

# CARSON CITY BOARD OF SUPERVISORS

## Minutes of the February 17, 2011 Meeting

Page 1

DRAFT

A regular meeting of the Carson City Board of Supervisors was scheduled for 8:30 a.m. on Thursday, February 17, 2011 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

**PRESENT:** Mayor Robert Crowell  
Supervisor Karen Abowd, Ward 1  
Supervisor Shelly Aldean, Ward 2  
Supervisor John McKenna, Ward 3  
Supervisor Molly Walt, Ward 4

**STAFF:** Larry Werner, City Manager  
Alan Glover, Clerk - Recorder  
Randal Munn, Chief Deputy District Attorney  
Kathleen King, Deputy Clerk / Recording Secretary

**NOTE:** A recording of these proceedings, the Board's agenda materials, and any written comments or documentation provided to the Clerk during the meeting are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

### **1 - 4. CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE**

(8:30:25) - Mayor Crowell called the meeting to order at 8:30 a.m. Mr. Glover called the roll; a quorum was present. Supervisor McKenna arrived at 8:45 a.m. Shepherd of the Sierra Lutheran Church Pastor Norm Milz provided the invocation. Bud Souther led the pledge of allegiance.

**5. ACTION ON APPROVAL OF MINUTES - January 20, 2011 (8:32:37) - Supervisor Aldean noted a few typographical errors, and moved to approve the minutes, subject to the corrections. Supervisor Abowd seconded the motion. Motion carried 4-0.**

**6. ADOPTION OF AGENDA (8:33:02) - Mayor Crowell modified the agenda to address item 26 at approximately 11:30 a.m. He entertained additional modifications to the agenda and, when none were forthcoming, deemed it adopted.**

**7. PUBLIC COMMENTS AND DISCUSSION (8:34:00) - Mayor Crowell entertained public comment. (8:34:33) Emily Sermac discussed concerns regarding rising prices relative to her decreased fixed income. She expressed concern over a "credit card, carte blanche, for a 400-car parking garage for the Nugget. Let the Nugget pay for their own parking garage." She expressed the opinion that the learning center should be located at Carson High School rather than a "casino parking lot."**

(8:36:06) Lona White expressed concern over citizens who are unemployed, underemployed, retired, and on fixed incomes. "Because many of you do not want to rein in spending, I'm going to have to and I can hardly find any place to cut." In reference to the recent increases to the water and sewer bills, she advised that she pays \$75 per month "for water in the winter ... The whole bill is nothing but taxes, fees, and surcharges and that is unconscionable." She discussed concerns regarding how to decrease her expenses in consideration of a potential property tax increase. She stated, "Never in the history of the world has raising taxes revitalized the economy. The economy is people, struggling businesses, people that are just trying to get by. Taxes destroy people ..." She referred to the City Center project as "a boondoggle we don't want and ... can't afford." She expressed the opinion that "these kinds of projects always go over

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 2**

**DRAFT**

budget,” and that “down the road ... you’ll be ... trying to figure out some more innovative ... ways to raise taxes ...” She suggested exempting citizens with low incomes from property tax. Mayor Crowell entertained additional public comment; however, none was forthcoming.

**8. CONSENT AGENDA (8:39:20)** - Mayor Crowell entertained requests to hear items separate from the consent agenda. When none were forthcoming, he entertained a motion to adopt the consent agenda. **Supervisor Aldean moved to adopt the consent agenda, consisting of one item from the Assessor’s Office, one item from Public Works, one item from the City Manager’s Office, one item from the Clerk-Recorder’s Office, two items from Purchasing and Contracts, and one item from Finance. Supervisor Walt seconded the motion.** Mayor Crowell entertained comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 4-0.**

**8-1. ASSESSOR - ACTION TO APPROVE THE REMOVAL OF A PORTION OF THE TAXES FROM PARCEL NUMBER 004-045-01, 1215 EAST FIFTH STREET, FROM THE 07 / 08, 08 / 09, 09 / 10, AND 10 / 11 REAL PROPERTY TAX ROLL, PURSUANT TO NAC 361.0655(4) AND NRS 361.765, IN THE AMOUNT OF \$912.08**

**8-2. PUBLIC WORKS DEPARTMENT - ACTION TO ACCEPT A RIGHT-OF-WAY GRANT, SERIAL NUMBER NVN 087468, FROM THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, AUTHORIZING THE CITY TO CONSTRUCT, OPERATE, AND MAINTAIN A SEDIMENTATION BASIN ON PUBLIC LANDS LOCATED AT THE NORTHEAST CORNER OF THE INTERSECTION OF SOUTH EDMONDS DRIVE AND VALLEY VIEW DRIVE**

**8-3. CITY MANAGER - ACTION TO RATIFY THE APPROVAL OF BILLS AND OTHER REQUESTS FOR PAYMENT BY THE CITY MANAGER FOR THE PERIOD OF JANUARY 12, 2011 THROUGH FEBRUARY 8, 2011**

**8-4. CLERK - RECORDER - ACTION TO ACCEPT THE ANNUAL RECORDER’S TECHNOLOGY FUND REPORT, AS SUBMITTED BY THE CLERK - RECORDER**

**8-5. PURCHASING AND CONTRACTS**

**8-5(A) ACTION TO AMEND CONTRACT NO. 0910-201, ENGINEERING SERVICES FOR THE ROBINSON STREET TRANSMISSION MAIN PROJECT WITH MANHARD CONSULTING, LTD, TO INCREASE THE SCOPE OF WORK TO INCLUDE THE DESIGN FOR VISTA GRANDE BOOSTER PUMP STATION AND WATERMAIN IMPROVEMENTS, VISTA GRANDE BOULEVARD, OLD CLEAR CREEK ROAD, AND BUTTI WAY RECONSTRUCTION IMPROVEMENTS, AND TO EXTEND THE CONTRACT TERMINATION DATE TO OCTOBER 1, 2011, AND TO INCREASE THE CONTRACT AMOUNT FROM \$284,750.00 TO \$456,207.50 FROM THE REGIONAL PIPELINE PROJECT AND E / W TRANSMISSION, WATER FUND ACCOUNTS, AS PROVIDED IN FY 2010 / 2011**

**8-5(B) ACTION TO AMEND CONTRACT NO. 0910-203, ENGINEERING SERVICES FOR THE SAW MILL CANYON PIPELINE AND WATER DELIVERY PROJECT WITH BLACK AND VEATCH, TO EXTEND THE CONTRACT TERM, INCREASE THE SCOPE OF WORK TO INCLUDE FINAL TANK AND PIPELINE DESIGN SERVICES, QUARTERLY**

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 3**

**DRAFT**

**STATUS REPORTING TO THE ENVIRONMENTAL PROTECTION AGENCY, AND TO INCREASE THE CONTRACT AMOUNT FROM \$397,841.00 TO \$597,670.00 FROM THE WATER FUND ACCOUNT, AS PROVIDED IN FY 2010 / 2011**

**8-6. FINANCE DEPARTMENT - ACTION TO ACCEPT THE REPORT ON THE CONDITION OF EACH FUND IN THE TREASURY THROUGH FEBRUARY 8, 2011, PURSUANT TO NRS 251.030**

**9. RECESS BOARD OF SUPERVISORS (8:40:17)** - Mayor Crowell recessed the Board of Supervisors at 8:40 a.m.

**LIQUOR AND ENTERTAINMENT BOARD**

**10. CALL TO ORDER AND ROLL CALL (8:40:21)** - Chairperson Crowell called the Liquor and Entertainment Board to order at 8:40 a.m. Mr. Glover called the roll; a quorum was present, including Member Furlong. Member McKenna arrived at 8:45 a.m.

**11. PUBLIC WORKS DEPARTMENT, BUSINESS LICENSE DIVISION**

**11(A) ACTION TO APPROVE KRISTI PATTISON AS THE LIQUOR MANAGER FOR BRUGO'S PIZZA CO., LIQUOR LICENSE NO. 11-27496, LOCATED AT 3228 NORTH CARSON STREET, CARSON CITY (8:40:52)** - Chairperson Crowell introduced this item. Principal Planner Jennifer Pruitt reviewed the agenda materials, noting staff's recommendation of approval. Chairperson Crowell called for Ms. Pattison or her representative; however, no one was forthcoming. Ms. Pruitt acknowledged that Ms. Pattison had been informed of the requirement to appear before the board. She further acknowledged that Brugo's is presently open for business. Chairperson Crowell noted the importance of the applicant's appearance before the board. In response to a question, Ms. Pruitt advised that the management agreement between Ms. Pattison and the previous owner would allow for postponing the subject item for a period of two weeks.

Chairperson Crowell entertained a motion to postpone this item for two weeks. **Member Aldean so moved. Member Walt seconded the motion.** Chairperson Crowell entertained discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.** (8:48:33) At Ms. Pruitt's request, Chairperson Crowell called again for Kristi Pattison. No one was forthcoming.

**11(B) ACTION TO APPROVE DALE MICHAEL BARCOMB AS THE LIQUOR MANAGER FOR 7-ELEVEN STORE #22629, LIQUOR LICENSE NO. 11-27361, LOCATED AT 3701 NORTH CARSON STREET, CARSON CITY (8:43:27)** - Chairperson Crowell introduced this item. Ms. Pruitt provided background information, reviewed the agenda materials, and noted staff's recommendation of approval.

Chairperson Crowell invited the applicant to the podium. (8:44:16) Mr. Barcomb introduced himself and his wife, Denise, for the record. Chairperson Crowell thanked the Barcombs for their investment in Carson City. In response to a question, Mr. Barcomb advised that he and his wife have purchased the subject 7-Eleven Store. In response to a further question, he advised that they have owned and operated the 1445 Geiger Grade Road 7-Eleven Store for nearly the last ten years. In response to a further question, he reviewed the 7-Eleven Stores training, policies, and procedures relative to preventing sales of alcohol to

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 4**

**DRAFT**

minors. [Member McKenna arrived at 8:45 a.m.] Sheriff Furlong advised that more and more businesses are taking responsibility for in-house compliance checks, and thanked the Barcombs.

Chairperson Crowell entertained additional board member comments or questions and, when none were forthcoming, a motion. **Member Walt moved to approve Dale Michael Barcomb as the liquor manager for 7-Eleven Store #22629, liquor license #11-27361, located at 3701 North Carson Street, Carson City. Member Abowd seconded the motion.** Chairperson Crowell entertained discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.** Chairperson Crowell thanked the Barcombs for their investment in Carson City.

**12. ACTION TO ADJOURN LIQUOR AND ENTERTAINMENT BOARD (8:49:02)** - Chairperson Crowell adjourned the Liquor and Entertainment Board at 8:49 a.m.

**13. RECONVENE BOARD OF SUPERVISORS (8:49:04)** - Mayor Crowell reconvened the Board of Supervisors.

**ORDINANCES, RESOLUTIONS, AND OTHER ITEMS**

**14. ANY ITEM(S) PULLED FROM THE CONSENT AGENDA WILL BE HEARD AT THIS TIME (8:49:11)** - None.

**15. FINANCE DEPARTMENT - DISCUSSION AND POSSIBLE ACTION TO DIRECT STAFF TO USE THE “ALLOWED” PROPERTY TAX RATE, AS DETERMINED BY THE DEPARTMENT OF TAXATION FOR USE IN PREPARING THE CARSON CITY FY 2012 BUDGET (8:49:19)** - Mayor Crowell introduced this item, and inquired as to whether any Board members or members of the public wished to raise property taxes. When no one was forthcoming, he entertained a motion to leave the property tax rate as is. Finance Department Director Nick Providenti requested the Board’s approval of “scenario 1, which changes it very slightly for some of the items that aren’t exactly in our control. Basically, for the regional juvenile facility and for the Carson groundwater basin and the Eagle Valley groundwater basin, it changes it from 3.0899 cents to 3.0909 cents ... It doesn’t change any of the operating rates. It just changes some of the rates that we collect ...” He acknowledged the requested change would be compliant with statute.

Mayor Crowell entertained a motion. **Supervisor Abowd moved to keep taxes in place with the exception that the adjustment be made for scenario 1, as presented by Nick Providenti. Supervisor Aldean seconded the motion. Motion carried 5-0.**

**16. PUBLIC WORKS DEPARTMENT, PLANNING DIVISION - ACTION TO PRIORITIZE THE COMMUNITY DEVELOPMENT BLOCK GRANT (“CDBG”) PROJECT FUNDING FOR FY 2011 - 2012, AND TO OPEN A 30-DAY PUBLIC COMMENT PERIOD, FROM MARCH 1 TO MARCH 30, 2011, FOR REVIEW OF THE CARSON CITY DRAFT CDBG 2011 - 2012 ANNUAL ACTION PLAN TO IMPLEMENT THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (“HUD”) CDBG PROGRAM (8:51:28)** - Mayor Crowell introduced this item. Planning Division Director Lee Plemel introduced CDBG Program Administrator / Management Assistant Janice Brod, and reviewed the agenda materials in conjunction with a PowerPoint presentation. He thanked the Application Review Work Group for the time invested in the prioritization process. In response to a

# CARSON CITY BOARD OF SUPERVISORS

## Minutes of the February 17, 2011 Meeting

### Page 5

**DRAFT**

question, he provided background information on the recommended action, as outlined in the staff report. He reviewed the Application Review Workgroup Recommendations, which was displayed in the meeting room and copies of which were included in the agenda materials. He reiterated that each applicant was interviewed by the Application Review Workgroup at their meeting on January 25, 2011. The applicants were invited to attend and provide comment and answer questions.

Supervisor Abowd disclosed a past affiliation with the Ron Wood Family Resource Center relative to The Greenhouse Project, that she serves as a member of the Big Brothers Big Sisters Think Tank Board, and that her husband serves as a member of the RSVP Board. At her request, Mayor Crowell invited CDBG Application Review Workgroup Member Tom Keeton to the podium. Mayor Crowell thanked Mr. Keeton for his community service. (9:03:54) In response to a question, Mr. Keeton provided a detailed overview of the review, ranking, interview, and recommendation process. Supervisor Aldean expressed concern over redundancy and the corresponding potential for diluting resources. In response to a question, Mr. Keeton advised that the Application Review Workgroup did not consider redundancy. In response to a further question, he advised that the Community Counseling Center had presented no information relative to program success rates. He discussed the Application Review Workgroup preference for programs to become self-supporting.

Supervisor McKenna inquired as to Mr. Keeton's opinion of the Application Review Workgroup process. Mr. Keeton expressed the opinion that the process "works pretty well the way it is. The evil part is how much money is there to divide." He discussed the importance of the applicants presenting data and information relative to program successes and shortcomings. He responded to questions of clarification relative to the funding which is spent in Carson City.

In response to a question, Ms. Brod advised that the application was revised last year based on training she attended. Supervisor Aldean suggested amending the application to inquire as to whether and how much of the funding will be spent in Carson City. Mr. Keeton described the conscientious and objective nature of the Application Review Workgroup members. In response to a question, Mr. Plemel advised that the exact allocation will be known after Congress passes the bill. Mr. Keeton provided additional background information. Mr. Plemel advised of having been informed of an expected 7.5 percent reduction. In response to a question, Supervisor Aldean clarified her suggestion to amend the application "to reflect some of the questions that are typically asked during the interview process so the applicants have an opportunity to provide that information up front rather than being asked to address it at the time of the interview. ... it gives them additional notice that this information is important and needs to be provided prior to the time they're interviewed." In response to a question, Mr. Plemel expressed confidence that "where there was a question that what they're asking from Carson City's allocation is to be used in Carson City of the applicants that submitted." Mayor Crowell thanked Mr. Keeton for his attendance and participation.

Mr. Plemel advised that all the applications meet the CDBG plan objectives. He specifically thanked the two housing organizations for submitting applications, noting HUD's recent focus on fair housing. He advised that CDBG staff is responsible to ensure Carson City is compliant with requirements. He further advised of no recommendation from staff different than that provided by the Application Review Workgroup. Supervisor Aldean suggested the appropriateness of the applicants answering questions of the Board. Mr. Plemel responded to additional questions of clarification relative to the 30-day public review process and the Application Review Workgroup's recommendation.

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 6**

**DRAFT**

Mayor Crowell entertained public comment. (9:27:17) Community Counseling Center Administrator Mary Bryan introduced Community Counseling Center Board President Scott Schick and Community Counseling Center Director of Outpatient Services Brandy Hartline. (9:27:45) Mr. Schick provided background information on the Community Counseling Center's application "to continue the drug and alcohol services that are actually a necessity to this community." He requested the Board's "discernment around the application process itself and the objectivity of the application process and also reconsidering a reasonable share of this fund to support the Counseling Center." In response to a question, Mr. Schick explained that anyone can receive services at the Community Counseling Center, "but the core of the Community Counseling Center is ... right here in Carson City." He estimated 90 to 95 percent of the funds are spent in the community. In response to a question, Ms. Bryan advised that an application is always submitted for community support services grant funding. She further advised that "the City also really assists our residential facility by providing very low rent and utility payment for our 20 beds." She suggested that Mr. Werner could translate the figures to value. She further advised that the public health nurse provides clients with on-premises blood testing. Mr. Schick acknowledged the value of every CDBG applicant, and discussed the stress on the community due to the current economic times. He reiterated a request for "a proportionate share ... to keep the system moving and keep the contributions of the counseling center to the community and the other agencies that it serves and the people of Carson City."

Supervisor Aldean requested Ms. Bryan to address recidivism. Ms. Bryan referenced the application included in the agenda materials, and advised of never having "lied to anybody about the results of treatment ..." She further advised that the State of Nevada attempted to track the recidivism rate between 10 and 15 years ago "and they couldn't do it because some of the clients disappear. So we have a question of how many clients drop out immediately after receiving an assessment and being [told], 'You have a serious problem. You need to address it.'" Ms. Bryan estimated 10 to 15 percent of assessed clients "disappear; we never see them again. But of the 85 percent who stay for treatment, probably 80 percent of those ... find employment, don't get arrested again, re-establish a relationship with somebody, go back to school, somehow are less a burden on the taxpayers." Ms. Bryan clarified that her information was relative "through the point that we stop seeing them and the Sheriff can tell you the rest of the details." Ms. Bryan requested the Board members to review the materials distributed to the Board members and the Clerk which included letters of support. Mayor Crowell acknowledged the Application Review Workgroup's difficulty in providing a recommendation in consideration of the Community Counseling Center's value to the community.

(9:35:12) In response to a previous question, Big Brothers Big Sisters Carson Office Supervisor Carol Scott advised that "100 percent of the funds that we have asked for ... goes to the Carson City office. So it's only for the Carson City program, to expand that program." She advised of having been asked by Carson City School District teachers to expand the program. "We get ... at least 3 to 5 referrals a week from teachers and our program currently just covers children of prisoners." Supervisor Aldean reiterated concern over redundancy, noting similar programs through the Boys and Girls Clubs of Western Nevada and Western Nevada College. In response to a question, Ms. Scott advised that 20 percent of Carson City children live under the poverty level. She noted that all programs "are trying to reach the children ... under the poverty level, who are at risk for behaviors, going to prison, juvenile services. It takes about \$1,000 per year to serve one of our children and it takes about \$2,600 to incarcerate them." She referred to the mentoring center program, and explained the "continued match support" between the two organizations. She advised that the Big Brothers Big Sisters program is 109 years old. In response to a question, Ms. Scott advised that support services and resources are made available to the parents. She clarified that the parents are not

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 7**

**DRAFT**

specifically involved in the “matches. ... This is a one-on-one mentoring program and we do encourage the Bigs to make the arrangements with the parents. The parents have to approve the activities as well as Big Brothers Big Sisters but we don’t have them involved in the family. The mentor is a one-on-one with the child. We really don’t want them to be involved in the family situation. We want to them to take care of their Little.” Mayor Crowell thanked Ms. Scott, and noted the value of the Big Brothers Big Sisters Program.

(9:38:59) Nevada Rural Counties RSVP Program Director Janice Ayres advised “we’re the only program in Carson City that is doing the respite care ... and the home companion program at no charge to the persons receiving this.” She further advised that the U.S. House of Representatives is attempting to pass a “continuing resolution for 2011 that will do away with all senior corps programs ... The rest is up to the legislature this session that’s trying to sweep all the tobacco money. That will put us out of business entirely.” Ms. Ayres reviewed statistical information relative to the importance of respite care. She requested “\$20,000 if you can spare it because we are hanging by our teeth to see if we’re going to exist.” She advised that “we can keep a senior home for about \$600 a year. If you have to institutionalize that senior, it could cost you ... anywhere from \$75,000 to \$100,000.” Ms. Ayres described the RSVP Home Companion Respite Care Program as “an essential service, not something that’s just nice to have or it’s good ...” She reiterated the request for additional funding, if available. Mayor Crowell thanked the RSVP Program on behalf of the community’s senior population.

(9:43:11) Ron Wood Family Resource Center Executive Director Joyce Buckingham distributed to the Board members and the Clerk a Reach Up! Program fact sheet, and provided an overview of the same. In response to a question, Ms. Buckingham discussed partnerships between the Ron Wood Family Resources Center and other community service organizations. In response to a further question of clarification, she discussed the “very healthy social work internship program from UNR,” and advised of having “been lucky enough in the past to be able to hire each one of these individuals to actually come to work for us.” Supervisor Abowd commended the Reach Up! Program and, in response to a question, Ms. Buckingham reviewed the ratio of service personnel to clientele. In response to a question, Ms. Buckingham clarified that the Ron Wood Family Resource Center serves “70,000 individuals with all services ... in a year’s time.” Mayor Crowell provided direction with regard to receiving public testimony. Ms. Buckingham further clarified that the Ron Wood Family Resource Center “in all of our services ... work[s] with Carson City, Lyon County, Storey County, and Douglas County. For this particular program, for the Carson City funding, 99 percent of the youth, under this particular grant, are Carson City youth.” Ms. Buckingham advised of having served 851 young people since 2007 with this grant money.

(9:51:03) Darcy Houghton advised that she is an estate planning attorney. In reference to Ms. Ayres comments, Ms. Houghton advised of seeing “day after day the financial consequences of not having respite care.” Ms. Houghton expressed the opinion that “there’s a public cost in a very short time line when we don’t have respite care.” She expressed the further opinion that people being able to “age at home” is “significantly cheaper on our community than the having the alternative.”

(9:52:30) John Andersen expressed appreciation for the Board’s action relative to item 15. He expressed shock “to see Big Brothers Big Sisters here this year.” He estimated that “we’ve been doing mentoring through the Boys and Girls Clubs for 11 years now ...” He advised of having referred people to the Community Counseling Center.

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 8

DRAFT

Mayor Crowell entertained additional public comment and, when none was forthcoming, Board discussion. Supervisor Aldean commended the worth of all the applicants, and admitted to “a bit of a bias” toward “home grown institutions.” She expressed the opinion that the Boys and Girls Clubs mentoring program, in coordination with WNC, is very successful, and recommended reallocating the \$16,500 to the Community Counseling Center. Supervisor Abowd expressed agreement and discussed the value of the Ron Wood Family Resource Center, the RSVP Home Companion program, and the Community Counseling Center. She recommended allocating \$38,000 to the Ron Wood Family Resource Center, \$20,000 to the RSVP, and \$13,500 to the Community Counseling Center. Supervisor Walt discussed statistical information from a recent Partnership Carson City meeting, and suggested considering a streamlined process between the CDBG grant program and the City’s community support services grant program. She expressed agreement with Supervisor Aldean’s recommended allocations.

Mayor Crowell entertained additional Board member comments and, when none were forthcoming, additional public comment. (9:59:36) Toookie Johns advised of having lived in the community for over 30 years, and of having “quite a few family members as well as friends that have been on drugs.” She further advised of a son, a nephew, and a brother “that for the last few years have been fine.” She related anecdotal information, and stated “because of the services that you had here in Carson City, I have three successes in my family.” She thanked the Board and noted the importance of available community services.

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to approve the Community Development Block Grant project funding priorities for FY 2011 - 2012, as presented by staff and as amended by the Board to allocate \$38,000 to Ron Wood Family Resource Center, \$16,500 to RSVP, and \$16,500 to the Community Counseling Center; and to open a 30-day public comment period from March 1 to March 30, 2011 for review of the Carson City draft CDBG 2011 - 2012 annual action plan to implement the CDBG Program. Supervisor Walt seconded the motion.** Mayor Crowell entertained discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.** In response to a previous comment, Mr. Plemel advised that the community support services grant applications are due February 23<sup>rd</sup>. He agreed with the need to coordinate the two grant application processes. Mayor Crowell thanked the organization representatives for their attendance and participation.

**17. RECESS BOARD OF SUPERVISORS** (10:02:54) - Mayor Crowell recessed the meeting at 10:02 a.m.

### REDEVELOPMENT AUTHORITY

**18. CALL TO ORDER AND ROLL CALL** (10:23:48) - Chairperson Aldean called the Redevelopment Authority to order at 10:23 a.m., noting the presence of a quorum.

**19. OFFICE OF BUSINESS DEVELOPMENT - ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS ADOPTION OF A POLICY TO PHASE OUT THE USE OF SALES TAX REIMBURSEMENT INCENTIVE AGREEMENTS** (10:23:57) - Chairperson Aldean introduced this item. Planning Division Director Lee Plemel provided background information and reviewed the agenda materials. He responded to questions of clarification relative to the June 30<sup>th</sup> deadline. Chairperson Aldean further clarified the policy to not offer incentives to relocate businesses from Lyon and Douglas Counties into Carson City.



**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 9**

**DRAFT**

Mr. Plemel acknowledged the possible action to terminate the incentive program rather than phase it out. He provided background information on the recent incentive offered to a property owner “so maybe it’s fair to offer a similar program to others before phasing it out. And, with the vacancies left, to try and stimulate some new businesses coming into the City before phasing it out.” He acknowledged that the subject action establishes a deadline to terminate the incentive program. He clarified that if the deadline is extended beyond today, “that doesn’t commit sales tax until they actually bring in new tenants and fill it and generate sales tax within the next year. It’s possible that somebody could enter into an agreement and not be able to fill the space and then the agreement would go away.” Vice Chairperson Abowd emphasized that the Redevelopment Authority will be “redefining redevelopment and defining ... infrastructure ...” in the near future. She expressed the opinion that the 15-year period “seems long.” Chairperson Aldean provided background information on the utilization of the incentive as collateral in order to finance improvements.

In response to a question, Mr. Plemel advised that the Carrington Company and the Carson Quail Park properties representatives have expressed an interest in pursuing redevelopment incentive funding. Member Crowell expressed support for phasing out the incentive program. In consideration of regional issues, he discussed the importance of having developed a relationship with adjacent counties “to compete for business based on quality of life issues and not dollar issues.” Member McKenna expressed a preference to terminate the program within the month, and concern over more certainty relative to future revenues. Mr. Plemel noted that, as drafted, the policy indicates 15 years “or a period otherwise established by the [Redevelopment Authority] based on the particular circumstances of the agreement.” Chairperson Aldean acknowledged the flexibility.

Chairperson Aldean entertained public comment. (10:40:41) Carol Howell expressed resentment over “the whole idea of the tax refund,” after having “owned several businesses in the past ...” “But at the same time, in today’s economy, why would we stop an incentive for businesses to come into Carson City, possibly increase employment and services and not offer that to companies of four, five, six employees regardless of the square feet that they occupy. If you’re going to give it to the Burlington Coat Factories and the Big Lots!, why aren’t we incentivizing the small business people to come to Carson City?” She inquired as to the length of the Burlington Coat Factory lease. Chairperson Aldean explained “there was no sales tax sharing in connection with Burlington. That was a flat amount of money that was paid as an incentive for Burlington to locate in the old Wal-Mart building.” She advised that the subsequent agreement, signed with Mr. Rothe, involved Big Lots! and Big 5 Sporting Goods which are the two other anchors at the Southgate Shopping Center. She explained the philosophy to attract larger retailers in order to subsequently attract the infill.

(10:44:29) Joann Holmes, representing the Carrington Company, owner and manager of the Carson Mall, introduced herself for the record. She expressed appreciation for the opportunity to apply for incentive program funding. She noted the currently vacant anchor store at the Carson Mall, and discussed the intent to fill it “which would provide 60 to 80 jobs, bring in the revenue and, at the same time, ... help our small tenants.” She agreed with the commercial real estate philosophy that large anchor stores attract, and assist in the prosperity of, small retailers. In response to a question, she advised that the Carrington Company is ready to apply for the incentive funding. She further advised of having been in contact since last August.

Chairperson Aldean entertained additional public comment and, when none was forthcoming, a motion. **Member Crowell moved to adopt the draft policy, as presented, with a change to the language**

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 10**

**DRAFT**

relative to the time frame being up to 15 years, subject to consideration of each individual application; 15 years being the maximum time frame, but it can be less. Vice Chairperson Abowd seconded the motion. Motion carried 5-0.

**20. ACTION TO ADJOURN REDEVELOPMENT AUTHORITY (10:46:56)** - Member Crowell moved to adjourn the Redevelopment Authority meeting at 10:46 a.m. Vice Chairperson Abowd seconded the motion. Motion carried 5-0.

**21. RECONVENE BOARD OF SUPERVISORS (10:47:11)** - Mayor Crowell reconvened the Board of Supervisors at 10:47 a.m.

**22. OFFICE OF BUSINESS DEVELOPMENT - ACTION TO ADOPT THE POLICY TO PHASE OUT THE USE OF SALES TAX REIMBURSEMENT INCENTIVE AGREEMENTS (10:47:21)** - Mayor Crowell introduced this item, noting it as the companion to the preceding Redevelopment Authority item. He entertained public comment and, when none was forthcoming, incorporated the previous comments. He entertained a motion. **Supervisor Abowd moved to adopt the policy to phase out the use of sales tax reimbursement incentive agreements pursuant to the previously established conditions. Supervisor Walt seconded the motion. Motion carried 5-0.**

**23. PARKS AND RECREATION DEPARTMENT, OPEN SPACE DIVISION - ACTION TO AUTHORIZE STAFF TO COMMUNICATE TO THE BUREAU OF LAND MANAGEMENT, THE STATE OF NEVADA INDIAN COMMISSION, AND THE BOARD OF SUPERVISORS CONCURRENCE WITH REPAINTING THE "S" AT PRISON HILL (10:48:18)** - Mayor Crowell introduced this item. Open Space / Property Manager Juan Guzman introduced State of Nevada Indian Commission Executive Director Sherry Rupert and reviewed the agenda materials. In response to a question, Mr. Guzman advised of no reason not to approve the item.

(10:49:17) Ms. Rupert reviewed historic and current activities information regarding the Indian Commission and the Stewart Indian School. In response to a question, she explained that the BLM permit provides for the right-of-way to paint the "S" this year and to maintain it thereafter.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to authorize staff to communicate to the Bureau of Land Management and the State of Nevada Indian Commission the Board of Supervisors' concurrence with the repainting of the "S" located at Prison Hill. Supervisor Walt seconded the motion. Motion carried 5-0.**

**24. PARKS AND RECREATION DEPARTMENT - ACTION TO APPROVE A NEW STRATEGY FOR THE PROPOSED INDOOR RECREATION CENTER WHICH INCLUDES THE CONSTRUCTION OF A MULTI-PURPOSE ATHLETIC COMPLEX AS THE FIRST PHASE OF THE PROJECT (10:56:11)** - Mayor Crowell introduced this item. Parks and Recreation Department Director Roger Moellendorf introduced Park Planner Vern Krahn and reviewed the agenda materials in conjunction with a PowerPoint presentation, copies of which were distributed to the Board members and the Clerk prior to the start of the meeting.

In response to a question, Mr. Moellendorf expressed a preference to remain with the current consultant. "He's got a long track record and he specializes in design of these types of facilities. We've been working

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 11**

**DRAFT**

with him for about five years on this project, if not longer.” In consultation with Mr. Werner, Mr. Moellendorf advised of a preference for a low-bid form of delivery service for construction of the facility. Mayor Crowell discussed the importance of hiring local contractors. Mr. Moellendorf responded to questions of clarification relative to the track availability and accessibility. He acknowledged that the proposed facility satisfies the Question #18 requirement for a community gymnasium. Supervisor Abowd agreed with Mayor Crowell’s comments relative to hiring local contractors. She expressed concern over adequate spectator space and parking relative to future recreation center opportunities. Mr. Moellendorf discussed the consultants’ recommendation for “anywhere from about 100 and 107 parking spaces.” A joint use agreement would be entered into with the Boys and Girls Clubs of Western Nevada with the hope to use some of their parking. He noted that many of the City-programmed activities would take place during the weekend. He pointed out, on a displayed graphic, an area with the potential to accommodate “spill over parking.” Based on consultation with several sources and a specification manual, he discussed the recommendation for approximately 250 seats per full-sized gymnasium. In consideration of the number of spectators who usually attend indoor soccer events, Mr. Moellendorf suggested the possibility of “a little bit more of a management issue as far as controlling the seating and the amount of people in attendance in the facility.” Supervisor Walt related anecdotal information regarding a recent indoor soccer event she attended in Sparks. She further related the comments and action taken by the Parks and Recreation Commission relative to this item, and discussion followed.

Supervisor Walt discussed reservations over the narrowness of the proposed youth indoor soccer facility. Mr. Moellendorf expressed a willingness to consider expanding the width of the facility, noting associated costs. In response to a comment, he advised that the dimensions of the proposed facilities are “within the range of the FIFA standards.” He reiterated a willingness to consider expanding the width. In reference to the previous indoor recreation center design, Supervisor Aldean noted the annual operating deficit of \$180,792 “which the Board, at that time, deemed unacceptable.” In response to a question, Mr. Moellendorf advised of having only cursorily considered the anticipated revenues to offset the operating costs. He reiterated that a joint use agreement and a joint use operating agreement with the Boys and Girls Clubs of Western Nevada will be considered “to help pay for the portion of ... the operation of this facility, particularly for the times when the Boys and Girls Clubs would be operating the facility.” He advised of the need to consider other ways for generating revenues. He responded to additional questions regarding gymnasium operations and staff, and discussion followed. Supervisor Aldean expressed a preference to consider 100 percent cost recovery. Mr. Moellendorf noted “one of the trade offs that we have with this type of facility as opposed to a ... comprehensive indoor recreation center is that ... you don’t have quite as many revenue generating possibilities with this. You don’t have climbing walls, you don’t have an aerobic area, you don’t have a strength training area that really draw a lot of people on a continuous basis into a facility. So, the one drawback to this is it doesn’t quite have the revenue-generating capabilities that an indoor recreation center would have.” Supervisor Aldean encouraged creativity, and suggested considering the \$120,000 allocated annually to the Boys and Girls Clubs to assist with maintenance costs. In consideration of recent discussions with Mr. Moellendorf and Mr. Werner, she expressed a preference to remain open-minded about the subject item being the first phase of a larger project. She noted the importance of the City fulfilling its “philosophical commitment to the Boys and Girls Clubs in terms of providing gym space.” She was uncertain as to the subject location being appropriate for an indoor recreation center, and requested the maker of the motion to so indicate. She expressed the opinion “we need to preserve our options,” noting she is the only Board member who had participated in those discussions. She expressed a preference to revisit the issue, and requested a commitment from staff to do so. Mr. Moellendorf assured the Board that prior to considering development of an indoor recreation

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 12

DRAFT

center, the matter would be again addressed through the public process. He further assured the Board that the subject action allows the flexibility for using the site “as an indoor recreation center. It doesn’t commit you to using that site ...”

In response to a further question, Mr. Moellendorf advised that no new revenue will be required for construction of the subject facility. “Currently, we have \$6 million budgeted for a multi-purpose gym that we’ve been earmarking for the recreation center.” Supervisor McKenna inquired as to what would happen to the funding “if we do nothing.” Mr. Moellendorf suggested the funds could conceivably be used for another purposes, but clarified “it would have to be within ... the confines of the Quality of Life initiative.” Mr. Werner advised that the \$6 million is bond proceeds and would “have to be used for something along the Q18 guideline.” In response to a question, Mr. Moellendorf advised that all of the Recreation Division’s youth and adult sports are 100 percent direct cost recovery. He clarified there are indirect, overhead costs that aren’t included.

Mayor Crowell entertained additional Board member questions or comments and, when none were forthcoming, public comment. (11:36:20) Joe Crowdis inquired as to volleyball courts. Mr. Moellendorf advised that, as a multi-purpose athletic facility, “there will be volleyball courts lined out with the basketball courts and the soccer courts.” He acknowledged that the proper hardware will be included in the floors and explained the color coding associated with each sport. Mr. Crowdis expressed support for the project.

(11:37:05) Carol Howell inquired as to the source of the \$6 million. Mayor Crowell explained that the source of the funding was the 1/4 cent sales tax initiative passed by the voters as Question #18 in 1996. He reviewed the allocation of revenues between open space, parks and recreation, and maintenance. He acknowledged that the \$6 million is earning interest. Finance Department Director Nick Providenti responded to questions regarding the associated bonds issued in 2006 / 07. He acknowledged the accuracy of Mr. Moellendorf’s previous statement that “the project was put on hold ... about two years ago when we realized we weren’t going to be able to fund the \$12 million rec center.” In response to a question, Mr. Moellendorf advised that the proposed facility would cost approximately \$4.5 million. “We’d have enough funds to build this phase, but then, at that point, we’d have to take a look and see what the economy does, what sales tax revenue does, or maybe look at some other funding mechanisms if the decision was to go forward with the comprehensive recreation center in the future. When that would happen ... would be anybody’s guess at this point.” In response to a question, Mr. Moellendorf anticipates that citizens would use the proposed facility. He advised that “the only thing we’re limited right now from expanding our current programs is lack of gym space. And, as mentioned earlier in this presentation, there’s a large segment ... particularly of teenagers, that we’re not servicing. This would give us the ability to service the youth, expand our adult ... and our youth programs.” Mr. Moellendorf expressed the opinion that the facility would be well used. He advised that the school facilities are generally not available to the public during weekends.

(11:40:07) Boys and Girls Clubs of Western Nevada Administrator Hal Hansen expressed full support for the proposed facility, and looks forward to discussions “about helping pay for some of those expenses.”

Mayor Crowell entertained additional public comment and, when none was forthcoming, a motion. **Supervisor Walt moved to approve a new strategy for the proposed indoor recreation center which includes the construction of a multi-purpose athletic complex, with consideration given to expanding**

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 13**

**DRAFT**

**the square footage of the facility to accommodate larger fields, spectatorship, and adequate parking. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion and, when none was forthcoming, a vote on the pending motion. **Motion carried 5-0.** Mayor Crowell thanked the Parks and Recreation Department staff, and advised of having recently met with representatives of a new business considering relocation to Carson City. “Top on their list is quality of life issues.”

**25. DISTRICT ATTORNEY - ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING THE CARSON CITY MUNICIPAL CODE, TITLE 2, ADMINISTRATION AND PERSONNEL, CHAPTER 2.35, FEES ON COURT ACTIONS TO SUPPORT PRO BONO PROGRAMS AND TO PROVIDE LEGAL SERVICES TO ABUSED OR NEGLECTED CHILDREN OR VICTIMS OF DOMESTIC VIOLENCE, BY CHANGING THE NAME OF CHAPTER 2.35 TO FEES ON COURT ACTIONS TO SUPPORT PROGRAMS FOR LEGAL AID, PRO BONO PROGRAMS, AND TO PROVIDE LEGAL SERVICES TO ABUSED OR NEGLECTED CHILDREN OR VICTIMS OF DOMESTIC VIOLENCE, AND BY AMENDING SECTION 2.35.010, FEES IN DISTRICT COURT, AND BY AMENDING SECTION 2.35.020, FEES IN JUSTICE COURT, TO PROVIDE FOR PAYMENT OF FEES TO ONE OR MORE ELIGIBLE ENTITIES, AND BY AMENDING SECTION 2.35.030, COLLECTION - PAYMENT TO TREASURER, TO PROVIDE FOR PRO-RATA PAYMENT OF FEES TO ELIGIBLE ENTITIES, AND OTHER MATTERS PROPERLY RELATED THERETO (11:43:15) -** Mayor Crowell introduced this item, and Mr. Munn reviewed the agenda materials. In response to a question, Mr. Munn advised of no good reason to not pass the ordinance on first reading. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. Supervisor Aldean advised of typographical errors and that she would provide the same to Mr. Munn. **Supervisor Aldean moved to introduce, on first reading, Bill No. 102, an ordinance amending the Carson City Municipal Code, Title 2, Administration and Personnel, Chapter 2.35, Fees on Court Actions to Support Pro Bono Programs and to Provide Legal Services to Abused or Neglected Children or Victims of Domestic Violence, by changing the name of Chapter 2.35 to Fees on Court Actions to Support Programs for Legal Aid, Pro Bono Programs, and to Provide Legal Services to Abused or Neglected Children or Victims of Domestic Violence, and by amending Section 2.35.010, Fees in District Court, and by amending Section 2.35.020, Fees in Justice Court, to provide for payment of fees to one or more eligible entities, and by amending Section 2.35.030, Collection - Payment to Treasurer, to provide for pro-rata payment of fees to eligible entities, and other matters properly related thereto. Supervisor Walt seconded the motion. Motion carried 5-0.**

**26. CITY MANAGER - ACTION TO AUTHORIZE THE CITY MANAGER TO NOTIFY, IN WRITING PURSUANT TO NRS 260.010, THE STATE PUBLIC DEFENDER OF THE BOARD’S INTENT TO ESTABLISH ITS OWN COUNTY PUBLIC DEFENDER, EFFECTIVE JULY 1, 2011 (11:42:30) -** Mayor Crowell acknowledged the possibility of testimony from the District and Justice Court judges, the prosecutor, and the public defender. He assured everyone that “nobody is making a recommendation on taking sides in the delicate balance we have between the prosecution and the defense when we get to justice issues.” At Supervisor Aldean’s request, he first addressed item 25. (11:46:15) Mayor Crowell referenced his previous comments, introduced this item, and requested Mr. Werner to specifically discuss the timing of the subject item, whether the Board’s action could be revisited, and analysis of the impact of Carson City establishing its own county public defender. Mr. Werner provided background information and reviewed the agenda materials.

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 14**

**DRAFT**

In consideration of the imposed time frame and the potential impact, Supervisor Abowd expressed the opinion that the judges should be consulted. In response to a question, Mr. Werner expressed uncertainty as to sufficient time to do so. He further advised of having intended to provide notice by March 1<sup>st</sup> and that, under the contract, the City is entitled to service until July 1<sup>st</sup>. He anticipated having time between those two dates “to make some kind of determination ... some kind of a phase in, phase out ... some kind of a reasonable approach ...” He advised of discussions with both Judges Russell and Wilson, and acknowledged their cautions. Supervisor Aldean discussed her research into the matter, and expressed appreciation for staff’s diligence in considering money-saving methods. She expressed a preference for negotiated contracts with attorneys who are willing to provide the necessary services for a fixed price. Mr. Werner suggested the possibility of considering the matter over the next two-year period. In reference to *Gideon v. Wainwright*, Mayor Crowell discussed effective assistance to counsel. He expressed the opinion that the community and the court system have an obligation to provide a system of justice that is fair and balanced where people feel they have adequate access regardless of income.

(11:56:22) In response to a question regarding “the numbers,” Court Administrator Maxine Cortes advised that each case is different and that the case management system, sponsored through the Administrative Office of the Courts, is very limited in consideration of extrapolating figures. She discussed her research into the number of cases filed and the number of cases disposed of within a certain amount of time. “However, because a case is filed today doesn’t mean it necessarily may be adjudicated within that year. ... It’s very hard to extrapolate concise numbers of ... cases that are going to be handled within a fiscal year.” She suggested discussing statistical information with “those experts ... that do that and gather their input.”

Mayor Crowell inquired as to any citizen wishing to comment on possible termination of the public defender contract. When no one was forthcoming, he entertained comments from the District Court and Justice Court judges who were present in the meeting room. He advised of having reviewed Judge Wilson’s letter which was signed by all the judges, and entertained a motion to consider the matter over the period of the two-year contract. **Supervisor Abowd moved to consider the matter of private contracting for the public defender, but not to authorize the City Manager to take action today. Supervisor McKenna seconded the motion.** Supervisor Aldean suggested the Public Defender is “well aware of how counties are struggling,” and that, as a result of these negotiations, “we can reduce our current costs but still provide adequate defense.” Mayor Crowell suggested that the pending motion translates to “everybody sharpen your pencils, from the D.A. to the P.D. to the courts.” Supervisor McKenna thanked the judges and court personnel for their attendance and participation. Mayor Crowell entertained comment from the judges and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.**

**27. BOARD OF SUPERVISORS NON-ACTION ITEMS:**

**STATUS REVIEW OF PROJECTS** (12:03:50) - Mr. Werner acknowledged that the City Center project would be reviewed at 2:00 p.m.

**INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS** - None.

**CORRESPONDENCE TO THE BOARD OF SUPERVISORS** - None.

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 15**

**DRAFT**

**STATUS REPORTS AND COMMENTS FROM BOARD MEMBERS (12:04:17)** - In reference to a recent Convention and Visitors Bureau Board meeting, Supervisor Walt advised of a petition signed by “99 percent of the hotels and motels of Carson City regarding the lodging tax.” She offered to make the petition available to anyone interested, and reminded everyone that the lodging facilities “brought this to the Board of Supervisors. It wasn’t the CCCVB. It didn’t go through the CCCVB.”

Mayor Crowell advised that he and the City Manager recently appeared before the Assembly Government Affairs Committee to provide an overview. He expressed the opinion that the presentation was well received. He further advised of having made a courtesy call to the new governor last Tuesday morning, and of having spent the evening at the Cops and Kids event with Governor Sandoval and his wife. Governor Sandoval read a paper, at the Cops and Kids event, which he had written in elementary school regarding the benefit of eating dinner with one’s family. Mayor Crowell expressed the opinion that the conversation was not lost on any child in the room. He commended Governor Sandoval’s community involvement. Mayor Crowell advised of several recent meetings with representatives of new businesses.

Supervisor Abowd reported that she and Supervisor McKenna recently attended the Carson Water Subconservancy District Board meeting. Supervisor Abowd discussed Genie Azad’s upcoming trip to Thailand to present information on watershed districts. Mayor Crowell called for additional Board reports and, when none were forthcoming, recessed the meeting at 12:07 p.m.

**STAFF COMMENTS AND STATUS REPORT** - None.

**28. CITY MANAGER - ACTION TO DETERMINE THE CARSON CITY CENTER PROJECT, CONSISTING OF A KNOWLEDGE AND DISCOVERY LIBRARY, A CENTRAL OUTDOOR PLAZA, A PARKING STRUCTURE, OFFICE SPACE, RETAIL SPACE, AND PUBLIC IMPROVEMENTS AND INFRASTRUCTURE IS FINANCIALLY FEASIBLE, AND TO DIRECT STAFF TO NEGOTIATE DESIGN DEVELOPMENT AGREEMENTS WITH P3 DEVELOPMENT, INC. FOR THE PUBLIC PORTIONS (THE KNOWLEDGE AND DISCOVERY LIBRARY, A CENTRAL OUTDOOR PLAZA, A PARKING STRUCTURE, AND PUBLIC IMPROVEMENTS AND INFRASTRUCTURE) OF THE PROJECT (2:00:27)** - Mayor Crowell reconvened the meeting at 2:00 p.m. All members of the Board of Supervisors were present, constituting a quorum. Mayor Crowell introduced this item, and provided direction with regard to public testimony. He disclosed that his brother is a member of the Library Foundation Board and the Friends of the Library, and that he has a law associate who is a member of the Library Foundation Board. He advised of having discussed these disclosures with the State Ethics Commission. There is no financial benefit to either individual and Mayor Crowell advised of the intent to participate in discussion and action of this item. Mayor Crowell further disclosed that he is a downtown Carson City property owner. As advised by the Ethics Commission, he noted that he is “affected no more than anyone else in the downtown area or in Carson City for that matter.” Mayor Crowell entertained additional Board member disclosures. Supervisor Abowd disclosed that she owns property at 1112 North Carson Street. She advised that her property ownership does not affect her any differently than anyone else, and of her intent to participate in discussion and action on this item. Supervisor Aldean disclosed that her company owns property in redevelopment area number 2. Mayor Crowell entertained additional disclosures; however, none were forthcoming.

Mr. Werner provided an overview of the presentation, and narrated the Carson City Center Feasibility Report, which was displayed in the meeting room and copies of which were included in the agenda

# CARSON CITY BOARD OF SUPERVISORS

## Minutes of the February 17, 2011 Meeting

Page 16

DRAFT

materials and available in the meeting room. Library Director Sara Jones narrated that portion of the PowerPoint presentation relative to Library operations and maintenance costs. She invited anyone interested to review the full version of the business and operational plan, available on the City's website. Planning Division Director Lee Plemel reviewed that portion of the PowerPoint presentation relative to parking. Ms. Jones provided anecdotal information relative to the distances from the furthest parking location "across the street at Roop Street to [the Library] entrance" and from the conceivably furthest parking location to the proposed location of the knowledge and discovery center. Mr. Werner reviewed that portion of the PowerPoint presentation relative to the transit hub and the hotel.

(2:32:04) Mae B. Adams Trust and the Hop and Mae Adams Foundation Executive Director Steve Neighbors narrated that portion of the PowerPoint presentation relative to the mission of the trust and the foundation; parking; business incubation and economic development; and Carson Careers, LLC.

Mr. Werner reviewed staff's recommendation. Supervisor Aldean inquired as to the possibility of phasing the project. "... since there is no guarantee that the private portion of this project will move forward anytime soon," she inquired as to the necessity of spending "nearly \$8 million on a parking structure which is a quarter of the total cost." Mr. Werner explained that constructing the knowledge and discovery center "and ... leave everything at surface parking, when you go to build the office space, then you've taken out all of the parking available back there because you can't build the office space without building the parking garage. So ... unless you simultaneously construct parking and the office space at the same time, which drives us down to the point that we think now we want to do it because of the economy, because of the cost of things, and also, logistically, I'm not sure you could do it and then maintain the parking for the library, the Nugget ..." Supervisor Aldean expressed a preference to link development of the parking garage with development of the office buildings and the hotel, thereby reducing project costs "going into this by \$8 million and reduce our exposure and financial liability ... that's something that might appeal to people." Mr. Werner advised of having analyzed the possibility and "we can't make it work with multiple pieces being constructed at the same time. So if you do it later, again, you still end up really impacting the available parking that you can use. ... you lose the parking that's available from the Plaza, the knowledge and discovery center, and then when you go to construct the office, you lose all of that parking and, at that time then, you have to have some place for those people to go. The only place to go to is a parking structure and it's not there. So then you end up disrupting that parking while you build the parking structure. It won't work. We've gone through those scenarios at Public Works, with our engineers and with the design engineers and we can't make it work that way." Additional discussion followed, and Public Works Department Director Andrew Burnham advised of "serious concerns about not having adequate parking if we're using up a lot of the other parking for these other uses. ... remember, we're using all of the land that's currently parking for the Nugget as a part of the project so if you're taking away parking that they need in order to survive and then if you have to build a parking garage on top of that at the same time, they have no place to park and keep their business open for a year while you're building the parking garage. There's some big timing issues that would be ... very difficult for the casino." Supervisor Walt advised of concerns relative to parking by the restauranteurs to the west of the Nugget parking lot. Supervisor Aldean reiterated concern over constructing a parking garage "for a project that may ultimately never be completed, ... because there's no commitment ... from P3 to build the hotel or to build the two office buildings in which case we will have an abundance of parking that may never be fully utilized."

In consideration of the downtown redevelopment area expiring in 20 years, February 5, 2031, Supervisor Aldean inquired as to the 30-year lease commitment. Mr. Werner explained "that's why we kept it at



**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 17**

**DRAFT**

\$500,000 a year. ... half a million dollars out of a \$60 million budget, you lose it in the averages so we don't see that as being an issue." He expressed the hope that it will ultimately not be needed anyway nor will funding need to be allocated from the general fund "because of what will be occurring right in the portion of the project itself. Just general sales tax will start to pick up all of that extra ..." In response to a further question, he discussed the in lieu fee from the developer.

In response to a question, Mr. Burnham advised that Parks and Recreation Department staff has estimated \$27,000 annually to maintain the plaza. Mr. Burnham estimated \$88,000 to maintain the parking garage and advised that both figures will easily be absorbed within the existing budgets. Mr. Werner, Mr. Burnham, and Ms. Jones responded to questions of clarification regarding funding sources. Mr. Werner anticipates that elements of the project will qualify for federal grants, but there is currently no project program funding. He noted that grant funding will significantly reduce the City's portion of the project to be funded over time which, in turn, will reduce the lease payment. Supervisor McKenna inquired as to whether the project funding could be allocated from the general fund. Mr. Werner advised that the 1/8 cent sales tax considers approximately \$800,000 and "our cost estimates are based on ... mid-project or 2015 when we would actually occupy the building. So, by that time, to manage the organization, to consider funding the whole thing from the general fund, you could probably certainly do that. Again, it's just a matter of priorities." Supervisor McKenna expressed a concern relative to the open meeting law, and read into the record the title of the subject agenda item. He suggested, "We can go off on all types of tangents as to whether this or that funding source is where it is and, when the legislature does what the legislature's going to do, it can blow our plans out of the water." He further suggested sticking to "finishes, structures, that sort of thing, we can discuss where the money is going to come from at a later date and I think we should." Mr. Werner reiterated staff's recommendation that the proposed project is "well within the realm of reason and you have several options available to you so that you could probably say, '... go forward,' and we come back with the actual agreements in hand for you to approve those final agreements. At that point, we would definitely have to have a source of funding in mind and we could then have a large discussion of the myriad of funding available."

Mr. Werner acknowledged that the overall financing concept is lease to own. In response to a further question, he advised that there would be no impact to the City's debt rating. He further acknowledged that the worst case scenario has general funding allocated for the lease payments. He further acknowledged that any government lease would include a non-appropriation or some form of anti-default provision. In response to a further question, he expressed the opinion that only using the revenue from the 1/8 cent sales tax or redevelopment funding would be an option. He discussed the intent to establish a revenue stream to pay the lease payment. In response to a further question, he discussed the possibility of extending the lease term without defaulting. In response to a question, Finance Department Director Nick Providenti expressed the belief that the developer will leverage the City's commitment to lease the project over a certain period of time to borrow money. He expressed the belief that the payments will be fairly consistent throughout the life of the lease depending upon the terms. He advised that P3 Development is working with Piper Jaffrey to develop a financing project that will be fairly consistent throughout the 30-year lease. He acknowledged that the City's guarantee is the lease, not a bond, not an indenture, not a debt instrument. He advised that defaulting on the debt would likely affect the City's debt rating. Discussion followed.

Mayor Crowell inquired as to the economic incentive for investment of private funding. (3:13:52) Mike Courtney of P3 Development stated, "making more profit on a project but, in order to do that, we have to have financeable projects." In response to a further question, he advised that the private facilities would

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 18

DRAFT

be financed completely separate from the public portion of the project. In response to a further question, he stated, "They go together ..." The public investment is a "huge draw for private investment to come downtown so the two are linked that way. But, from a pure business deal standpoint, other than the land lease, which we would negotiate separate with the Nugget, there's no link." Mayor Crowell inquired as to the parties who should negotiate the development agreement. Mr. Courtney advised that he has "three clients; the City, the Library Board, and the Foundation and the Trust. It's a complicated relationship between the three parties and, of course, the City is the controlling interest for the public side. ... The public portion is an agreement with the City, a developer, and a financing entity ... And then the City would have a lease for the land with the Foundation and the Trust. On the private side, ... any developer would have a lease with the Foundation and the Trust. And then we would have a relationship with ... a lender and whoever the tenants are." He acknowledged there would be no agreement between the City and a lender. In response to a comment, Mr. Courtney advised of having seen separate maintenance agreements in the past "depending upon how the responsibilities are ultimately negotiated." Mayor Crowell discussed the importance of ensuring that "all these ends are tied up between the obligations of each of the potential parties in this ... so that it's not waiting for something else to come down." Mr. Courtney expressed the belief that all involved parties would want the same thing. In reference to previous comments, Mayor Crowell noted the Board's sensitivity to the economic incentive to private investment in the project. He thanked Mr. Courtney for his attendance and participation.

In response to a question, Mr. Werner advised of the possibility that the City may consider leasing space in the proposed office building "as a separate business deal altogether." He advised of discussions regarding the importance of the City owning the design. "We would need cash up front right away to pay that portion of the project. ... Now that reduces some of the cost we have built into this because that wouldn't necessarily need to be amortized and financed, but as we've talked at staff level, we feel that it's important to us, as the City, to be the owner of those documents. So we would negotiate with P3 to say ... we would pay for the design up front."

In response to a question, Mr. Neighbors commended P3 Development as "a great developer," and advised of having had a "back-up developer in the plan. ... They claim they have this flexibility to be able to put together a lease agreement and a finance plan where there isn't a default. And the default is only if you don't pay the interest portion. ... So whatever the 1/8 cent is is what the lease payment is and if it falls or rises, it affects the maturity of your pay off; when you own the building." Mr. Neighbors expressed the belief that \$80 million is "going to be pumped into this economy through this development over the next three years [and] will create an economic multiplier." Thus, he expressed the belief the City will "own the building a lot quicker." "If, for whatever reason, the world blows up out there or whatever, what we're saying is (1) I know that to be possible based on my conversation with another developer and their finance team and the way they would do it. (2) I was saying that any money that we receive out of the private portion, because the public portion we're giving back to the public. So any money we receive on the private portion will go to the Foundation. The Foundation will then use that to further help education and careers here in Carson City for the youth. If, for some reason, the City can't make that interest payment, then we will let the City use our ... private portion rents, interest free, until such time as your 1/8 cent ... is able to pay us back."

In response to a question, Mr. Werner advised of the need to discuss with P3 Development representatives the possibility for high density residential in the downtown area. "And if there's ways to do things today that facilitate that occurring in the future, we'd certainly want to look at that." Supervisor McKenna

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 19**

**DRAFT**

inquired as to the possibility of including a provision “where we could buy back for the discounted present value of the remaining payments and go out and get our own financing at our rates ...” He expressed concern over not having participated in the negotiations, and inquired as to the Board having the ability to renegotiate. Mr. Werner advised that staff and the consultants will be before the Board “multiple times because there’s going to be pieces interim ... that we’re going to need direction probably from both the advisory committee and the Board to say ... ‘we’re at a crossroads. We need to have some kind of guidance on what to do here.’” In reference to the recycling center at the landfill, Mayor Crowell reviewed the process, as follows: “There’s an opportunity ..., there’s the skeleton of a transaction, and the idea is to negotiate it and then you bring it back ... And the risk of negotiating with ... a government entity is that they could say no and you’re negotiations are gone. But that’s the nature of the game.” Supervisor McKenna inquired as to the possibility of the parties considering a “silence agreement until they come back with the first draft.”

Mayor Crowell entertained additional Board member questions or comments and, when none were forthcoming, public comment. (3:32:14) Doreen Mack, of Lofty Expressions, commended the presentation and the process, and discussed the significance of the opportunity for “a cornerstone business that’s willing to come in and invest in our town and to work with the other businesses to see that we have a strong downtown core.” She emphasized the importance of everyone working together, and expressed support for the project.

(3:33:07) Ron Orvis discussed the importance of separating the private and public portions of the project. He expressed support for “free market capitalism,” and the belief that “if private capital can be raised by the developers to build these hotels, parking lots, media centers, anything else they feel that would benefit this City and, more importantly, make them money, they should do it.” In consideration of the current economy, “the number of empty hotel rooms in this town, the number of empty office buildings in this town, the more than adequate parking that already exists in this town, the number of casinos in this town that are hustling for every buck that comes through here, and the irrefutable demographics,” he inquired as to whether anyone “seriously believ[ed] any free market capitalist would touch this project with a 50-foot pole.” In consideration of the “public side of this thing, if we were in the middle of an economic boom here in Carson City, the coffers are overflowing with cash,” Mr. Orvis expressed the opinion “it would be wonderful to look at some of the public sector aspects of this thing, maybe a new library.” He advised that he visits the library every day, and expressed the opinion that a new library is not necessary. “The demographics are the demographics. Even before this recession, school enrollments were way down in Carson City and what was really happening to Carson City is an influx of fairly affluent retirees. These people create really great jobs. ... There’s lots of opportunity for young people in this town ... and whether we like it or not, this is what has happened to Carson City. Carson City is not now nor is it ever likely to be a significant tourist attraction.” Mr. Orvis expressed the opinion “we should let Carson be what it is, low crime rate, ... very vibrant economy based on what’s happening here, and not go on with some pipe dreams that we’re going to build all this stuff that’s going to take public participation and public taxpayer dollars to do.” He expressed the opinion that the developers wouldn’t be interested in the project without the City’s participation, and suggested allowing them to have the opportunity to do it “if it’s viable. If it’s not, forget it.” He suggested waiting until the economy improves to consider a new library.

(3:37:09) Buzz Harris, representing the Associated General Contractors and the Building Jobs Coalition, provided background information on the mission of both entities to consider ways to improve the community and the state. “And we’re not talking just about construction jobs. We’re talking about those

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 20

DRAFT

that have a future long-term.” Mr. Harris commended the project as very innovative. “To see a public / private partnership take place, a lot of thought that’s gone into it, a lot of consideration of different ideas of financing, the significant amount coming from the private communities.” Mr. Harris expressed strong support for the proposed project and encouraged moving forward as quickly as possible. He expressed the opinion that the “three-year time line seems very reasonable and, in case anybody hasn’t noticed, if you go out and buy a house now ... you can get things at 40, 50, 60 percent of the cost on construction right now.” He expressed concern over the “tremendous talents” that are leaving the community and the state. He reiterated support for the project as an incentive to draw people here.

(3:39:03) Lona White expressed concern over “the burden on the taxpayers. These kinds of projects ... usually do not stay within budget. In a few months or down the road a ways, you will be coming and saying, ‘Oh dear, we don’t have enough money. What are we going to do now to raise more money?’ And inevitably, it will usually ... be a burden on the taxpayers of Carson.” Ms. White expressed the opinion “this is not the economic climate for extra burdens on the taxpayers.” She described her financial situation as “taxed to the limits,” and expressed concern over the project “being ... a rolling snowball and, pretty soon, more and more and more and more money will be called for. You know, a million here and a million there, and pretty soon, you’re talking real money.”

(3:40:06) Maxine Nietz disclosed that she is a member of the Library Board of Trustees, but advised she was testifying as a private citizen. She expressed strong support for a new library, and advised of having “done the research. We need one. The public recognizes that we need one.” She advised that she holds an engineering degree and, in consideration of the plans, expressed concern over adequate parking spaces. She expressed appreciation for the Nugget’s offer to share in the cost of the parking garage, but noted “the parking study does show that the casino and the hotel ... will be utilizing over 96 percent of the parking.” In consideration of fairness, she expressed the opinion that the Nugget should “pay significantly to those aspects.” She inquired as to the method by which the government workers will be kept “out of those parking spaces so that they can be used by library patrons, shoppers, and so forth.” In consideration of the library and the “extensive study,” she advised that “the new library needs to have 60,000 square feet. Consistently, the P3 proposal is talking about 52,000 square feet. Now, they’re including the incubator in that space so the library itself is going to be limited to even less space.” She reiterated the need for a 60,000-square-foot library. In consideration of financing, she inquired as to the “less public agency contribution of \$2.2 million.” Mayor Crowell advised that this will be the City’s contribution toward infrastructure. Ms. Nietz advised of having heard from project representatives “that the 1/8 cent sales tax with the redevelopment money was they would need. ... Now, what I hear today is not only 1/8 cent sales tax and redevelopment, but I also hear general fund monies and I also just heard Mr. Neighbors say that if the 1/8 cent sales tax does not come up with enough money, that’s going to extend the life of those leases until they get the money, the total lease amount that they’re interested in getting over the years. And that’s a direct contradiction of what we were told at Library Board.” Ms. Nietz expressed concern over “P3 suggestion that the City add fees and taxes to the residents through the utility franchise and also it’s recommending that the City funnel future funds for the worker’s compensation fund into this project.” She expressed the opinion that P3 Development providing this type of direction to the City is inappropriate. In consideration of the incubator, she expressed concern over a “level playing field,” and inquired as to how Say Design and Eagle World Media “got that sweetheart deal of free rent without it going out to some kind of a public process.” In consideration of the hotel, she expressed a preference to use the elements of the old Arlington hotel and “honor Carson City’s history which is an important part of our tourism and of our identity as a City and try to incorporate some elements from that façade.” Mayor Crowell advised that the

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 21**

**DRAFT**

issue of taxes and franchise fees is “not on the table. ... Those are potential revenue sources to the City ... but they are not associated with this.” Mr. Werner clarified that the portion of the report to which Ms. Nietz had referred was his and not P3's. “They did not suggest that. That was my suggestion.”

(3:46:05) Carson City Downtown Business Association President Lenny Chappel advised of “60+ businesses” in the CCDBA. He advised that approximately 80 percent of the CCDBA membership was supportive of the project when it was first presented. “As recently as the first week in February, we sat down once again. That figure is now up to 85 percent in favor of this project. So, you’re talking about people who are right down there in the corridor of downtown.”

(3:46:50) Sierra Nevada Association of Realtors CEO Christina Santos expressed support for economic development, jobs and any infusion of economic vitality, especially during these difficult times. She expressed concern over “a glut of vacant commercial space throughout the City including near this proposed project. That said, the Sierra Nevada Association of Realtors has watched and viewed this project with specific interest in potential government subsidy of commercial or residential space that would directly compete with market rate space owned and operated by private property owners.” Ms. Santos noted that “review of the documents provided indicates the commercial space will be privately owned and operated with market rents available to the City and others as tenants.” She inquired as to “how ... the developers envision market rates to be set forth both this part of the project and any additional commercial space that comes on line.”

(3:48:10) Dan Leck inquired as to whether the feasibility study would be available for display in the meeting room. Supervisor Walt advised that the Board members had been provided a paper copy. Mr. Leck inquired as to the “different variables that were used in this study.” He expressed the hope that the City will have a fixed payment starting in 2015. He expressed the opinion that the feasibility study “is very vague from a true feasibility analysis,” and expressed the hope that public meetings will continue to be scheduled. In consideration of the knowledge and discovery center, he inquired as to whether the development will be “turn-key; ... that there are no other ... tenant improvements that will have to be added to that building at a cost to the City.” Mayor Crowell advised that staff was taking diligent notes and that the questions asked during this meeting will be considered. In consideration of the knowledge and discovery center, Mr. Leck inquired as to the reason the City is “building a parking garage that will not only serve the library but provide parking for the Nugget and the office buildings or the hotel. We don’t have that in the private sector. Why are we doing it as a City in this economic time?” In reference to the feasibility study, Mr. Leck inquired as to the time period during which the parking study was conducted. Mayor Crowell expressed the belief it was done within the last two or three months. Mr. Plemel acknowledged the accuracy of the statement. Mr. Leck advised of having reviewed the information relative to the parking study and expressed “serious problems. ... December, in the gaming industry, is one of the lowest months. Also, the gaming industry is experiencing its worst economic downturn in ... maybe the history of gaming.” In consideration of the proposed new office building “and the office standards are ... 1 space per 325 square feet and the market right now shows that we maybe have 25 to 30 percent vacancy,” he inquired as to whether the office building would be allowed “based on that occupancy. ... Historically, ... no. You have to meet that minimum parking ...” Mr. Leck noted that “the Nugget has 92,000 square feet. Gaming requires 1 space per 150 square feet. They have two, three restaurants in there. Restaurants are 1 per 100 square feet. ... And they’ve got offices and storage. They need a minimum, based on just gaming use, of 613 spaces. That exceeds the whole parking garage.” Mr. Leck reviewed current parking at the Carson City Library. In consideration of Ms. Jones’ presentation, he advised of having contacted the

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 22**

**DRAFT**

Durango, Colorado Library maintenance person and inquired as to their parking. Mr. Leck expressed concern over the knowledge and discovery center having insufficient parking when the economy rebounds. He discussed concerns over the location of the elevators in the proposed parking garage in consideration of the distance between the parking garage and the library. He expressed the opinion that the new library will attract young people, and concern over the proximity to the Nugget. In consideration of the feasibility analysis, he discussed concerns relative to the figures associated with the worst case scenario and the feasibility of the project. He distributed to the Board members and the Clerk a document entitled "Feasibility Analysis - (City Bond Passage)," and reviewed the same. Mr. Leck expressed the opinion that the Board "can achieve everything that you talked about that you want today ... if you go to the people and ask for it." He expressed the further opinion that "significant more detail information is needed in order to truly determine the feasibility of the overall project, but prior to selecting P3 Development and this partnership, specific issues need to be addressed, adjustments are warranted to the anticipated higher library operating costs, recognize the need to designate specific parking for the library and its patrons, truly consider discussion whether the knowledge and discovery center is a compatible use with gaming, require a specific detailed breakdown of building and site costs as well as detailed rent calculations based on the City's actual land area that they are going to use. Carson City should not have to pay for parking allocated to the Nugget Casino or two proposed office buildings. We need to see more detailed drawings of the project; where specific that parking garage is, where the elevators are." Based on his analysis, he "seriously recommend[ed]" that the Board "go to the people and ask them to approve this and save better than \$32 million to the taxpayers."

Mayor Crowell recessed the meeting at 4:12 p.m., and reconvened at 4:25 p.m. He disclosed that Buzz Harris, who spoke on behalf of the Associated of General Contractors, is his son-in-law.

(4:26:02) Katherine Cunningham, a member of the Carson City Library Foundation Board, expressed enthusiastic support for the City Center project, describing it as "the single most important investment we can make in our future." She expressed the belief that the "benefits are far reaching economically, educationally, civically. We have a well-loved, very well-used public library and it's served us well for years." Ms. Cunningham expressed the opinion that "today, we have the unprecedented opportunity to build a state-of-the-art knowledge center. This would allow every citizen in Carson City to have access to ... state-of-the-art technology. Plus, it gives our dedicated library staff the ability to provide even better services to our community in a much more efficient way. Because of the partnership with the Hop and Mae Adams Foundation, we're able to avoid two major obstacles that have vexed other communities. One is finding an affordable, well-located location to build such a site and, because of what the Foundation is offering us, we have a centrally-located location. The second obstacle is staying ahead of the curve with technology. ... Again, ... the Foundation is enabling us, ... by returning the rent money to the Library Foundation, ... to have a sustained, continued revenue source to fund technology so that, not only when the building is built will it be state-of-the-art, but we have the ability to keep that technology current through the years." Ms. Cunningham discussed her first-hand experience, as a mother, "how technology transforms the way kids learn and the knowledge center will have a digital media component that will allow kids to learn in ways that we can't even begin to imagine ..." Ms. Cunningham expressed the opinion that the City Center project "is the key to diversifying our economy. ... it will create high paying jobs that we so desperately need and, most importantly, as a mother of two young sons, ... it will give our young professionals the ability to stay in Carson City and donate their time and talents to our community rather than another state."

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 23**

**DRAFT**

(4:28:34) Frieda Ford, disclosed that she is a member of the Friends of the Library Board but advised that her testimony would be as a private citizen. She advised of having lived in Carson City for 43 years, and expressed support for the proposed project. She further advised of having followed the project over a period of years “since first speaking with Sara about the possibility of having a new library.” She expressed appreciation for all the work invested in the proposed project thus far. She encouraged the Board to “go for it,” and described the project as “a life line to bring Carson City out of its severe economic situation at this present time. We are drowning. We need help. To do nothing is not a solution. We will continue in a downward spiral without intervention.” She noted the significance of the “incredible offer” made by Mr. Neighbors as the sole trustee of the Mae B. Adams Trust. She could not imagine “turning down this once-in-a-lifetime opportunity.” She commended Mr. Neighbors’ “actions and contributions over the past year” as evidence of “his good faith intentions and his unfailing vision for Carson City.” Ms. Ford expressed anticipation over “a revitalized downtown with a center redevelopment area to be proud of, a fantastic new knowledge and information center, a digital media complex to make us competitive in the 21<sup>st</sup> century, and much more.” She urged the Board to not “turn down this golden opportunity.”

(4:31:00) Shawn Medole expressed support for the proposed project and encouraged “creative approaches ... to get some more jobs in the area and to stimulate our economy and provide opportunities for our kids.” He acknowledged the concerns expressed, but expressed the personal opinion that “another risk that sometimes everybody isn’t looking at is people in my age group ... need the jobs.” Mr. Medole advised that he has three children and is a native Nevadan. He further advised that his brother was forced to move out of state because of lack of work. He further advised of “several close friends in this age group that ... we have to leave because we have kids to raise. We’re not retired. We don’t have retirement. We have to work.” Mr. Medole requested that, as the risks are considered, “you also need to take into account the risks that if we don’t provide opportunities for our kids coming up and for the people that are here today, that’s going to be detrimental to the community too.” He commended the proposed project as “a really creative solution,” and expressed the opinion that “we need public / private creative solutions to help us get through this.”

(4:32:15) Building Construction Trades Council of Northern Nevada Secretary / Treasurer Paul MacKenzie advised that he represents several thousand workers through his 18 affiliates, “about 50 percent of which are unemployed.” In reference to a recent UNR study relative to the effect of the construction industry on the community, Mr. MacKenzie advised that “every three construction jobs will create one other job and a supporting job in the community.” He suggested that a “project like this and the number of jobs it’ll create will help not only revitalize the construction industry but other portions of the economy in Carson City that are faced with high unemployment due to the economic downturn.” He noted the significance of a “private partner step[ping] forward and is willing to help create a project to revitalize the local economy.” He urged the Board to “not turn down their offer.”

(4:33:15) Sandy Foley advised that she is a retired teacher and currently serves as the vice chair of the Library Board of Trustees. She advised that her husband owns a construction business and that it has been “hard hit.” She further advised that she and her husband own an office building in Carson City, and expressed understanding regarding where a lot of people are coming. She further advised of having always told her students that “life doesn’t always go as we plan for it to go; that it can be messy and that it can be more than a little scary.” She discussed the state of the economy and suggested “life is about being proactive. It’s about not giving up. ... Life is about taking charge of your future rather than letting events control it.” She described the proposed project as “about community, about collaboration, about

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 24**

**DRAFT**

opportunity.” She commended the “rare opportunity to take charge of that future” given by the Nugget, Mr. Neighbors, and the Mae Adams Trust. She noted that “the Nugget is a non-profit organization right now.” She couldn’t imagine anyone not wanting the Nugget to succeed. “If the Nugget succeeds, the money goes back to Carson City just like every business in this town. We want every business to succeed ...” She advised of having read the book *Something of Value* as a teenager, and expressed the opinion “we have this in this project.” “And if we don’t get a 60,000-square-foot library, we’ll take a 52,000-square-foot library if we can get the state-of-the-art and put that digital lab in there and get all of the high tech things that our kids need.” She advised of having taken, from the book *Something of Value*, “that if you don’t have something, if you tear something down, or if you let an opportunity go by, or you ignore something. If you don’t have something of value to put in there, then you probably ought to sort of stay quiet and maybe evaluate the object of value that’s out there.” She requested the Board to consider all the values of the project to Carson City.

(4:37:54) Carpenters Union District Representative Steve Machiko advised that he represents over 1500 carpenter families, many of whom live in the Carson City and surrounding areas. He noted that the union members raise their families in this community and “if it wasn’t good for this community, we wouldn’t be here today speaking on behalf of our members.” He commended the Board for “being proactive and displaying true leadership at a time that it’s desperately needed in our community.” He expressed support for moving forward with this project. In consideration of the 14 percent unemployment statistic, he advised that construction unemployment is “over 50 percent. We’ve got our members that are losing their homes, that have lost their homes, that ... no longer have unemployment. But it’s not all about jobs. This project will provide some temporary jobs for construction because that’s what we’re used to. Everything we do is we have a job until we’re done building it. But the permanent jobs that come afterwards so that their family members have a place to be employed. And our guys have been out there trying to find any kind of work. There’s no work to be found.” Mr. Machiko commended the City’s and P3 Development’s due diligence in completing the feasibility study and finding “this project financially feasible and recommend moving forward with the ... project.” He urged the Board to proceed with the next step and negotiate for the design and development for the City Center project.

(4:39:50) Gary Landry advised that he is a resident of Carson City and provided detailed information on his education and employment experience. He expressed the opinion that “the components of the project, the proposed financing, and the overall management of the project is on a collision course with failure.” In consideration of the library and public plaza, he “encouraged everyone to watch *Waiting for Superman*, ... probably the greatest documentary ever on the current education system in the United States.” He expressed support for the library, and proposed expanding the library “at the proper time and with the proper situation.” He reviewed figures associated with the proposed new knowledge and discovery center, and reviewed results of a 2010 Harris poll commissioned by the American Library Association. He expressed the opinion that “the consultants have arranged the numbers to show unrealistic operating expenses.” In consideration of the office building component, he advised that the National Association of Realtors “projects a 17.4 percent vacancy rate in all commercial office buildings ... as a long-term condition.” He suggested that the feasibility study indicates the developer has provided no guarantee the buildings will ever be constructed. In consideration of the hotel and convention center, he expressed the hope that the overhead connector depicted in the proposal would not be allowed to “obstruct ... probably the most beautiful downtown area ...” He noted no guarantee that the hotels or convention center will ever be built. “The only thing that’s guaranteed is the money that Carson City ... we’re guaranteeing that we’re going to put in the \$30 million.” He advised that the *Reno Gazette-Journal* recently published an article



**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 25**

**DRAFT**

relative to the Reno Convention Center having “problems attracting conventions.” “Thinking that a convention center is going to be our salvation to anything [isn’t] the case.” In consideration of the parking structure, he expressed the hope that “whatever percentage of use it is, let that entity pay for that part of the parking garage.” He expressed concern over the previous design relative to library access. With regard to funding, he reviewed costs associated with the public portion of the project. He expressed the opinion that a 1/8 cent sales tax is “actually a regressive tax, hitting the poorest members of our society. So all the people that are unemployed, out of work, and are struggling to survive, adding a tax is going to hit them most.” In reference to a presentation at the March 2, 2010 Board meeting, he requested that the developer be held to responsibility over all risk of financing, construction costs, and schedule. He inquired as to the reason for increasing taxes and utilities costs if the developer is going to stand by the promises he made in a previous presentation. “In summary, this is a project with major benefits to the Carson Nugget with little or no improvement for Carson City citizens in areas of employment, education, crime prevention, or fire safety.” He expressed support for “the right solution for Carson City’s unemployment problems,” and the opinion that “this is not the right solution.” He expressed concern over the proximity of the Nugget to the proposed knowledge and discovery center. He expressed support for the library, “just not this library.”

(4:50:06) Danny Costella, representing Iron Workers Local #118, discussed the need for jobs. In reference to previous comments, he noted that Carson City was once dirt roads, and expressed appreciation for the fact that they are now paved. He agreed that “technology is the road to the future and we can either pave that road or just sit here and spin our wheels on the dirt road.” Mayor Crowell commended Mr. Costella’s son, Ryan, on his Empowerment Nevada event last night. He commended Mr. Costella on his “sharp son.”

(4:51:06) Ron Swirczek disclosed that he is currently a member of the School District Board of Trustees but that he would be speaking as “an individual who cares.” He expressed appreciation for the Board, City staff, and the citizens advisory committee for taking the time and the due diligence “to make sure this project is sound.” He suggested that moving forward to negotiate agreements with the developers will serve as another “checks and balance and if it doesn’t make sense,” he expressed confidence that the project won’t go anywhere. He advised of having reviewed the project in consideration of education and the economy. In the context of the “rapidly changing world” where “work is changing,” he noted that factory jobs, accounting positions, and medical technology are now being outsourced. “The jobs that are currently available are being driven by service and knowledge needs. ... In terms of the global economy, it is now driven by energy, whether it’s alternative or others, and innovative technology. ... Along with that, education has to change and it is changing. Education is actually trending toward innovative and design thinking and problem-based learning. This proposed project and the knowledge and discovery center provides that innovative resource for this thing to occur in addition to the classroom.” Mr. Swirczek discussed the trend toward community partnerships which actively connect with education. He quoted Neil Postman in *The End of Childhood*: “Children are like little messengers that we send to a time we will not see.” “The decisions we make today affect these kids.” Mr. Swirczek discussed the community’s responsibility “to look as far on the horizon as we can see for the sake of these kids coming up. This project addresses that. It forces us to look as far as we can see and provides the tools for them to be successful.” Mr. Swirczek described the outlook for the economy as good, citing “gaming and tourism, manufacturing, government, ... auto dealers, we have a service industry and we have a medical complex second to none.” He expressed the opinion that another dimension to propel the community forward is necessary. He discussed the benefits of the knowledge and discovery center and the business incubator. He requested Mr. Neighbors to further elaborate on the knowledge and discovery center as a tool box and his vision of the incubators. He urged the Board to move the proposed project forward “using due diligence

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 26

DRAFT

and do it for the reasons to bring another dimension to add a new life and energy into Carson City's economic and educational future."

(4:57:13) Sean Lehmann advised that he is a small business owner and expressed the opinion that those citizens speaking in favor of the project represent "a small sliver and a biased segment of the society." He acknowledged "we're all hurting in this community, including construction workers and the construction industry would benefit in the short term from a construction project." He expressed the opinion that "the people that have spoken for this are construction industry and people on the Library Board. The general public's not here like they usually aren't because they're either working or they're looking for a job. Someone that's at work right now can't come to a meeting a 2:00." Mr. Lehmann expressed the opinion "these people need to have their voices heard too." He advised of having sent to all the Board members a link to the *Nevada Appeal's* latest article on this project which was on Sunday. "In that article, there were 20 comments. All 20 of them were against this project. 20 out of 20." He suggested the Board "listen to those people. You can't just listen to who you want to listen to on this project. 20 out of 20 comments did not want to pay for this project. That's not to say the project doesn't have merit. We don't want to pay for it. It's going to cost every family here \$100 a year. We don't want to pay for that. We can't afford that. It's not the time to do that." Mr. Lehmann requested the Board members "that have not made up their mind, and I believe most of them have. In fact, I know a few have been bankrolled for this moment. But do you really think a library alone will solve our unemployment problem here?" He described the BRIC as a business incubator and stated "we already have it. Mr. Neighbors just told us about Carson Careers which is going to be the digital media lab. We've got those things so all we're going to add is a new library." Mr. Lehmann expressed the opinion that this won't "suddenly make Carson City have half of our unemployment. I think that's a pipe dream." In reference to the V&T, he advised there haven't been "huge increases in tourism" and suggested asking "the hotel people what they think about the V&T and what it has done in the last two years that it's run into Carson City." He suggested that the 1/8 cent sales tax will drive people to shop in Douglas County and Washoe County. He reiterated that a new library will "not solve all our problems here and we cannot afford \$100 per family per year for this project." He urged the Board to consider "other people's voices, not just the people you want to listen to."

(5:01:21) Dave Ungst advised of having lived in Carson City since 1985 and concurred with Mr. Lehmann's comments relative to "a parade of the Library Board here and naturally all the unions and the people who are out of work." He expressed the opinion that the more input should be sought from the community and that "who we're hearing from is a biased group." He expressed support for a new library, but opposition to the timing of the whole project. He noted that the outcome of the current legislative session is unknown as is "the national budget." He commended the project and reiterated it's "the wrong timing." He expressed the opinion that the City doesn't need to "incur any further obligations at this point in time." He expressed agreement with "pretty much everything the last speaker projected to you."

(5:02:51) Don Leonard inquired as to a \$2.5 million grant coming from the water and sewer funds. Mayor Crowell advised that the figure represents the City's participation in the utilities infrastructure costs for the project. Mr. Leonard inquired as to whether the recent increases in water and sewer fees are being allocated to fund the project. Mayor Crowell advised that the recent increases were to fund the intertie of the water system between Douglas, Lyon, and Storey Counties. He expressed the understanding that the increase in utility fees would have been done in the normal course of events.

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 27**

**DRAFT**

(5:04:18) Jim Shirk commended the Board on moving forward. He expressed uncertainty over the project, but confidence in the Board's ability to determine its feasibility. He inquired as to whether street parking was considered as part of the project, and expressed the opinion that it should not have been. "... if it's street parking, that's public parking and anybody can park there. It should not be counted for the project." In consideration of the parking structure, he expressed the opinion that the ground floor should be retail. "If the project does move forward," he requested the Board to consider "tax incentives that have been granted numerous times, over and over, maybe we could stop those ... and also if you ... could talk to Mr. Neighbors and the Foundation about getting a three-foot square donated to the City for the World Trade Center steel item that has been awarded to us." He described the dimensions of the item and advised that he would provide a photograph to the Board in the near future. He wished the Board all the best on the subject proposal.

(5:06:11) Mary Crow inquired as to how the Board goes forward with agreement "when in this economy why would taxpayers want their local government to support a project where there is no specific clarification of ... important details." In reference to the feasibility study, she noted "statements such as unsure, unclear, not clear, presumed, anticipated, when throughout the pages of this document, whenever the City is referred to, it speaks to obligation, whereas the private foundation trust and the Nugget, it states, they offer, they recommend. It also states the City will enter into an agreement, the City will promise to make payments, the City will be subject ..." With regard to the library, Ms. Crow inquired as to an alternative location. She expressed support for the library, but suggested considering two libraries at some time in the future.

(5:08:20) Carol Howell advised of having followed the City Center project "for almost a year," and of having "two major objections to begin with. One was the placing of a library to induce children to come into that is seated so closely to a casino. ... Anyplace else but in that parking lot. My other problem has always been the economic times we're in." With regard to the feasibility study, she advised of having had "no doubt when this thing was originally paid for that it would come back feasible. ... Then came the unveiling and we find out that P3 not only is doing the feasibility study, they have a desire to be the contractor, the designer; they want to end up owning the property for the office buildings. That makes them a very vested third party." She "question[ed] why we were paying for a feasibility study to be done by a company that is a partner." She expressed the opinion "there's been a lot of smoke and mirrors and a lot of changes." She expressed the further opinion, "pretty convenient that we've got office space already committed when that's what they need to get financing to build the office." She expressed the further opinion that the feasibility study is "full of holes, ... contradictions, ... assumptions, inaccurate figures, incomplete figures." She advised of having done her own calculations, provided the Board members and the Clerk with copies, and reviewed the same. She inquired as to the method by which "in this report all of a sudden the Foundation can deed to or pay fees for the City ..." Mayor Crowell explained that the Foundation requires a contribution to a charitable organization; the City does not qualify but the Library Foundation does. In reference to the earlier presentation, Ms. Howell expressed disagreement that the lease is not a debt. Mayor Crowell referenced his earlier discussion with Finance Department Director Nick Providenti and advised that this is the type of lease which would not be a debt instrument. He acknowledged a negotiation issue on the leases, and advised that the idea is not to make the lease a debt instrument. And there would be no call for a lump sum payment at any time. In response to a question, Mayor Crowell advised that the negotiations will bear out the parties' actual obligations. In response to a comment, Mayor Crowell advised that the feasibility was never intended to be a complete document of the end result of negotiations. "The process requires you to make ... decisions about whether you want to

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 28

DRAFT

go forward or not. ... the next step is to find out what the parties are willing to put on paper and commit to rather than just hear.” In response to a question, Mayor Crowell advised that prior to taking action to approve a development agreement, he will want to see the responsibilities of every party reduced to writing. Ms. Howell advised of having heard “over and over again that this project is needed by our children. We’ve got to do it for our children.” She expressed the opinion that “putting our children into this kind of debt is [not] doing a whole lot for them. We don’t need a ... billion dollar library to keep our children here in this town. There are all kinds of opportunities that they ... they can get right here, right up at the university. Children don’t stay in their home towns because they have a knowledge center or a library. They stay there because they want to be with their families and friends. You don’t spend this kind of money in the hopes that you can keep your children near and dear.”

(5:20:43) Bruce Kittess suggested that “one of the things that threw some of the folks off today is that there’s actually six authors to the reports. That’s a composite report ...” He disclosed that he serves as a member of the Carson Nugget Development Advisory Committee (“CNDAC”). He commended the District Attorney’s opinion, included in the agenda materials, as “very well written.” He advised that said opinion was not available to the CNDAC at their November 22<sup>nd</sup> meeting. The report presented by P3 Development at that meeting referred to three financial scenarios. “We asked where the third one was because we only saw two, the best and the worst. So what we have today is the ... City Manager scenario.” Mr. Kittess advised of not having had this information available at the November 22<sup>nd</sup> meeting. He expressed the belief that the 30-year lease term, as indicated in the City Manager’s cover letter, is “the first time that we’ve seen it in writing.” He expressed the understanding that the sales tax will “run with the same term as the lease. We now know it’s 30 years. We did not know that for certain on November 22<sup>nd</sup>.” He expressed concern over the land lease payment, “the City payment to the Foundation. That’s the money that’s going to get distributed by the Foundation to various purposes. ... I don’t think we know what that number is. If it’s included in the \$2.5 million, then it should be broken out. ... We know now it will come out of our general fund and so we’re paying that money to be given to other parties but it’s not going to come back to the general fund.” Mayor Crowell explained that the legal relationship of the Foundation to the Library Foundation and to the City will be clarified. “And there should be the number that is available as to what is anticipated to come back to the Library Foundation by virtue of those rents. If it’s done right, we’ll have some idea of what the ground lease is going to be.” Mr. Kittess pointed out that “from a cash flow standpoint of costs, we don’t know that number.” He noted that Mr. Neighbors’ portion of the feasibility study indicates “property taxes must be kept current. So that’s one of the questions we were asking over the past year. Is the City paying property taxes in its lease that then will come back to the City. So, evidently, that question has been answered. There is going to be property taxes.” In response to a question, Mayor Crowell expressed the belief that the City will not be paying property taxes for a public building on private property. Mr. Kittess advised of considering the partnership “just a little differently. We put up our hundred percent, the private puts up 28 percent ... Interesting partnership.” In response to a question, Mr. Kittess advised of not having considered the land cost in his analysis. He clarified that he was simply raising questions. He noted that “Mr. Werner ... proposed all of the sources of revenue that the Board could raise if there was some deficiency in the lease payment from the general fund.” He expressed the hope that “some time in the future ... you’ll remember ... the stabilization fund is zero. At one time, not too long ago, it was \$3.5 million.” He expressed the hope that “when you start spending general fund money, if you use every source of revenue you can get, don’t forget about the rainy day fund.” He thanked the Board for not increasing the property tax rate, but inquired as to the method by which to increase revenue and replace the stabilization fund.

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 29**

**DRAFT**

(5:28:27) Carol Howell advised of having provided Mr. Werner her calculations earlier in the day, and that “he corrected my figure, giving me a value on the land lease of \$60,000 annually.” Mayor Crowell advised that the Board has not been provided figures of the land lease costs coming back to the City. He expressed the understanding that these will be a potential offset to the project costs. In response to a comment, he advised of having asked the question about ensuring the parties’ obligations “so that we’d know that number and could apply it.”

(5:30:39) Jim Bagwell advised of having heard comments relative to his concerns, and expressed the opinion that “we’re making an assumption that a vast majority of the children in this town are going to use this knowledge center.” He inquired as to the method by which “we’re going to get our kids to use the knowledge center.” He advised of having spent 31 years in law enforcement and of having observed that “the kids that raise themselves ... are on a path with a lot of difficulties.” He suggested “we’re talking about spending a lot of money for the kids that are going to succeed anyway.” He reviewed college graduation statistics across the state, and suggested “we’ve got a problem in this community, in Nevada, in this country when we can’t compete with other countries. And it isn’t going to be resolved by a knowledge center or a library. It’s going to be resolved by a change in the way that we address the raising of our children.” He expressed the opinion that the location of the knowledge and discovery center should be “right next to that high school ... where we can funnel those kids over there and make sure that they use it. Having it downtown where they’ve got a choice of a skateboard park or an ice skating rink or something else, you tell me which one they’re going to choose.” He requested the Board to consider a partnership between the City and the School District. He discussed the unemployment rate and inquired as to what the community is doing to fix it.

(5:34:24) Mary Fischer expressed agreement with Mr. Bagwell’s comments, and the belief that the proposed location for the knowledge and discovery center is “exactly the wrong place.” She expressed support for the library, but advised that she would not allow her children to visit a place that is right next to casinos. She suggested locating the knowledge and discovery center closer to WNC or to the high school “where it could possibly ... then become part of a career building entity for them.” She expressed appreciation for Mr. Leck’s presentation relative to the costs associated with a bond. She expressed the belief that “this is something that the whole City needs to decide upon.” She expressed the opinion that publicizing the project “so that it was going to build careers, it had a good location, and we were going to own it ..., that you could sell it.” She expressed uncertainty as to the Library Board operation, and the hope that “it does not work in the same way as our Airport Board ... which is sort of like a little fiefdom and every time you’ve had to go talk to them about some problem, if you weren’t an airplane enthusiast, you were not heard.” She noted that the Library Board is not comprised of elected officials, and expressed the hope that “if funds are going back into the Library Board ... that ... there is oversight by some elected officials ...”

(5:37:51) Darcy Houghton expressed concern that the Recreation Division children’s programs don’t utilize the library. She commended the project as “beautiful,” and discussed concerns that the “private part will show up when feasible.” She acknowledged the need to grow the community’s economy, “but right now building office buildings when we have the vacancies that we have, is that really good stewardship?” She noted “there’s so much going on at the federal level and the state level and we are really tapping our resources to go this distance and we’ve got some other things like health care and Medicaid and things like

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 30**

**DRAFT**

that. ... we don't know what's coming at us." She advised of having heard many negative comments relative to the parking garage. She expressed the opinion that the City's "fair share is equal to 95 percent or 85 percent."

(5:41:09) Michael Pollard advised that many of his questions and comments had been addressed. He discussed concerns relative to the property tax and the District Attorney's opinion included in the agenda materials. He expressed concern that the construction jobs created by the project will be temporary, and that many of the project components will be constructed by out-of-state firms. In consideration of all the questions presented, he expressed the opinion that "voting to say that this project is feasible without further study" would be very difficult.

(5:44:54) Bill Johnston advised of having moved to Carson City approximately 11 years ago, and expressed concern over the proposed project. He commended Ms. Jones in her justification of a new library, but inquired as to "the hurry on this." He noted that the country and the state are "in dire financial straits," and suggested "let's put it up in front of the voters. ... And, in the meantime, the supervisors and the leaders of this City can address some of the issues that were brought up here today." He expressed support for the library and the downtown components of the project, and the opinion that "the timing is bad." He expressed the opinion that the feasibility study is very preliminary and advised he would "never commit financial resources ... based on what I read in this document here. There needs to be much more detail on the bricks and mortar aspect of it." He inquired again as to the hurry, and requested the Board to "give it some more thought."

(5:48:24) In reference to the Board's earlier discussion, Darcy Houghton commented, "it kind of reminded me of a bankruptcy work out. And if it wasn't a bankruptcy work out, it reminded me of the lending market not too long ago when the young buyers would walk in and ... lender would look at them and say, 'Oh, this is feasible,' but was it the right deal." She expressed concern over the default provisions discussed earlier by the Board in consideration of risk. Mayor Crowell acknowledged the risks, and explained that the Board was considering methods by which to minimize financial and development risk over time. Ms. Houghton reiterated concern over the Board's previous discussion, and expressed additional concern over the subsequent suggestion to extend the term of the lease.

(5:51:08) Pat Sanderson commended the Board on its foresight, and noted that the subject item represents "one more step to see if it works out feasibly." He commended the project concept and noted "if we go forward, we'll know these answers." He provided background information on his history in Carson City, and discussed the trends in technology and education. He requested the Board to move forward.

(5:54:22) Gene Munnings, a resident and a business owner, advised of having recently delivered phone books to all Carson City businesses. He noted the current commercial vacancy rate, and suggested utilizing some of the vacant buildings rather than constructing something new. He expressed support for the library, but advised that his four grandchildren utilize the computer and not the library. He suggested a conflict of interest relative to Mayor Crowell and Supervisor Abowd owning property in the downtown. Mayor Crowell reiterated the State Ethics Commission ruling that neither he nor Supervisor Abowd are affected any differently than anyone else. He advised that owning property in the downtown area is not a reason to disqualify him from participating in discussion and action of this item. Mr. Munnings inquired as to whether the streets associated with the parking garage will be abandoned to the Nugget. He expressed support for the library, but disagreement with the proposed location.

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 31**

**DRAFT**

(5:58:18) Ron Orvis advised of his experience as an engineer and a building contractor, and expressed support for construction jobs. He expressed the opinion that “the proponents ... of this project are people with very narrowly construed agendas, including the staff. ... but without any regard to whether this project is really economically feasible.” He requested the Board to visit the library on a Saturday to determine whether it is “adequate for the time being” given the economy. He further requested the Board to ask the developer whether the project is viable if the City opts out.

(5:59:35) Maurice White expressed opposition to the project, and “an inherent belief that this type of partnership is not what we should be doing.” He expressed the opinion that the Board “would be much better off letting these benevolent people ... build this facility on their own and give it to the City.” He requested the Board to consider the method by which Governor’s Field and the Edmonds Sports Complex were developed. “That was a group of people that got together and figured out how to get something put together for the benefit of this community.” He suggested that the \$32 million “would be better spent by pouring that money into the airport. Make us a hot rod airport that will, in fact, attract major big businesses to come here.” He expressed opposition to increasing taxes for the project and to the City incurring any more debt to the City. He expressed the opinion that the feasibility study indicates “it’s not feasible to go forward partly because a lot of the statements ... made in here, there’s no supporting documentation to go along with it.” In reference to the parking study, Mr. White expressed the opinion that “expert advice” is needed “for a project at this level.” He quoted and commented on various portions of the feasibility study, and expressed concern that “certain aspects of operating are not even mentioned” such as liability insurance cost increases. He expressed concern regarding redevelopment incentive funding being allocated, and Mayor Crowell referenced Supervisor Aldean’s previous comments. Based on the feasibility study, Mr. White encouraged the Board “to kill this project. Don’t go any further with this.”

(6:06:24) Richard Schneider expressed the opinion that “this project just lacks vision,” and the opinion that it lacks “the proper anchor.” He expressed opposition to locating the library near the casino. “Until we have the residential piece and the other pieces ..., right now, all I’m seeing is the anchor structure is a big parking garage.” He expressed uncertainty as to whether the Nugget Casino is a viable business for downtown, and reiterated that the library should be located near one of the schools.

(6:08:36) Guy Rocha disclosed that he serves as a member of the CNDAC and is a Carson City resident. He acknowledged the details involved in the project, the importance of timing, and the Board’s responsibility over due diligence. He expressed support for the project concept. He advised that the Old Town Mall branch of the Washoe County Library is “catty corner to the Atlantis Hotel and Casino.” The downtown Reno library is “downtown.” He discussed his current work with the Terri D. Welles Foundation to construct a children’s discovery museum downtown. He noted that casinos are nearby. He commented, “Welcome to Nevada,” and recalled that Las Vegas was, at one time, a family “play land.” He expressed the opinion that proximity of the proposed library to the Nugget “does not ... undermine this project.” He noted the importance of the concept in consideration of the City needing “to reinvent itself one way or another.” He advised of not having heard of any other major redevelopment project to redirect the future of Carson City. He provided anecdotal information on Salt Lake City redevelopment. He noted that the Board will make a decision to go forward with the project, and pointed out “you’re still charged with designing a future for this City.” He expressed support for children having a place to go, and advised that his own daughter will not come back to Carson City because of a lack of future. “We need to find those jobs and not export our talent.” Mr. Rocha expressed continued support for the project concept, noting that the Board will be challenged in its decision today or future decisions. “But what you do today

## CARSON CITY BOARD OF SUPERVISORS

### Minutes of the February 17, 2011 Meeting

Page 32

DRAFT

will design the future of Carson City in terms of whether nothing is a good thing, this thing doesn't work and we have something else, or this project is, in fact, the vehicle for changing the economic dynamic in Carson City." He acknowledged the passionate testimony by the citizens in attendance, but expressed a preference for Carson City to "become a very dynamic, vital center. We're losing our economy here ...". He expressed concern that high technology and digital industries are "jumping this state and they're going to the states that have had public investment."

Mayor Crowell entertained additional public comment; however, none was forthcoming. He invited Mr. Neighbors to return and answer questions. (6:13:56) Mr. Neighbors expressed agreement "to a degree ... with literally everything everybody has said." He expressed the opinion that people are "looking at the elephant from different perspectives." Mayor Crowell inquired as to the relationship of the Hop and Mae Adams Foundation and the return of money to the Library Foundation; the reason the funds must be allocated to the Library Foundation as opposed to the City; and whether he could quantify the amount of funding being returned from the Hop and Mae Adams Foundation to the Library by virtue of the ground rents; as well as the reason for not deeding the property to the City. Mr. Neighbors clarified "there's a Mae B. Adams Trust and there's a Hop and Mae Adams Foundation. Each of them have their own elements. For me to get the \$15 million of real property out of the Nugget into the Foundation, I've had attorneys representing both trusts. The issue for the Mae B. Adams Trust is the survival and the benefit of the employees of the Nugget and so their survival depends upon parking. So part of the agreement done between the Foundation and the Trust, with attorneys advising each, is that ... I can move all of the real property into the Foundation, including the building of the Nugget, all land of the Nugget, ... not only the downtown but some additional parts around the City, I can move into the Foundation." He expressed the belief that \$15 million in property tax will be paid as the Mae B. Adams Trust. "The only caveat is that we protect the parking of the Nugget ... to be able to move all that real property into the Foundation." Mr. Neighbors advised that donating the land to the City "violates ... the concept that Mae wanted to do and a Foundation doesn't ... exhaust its resources. It invests its properties, makes investments, and then, by IRS Code, gives five percent of whatever its assets are ... to charities." Mr. Neighbors advised that no donation of land will be made to the library until the library owns the land. "Once the City owns the land, ... the Foundation will go ahead and donate the land under the library to the library."

In response to a question, Mr. Neighbors expressed concern, on behalf of the Nugget, that the entire project will be detrimental. "... in the long term, it will be beneficial because the whole community does well ... So the average out there is when there's construction around a casino, business falls to 50 percent. So the Nugget believes their business is going to fall to 50 percent to go through this construction just because of construction. The Nugget also believes that the parking ... has to be addressed prior to construction. It can't give up existing land for the development of a library within its additional parking and then assume that they can also give up additional land anywhere else for any other construction. It would kill the Nugget. So whatever the conditions are, the parking has to always be maintained and that's kind of one of our bullet points as we laid out what the Foundation and the Trust can do. One of the conditions is the developer ... has to come up with a project where they protect the parking, not only for the Nugget but for all the other people that are using the Nugget property." He expressed the opinion that "not addressing the parking in the beginning is a real mistake," and that "you would kill the Nugget if I agreed to do that." In response to a further question, he advised that "we've talked internally of what we can do. We have some other land elsewhere, kind of outside the area so we can ... start shuttling employees back and forth. We can figure out how to work with maybe the library and the parking garage and maybe even the plaza. We've got to figure that all out with P3. Where we're at with this proposal today is here's what we've done



**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 33**

**DRAFT**

until we get permission to go forward and actually work out the details to then present you the details. So there isn't all these details yet because that's what we're asking for. We're asking permission to go forward. We want to go forward to flesh all these out, to figure out what the City can pay for the library, to get the library and the City together because I'm not the recipient, the library is. ... We have to flesh out these details. There's been a lot of false stuff said here. We aren't taking up 98 percent of our own parking lot and we won't be taking up 98 percent of that parking garage. An extra 1.25 percent interest is what another financing company told me that would be the difference between if you guys guaranteed the bond versus not and it's not \$30-some million as was told you. There's a lot of false figures and facts being thrown around here."

Mr. Neighbors requested the Board to go forward "giving us permission to then sit down and flesh out the details and run those past you and keep you ... fully informed of the details. We can only give you what we've been able to flesh out without getting permission to go forward and spend some money doing that. Mayor Crowell thanked Mr. Neighbors.

Mayor Crowell entertained additional Board member discussion. Supervisor Walt thanked the citizens for their civility, noting the length of the meeting, and thanked Mayor Crowell for his strong leadership in conducting the meeting. In consideration of the proposed location for the knowledge and discovery center, Supervisor Walt noted the proximity of the Galaxy Fandango movie theater, a mall, and an ice skating rink to different casinos. She advised that Sheriff Furlong had recently reported no increase in crime relative to the proximity of the ice skating rink to the Nugget. She acknowledged that the knowledge and discovery center will serve the community's children, but emphasized the "future of Carson City" in consideration of Mr. Rocha's comments. She corrected a previous statement that the 1/8 cent sales tax would equate to \$26 per year for a family of four. She expressed sympathy for anyone on a fixed income, and advised that her own family lives on a budget. She expressed confidence in Carson City's future. "It's not just about a knowledge center. It's about creating a hub. This City needs a hub ... where we [congregate] and ... a center of it all." She noted that the downtown has been in the master plan, and expressed the opinion that the proposed project "is it. This is how we're going to do it." She noted the significance of the digital media technology that the proposed project brings to the community. She discussed the importance of a library and available internet technology to students. She noted the ongoing partnerships between the City and the School District and the City and WNC.

Supervisor Abowd concurred that the project is "about vision," and discussed the importance of "looking to the future." She noted that the state will not be able to turn Carson City's economy. She noted the "opportunity before us to take our own destiny in our hands and turn it around. And the Nugget and the Hop and Mae Adams Foundation have invested considerable resources ... to get us this far." She expressed strong support for giving the project further consideration to determine whether it can work for the community. She discussed the importance of a "central design for our community, ... a gathering place, ... a sense of place and ... the ability to grow. This is about tomorrow. It's not about today."

Supervisor McKenna expressed agreement with the need for vision in Carson City, and that funding should be allocated toward the same. He expressed a belief "in reality," and uncertainty that "the vision that's been expressed here needs to have a new building. Thirty years of debt. A 14-year-old will pay this off when he's 44 years old." He inquired as to whether that equates to "vision in this new economy when this building may be obsolete in 7 to 10 years at the most where we could rent a building that would house the library and we could have a lease where we could walk away from it and downsize or upsize, etc. The debt

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 34**

**DRAFT**

financing model of doing real estate ... has been proven not to be a valid model anymore.” Supervisor McKenna reiterated support for vision, and reiterated the suggestion to “rent buildings, ... put computers in them, ... move the library to a rented building that’s bigger if that’s needed. We can have branch libraries as most of your big cities do where you have, in shopping malls, they take over one of the store units and put books in it and put computers in there and ... these things are right there in the neighborhoods.” Supervisor McKenna described the proposed project as “a building buildings project. It’s old thinking and it cannot be sustained in a new economy.” He suggested terminating consideration of the proposed project today and “move on to the vision parts of it.” He expressed concern over not knowing the outcome of the current legislative session.

Supervisor Aldean commended the good, thoughtful comments, noting there are many questions remaining to be answered. She agreed with Supervisor McKenna and staff that “no documents are going to be executed until we know the outcome of this legislative session.” She noted the time, energy, and effort invested “to get this far. We’re at the threshold. We can either step over it and go the extra length without any firm commitments or we can close the door and walk away.” She expressed the opinion “that would be a waste of time, energy, and investment.” She expressed disagreement with spending money and getting to a certain point within reach of the objective and then stepping back. Mr. Werner acknowledged that drafting documents will require additional staff time, but no additional general fund or redevelopment funding allocation. He clarified there is a consultant on retainer who will review documents to ensure nothing is overlooked. He estimated the associated fee at \$5,000 to \$8,000. Supervisor Aldean acknowledged the fact “that this is a bit of a gamble. ... the question is it a calculated risk that we’re prepared to take. And the only way we’ll know that is once we finalize the documentation. A lot of representations have been made today, confirmed ... by Mr. Neighbors. There have been a lot of assumptions made.” Supervisor Aldean expressed anticipation over reviewing the “final list of commitments.” In response to a question, Mr. Werner advised that a bond issue would require voter approval on the capacity. Supervisor Aldean expressed the opinion that utilizing incremental taxes is entirely appropriate as the proposed project will be in the redevelopment area. She expressed a preference to confine financing to those revenue streams, and expressed concern over utilizing general funding. She requested staff to “do a fervent job of crunching the numbers, scaling back where we can scale back.” In reference to previous comments, she advised of having considered the CitiBank building which is the same size as the existing library. “We gain nothing. It would be nice if we could re-use it. If there were another building in town that was re-usable, that would be a boon to the downtown because that’s what a lot of redevelopment agencies do.” She requested staff to thoroughly answer the questions, and Mr. Werner agreed to do so. Discussion followed.

Mayor Crowell thanked the citizens for their attendance and participation. He discussed the purpose for presenting the proposed project to the Mayor’s Institute on Urban Design, and advised that the answer given by the professionals to whom he presented was that “if you do it right, a 21<sup>st</sup> century library is an ideal redevelopment project for communities.” He advised of having considered the knowledge and discovery center “in terms of where our community is going not only in terms of its population and its residents and its young folks and its older folks as well, but what’s going to happen to our community when the freeway gets built.” He expressed concern over the heart of the community, and advised that he views the proposed project “as a method by which we can celebrate education and move the education ball for our community and our state and for our country.” He considers the knowledge and discovery center as “one that creates a sense of place and a sense of community but is an attempt to link our college system with our k-12 education system, with our business community, with our cultural community, all in the form

**CARSON CITY BOARD OF SUPERVISORS**

**Minutes of the February 17, 2011 Meeting**

**Page 35**

**DRAFT**

of a redevelopment project for downtown Carson City given that we are, in the near future, going to be seeing a dramatic change ... in what happens to the heart of our community.” He advised of having asked the professionals at the Mayor’s Institute “whether that was pie in the sky ... or was it something real and tangible that we should put our hands around. And the answer, uniformly from each of them ..., was that if you do it right, it’s the right thing for your downtown, it’s the right thing for your community, it’s what you will position your community for in the 21<sup>st</sup> century.” “... if we do it right and we get behind it, we really can make a difference on the education of our youth and, indeed, of our adults ...” Mayor Crowell discussed concerns regarding the community’s support for the project, but expressed the opinion “it’s the right thing for us to do in terms of community development, downtown redevelopment, for positioning our community to go forward.” With regard to financing, he advised of “a couple deal breakers.” He discussed concerns over too much risk. With regard to the Nugget, he acknowledged that Mr. Neighbors is from Boise, Idaho and advised that he met him two years ago. He further acknowledged that “at the end of the day if the project is built out, the Nugget might benefit by the increased traffic. But on the other side of that, there is a wonderful opportunity that was brought to us ... the ability to control 6+ acres in the heart of our downtown that is essentially being offered up for a public purpose, for a charitable purpose in a sense.” He expressed the opinion “that’s an opportunity we cannot afford to pass up.” He thanked Mr. Neighbors for the opportunity, and expressed the opinion that “it’s worthwhile to move forward and take the next step to see what commitments are willing to put down on paper so that we can actually track dollars ... and obligations.”

Supervisor Aldean discussed the importance of City staff keeping the Board informed, and Mr. Werner agreed, emphasizing the Board as the decision makers. He acknowledged the risk, and assured the Board that City staff will keep the Supervisors informed. Mayor Crowell entertained a motion. **Supervisor Walt moved to determine the Carson City Center project, consisting of a knowledge and discovery library, a central outdoor plaza, a parking structure, office space, retail space, and public improvements and infrastructure, is financially feasible and direct staff to negotiate design development agreements with P3 Development, Inc. for the public portions (the knowledge and discovery library, a central outdoor plaza, a parking structure, and public improvements and infrastructure) of the project, with all of the Board’s comments included within this motion. Supervisor Abowd seconded the motion.** Mayor Crowell entertained discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 4-1.**

**29. ACTION TO ADJOURN (6:54:59) - Mayor Crowell adjourned the meeting at 6:54 p.m.**

The Minutes of the February 17, 2011 Carson City Board of Supervisors meeting are so approved this \_\_\_\_\_ day of March, 2011.

---

ROBERT L. CROWELL, Mayor

ATTEST:

---

ALAN GLOVER, Clerk - Recorder