of any Property acquired by Developer is transferred, or if through foreclosure or other circumstances, Developer loses legal possession of any Property, Developer will reimburse City, without interest, the full amount of CDBG-NSP funds received by Developer hereunder for Eligible Costs for each Property purchased by Developer.
2) In the event Developer does not reimburse City as provided in E.1 above, Developer agrees that the Property shall be subject to City HOME Investment Program definitions and standards as well as Labor Standards as provided for in 24 CFR 570.603.

G. Time of Performance.
This Agreement shall take effect upon the Effective Date, and will terminate upon full repayment of all CDBG-NSP funds by Developer, and Program close-out approval by City, unless terminated earlier in accordance with the terms of this Agreement.

H. Termination by City
In addition to the termination provisions set forth in Section III.B, City reserves the right to withdraw any CDBG-NSP funding commitment and terminate this Agreement without liability, if Developer has not completed the purchase of a Property by June 20, 2013.

II. General Conditions

A. Compliance with other Applicable Statutes and Regulations

1) Developer shall obtain any and all Federal, State, and local permits and licenses required to execute the Program, as described in the Agreement's Scope and in compliance with all applicable parts of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §§ 5301, *et seq*., and the applicable HUD regulations, including but not limited to 24 CFR Part 570. Developer further agrees to abide by all applicable Federal, State, and local codes, regulations, statutes, ordinances, and laws.

2) No CDBG-NSP project funds will be advanced, and no costs can be incurred, until City has conducted an Environmental Review (ER) for the proposed Program site. The ER may result in a decision to proceed with, modify or cancel the Program. The Developer agrees that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of ER and receipt by City of a release of funds.

B. Financial Assistance

Developer has requested financial support from City to enable Developer to provide the services contemplated herein. City shall provide financial support and accept the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by Developer subject only to review by the Neighborhood Services Division, or other designee of the Neighborhood Services Division, to assure continuing eligibility for CDBG-NSP funding.

C. Limit on Assignment of Interest

Developer may not assign any part of its rights or obligations in this Agreement without consent of City. Any such assignment of rights without consent of City shall result in the forfeiture of all compensation, or any part thereof, as determined by City.

D. On-Site Monitoring

The Program funded under this Agreement will be subject to on-site monitoring by duly authorized City representatives, HUD, and/or the United States Comptroller, and/or his designee.

E. Access to Records

At any time during normal business hours, Developer records, with respect to matters covered by this Agreement, shall be made available for audit, examination, and review by City representatives, City- contracted independent auditors, HUD and/or the Comptroller of the United States.

F. Expiration or Revocation of Agreement

Upon the expiration or revocation of this Agreement, Developer shall transfer to City any CDBG-NSP funds on hand at the time of expiration or revocation and any account receivables attributable to the use of CDBG-NSP funds.

G. Use of CDBG-NSP FUNDS

Developer agrees to utilize CDBG-NSP funds available under this Agreement to supplement rather than supplant funds otherwise available.

H. Documentation of Costs

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge.

All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible.

I. Excerpts or Transcripts

Excerpts or transcripts of all invoices, materials, payrolls, personnel records, and other data concerning matters related to or arguably related to this Agreement may be requested from Developer by City.

J. Records

Records shall be maintained in accordance with requirements by HUD, and City with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the period of affordability has been met. In the event of recapture, all records will be kept for a period of 5 years after the recapture date.

K. Program Budget

Invoice expenditures eligible for payment by City will be in accordance with the Program budget and subject to any conditions imposed in the Scope, to include required reports and narratives when seeking reimbursement from City for Program costs. Developer shall not make any changes in the Program budget unless permission is obtained in writing from City.

L. Method of Payment

City shall pay valid invoices for approved Program eligible costs. A Request for Payment, in the form attached hereto as Exhibit C, must be submitted with all invoices. City will review invoice expenditures to determine their consistency with the approved eligible expenditures, the scope, and Circular A-87 entitled "Cost Principles for State and Local Governments." Reimbursement requests shall include reports and narratives reasonably required by City.

M. Unexpended Funds

In the event that City staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, City reserves the right to that portion for other projects/programs operating under City's CDBG-NSP program.

N. Accounting Methods

Expenditures charged to City CDBG-NSP funds will be accounted for in a ledger separate from all other revenue sources. These records shall be maintained by Developer.

III. Modification or Termination of Agreement

A. Amendment or Revision Required by HUD

Developer and City hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable Federal statutes or regulations.

B. Termination

If Developer materially fails to perform its obligations under this Agreement or violates any of the covenants, agreements or stipulations of this Agreement, City shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof in accordance with 24 CFR 85.43. Such notice shall be given no less than ten (10) days before the effective termination date to the Real

Estate Portfolio Manager, 240 Water Street, MSN 512, P.O. Box 95050
Henderson, Nevada 89009-5050

C. Provisions Required by Law Deemed Inserted

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CITY OF HENDERSON, NEVADA

ATTEST:

_____
Mark T. Calhoun, P.E.
City Manager

_____
Sabrina Mercadante, CMC
City Clerk

APPROVED AS TO FORM:

_____
Josh M. Reid
City Attorney

APPROVED AS TO CONTENT:

_____
Barbara Geach
Neighborhood Relations Manager

APPROVED AS TO FUNDING:

_____
Richard A. Derrick
Finance Director

CITY OF HENDERSON REDEVELOPMENT AGENCY

ATTEST:

_____
Mark T. Calhoun, P.E.
Agency Director

_____
Sabrina Mercadante, CMC
Agency Secretary

APPROVED AS TO FORM:

_____
John M. Reid
Agency Counsel

APN'S: 000-00-000-000

Type of Document:

Declaration of Deed Restriction

Recording requested by:

City of Henderson

Return to:

Real Estate Division
280 Water Street
P.O. Box 95050 MSC 512
Henderson, NV 89009-5050
Attn: David Norris

DECLARATION OF DEED RESTRICTION

THIS DECLARATION OF DEED RESTRICTION ("Declaration") is made and entered into as of the _____ day of _____, 2012, by City of Henderson Redevelopment Agency ("Agency").

RECITALS

A. Agency is the owner of record title to that certain real property located in the City of Henderson, Clark County, Nevada, identified as being _____ of Official Records also known as Assessor's Parcel Number 000-00-000-000 (the "Property").

B. Agency and the City of Henderson, a municipal corporation and a political subdivision of the State of Nevada (the "City") did on January __, 2012 enter into an Agreement for Agency to utilize Community Development Block Grant, Neighborhood Stabilization Program ("CDBG-NSP") funds, to purchase the Property.

C. City, through the Agreement, requires that the Property shall be subject to City HOME Investment Program definitions and standards, as well as Labor Standards as provided for in 24 CFR 570.603, if Agency:

(i) does not repay City the CDBG-NSP funds used for acquisition and demolition costs for the Property, on or before January 31, 2022; or

(ii) transfers the Property without first having fully reimbursed City for the CDBG-NSP funds used for acquisition and demolition costs for the Property.

NOW, THEREFORE, for and in consideration of the foregoing purposes, the benefits to be derived from the covenant restrictions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to all of the following terms and provisions.

DECLARATION

1. **Declaration of Covenant**. Agency hereby declares that the Property is subject to the following covenant (the "City HOME Investment Program definitions and standards as well as Labor Standards as provided for in 24 CFR 570.603 Covenant"):

> Agency acknowledges and agrees that the Property shall be subject to City HOME Investment Program definitions and standards, as well as Labor Standards as provided for in 24 CFR 570.603, if Agency:
>
> (i) does not repay City the CDBG-NSP funds used for acquisition and demolition costs for the Property, on or before January 31, 2022; or
>
> (ii) transfers the Property without first having fully reimbursed City for the CDBG-NSP funds used for acquisition and demolition costs for the Property.

2. **Running of Benefits and Burdens**. The provisions of this Declaration shall run with the Property and any portion thereof and shall be binding on Agency as owner of the Property and any portion thereof and its successors and assigns, and all parties claiming by, through, or under any of them shall be taken to hold, agree, and covenant with such owner(s), its successors in title, and with each other, to conform to and observe all of the terms and conditions contained in this Declaration. This Declaration is made at the request of, and for the benefit of, City and it may not be amended or released except by a written instrument approved by the governing body of City, and recorded in the official records of Clark County, Nevada, (the "Recordation").

[Next page is the signature page.]

IN WITNESS WHEREOF, the parties have hereunto executed this Declaration of Deed Restriction as of this ____ day of _____, 2012.

CITY OF HENDERSON
REDEVELOPMENT AGENCY

_____
David Norris
Real Estate Portfolio Manager

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on _____, 2012 by _____ as _____ of City of Henderson Redevelopment Agency.

_____
Notary Public

CITY OF HENDERSON, NEVADA

_____
Mark T. Calhoun, P.E.
City Manager

ATTEST:

_____
Sabrina Mercadante, CMC
City Clerk

APPROVED AS TO FORM:

_____
John M. Reid
City Attorney

EXHIBIT B

PROGRAM PROCEDURES

RELEVANT DEFINITIONS:

Abandoned. A home is abandoned when mortgage or tax foreclosure proceedings have been initiated and completed for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days. Vacant properties includes both vacant land and properties with vacant structures on land.

Acquisition Costs. Acquisition costs that will be considered reimbursable at the time of sale cannot exceed the appraised market value conclusion determined of the home at the time of purchase. Acquisition costs include payment of any and all liens to obtain a clean title to the property, appraisals, hazmat reports, energy or "BEPS" audit reports, code compliance costs, work scope reports, and systems performance analysis costs.

Blighted Structure. A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threst to human health, safety, and public welfare.

Current market appraised value. The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103, and completed within 60 days prior to an offer made for the property by the Developer. The value may be the "liquidation value" of such property.

Foreclosed. A property has been foreclosed upon at the point that, under state or local law, the mortgage or tax foreclosure is complete

PROCESS:

1. Properties must meet CDBG-NSP program guidelines:
    i. Foreclosed, abandoned or short sale properties
    ii. Purchase price 1% less than the appraised value
    iii. Located in NSP target area

2. An offer will be made based upon the appraisal value conclusion "as is". Purchases may be either through a "bulk" purchase program, such as the one currently operated by Fannie Mae or National Community Stabilization Trust (NCST), or through individual unit purchases. All purchase offers must include contingencies for completing an Environmental Review and securing a 1% discount from the appraised value.

3. Developer will request an Environmental Review be completed by City of Henderson, Neighborhood Services.

4. Developer will request bids from currently licensed contractors, based upon City of Henderson guidelines for procurement.

5. The City of Henderson, Neighborhood Services Division, will participate in all pre-construction/demolition meetings, and conduct routine site visits and inspections as necessary.

6. The City will make NSP funds available for acquisition to coincide with the timing of the scheduled disbursements of funds by Developer. Developer will notify the City of the need for funds by submitting a request for payment based on the scheduled closing.

7. The City of Henderson, Neighborhood Services Division will pay the demolition expenses upon receipt of the required documentation. Advances on work will not be approved. The following items are required for payment requests.

    a. A cover letter requesting reimbursement on Developer's letterhead, indicating the dollar amount being requested.
    b. A completed Draw Summary to be attached to the cover letter, which has been assigned a non-recurring invoice number.

8. In the event of a change order, the City shall be notified and receive a copy of the proposed change reflecting a change in the scope of work and amount. The change order will require the approval of the City.

9. When demolition is complete, Developer will schedule an inspection. A list of items to be corrected will be provided to Developer and the contractor. A final check will not be issued until all punch-list items are corrected to the satisfaction of Developer and the City.

Pay Request Number: _____
Pay Request Date: _____

CITY OF HENDERSON - NEIGHBORHOOD SERVICES

CONTRACTORS: PLEASE FILL OUT AREA INSIDE THE RED BOX

Requested by		Company/Recipient		Date	
Company Address		Invoice/Tracking #		IDIS Number	

CONTRACTOR SECTION	*I hereby request an inspection and payment per the attached invoice. I certify that I have satisfactorily completed the necessary work to justify this request and obtained all required Building and Safety inspections, if applicable.*		
Contractor Signature		Date	
Client Name			
Property Address			

I authorize payment to the contractor of an amount not to exceed that requested, contingent upon inspection and concurrence by the Neighborhood Services staff. It is understood that the actual amount disbursed is based on the findings of an inspection performed by Neighborhood Services staff.

Client Signature		Date	

Instructions/Comments					
Purchase Order Number		Progress Payment ☐	Final Payment ☐	Contract Amount	$
Total Requested	$	Retention	($)	Payment Due	$
Council Approval Number & Date					

Request for: ☐ Requisition (under $10,000)

Request Type: ☐ Goods & Equipment ☒ Fixed Cost Service ☐ Variable Cost Service

I certify that the invoiced described goods or services have been performed as per specifications, and hereby recommend payment.

Reviewed by / Date		Approved by / Date	

Fund	Department	Account	Description	Project	Amount
2101	6204	601436	LIHTF	D0626	$
2101	6201	601445	FEAC	D0731	$
2101	6201	601436	FEAC	D0731	$
2101	6201	601445	DOE	D0737	$
2101	6201	601436	DOE	D0737	$
5205	6289	701012	HELP	W9044	$
2101	6201	601436	LIHEA	D0733	$
2101	6201	601436	ARRA	D0735	$
2101	6203	601436	HOME	D0557	$
2101	6203	601436	HOME	D0580	$
2101	6203	601436	HOME	D0597	$
2101	6204	601436	LIHTF	D0618	$
				TOTAL PAYMENT AMOUNT DUE	$

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING JANUARY 24, 2011 RAC-005

SUBJECT	A Resolution of the City of Henderson Redevelopment Agency Approving the Assumption Agreement to Recognize DR Horton, Inc. as a Permitted Successor to the HOF FINANCIAL I, LLC OPA (Cornerstone RDA)
PETITIONER	Economic Development/Redevelopment Division of the City Manager's Office
RECOMMENDATION	Ratify Adoption

FISCAL IMPACT:

[x] No Impact [ ] Budget funds available [ ] Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

On November 16, 2004, the Agency entered into an Owner Participation Agreement (OPA) with Ladera Residential, LLC (Ladera) to redevelop 42.87 acres near Interstate 215 and Stephanie in the Cornerstone redevelopment project area. On September 30, 2009, Agency staff received a letter from HOF Financial I, LLC (HOF) stating that as Ladera's lender, they were forced to complete a non-judicial foreclosure when Ladera defaulted on their development loans and are now the owners of 104 unfinished lots of the 137 original Ladera parcels. HOF was approved by the RDA Board as a Permitted Successor and executed an Assumption Agreement. DR Horton Homes of Nevada, Inc. (Horton) is acquiring eighty-one parcels in the Ladera Villas Unit 1 project.

Article 1, Section 1.1, Permitted Successors of the OPA requires that the Agency Board approve Permitted Successors (any successor transferee of the Property or any portion thereof). Further, Permitted Successors shall execute such instruments as Agency deems reasonably appropriate to reflect the terms and conditions of the OPA. A Permitted Successor shall be subject to all the provisions and obligations of the OPA with respect to Property acquired by such Permitted Successor.

Horton is requesting to be approved as a Permitted Successor and staff is recommending approval.

RECOMMENDED MOTION:

I move to ratify adoption of the Assumption Agreement to recognize DR Horton Homes of Nevada, Inc. as a Permitted Successor to the HOF Financial I, LLC OPA.

Supporting Documentation:

Resolution consisting of one (1) page
Assumption Agreement to Owner Participation Agreement (Horton/Agency) consisting of five (5) pages

RESOLUTION NO.
(ASSUMPTION AGREEMENT TO OWNER PARTICIPATION AGREEMENT)

A RESOLUTION OF THE CITY OF HENDERSON REDEVELOPMENT AGENCY APPROVING THE ASSUMPTION AGREEMENT TO RECOGNIZE DR HORTON, INC. AS A PERMITTED SUCCESSOR TO THE HOF FINANCIAL I, LLC OPA (CORNERSTONE RDA).

WHEREAS, the City of Henderson Redevelopment Agency (the "Agency") and Ladera Residential, limited liability company (the "Original Participant") executed an Owner Participation Agreement (the "Agreement") to provide for the development and improvement of the Project upon the Property, consisting of 42.87 acres near Interstate 215 and Stephanie Street in Henderson, Nevada within the Cornerstone Redevelopment Project Area located within the City, (the "Project"); and

WHEREAS, HOF Financial (HOF) acquired the Property by Trustee's Deed Upon Sale on April 23, 2009, as recorded among the land records of Clark County, Nevada on April 29, 2009 in Book 20090429 as Instrument No. 02247; and

WHEREAS, HOF became a Permitted Successor and entered into an Assumption Agreement with the Agency on December 18, 2009; and

WHEREAS, On December 15, 2011, DR Horton, Inc. (Horton) provided notification to the Agency that it intends to acquire eighty-one (81) parcels in the Ladera Villas Unit 1 project; and

WHEREAS, Horton has requested to be recognized as a Permitted Successor and enter into an Assumption Agreement pursuant to the terms hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the City of Henderson that the Assumption Agreement to the Owner Participation Agreement in substantially the form attached hereto as Exhibit A and incorporated herein by reference is hereby approved.

END OF RESOLUTION

ASSUMPTION AGREEMENT TO OWNER PARTICIPATION AGREEMENT

THIS ASSUMPTION AGREEMENT TO OWNER PARTICIPATION AGREEMENT (this "**Assumption**") dated as of _____, 2012, by and between **DR HORTON INC.**, a Delaware corporation ("**Horton**"), and the **HENDERSON REDEVELOPMENT AGENCY**, a public body corporate and politic ("**Agency**", and together with Richmond American, the "**Parties**").

RECITALS

A. Agency and Ladera Residential LLC, a Nevada limited liability company ("**Original Participant**"), entered into that certain Owner Participation Agreement (the "**Original OPA**") dated as of November 16, 2004, to provide for the development and improvement of the Project upon the Property, consisting of 42.87 acres near Interstate 215 and Stephanie Street in Henderson, Nevada within the Cornerstone Redevelopment Project Area pursuant to the Redevelopment Plan. Capitalized terms have the meanings set forth in the OPA, or as otherwise set forth in this Assumption;

B. HOF Financial I, LLC, a Delaware limited liability company ("**HOF Financial**") acquired the Property by Trustee's Deed Upon Sale on April 23, 2009, as recorded among the land records of Clark County, Nevada on April 29, 2009 in Book 20090429 as Instrument No. 02247, and assumed the rights and obligations of the Original OPA, as amended pursuant to Amendment to Owner Participation Agreement dated January 28, 2010 (collectively with the Original OPA, referred to herein as the "**OPA**"), as a successor holding fee simple title to the Property;

C. HOF Financial has entered into a contract to sell portions of the Project known as Ladera Villas Duplex - Unit 1 and Ladera Villas Duplex - Unit 2 (collectively referred to as "**Ladera Villas**") as more particularly described on Exhibit "A" attached hereto, to Horton; and

D. Horton has requested, and Agency has agreed, to recognize Horton as a Permitted Successor to Original Participant with respect to the portions of Ladera Villas to which title will be transferred to Horton, pursuant to the terms hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Permitted Successor. Agency hereby recognizes Horton as a Permitted Successor to the OPA as to the portions of Ladera Villas transferred to Horton effective upon such transfer to Horton, provided that the Agency expressly reserves all claims and causes of action against HOF Financial arising in connection with their respective obligations under the OPA covenants, obligations, conditions and restrictions with respect to the Property and Improvements not transferred to Horton.

2. Transferee Subject to All Conditions of Agreement. Horton, as a transferee of portions of the Property or Improvements comprising the Ladera Villas, prior to the issuance and recordation of the Certificate of Completion for the Private Improvements or the Completion of the Public Improvements located on that portion of the Property transferred, agrees to be subject to all of the Conditions of Approval and conditions of approval required in connection with future approvals for the Project or the development of the Property with respect to the portions of the Property transferred to Horton, and effective upon such transfer(s) hereby assumes the covenants, obligations and restrictions of the OPA which pertain to such portion of the Property and Improvements transferred. Horton, for itself and its successors and assigns, hereby expressly assumes all of the covenants and obligations of Participant under the OPA pertaining to the Property and the Improvements, or portions thereof, which are transferred and agree to be subject to all of the conditions and restrictions to which Participant is subject as they pertain to such Property and the Improvements or applicable portion thereof. Notwithstanding the foregoing, the Horton assumption shall not relieve HOF Financial as Participant from its obligations under the OPA covenants, obligations, conditions and restrictions with respect to the Property and Improvements not transferred.

3. Precondition to Future Transfers. Under no circumstance may Horton's interest in the Property be transferred, and Agency shall not consent to any such Transfer, except as set forth in OPA Sections 5.3, 5.4 and 5.5 and unless and until the proposed transferee agrees to pay all of Participant's outstanding obligations, if any, as described in Section 4.4 of the OPA. Agency acknowledges and agrees that a Transfer under Section 5.3 of the OPA shall not include the sale of residential units in Ladera Villas for use and occupancy to consumer homebuyers.

4. Further Agreements. The Parties agree to enter into further agreements as necessary to carry out the intent of this Assumption.

5. Notices. Any notice by one party to the other party shall be, in writing, by telegram or facsimile transmission or shall be deemed to have been properly given when personally served, or seventy-two (72) hours after deposit in the United States mail, postage fully prepaid, registered or certified mail, return receipt requested, addressed to such party as follows:

AGENCY: City of Henderson Redevelopment Agency
240 Water Street
Henderson, NV 89015
Attn: Redevelopment Manager

RICHMOND AMERICAN: DR Horton Inc.
330 Carousel Parkway
Henderson, NV 89014
Attn: Director of Land Acquisitions

6. Entire Agreement. This Assumption is the total agreement by and between the parties hereto and supersedes any and all prior agreements written or oral, between the parties regarding the transfer of Horton's interest under the OPA. Each party acknowledges and represents that it is relying on no representations by the other party other than those expressly set forth in this Assumption. This Assumption may not be amended or modified except by a subsequent written agreement signed by both parties. This Assumption shall be recorded in the official records of Clark County, Nevada.

Signatures on following page

IN WITNESS WHEREOF the Parties have executed this Assumption as of the date hereinabove set forth.

DR HORTON, a Delaware corporation

By: _____
Bradley Burns
Division President

HENDERSON REDEVELOPMENT AGENCY, a public body, corporate and politic

By:_____
Mark T. Calhoun, P.E.
Executive Director

ATTEST:

By:_____
Sabrina Mercadante, CMC
Agency Secretary

Approved as to form:

By:_____
Josh Reid,
Agency Counsel

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

I, _____, a Notary Public in and for Clark County, in the State of Nevada, do hereby certify that _____ appeared before me this day in person and acknowledged that he signed, sealed and delivered this instrument as his free and voluntary act for the use and purposes herein set forth.

Given under my hand and official seal this ____ day of _____, 2012.

_____
Notary Public

My Commission Expires: _____

EXHIBIT "A"

LADERA VILLAS

PARCEL 1:

That portion of the North Half (N 1/2) of the Southeast Quarter (SE 1/4) of Section 16, Township 22 South, Range 62 East, M.D.M., City of Henderson, Clark County, Nevada, more particularly described as follows:

Lots 1 through 30 and Lots 60 through 110 of the Final Map of Ladera Villas – Unit 2 as recorded in Book 132, Page 36 of Plats, Official Records, in the Office of the Recorder, Clark County, Nevada.

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION
AGENDA ITEM

REGULAR MEETING JANUARY 24, 2012 RAC-006

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

FISCAL IMPACT:

[x] 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.

Staff is recommending adoption of the following financial management policy statements:

1. Appropriation Carryover
2. Transfer of Budget Appropriations
3. Limit Mid-Year Adjustments
4. Revenue Estimates for Budgeting
5. Revenue Sources
6. User Fees
7. Administrative Service Charges

RECOMMENDED MOTION:

I move to recommend adoption of Redevelopment Financial Management Policies for: Appropriation Carryover, Transfer of Budget Appropriations, Limit Mid-Year Adjustments, Revenue Estimates for Budgeting, Revenue Sources, User Fees, and Administrative Service Charges.

Supporting Documentation:

Redevelopment Financial Management Policy Statements consisting of eleven (11) pages

CITY OF HENDERSON REDEVELOPMENT AGENCY

FINANCIAL MANAGEMENT POLICY STATEMENTS

ADOPTED: AUGUST 16, 2011

REVISED:

100/BUDGET
01 – Budget Time Period and Type 1
02 – Budget Calendar and Instructions..... 2
03 – Budget Reporting 3
04 – Appropriation Carryover..... 4-5
05 – Transfer of Budget Appropriation..... 6
06 – Limit Mid-Year Adjustments..... 7
07 – Revenue Estimates for Budgeting 8

200/REVENUES
01 – Revenue Sources 9
02 – Revenue Projections..... 10
03 – User Fees 11
04 – Administrative service Charges 12

300/EXPENDITURES
01 – Current Funding Basis 13
02 – Avoidance of Operating Deficits 14
03 – Periodic Program Review 15
04 – Purchasing 16
05 – (Save for future use)
06 – Redevelopment Financial Assistance Due Diligence 17

400/FUND BALANCE/NET ASSETS
01 – (Save for future use)
02 – Financial Stabilization Fund Balance 18

500/LOANS
01 – Loan Committee 19
02 – Loan Defaults 20-21
03 – Write Offs..... 22

600/DEBT

700/INVESTMENTS

800/INTERGOVERNMENTAL RELATIONS
01 – Interlocal Cooperation in Service Delivery 23
02 – Legislative Initiatives 24
03 – Monitor and Participate in Statewide Redevelopment Activities 25

900/GRANTS

1000/FISCAL MONITORING

01 – Financial Status Reports and Annual Audited Financials 26

1100/FINANCIAL CONSULTANTS

1200/ACCOUNTING, AUDITING AND FINANCIAL REPORTING
01 – Conformance to Accounting Principles 27
02 – Selection of Auditors 28
03 – (Save for future use)
04 – Fund Balance Classification 29

1300/INTERNAL CONTROLS
01 – Fiscal Signature Authority 30
02 – Separation of Duties 31
03 – Proper Recording 32
04 – Access to Assets and Records 33
05 – Internal Control Evaluation 34
06 – Returned Checks 35
07 – Costs and Benefits 36

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 City's Budget Manager for recommendation to the Agency's Treasurer 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: (Insert Date of Adoption Here)

CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY

POLICY NUMBER: 100-05 CATEGORY: BUDGET

SUBJECT: **Transfer of Budget Appropriations**

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

The Agency should process a budget transfer request form anytime a shortfall is anticipated in a line item. Transfers should include sufficient resource to cover all anticipated expenditures for the remainder of the fiscal year.

The Agency shall follow the Annual Budget Preparation Handbook published by the City of Henderson.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY

POLICY NUMBER: 100-06 CATEGORY: BUDGET

SUBJECT: **Limit Mid-Year Adjustments**

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

The Agency shall limit mid-year adjustments, which circumvent the normal budget process and pose a risk to long-range financial planning. The development of the business plan and the integration with resource allocation should reduce the number of mid-year adjustments needed. The mid-year adjustments that will be allowable through this policy will be in the event that the Agency experiences a significant change within its business practices that would adversely affect the composition of the current adopted budget. All modifications to the budget will adhere to the established Annual Budget Preparation Handbook published by the City of Henderson.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY

POLICY NUMBER: 100-07 CATEGORY: BUDGET

SUBJECT: **Revenue Estimates for Budgeting**

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 maintain a stable level of services, programs and redevelopment initiatives, the Agency shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenue. This approach should reduce the likelihood of actual revenues falling short of budgeted estimates during the year and should avoid mid-year expenditure reductions.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY

POLICY NUMBER: 200-01 CATEGORY: REVENUES

SUBJECT: **Revenue Sources**

SCOPE

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

PURPOSE

To design, maintain and administer a revenue system that will assure sufficient revenue stream to support the Agency's efforts.

GUIDELINES

The Agency's primary source of revenue is Tax Increment revenue – property taxes collected from property owners in a redevelopment project area above the base year assessments. The Agency shall actively seek alternative revenue sources to further assist in maintaining a balanced budget while attempting to accommodate redevelopment efforts. Those sources include, but are not limited to: interest, lease revenue, and grants.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY

POLICY NUMBER: 200-03 CATEGORY: REVENUES

SUBJECT: **User Fees**

SCOPE

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

PURPOSE

To design, maintain and administer a revenue system that will assure sufficient revenue stream to support the Agency's efforts.

GUIDELINES

For services that benefit specific users, the Agency shall collect fees to recover the costs of those services. The Agency shall use the fee structure established by the City of Henderson. Where feasible and desirable, the Agency shall seek to recover full direct and indirect costs. The City of Henderson reviews user fees every two years to calculate the full cost recovery levels, compares them to the current fee structure, and recommends adjustments where necessary.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

CITY OF HENDERSON REDEVELOPMENT AGENCY
FINANCIAL MANAGEMENT POLICY

POLICY NUMBER: 200-04 CATEGORY: REVENUES

SUBJECT: **Administrative Service Charges**

SCOPE

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

PURPOSE

To design, maintain and administer a revenue system that will assure sufficient revenue stream to support the Agency's efforts.

GUIDELINES

The Agency shall establish a method to annually determine the administrative service charges for overhead and staff support due the Administrative Fund from the specific Redevelopment Project Area Funds. The Agency shall examine the existing methodology of administering the service charges on a regular basis to determine if modifications to the formula would better serve the cost recovery mechanism for administrative services.

HISTORY

Redevelopment Agency Board Adopted: (Insert Date of Adoption Here)

RAC

REDEVELOPMENT AGENCY ADVISORY COMMISSION AGENDA ITEM

REGULAR MEETING JANUARY 24, 2012 RAC-007

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

FISCAL IMPACT:

[x] No Impact [ ] Budget funds available [ ] Augmentation required

BACKGROUND / DISCUSSION / ALTERNATIVES:

This is an update provided to the Redevelopment Agency Advisory Commission of new and ongoing projects and business activity within the four redevelopment areas.

RECOMMENDED MOTION: I move to 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 January 10, 2012:

I. CORNERSTONE REDEVELOPMENT AREA

- Shortfall Note
- HOF Financial Properties

Projects

- Diamond Cornerstone
- Ladera Parcels
- Loretto Bay

II. DOWNTOWN REDEVELOPMENT AREA

Projects

- 323 Water Street
- Business Recruitment Marketing Team:
    - Staff created holiday "Buy Local" posters, which were placed in the kiosks along Water Street over Christmas/New Year holidays.
- City Tower (Southeast corner of Lake Mead Parkway and Water Street): Create Comprehensive Development and Business Recruitment Incentive Packages
    - Downtown Investment Strategy (DTIS): A near-final version of the draft DTIS Update has been delivered from Graphics.
- Downtown Power Need
- Emergency Assistance Loan
- Former Asset Central Site
- Former Parkline Site: Staff will be recommending that the interest due on the Advance from the City for the Parkline Properties to the Land Fund be deferred for September 2012 until the sale of the property. Currently, the advance is much greater than the value of the property and the Agency is anticipating another decrease in TI Revenue in FY13. Further, staff is researching with CAO whether the interest can toll for the remainder of the advance to maturity (sale of the property) with the current interest due being added to the principal. Regardless of the sales price of the property, the Agency would owe the original principal plus interest from the last interest payment in 2010 to the date of RDA approval this year.
- Henderson Hyundai
- Historic Walking Tour
- Increase Curb Appeal
- Targeted Façade Improvement: (19 Water St.)
- Lake Mead Crossing
- Marketing the Water Street District Team
- Marketing To Developers, Business Owners & Consumers

- Outreach
- Parking Signs
- Phase III Improvements
- Pinnacle Building
- Residential Development Team: A second meeting for the Strategic Residential Development Opportunities Council has been scheduled. UNLV anticipates a draft version of the market analysis should be delivered within the coming days. Development pipeline and foreclosure maps are being developed.
- Senior Center/Pacific Pines
- Social Gathering Space Team
- Shurtleff Building (38 S. Water Street)
- Site A (SW corner of Victory and Water)
- The Meridian (155 S. Water Street):
    - Staff attended the foreclosure auction for the Meridian; however, the auction was postponed until February 9. Staff will be contacting the bank to gather additional information.
- Townhouse Motor Lodge
- Urban Lounge
- Water Street District Business
- Water Street District Business Association
- Water Street Phase III

Programs

- Façade Improvement Program

III. EASTSIDE REDEVELOPMENT AREA

Projects

- Bifurcation: Meyers Nave report is expected on 1/17.
- Business
- Eastside Business Coalition: The first meeting was held on January 5. Owners discussed goals and objectives for the coalition.
- Landwell/Cadence (Cadence):
- Museum Site-95/Galleria
- Union Village
- Wells Park:
    - The fencing around the Boys and Girls Club has been installed as well as the new fencing around the basketball court. The exercise equipment has been delivered to the site and the pads are being prepared to have the apparatus installed.
    - The splash pad has begun to be installed. The nozzles have been installed and the contractor will begin making the connections. The contractor has completed pouring the pedestrian plaza and is beginning work on the parking lot. The new shade structures for the pool are being prepared to be installed. The new tables, benches, game tables, trash receptacles, and BBQ pits for the park have been delivered and are being placed throughout the park. The contractor is within 30 days of their proposed completion date.

Programs

- Façade Improvement Program
- Sign Grant Program

IV. TUSCANY REDEVELOPMENT AREA

- OPA
- Reimbursement
- Semi-Annual Payment

V. LAKEMOOR CANYON

VI. ADMINISTRATION / ALL AREAS

- Audit:
- Bonds
- Business License Counts
- Homeowner Assistance Program:
    - Staff continues working on loan modification requests.
- NDC:
    - Staff is working with NDC on Economic Development Finance 101 training to be held on February 7 at the Henderson Convention Center. RAC members, Finance and RDA staff, and redevelopment/economic development staff from other local governmental entities have been invited. To date, approximately 30 invitees have RSVP'd to attend. NDC will provide the training as part of their contract and at no additional cost to the Agency.
    - Staff has scheduled a meeting with NDC to discuss partnerships with local financing institutions to develop a checklist for potential borrowers. In late January and early February, staff will meet with representatives of Chase, Wells Fargo, and others to begin drafting the checklist.
- Outreach:
- Revenue