

CARSON CITY BOARD OF SUPERVISORS

Minutes of the May 1, 2003, Meeting

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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, May 1, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT: Ray Masayko Mayor
 Pete Livermore Supervisor, Ward 3
 Robin Williamson Supervisor, Ward 1
 Shelly Aldean Supervisor, Ward 2
 Richard S. Staub Supervisor, Ward 4

STAFF PRESENT: Andrew Burnham Acting City Manager
 Alan Glover Clerk-Recorder
 Al Kramer Treasurer
 Mark Forsberg Chief Deputy District Attorney
 Larry Werner City Engineer
 Cheryl Adams Deputy Purchasing Director
 Tom Hoffert Utility Operations Manager
 Katherine McLaughlin Recording Secretary
 Justine Chambers Contracts Coordinator
(B.O.S. 5/1/03 Tape 1-0025)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present, constituting a quorum. Rev. John Wiltze of the Bread of Life Christian Fellowship gave the Invocation. Mayor Masayko led the Pledge of Allegiance.

CITIZEN COMMENTS (1-0043) - John Waggner of the Burke Consortium indicated that they had been looking over the City's budget. His remarks should be considered at the May 19th Budget Session. They had found some good, some bad, and some ugly items which will be passed on. They plan to have another meeting at which time they will make a recommendation on the budget. They are attempting to be fair and objective. It is a tough job.

Scott Kinsley indicated he wished to comment on the auto mall. Mayor Masayko explained that this item is agenzied for 1:30 p.m. and asked him to hold his comments until that time. Additional public comments were solicited but none were given. No formal action was taken on either item.

1. APPROVAL OF MINUTES - 1/30/03 SPECIAL JOINT MEETING WITH DOUGLAS CO. (1-0095) - Supervisor Aldean moved to approve the Minutes of the Special Joint Meeting of January 30, 2002,

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between the Douglas County Commissioners and the Carson City Board of Supervisors subject to the correction of Tom Smith to Tim Smith and amending the date to be January 30, 2003. Supervisor Williamson seconded the motion. Motion carried 5-0.

2. AGENDA MODIFICATIONS (1-0123) - None.

3. SPECIAL PRESENTATIONS - PROCLAMATION PROCLAIMING MAY 4 THROUGH 10, 2003, AS CARSON CITY DRINKING WATER AWARENESS WEEK (1-0125) - Utilities Operations Manager Tom Hoffert and Water Production Operator Leann Warne described the program and announced the awards ceremony for the poster coloring contest as being scheduled during the RSVP Spring Carnival on May 10 at noon. The public was invited to attend. This year a test of the public's knowledge about the City's water program will be done instead of the usual tour of the facilities. Elementary school talks will be given. The major point of the talks and programs is to use water wisely. Mayor Masayko complimented Ms. Warne on the program. Discussion explained that the booth would only be at the carnival from noon to 6 p.m. on May 10. Mayor Masayko read the proclamation into the record. Supervisor Williamson moved to adopt the PROCLAMATION PROCLAIMING MAY 4 THROUGH 10, 2003, AS CARSON CITY DRINKING WATER AWARENESS WEEK. Supervisor Livermore seconded the motion. Motion carried 5-0

LIQUOR AND ENTERTAINMENT BOARD (1-0215) - Mayor Masayko recessed the Board of Supervisors session and convened the Liquor and Entertainment Board. A quorum was present although Member Furlong was absent.

4. CONSENT AGENDA - TREASURER (1-0225) - Al Kramer

A. ACTION TO APPROVE THREE (3) ASSEMBLY PERMITS WITH WAIVER OF THE \$100 PERMIT AND \$25 APPLICATION FEE FOR THE RETIRED SENIOR VOLUNTEERS PROGRAM

B. ACTION TO APPROVE AN ASSEMBLY PERMIT WITH WAIVER OF THE \$100 PERMIT FEE AND THE \$25 APPLICATION FEE FOR SILVER DOLLAR CAR CLASSICS

C. ACTION TO APPROVE AN ASSEMBLY PERMIT WITH WAIVER OF THE \$100 PERMIT FEE AND THE \$25 APPLICATION FEE FOR THE CARSON CITY RENDEZVOUS

D. ACTION TO APPROVE AN ASSEMBLY PERMIT WITH WAIVER OF THE \$200 PERMIT FEE AND THE \$25 APPLICATION FEE FOR PREMIERE PRODUCTION GROUP, LLC.

E. ACTION TO APPROVE AN ASSEMBLY PERMIT WITH WAIVER OF THE \$100 PERMIT FEE AND THE \$25 APPLICATION FEE FOR THE NEVADA HISPANIC SERVICES

F. ACTION TO APPROVE AN ASSEMBLY PERMIT WITH WAIVER OF THE \$100 PERMIT FEE AND THE \$25 APPLICATION FEE FOR THE ADVOCATES TO END DOMESTIC VIOLENCE, PROMOTER OF THE TASTE OF DOWNTOWN - Items 4-B and 4-C were pulled for discussion. Member Livermore moved to approve the Liquor and Entertainment Board Consent Agenda Items 4-A, 4-D, 4-E, and 4-F. Member Staub reminded the Board about the discussions during the March process and the need to be fiscally prudent during times of tight budgets. He urged the Board to recognize the costs of services provided to the users which are somewhat mitigated by the fees. Member Staub seconded the motion. Chairperson Masayko explained the permits provide a method of administrative control over large assemblages particularly when

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large enforcement services are needed. He had mixed emotions regarding the need to require a permit but was certain that there were valid reasons for the program when implemented. He felt that the costs were negligible. Member Williamson explained her philosophical reasons for voting against the motion. She noted that the organizations had been conducting these events for several years and should be able to afford these fees. Chairperson Masayko suggested that the fees be reduced which he preferred to do. The motion was voted and carried 4-1-1 with Member Williamson voting Naye and Member Furlong absent. Chairperson Masayko asked the District Attorney and Treasurer's offices to look at the assemblage permits and determine if modifications are warranted.

4-B. (1-0310) Chairperson Masayko explained that he did not oppose waiving the \$100 application fee for the Silver Dollar Car Classics. He has participated and supported this event. He felt that there was a misunderstanding, however, regarding its sponsorship. He urged the Board to consider whether it should sponsor the event including acquiring its liability insurance. He also felt that the park fee waivers and the insurance should not be automatically approved annually outside the budget process. He wished for these items to be discussed in a public forum so that there will not be any misunderstandings in the future. Member Livermore explained his discussion with Parks and Recreation Director Kastens regarding the calendar setting and scheduling of events. Mr. Kastens had indicated that the Silver Dollar Car Classic is one of the large users of Mills Park. He also felt that the City may have been a sponsor at one time. It should not be considered a City function. They should pay fees the same as other park users. He understood the value the event provides to the community but it should be evaluated. Mayor Masayko indicated his desire to have the level of the partnership discussed during the budget process. The City provides many things for events such as street closings, barricades, security, ambulance protection, etc., but financing insurance policies and fee waivers should be considered on an individual basis and not considered as a blanket approval. The decision that was made in 1995 was during a different time and under a different administration. These are taxpayer monies and decisions that the Board should make on a case by case basis. He asked that this stand be made clear on the record.

Judie Fisher explained how the event had been assigned to her Department and that it had been maintained as part of her budget since that time. She had not understood the need to bring the matter back to the Board for additional consideration. She apologized for the failure to do so. If it is not a partnership or City event, it should be cancelled. Chairperson Masayko indicated that this was an unfortunate position and that he could not change her mind as he is not part of the Silver Dollar Committee. Discussion between Ms. Fisher and Chairperson Masayko explained her Departmental budget line item which had been approved annually for the event. Chairperson Masayko indicated that he was not aware of there being a special event line item in this year's budget. He felt that the event should have been listed under the community support services line item. Ms. Fisher explained that the event brings money to the City as indicated by the number of hotel/motel rooms used during it. Chairperson Masayko pointed out that the room tax goes to the Convention and Visitors Bureau. It has more discretion over how its funds are used. The "Run Wha' Cha' Brung" and the Rendezvous events also fill the hotel/motel rooms but do not receive taxpayer funds. Ms. Fisher explained that a previous Mayor and City Manager had assigned the event to her. Chairperson Masayko reiterated that times have changed. Acting City Manager Burnham indicated that there is a line item in the Human Resources budget for special events but it does not designate the purposes. It was felt that it was for things such as the Employee of the Year award, the longevity awards, etc. Chairperson Masayko felt that it should not be "folded into those types of events. Discussion between Member Williamson and Ms. Fisher indicated that the Redevelopment

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Authority did not provide any funding this year. It had in the past. Ms. Fisher indicated that her budget had paid for the mailings and printing/copying costs for the event which she thought was between \$3,500.00 and \$4,000.00. A park fee waiver had not been required as it was a City sponsored event. Member Livermore encouraged her to seek one. He also felt that there had not been any mention of this waiver in the Minutes he had seen on this event. It may be time to "righten the ship". The Board comments indicate that it is a major tourist attraction. Member Staub supported the Board's comments and felt that the funds should be found for it from other sources. Ms. Fisher explained that it is a nonprofit activity and that the funds go back to the community. It was not a money maker for the City's general fund. It had always been indicated that it was a City-sponsored event. It was successful. The funds generated by it had been given to Special Olympics. It does not compete with other events. Member Staub reiterated that she should submit an application to Redevelopment for funding. Chairperson Masayko reiterated the desire to "righten the ship" and conduct the funding in public meetings. The cost of the liability insurance has quadrupled since 9-11. It now is a significant cost. Ms. Fisher explained that the insurance pool had not increased the liability premium for the event. It had been handled the same as the skateboard park and the aquatic facility. Chairperson Masayko explained that Convention and Visitors Bureau Executive Director Candy Duncan and Finance Director David Heath had discussed the insurance issue. If the City's insurance is used for one event, it should be used for all. Public comments were solicited but none were given. Chairperson Masayko indicated that he did not have a problem with the assemblage permit and waiver of its fees. His intent was to "clear the air" on the City funds that were used for this event. There should be a clear understanding and knowledge about the terms and conditions. The funding should be done in another venue where these issues can be discussed. Member Livermore indicated that in light of what has occurred and to make sure that the event seriously continues to be an event in the City, he moved to approve the assembly permit with waiver of the \$100 permit fee and \$25 application fee for the Silver Dollar Car Classics. Member Staub seconded the motion. Motion carried 4-1-1 with Member Williamson voting Naye and Member Furlong absent.

4-C. (2-0620) - Carson Rendezvous Committee Member Maxine Nietz described the activities scheduled for the 20th event. Committee Member and Convention and Visitors Bureau Representative Joy Evans described Chris LeDoux's musical talent and reputation. Telephone calls are already being received from his fans wanting the tickets. The cost of the tickets and the room reservations were limned. Chairperson Masayko indicated that this is the type of an event desired in the community. Member Williamson described the Brewery Arts Auditorium and the Brewery's intent to put on a Capital City Music Series. The new sound system and the pavilion in the park should provide an excellent location for the concert which is the kickoff for the music series. She felt that the event would be a positive addition to the Rendezvous and thanked the Committee for allowing the Redevelopment Authority to participate. "Rack" cards announcing the Rendezvous and the concert were distributed to the Board and Clerk. (A copy is in the file.) The public was urged to attend the event on June 13, 14, and 15. Public comments were solicited but none were given. Chairperson Masayko congratulated them on the program. Member Livermore moved to approve the assembly permit with waiver of the \$100 permit fee and the \$25 application fee for the Carson City Rendezvous. Members Aldean and Staub seconded the motion. Member Staub also pointed out that Sourdough Slim would be appearing at the Rendezvous. Motion carried 4-1-1 with Member Williamson voting Naye and Member Furlong absent.

BOARD OF SUPERVISORS (1-0775) - There being no other matters for consideration by the Liquor and Entertainment Board, Chairperson Masayko adjourned the Liquor and Entertainment Board and immediately

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reconvened the session as the Board of Supervisors. The entire Board was present, constituting a quorum.

5. CONSENT AGENDA (1-0792)

5-1. SHERIFF - ACTION TO APPROVE THE ACCEPTANCE OF THE 2003 EDWARD BYRNE MEMORIAL STATE FORMULA GRANT NO. 01-NC-034

5-2. TREASURER - AFFIDAVIT OF DELINQUENT NOTICE MAILING FOR REAL PROPERTY TAXES

5-3. DEVELOPMENT SERVICES - ENGINEERING - ACTION TO ACCEPT AND AUTHORIZE THE MAYOR TO SIGN THE NEVADA STATE OFFICE OF ENERGY (NSOE) GRANT - SEP/RO/03/015 - CARSON CITY ALTERNATIVE ENERGY PROJECT

5-4. DEVELOPMENT SERVICES - CONTRACTS - ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE LONG LINE STRIPING PROGRAM, CONTRACT NO. 2002-108 TO (BIDDER NO. 1) WESTERN SEALING AND STRIPING, 111 MORRILL STREET, RENO, NEVADA 89512, AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO THE REQUIREMENTS OF NRS CHAPTER 332, 338, 339, AND 629 FOR A CONTRACT AMOUNT OF \$41,042.04

5-5. PURCHASING AND CONTRACTS - ACTION TO APPROVE CONTRACT NO. 0203-134 A REQUEST TO HAVE THE BOARD OF SUPERVISORS DETERMINE THAT THE LISTED CITY PROPERTY IS NO LONGER REQUIRED FOR PUBLIC USE AND DEEM ITS SALE BY PUBLIC AUCTION DESIRABLE AND IN THE BEST INTEREST OF CARSON CITY

5-6. INFORMATION SERVICES - GIS DIVISION - ACTION TO CHANGE THE STREET NAME OF DOGLEG TO DOGLEG ROAD

5-7. CITY MANAGER - ACTION TO REAPPOINT VINCENT BAUM EFFECTIVE MARCH 2003 TO MARCH 2005, KIM PLAWCHAN EFFECTIVE MARCH 2003 TO MARCH 2005 AND SALLY ROGERS EFFECTIVE APRIL 2003 TO APRIL 2005 TO THE BOARD OF MASSAGE EXAMINERS

5-8. AIRPORT AUTHORITY

A. ACTION TO APPROVE THE FOURTH ADDENDUM TO THE "AEROHEAD-JEWETT" AIRPORT LEASE BETWEEN THE CARSON CITY AIRPORT AUTHORITY AND EL AERO SERVICES, INC., INCREASING THE RENTAL AMOUNT AND EXTENDING THE TERM

B. ACTION TO APPROVE AN ADDENDUM TO THE "PORTAHANGAR" AIRPORT LEASE BETWEEN THE CARSON CITY AIRPORT AUTHORITY AND EL AERO SERVICES, INC., INCREASING THE RENTAL AMOUNT AND EXTENDING THE LEASE

C. ACTION TO APPROVE THE EIGHTH ADDENDUM TO THE "MOBILL" AIRPORT LEASE BETWEEN THE CARSON CITY AIRPORT AUTHORITY AND EL AERO SERVICES, INC., INCREASING THE RENTAL AMOUNT AND EXTENDING THE TERM

5-9. FINANCE - ACTION TO RATIFY THE EXPENDITURE APPROVAL LISTING FOR THE MONTH OF APRIL 2003 - Mayor Masayko noted that neither Vincent Baum, Kim Plawchan, nor Sally Rogers were present. He thanked them for volunteering to serve on the Board of Massage Examiners. Supervisor Staub then moved to approve the 11 items contained on the Consent Agenda for this date. Supervisor Livermore seconded the motion. Motion carried 5-0.

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6. BOARD OF SUPERVISORS

A. DISCUSSION AND POSSIBLE ACTION ON LEGISLATIVE MATTERS - None.

C. NON-ACTION ITEMS - STAFF COMMENTS AND STATUS REPORTS (1-0830) -

Mayor Masayko explained that Acting City Manager Burnham had left the meeting to meet BLM Director Kathleen Clark at the Silver Saddle Ranch for a tour of the facility. Comments acknowledged the partnership which had developed the ranch, its wetlands project, and the wildlife/recreational benefits created there. Mayor Masayko also announced that on May 16 there will be a presentation at the Silver Saddle Ranch and that Carson City will receive an award from BLM regarding the program. BLM is aware of the Board's reasons for not attending the tour. No formal action was required or taken.

RECESS: A recess was declared at 9:25 a.m. The entire Board was present when Mayor Masayko reconvene the meeting at 9:35 a.m., constituting a quorum.

B. NON-ACTION ITEMS-INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0905) - Supervisor Staub thanked the Board and community for the contributions and letters he had received since the last meeting. He also announced that today is his son's 13th birthday. Mayor Masayko wished him happy birthday. No formal action was taken or required.

7. ACTION TO ADOPT ON SECOND READING, BILL NO. 109, AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NEGOTIABLE "CARSON CITY, NEVADA, GENERAL OBLIGATIONS (LIMITED TAX) PUBLIC SAFETY REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2003, "FOR THE PURPOSE OF FINANCING THE COST OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; AND PROVIDING OTHER MATTERS RELATING THERETO (1-0920) - Finance Director David Heath explained that the refunding will reduce the debt service. The bonds will be issued on June 4th and create a savings in next year's budget. The original issue was for \$17 million. Only a portion of these bonds can be called. The interest rate will be below four percent. The budget had included a savings of \$500,000 from refinancing the bonds. This savings had helped balance the budget. Public comments were solicited but none were given. Mayor Masayko noted for the record that he had not received any comments between first and second readings either pro or con on this proposal. Supervisor Williamson moved to adopt Bill No. 109 on second reading, Ordinance No. 2003-10, AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NEGOTIABLE "CARSON CITY, NEVADA, GENERAL OBLIGATIONS (LIMITED TAX) PUBLIC SAFETY REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2003, "FOR THE PURPOSE OF FINANCING THE COST OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; AND PROVIDING OTHER MATTERS RELATING THERETO. Supervisor Aldean seconded the motion. Motion carried 5-0.

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8. DEVELOPMENT SERVICES - UTILITIES - Utility Operations Manager Tom Hoffert

A. ACTION TO ADOPT BILL NO. 110 ON SECOND READING AN ORDINANCE

AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE), CHAPTER 12.01 (WATER CONNECTION CHARGES AND USE RATES), SECTION 12.01.020 (SCHEDULE OF RATES) BY AMENDING DOMESTIC/RESIDENTIAL SERVICE TO INCLUDE COMMERCIAL, QUASI-RESIDENTIAL INTO ONE RATE SCHEDULE, LOWERING THE MONTHLY SERVICE CHARGE 10 PERCENT, INCREASING THE MONTHLY COMMODITY CHARGE 21.47 PERCENT FOR ALL CLASSES TO THE SAME TIER STRUCTURE, DELETING QUASI-RESIDENTIAL, COMMERCIAL AND PRIVATE FIRE PROTECTION SERVICES SECTIONS, AND BY DELETING "COMMERCIAL" AND ADDING "WATER" TO WATER TRUCK WATER SERVICE, AND DELETING "JUNE" AND ADDING "WITH THE ANNUAL BUDGET, BUT NO LATER THAN APRIL", AND AMENDING SECTION 12.01.030 (SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS AND METER SET FEES) BY DELETING "THREE THOUSAND THREE HUNDRED THIRTY-FOUR DOLLARS (\$3,334.00) AND JANUARY 1, 1998", ADDING "THREE THOUSAND NINE HUNDRED SIXTY-EIGHT DOLLARS (\$3,968.00) AND JUNE 1, 2003", AND DELETING SECTION 1.B CONNECTION FEE AUDIT REQUIREMENTS, AND OTHER MATTERS PROPERLY RELATED THERETO, AND B. ACTION TO ADOPT BILL NO. 111 ON SECOND READING, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE), CHAPTER 12.03 (SEWER CONNECTION CHARGES AND USE RATES), SECTION 12.03.020 (SCHEDULE OF RATES) BY INCREASING ALL RATES 9.10 PERCENT, AND AMENDING SECTION 12.03.025 (CALCULATION AND REVIEW OF RATES) BY DELETING "ADMINISTRATIVE SERVICES" AND ADDING "FINANCE", DELETING "BY JUNE", ADDING "WITH THE ANNUAL BUDGET BUT NO LATER THAN APRIL", AND AMENDING SECTION 12.03.030 (SCHEDULE OF SEWER CONNECTION AND HOOK-UP CHARGES) BY DELETING "TWO THOUSAND TWO HUNDRED TWENTY-SIX DOLLARS (\$2,226.00)", ADDING "FIVE THOUSAND SEVEN HUNDRED SEVENTY-SEVEN DOLLARS (\$5,777.00), FOR EVERY CONNECTION MADE AFTER JUNE 1, 2003", AND DELETING 1B CONNECTION FEE AUDIT REQUIREMENTS AND 2. CONNECTIONS MADE PRIOR TO DECEMBER 31, 1988, AND OTHER MATTERS PROPERLY RELATED THERETO (1-0949) - Builders Association of Western Nevada (BAWN)

Executive Director Rick DeMars - Mayor Masayko called attention to the error in the financial impact for the sewer. He also noted the public meetings conducted on the water and sewer rates. Mr. Hoffert explained that the fiscal impact for the water had been copied on the Board Action Request for the sewer. The fiscal impact for sewer was estimated to be \$448,661 for the monthly charges and the sewer connection fee is estimated at \$1,065,436. Mayor Masayko stated for the record that the \$448,661 was the annualized monthly charges. Mr. Hoffert explained his discussion with Dave Bartosz, a local contractor, who was dissatisfied/opposed the sewer connection rate increase. He had given Mr. Bartosz information on the program. He had also had a discussion with BAWN Executive Director Rick DeMars, who is present, regarding the same subject. Mayor Masayko disclosed that he had discussed Mr. Bartosz' concerns with Chamber of Commerce Chief Executive Officer Larry Osborne. He had asked Mr. Osborne to ask Mr. Bartosz to attend the meeting. He also explained that Mr. Osborne had been a member of the Utility Rate Committee and is in attendance. Mayor Masayko disclosed for the record that between the first and second reading the only conversation he had about the ordinances was as indicated with Mr. Osborne. Discussion between

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Supervisor Williamson and Mr. Hoffert indicated that there had not been an increase in sewer connection requests. Flyers had been created and are at the Building Department counter and the BAWN office. The flyer will be included with the May monthly statements. Public comments were solicited.

Mr. DeMars thanked the City for including BAWN in the process. Mr. Martel had been BAWN's representative on the Committee. Unfortunately, Mr. Martel had left the area. He then reminded the Board of the tax increases proposed by the State, insurance companies, etc., which makes it difficult to accept a \$3500 increase in the sewer connection fees. He acknowledged that there had not been an increase in the connection fee since 1989. The proposed ordinance addresses this oversight. He urged the City to stay on top of the fees and avoid making such high increases.

Supervisor Livermore indicated that he appreciated his comments. He had discussed the proposed rate increase with several individuals. BAWN represents contractors who building in the surrounding counties as well as Carson City. Information which had been given to the Board indicates that Carson City has the lowest connection fees in the area. He agreed that sporadic incremental increases should be made. He also pointed out Carson City's efforts to have affordable homes for its residents. The proposed fees are below the market scale. He hoped that this information is conveyed to the organization's members. Even with the fee increases, Carson City will remain below the regional price. He explained his understanding that Lyon County is in the process of evaluating its fees and had proposed a fee that is several thousand dollars higher than Carson City's proposed rate. He also expressed his appreciation for Mr. Martel's participation on the committee. He felt that Mr. Martel had done a good job of representing the contractors and in attempting to keep the costs low. Mr. DeMars indicated that BAWN has experienced a loss of his services and that he (Mr. DeMars) had been aware of the cost comparisons. He also pointed out that the proposed increase will make it difficult for the first time home buyers to qualify. Mayor Masayko explained that the City is aggressively seeking funding to assist first time home buyers. The methodology used to develop the rate had clearly shown the need to make incremental increases in the future. The capital buy in charges must be assessed the new residents/customers or else the current customers will have to pay the costs. He felt that the current customers should pay for the service costs incurred providing the commodity. He also pointed out that there is no perfect time to increase fees. The ordinance will require annual reviews.

Supervisor Aldean supported Supervisor Livermore's comments. It had been a participatory process with a representative of BAWN actively involved in it. Some individuals were not aware of the process and they have lodged their complaints. She also thanked Mr. Osborne for his participation and noted that he had received "flak" from some of his members due to their belief that he had not represented his constituents' interests. It had been a very inclusive process. She read Mr. DeMars points from his letter into the record and thanked him for his comments and participation.

Mayor Masayko asked for additional public comments but none were given. He again noted the telephone discussion he had with Mr. Osborne regarding Mr. Bartosz' concerns.

Supervisor Staub moved to adopt on second reading Bill No. 110, Ordinance No. 2003-11, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE), CHAPTER 12.01 (WATER CONNECTION CHARGES AND USE RATES), SECTION 12.01.020 (SCHEDULE OF RATES) BY

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AMENDING DOMESTIC/RESIDENTIAL SERVICE TO INCLUDE COMMERCIAL, QUASI-RESIDENTIAL INTO ONE RATE SCHEDULE, LOWERING THE MONTHLY SERVICE CHARGE 10 PERCENT, INCREASING THE MONTHLY COMMODITY CHARGE 21.47 PERCENT FOR ALL CLASSES TO THE SAME TIER STRUCTURE, DELETING QUASI-RESIDENTIAL, COMMERCIAL AND PRIVATE FIRE PROTECTION SERVICES SECTIONS, AND BY DELETING "COMMERCIAL" AND ADDING "WATER" TO WATER TRUCK WATER SERVICE, AND DELETING "JUNE" AND ADDING "WITH THE ANNUAL BUDGET, BUT NO LATER THAN APRIL", AND AMENDING SECTION 12.01.030 (SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS AND METER SET FEES) BY DELETING "THREE THOUSAND THREE HUNDRED THIRTY-FOUR DOLLARS (\$3,334.00) AND JANUARY 1, 1998", ADDING "THREE THOUSAND NINE HUNDRED SIXTY-EIGHT DOLLARS (\$3,968.00) AND JUNE 1, 2003", AND DELETING SECTION 1.B CONNECTION FEE AUDIT REQUIREMENTS, and that the new rate will become effective June 1, 2003, AND OTHER MATTERS PROPERLY RELATED THERETO; and that the fiscal impact after the approval on second reading will provide an increase in revenue estimated at \$507,821 for the monthly charges and \$206,608 for connection fees. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Staub moved to adopt on second reading Bill No. 111, Ordinance No. 2003-12, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE), CHAPTER 12.03 (SEWER CONNECTION CHARGES AND USE RATES), SECTION 12.03.020 (SCHEDULE OF RATES) BY INCREASING ALL RATES 9.10 PERCENT, AND AMENDING SECTION 12.03.025 (CALCULATION AND REVIEW OF RATES) BY DELETING "ADMINISTRATIVE SERVICES" AND ADDING "FINANCE", DELETING "BY JUNE", ADDING "WITH THE ANNUAL BUDGET BUT NO LATER THAN APRIL", AND AMENDING SECTION 12.03.030 (SCHEDULE OF SEWER CONNECTION AND HOOK-UP CHARGES) BY DELETING "TWO THOUSAND TWO HUNDRED TWENTY-SIX DOLLARS (\$2,226.00)", ADDING "FIVE THOUSAND SEVEN HUNDRED SEVENTY-SEVEN DOLLARS" (\$5,777.00), FOR EVERY CONNECTION MADE AFTER JUNE 1, 2003", AND DELETING 1B CONNECTION FEE AUDIT REQUIREMENTS AND 2. CONNECTIONS MADE PRIOR TO DECEMBER 31, 1988, and that the new rates will be effective June 1, 2003, AND OTHER MATTERS PROPERLY RELATED THERETO; fiscal impact after approval of second reading will provide an increase in revenue estimated at \$448,661 for monthly charges and \$1,065,436 for connection fees. Supervisor Livermore seconded the motion. Motion carried 5-0.

Mayor Masayko thanked the Committee for its efforts and the public for its participation in the process which had been open and televised.

9. PARKS AND RECREATION - Director Steve Kastens - ACTION TO APPOINT AND SWEAR-IN MR. DANIEL A. LECK AS THE APPRAISER FOR CARSON CITY REGARDING THE PREPARATION OF A SELF-CONTAINED MARKET VALUE REPORT OF THE RONALD D. WILSON MEMORIAL PARK, OWNED BY CARSON CITY, APN'S 8-118-01, 02, 03, AND 04, SPECIFICALLY THE 25-FOOT STRIP OF LAND ON THE WESTERN BORDER OF APN 8-118-01 EXTENDING 288 FEET FROM THE NORTHERN BORDER TO THE SOUTHERN BORDER OF THAT PARCEL (1-1325) - Chief Deputy District Attorney Mark Forsberg, Dan Leck, Mary Fischer - Discussion between Mayor Masayko and Mr. Forsberg indicated that the Board could condition the sale to include the cost of

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the appraisal and other items. The price must also include the parcel's fair market value. Mr. Kastens indicated his intent to pay for the appraisal by using Residential Construction Tax monies. Supervisor Livermore explained his objection to the concept when originally presented. He felt that it is appropriate for the buyer to pay for all elements of the sales cost. He explained his opposition to using the Residential Construction Tax funds for the purpose of selling a neighborhood park. He also indicated his request that Builders Association of Western Nevada Executive Director Rick DeMars remain for the discussion. Mayor Masayko expressed concerns that if the parcel goes to auction and the price is more than its appraised value, a buyer may not be found for the property. Under this concept the Residential Construction Tax monies will not be reimbursed. Supervisor Livermore felt that the buyer could indicate at this time whether he/she was willing to pay for the cost of appraising the property. If he/she does not wish to do so, it may not be necessary to hire Mr. Leck to do the appraisal. Mayor Masayko pointed out that the issue is whether to hire the appraiser and not the issue Supervisor Livermore had raised. Mr. Kastens indicated that there are other funds which could be used for the appraisal. Mayor Masayko indicated that this included the contingency account and the operating budget. Mr. Kastens reiterated that there are other unnamed funds that could be used which included funds from other park sites. Mayor Masayko supported using other funds due to his desire to use Residential Construction Tax funds for capital items. Mr. Kastens then indicated that funds for design work for parks could be used. Mayor Masayko indicated that this may be appropriate although it is a stretch of his understanding of its purpose. Discussion between Supervisor Williamson and Mr. Kastens questioned the discussion that had occurred previously and whether it had been indicated that the cost of the sale and purchase price would be a "wash". Mr. Kastens indicated that this was an estimate. Supervisor Williamson explained the mobile home park owner's desire to have a buffer between the mobile home park and the park. The issue of when to build it had caused the mobile home park owner to offer to buy and construct the buffer. Discussion indicated that it would be several years before a water line is extended to the park which could irrigate the landscaping/buffer. It is estimated that it will cost \$120,000 to extend the line. The funding is not available for this purpose at this time nor can the City's Capital Improvement Program fund it. The mobile home park owner's concern with the City's plans to partially develop the park at this time was explained. He/she was not interested in leasing the area. Reasons a purchase agreement and letters of intent to acquire the property could not be used were explained. The mobile home park owner could not be bound to an agreement to acquire the property. It must be auctioned. Discussion indicated alternatives to constructing a buffer that would require irrigation, e.g., a block wall, large boulders, etc. Supervisor Livermore reiterated his belief that the City was not getting the property's full value if it paid for the appraisal and the escrow fees. Mr. Forsberg limned the direction that had been given to staff when the resolution of intent to sell the property had been considered. Mayor Masayko felt that the implied direction being given by the Board is for staff to find another way to handle the matter. Mr. Forsberg was not sure whether there is a process that would allow the sale of the property to an adjacent property owner without going to auction. Mayor Masayko was also unsure whether the Board wished to spend \$3500 of public funds to determine the value of the property particularly in view of his belief that the property may not be worth that much. Mr. Kastens explained that the Parks and Recreation Commission felt the property value was low. The Commission had included the cost to make and maintain the improvements in its analysis. The proposal also provides an opportunity to be a good neighbor. Mayor Masayko felt that there were other options such as leasing the land which should be explored. Discussion explained the Statutory requirement that the property be sold at fair market value through a broker or at an auction. The appraisal must be performed by a licensed professional. Mr. Forsberg explained that the lease would require an appraisal. An easement would also require an appraisal. The public must be allowed to participate in the auction process. Mr. Forsberg indicated that he would check the Statutes and determine whether it is possible through a petition process

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for an individual to use, lease or acquire public property that allows/requires the petitioner to pay the minimum amount for the parcel. Mr. Kastens explained that a timeframe for construction of the buffer had not been established. The development of Mills Park was explained to illustrate the time taken to provide the buffer at the southeast corner. Supervisor Livermore explained that he had not been aware of the cost for the appraisal when the concept was originally broached. He had discussed the concept with Assessor Dave Dawley who had not been able to develop an estimate. He hoped that in the future the appraisal cost is added to land sales. He challenged staff to look at the buffer and park design and develop a better concept. Mr. Kastens indicated that an alternative that would have developed a cooperative agreement with the Fischers had been discussed, however, they were not interested. Under this concept they would have provided water for irrigation and the City would have done the planting and maintenance work. Supervisor Williamson reiterated her belief that the sale would be a "wash". She felt that there were other alternatives that should be considered. She also pointed to NIMBY (Not In My Back Yard) comments which had been expressed about having the park at that location. She felt that the Fischers had attempted to solve a problem with an investment for the City.

Public comments were solicited. Mr. Leck indicated that he also does appraisals for the Nevada Department of Transportation. It uses an Administrative Code which allows it to sell property to the adjacent property owners. He was uncertain whether this process is available to the City. He then explained that he had spent 1-1/2 hours at the Board meeting and had two meetings with City staff prior to that regarding the property. The City's ownership of the parcel is not material to the sale. Considerations which would be evaluated in the appraisal process were limited. These considerations indicate that if the severance damages created by the sale are equal to or greater than the estimated value of the property, it could not be divided and sold. Mayor Masayko apologized for taking his time particularly if he is not given the job even though he had committed time and effort to it. He also indicated that sometimes this is the cost of doing business.

Ms. Fischer explained that the comments disturbed her in that they indicate that they had solicited the City for the purchase. The concept had been developed as a result of efforts attempting to find a feasible method of providing a buffer before development of the park occurs. The park plan had been developed as a result of several meetings with the neighborhood. Her mobile home park, reasons for her concerns about the noise, the number of unsupervised children who will play there and the problems they create were described. They had requested the buffer which is included in the plan. Originally there had not been any discussion regarding phasing the park plan. It came later in the discussions. Phasing had listed the landscaping and buffer as the final part of the plan. She felt that they should be the first part of the project the same as the landscaping was done at K-mart. The City should be required to meet the same standard that developers must meet. The City should not develop the site until water is brought to it. Her quasi-municipal well serves the tenants of her park. They had discussed providing water for the buffer, however, the complexity of such an agreement was rather confusing. Ten feet of the 25-foot buffer includes a utility easement. It cannot be developed. The remaining 15 feet would be used for a buffer and landscaping. It would be a cost drain for them to develop and maintain. She then explained that some of her residents live within five to seven feet of the back property line. The park will create an environmental impact on those residents. She was also surprised about the professional service costs for the appraisal. She indicated that mobile homes will not be placed in the buffer. The fence line would be moved as the property would no longer be part of a public park. She was willing to consider other options. She urged the Board to direct staff to install the buffer and landscaping the same as required of other developers and not to allow the phasing and doing the buffer last. Mayor Masayko

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thanked her for her willingness to be flexible. He also felt that it was not the end of the road.

Supervisor Livermore explained that the City had purchased the site from the School District after it had determined that it did not need a school in this vicinity. The school use would have provided an even more intense use than that of a park. He reiterated his comments concerning the development of Mills Park and its lack of a buffer for the residents living along its southeast corner. He felt that it was unfortunate that she saw the park as a detriment. The park plan develops the higher uses away from her side of the park. He volunteered to work with her to ensure that the buffer is developed. Ms. Fischer limned the reasons for her concerns which related to unsupervised children, traffic, noise, and the impact the freeway will have on her neighborhood. She felt that a school would not have been built on the site due to the freeway. The freeway and the large number of apartments that are being constructed on the south side of it will be detrimental to her lifestyle. The climbing wall proposed for the park is important, however, having unsupervised children is not. Additional public comments were solicited but none were given.

Mayor Masayko suggested that the resolution be adopted and Mr. Leck appointed or the staff be directed to work with the Fischers to find another solution. His suggestion regarding the use of a petition to acquire the property should be discussed with the District Attorney's office. Supervisor Williamson moved to appoint and swear in Mr. Daniel A. Leck as the appraiser for Carson City regarding the preparation of a self-contained market value report of the Ronald D. Wilson Memorial Park, owned by Carson City, Assessor's Parcel Numbers 008-118-01, 02, 03, and 04, specifically the 25-foot strip of land on the western border of Assessor's Parcel Number 008-118-01 extending 288 feet from the northern border to the southern border of that parcel; and that the appraisal cost is \$3,500; and that the funding source will hopefully be some funds from the Parks and Recreation but not necessarily the Residential Construction Tax. Motion failed for lack of a second.

Supervisor Livermore moved that the Board of Supervisors table Item No. 9 on the agenda. Supervisor Staub seconded the motion. Motion carried 5-0.

10. DEVELOPMENT SERVICES - ENGINEERING - City Engineer Larry Werner - DISCUSSION AND ACTION TO DIRECT STAFF REGARDING THE PROPOSED RATES AND SCHEDULE FOR IMPLEMENTATION OF A STORM WATER DRAINAGE ORDINANCE (1-2612) - Acting city Manager Andrew Burnham, Committee Member Tony Morangi, Chamber of Commerce Chief Executive Officer Larry Osborne - Mayor Masayko explained that the original agenda item had included an ordinance for implementing the storm water drainage rates. He felt that additional public discussion on the concept should occur before the Board decides to implement the utility as it includes a significant impact to commercial sites. The proposal also creates a monthly service charge. Once the utility is established, the use of Regional Transportation Commission funds for storm utility maintenance should be eliminated. He urged the Board to consider how its implementation should be provided and its funding for operation and maintenance. He suggested that the lowest possible rate be used. The Board's discussion should include funding for nuts and bolts of the operation, its capital costs, and development of funding program(s), i.e., from a customer charge, a property tax levy, incremental sales taxes, or the general fund. Staff should consider these issues and conduct additional public hearings before the ordinance is considered.

Mr. Werner introduced the Committee members who were present and described the process that had been used to obtain comments from the individuals/firms who may be the high end users/payers of the service after it is

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implemented. There had not been a lot of response to the 200 letters that had been sent out. Staff took the lack of response to mean that the ordinance should be introduced. Mr. Werner had also talked to 10 to 15 business people whom he felt would attend the meeting. The one segment that had not been actively involved was the general public. A spread sheet had been developed showing the impact of rates between \$1.50 to \$3.00 for each equivalent residential unit (ERU). Mayor Masayko explained his intent to include the public perspective and input so that it is understood that “x” dollars are imbedded for maintenance and “y” dollars are for capital costs. Mr. Werner indicated that this had been discussed when they had considered the capital funding mechanisms and the capital master planning. The financial spread sheet including the estimated staffing, funding that would be returned to Regional Transportation, debt service for the \$1.5 million that would be used for capital improvements, and how the rate of \$3.18 had been established per ERU. Mayor Masayko noted the impact of the Board’s decisions to increase the water, sewer, and the ad valorem rates. Legislative consideration of additional taxes will also impact the businesses and residents of the community. For this reason he felt that better dissemination of information regarding the proposal was warranted. The proposed funding as delineated on the spread sheet was limned. He felt that with a better “sales effort” people would be able to understand what their \$3 will acquire. He directed staff to make public presentations during the evening hours with media coverage and to include discussions on the minimal amount that would be required to meet the commitments that were part of the NDEP permit and freeway drainage improvements. Funding for the capital elements, what is needed, and what is desired should be developed. Discussion indicated the importance of having a strategy that shows where we are and where we are going before implementation of the ordinance occurs. Additional steps and phases should be included that allows time for consideration of alternatives. Mr. Werner agreed and indicated that alternatives will include how the capital improvements could be funded if not under this program. Mayor Masayko indicated that funding alternatives could include a one cent ad valorem tax which would generate \$4 a year from an average residence and/or adding \$1 to the utility bills. There is also the possibility of adding a charge to the Carson Water Subconservancy District tax levy. Spreading the costs was felt to be more palatable. Mr. Werner indicated that they had not addressed those items and that these alternatives should be considered. Mayor Masayko reiterated his desire to educate the public on the process and need. Mr. Werner indicated that they had started with the dollar value rather than the function view. They should have done it the other way around. He felt that it would require another two months to complete this process. Mayor Masayko urged the public to attend these meetings and to participate. Mr. Werner indicated that the largest areas of concern had been expressed by the mobile home park owners, Michael Hohl, and the Airport. Their questions related to how the process would be handled. He also indicated that the program should have been implemented ten years ago, however, it was too expensive at that time. Mayor Masayko agreed that the Board/staff had been aware of the need to develop the program, however, the public had not been informed about the need. It is important that it be accomplished while alternative funding programs are available.

Mr. Burnham indicated that the process used by the Utility Rate Committee should be used. Mayor Masayko felt that it was not necessary to “resurrect the committee” but that a round table discussion over CAT-10 soliciting public input on what should be done could provide the same results. Mr. Werner indicated that this approach had been used with various businesses in the community although it was not televised. Supervisor Williamson indicated that the meetings had been televised, however, it is important that the proposal be submitted and discussed with the Subconservancy District, the Watershed Council, the Carson River Advisory Committee, as well as others. The message should include the fact that the improvements are keyed to the flood potential and should contain triggering requirements such as the MPO, expansion of the treatment plant, etc. The minimal requirements, the community’s

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wants, and the priorities also need to be defined.

Supervisor Aldean acknowledged the work that had been done establishing the equivalent residential units and credits. Her review of the Committee's recommendation on the credit program was described. She felt that credits should be mandatory and not discretionary if it is demonstrated that the offered facility benefits the City's storm water program and reduces its costs. Mr. Werner indicated that it was not certain what type of facilities should be given credit. He agreed that it could be mandatory for credits to be given if the facility reduces the impact to the community beyond general standards. Supervisor Aldean reiterated her belief that if an individual/firm does more than is necessary, the credit should be mandatory. Discussion between Mr. Werner and Supervisor Aldean explained Section 12.17.080 requiring payment of protested rates and charges. If the individual protesting the charge/rate is found to be correct, the City will reimburse him/her. Board discussion also indicated that the interest penalty for failure to pay the monthly bills will be 2-1/2 percent. This is the same penalty as charged by the water and sewer utilities. Mayor Masayko encouraged staff to "true up" the charges and not turn off the water because the sewer or storm drainage bills are not paid. Mr. Werner felt that this is the only manner in which payment could be forced. Mayor Masayko felt that this is a public policy question which the Board should consider. He was also concerned about the proposal to place a lien on property for such nonpayment.

Supervisor Livermore explained that during dry/drought periods, the need for flood control is not evident. In 1997 it was very evident as indicated by his example of a business that had flooded. Clarification indicated that the MPO is not connected to the storm drain utility. An urban area designation had been used to describe the boundaries. Supervisor Livermore explained his concern regarding the developments that are occurring at the Northern Douglas County line and the drainage problems it may create. These developments are not part of the City's storm drainage utility. He supported Mayor Masayko's need to educate the public. It may be necessary to attend PTA, Neighborhood Watch, Northern Nevada Development Authority, etc., meetings. This would provide a chance for the public to buy into the project. Mr. Werner agreed. Mayor Masayko felt that the proposal should not be placed in abeyance as a commitment has been made to operate, maintain, and expand the storm drainage system in Carson City. The questions of its extent and the need for the public to understand the program and how it will occur should be addressed. He felt that the public will pay if the need is shown. Mr. Werner explained that staff had committed to having the ordinance to the Board in March for implementation in June or July. This will be delayed. Justification for this timetable was provided. Mayor Masayko explained his concern with the appearance that the item was a "done deal". Mr. Burnham indicated that a better public relations program was needed. Mayor Masayko suggested that notices be included with the water and sewer bills. Supervisor Williamson urged staff to use a multi-tiered notification process as a large number of individuals have wells and septic systems and do not have cable television. Mr. Werner suggested that a mass mailing be undertaken.

Discussion between Mr. Werner and Supervisor Staub explained that the Chief Storm Water Engineer is currently working for Streets. There are other City employees who also work on storm drainage issues/items that should be included under this program. It was felt that they should be consistent in their cost allocations to the utility. Mr. Werner suggested that it be shown as a salary cost rather than a transfer.

Public comments were solicited. Committee Member Morangi explained his background and experience with floods.

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Carson City is a flood zone. They should not continue to procrastinate on the rate. There have been meetings held throughout the community. The City floods in some areas when a light rain falls. Everyone should pay his/her fair share. Three dollars is not a lot of money. Uncontrolled development without flood controls should be addressed. Mayor Masayko explained that flood controls are required of developers now. Mr. Morangi felt that it had been required for only five years. There are many areas without any storm drainage. The freeway will address some of the needs. Mayor Masayko indicated that it will also address the Lompa Lane area. Mr. Morangi felt that retention and a method of transferring the runoff to the River are needed. Mayor Masayko thanked Mr. Morangi for his service on the Committee and explained that the proposal is only being deferred. The Board is committed to developing a storm drainage utility. The public needs to understand the needs and alternatives. Mr. Morangi reiterated his belief that the ordinance should be implemented and the process started.

Mr. Osborne explained that the Chamber had provided testimony to the Committee and appreciated the Members' work. He assured the Board that if the original agenda item had been considered this morning, the room would have been packed. Carson City does have drainage problems and cannot afford to correct them today. Even though the fee is only \$3 per ERU, it has a tremendous impact on some businesses as indicated by a vacant commercial shopping center whose bill will be \$6,000. Such businesses cannot pass the fee on to their struggling tenants. There are other options which should be explored first. The Chamber will participate in the public hearing process as it has in the past. The rate had dropped 18 cents. The residential base is a large portion of the community. He acknowledged that the program will cost more and that it is federally mandated. He agreed that the freeway, its detention basin, and drainage program had provided necessary improvements which the City had enlarged by using Utility funds. The City cannot afford the entire package at this time. He suggested that the program be phased. He thanked the Board for not implementing the program today and volunteered to work with staff. Mayor Masayko explained the need for the program to be more explainable and understandable. It should be phased and developed at the lowest cost possible in a "building block" fashion. The exceptions and offsets should be understandable and transparent to all. Additional public comments were solicited but none were provided. Mayor Masayko indicated for the record that Committee Member Howard Anderson was also present. Mayor Masayko thanked him for his participation in the process and reiterated the reasons for deferring action on the ordinance today. He felt that the item should be returned to the Board in 45 to 60 days. Mr. Burnham indicated a timetable will be developed and given to the Board. No formal action was taken.

11. HUMAN RESOURCES - Director Ann Beck

A. ACTION TO APPROVE AN EMPLOYMENT CONTRACT FOR LINDA RITTER

EFFECTIVE JUNE 16, 2003 (2-0305) - Ms. Beck indicated that 95 percent of all City Managers have contracts. Ms. Ritter had signed it and is awaiting the Board's decision. Mayor Masayko disclosed that he had given Ms. Beck some (unexplained) direction regarding a couple of misunderstood items regarding the compensation package and the bonus system. He felt that Ms. Ritter now understands the total compensation package. Two typos and references had been corrected. He was not a "great advocate of contracts". The three year term is self-explanatory. Supervisor Livermore indicated that he had read the contract and that its contents had not surprised him. The conditions were similar to what the previous City Manager had. Clarification reiterated that Ms. Ritter had accepted the terms of the contract. Supervisor Staub suggested that: 1. Employment be amended to be: "Employer hereby agrees to employ said LINDA RITTER as City Manager to report the Board of Supervisors and perform the duties

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specified herein and other duties the Board of Supervisors shall from time to time assign.” He acknowledged that the terms of employment indicate that she serves at the pleasure of the Board of Supervisors but the addition he had suggested makes it clear that she reports to the Board. Supervisor Livermore suggested her reporting to the Board be included in a Paragraph P under Section 2. Powers and Duties. Supervisor Staub then amended Paragraph G under Section 2 to read: “...fully advised as to the operational, financial and general condition and needs of the city.” Supervisor Williamson corrected “Manger” to be “Manager” in the first line of Section 2. Ms. Beck corrected Line 3 of the same Section to be “Statutes” and not “Statues”. Mayor Masayko directed that a new contract be drafted for signatures. Public comments were solicited but none were given. Supervisor Staub moved to approve the proposed employment contract for Linda Ritter effective June 16, 2003, with the following amendments: Page 1, Paragraph 1, the first sentence should read: “Employer hereby agrees to employ said LINDA RITTER as City Manager to report to the Board of Supervisors and perform the duties specified herein and other duties, as the Board of Supervisors shall from time to time, assign.”; Paragraph 2, “Manger” should be corrected to be “Manager”; Paragraph 2, Page 1, Line 3 “Statutes” needs a “t” between the “u” and the “e”; Page 1, Paragraph 2, G shall read: “To keep the Board of Supervisors at all times fully advised as to the operational, financial, and general condition and needs of the City.” Supervisor Livermore seconded the motion. Supervisor Williamson explained that the comments she had received from the community and State indicate that Ms. Ritter is well regarded and that it should be a good partnership. The motion was voted and carried 5-0.

Ms. Beck then read a letter into the record from Ms. Ritter thanking the Board for her selection as City Manager and her investigation of the community which indicates it is a progressive city with an active citizenry that truly cares for its community. They will certainly face challenges as they go forward. She was certain that under the Board’s leadership and by working with the fantastic Department Heads and employees they will be able to face the challenges and continue the City’s positive move into the future. Her first day of work will be June 16. She had requested that pertinent information regarding the City’s projects and programs be forwarded to her. She planned to meet with the Departments on her first day with the City. She asked that a vision workshop with the Board be scheduled immediately after her indoctrination. She looked forward to working with each of the Board members and anxiously awaited her first day on the job. Mayor Masayko felt that her suggestion was an excellent strategy. The Board is looking forward to June 16. He also indicated that Ms. Ritter had been in the office “the other day”.

Mayor Masayko explained his need to attend the National Day of Prayer at the Capitol Building and passed the gavel to Mayor Pro Tem Livermore.

B. ACTION TO RECESS INTO CLOSED SESSION PURSUANT TO NRS 288.220 TO MEET WITH MANAGEMENT REPRESENTATIVES TO DISCUSS MANAGEMENT LABOR STRATEGIES FOR CITY BARGAINING UNITS (2-0514) - Supervisor Williamson moved that the Board move into Closed Session pursuant to NRS 288.220 to meet with Management Representatives to discuss management labor strategies for City bargaining units. Supervisor Staub seconded the motion. Motion carried 5-0. Mayor Masayko left the meeting at 12:05 p.m. (A quorum was still present.) Mayor Pro Tem Livermore recessed the Open Session.

OPEN SESSION (2-0534) - Mayor Pro Tem Livermore reconvened the Board of Supervisors Open Session at 12:33 p.m. (A quorum was present although Mayor Masayko was absent.) He immediately recessed the Open

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Session for lunch. Mayor Masayko reconvened the meeting at 1:35 p.m. The entire Board was present, constituting a quorum

12. REDEVELOPMENT/ECONOMIC DEVELOPMENT - Director Joe McCarthy - ACTION TO APPROVE A RESOLUTION OF INTENT ENDORSING THE INCENTIVE PACKAGE FOR THE CARSON CITY AUTO MALL AND COMMITTING TO TAKE OTHER GOOD FAITH ACTIONS TO ASSIST IN IMPLEMENTING THE AUTO MALL (2-0525) - Princeton Development Company Steve Tabor; CFA, Incorporated Representative Jody Mayes; Consultant Charlie Long; Acting City Manager Andrew Burnham; Ellen Fallon; Scott Kinsley; J. R. Williams; Rudy Ceragioli; Kevin Vukota; Ann Dallas; Ralph Owens, Kevin Fallon; Bruce Keeton; Albert Le Balch; Sal Bowman; Jon Nowlin; John Bibee - Mr. McCarthy's introduction included Mr. Tabor. Mr. Tabor thanked the Board for considering the proposal and described how the Roseville Auto Mall had been established. He also clarified for the record that Princeton had not developed the Roseville Auto Mall. It is, however, a prototype for the modern retailing venue. Its success was limned. It was a "great laboratory for the future" but not a good model for Carson City as there are no existing uses surrounding the proposed site. The freeway location will change the traffic patterns and make the present auto lots less viable in the future. The freeway location will create additional draw and support for the community through its economic contributions. The City has a growing regional market and will receive an increased market share at the proposed location. The proposed design is sensitive to the current surrounding uses. They want to be a good neighbor, a welcome addition and contributor to the neighborhood. CFA was retained to develop a land plan and design for the site. They will be actively engaged in communication with the neighbors and community-at-large. He then introduced Jody Mayes of CFA, Incorporated.

Ms. Mayes briefly explained the two-year search for a site in Carson City, reasons for selecting the proposed site, and efforts to mitigate the neighbors concerns. She expressed the intent to work with the Airport on its issues. A meeting had been held with the neighbors which was well attended. More meetings will be held where the preliminary design will be discussed. Additional names have been added to the initial mailing list. Approval of the resolution will provide an opportunity to work with the neighbors and address the issues. The resolution is a commitment to keep the auto dealers in Carson City and to work with the developer and property owners to provide the best project possible. She then introduced Mr. Long.

Mr. Long distributed a packet to the Board and Clerk containing his comments which he read into the record. (A copy is in the file.) He felt that the auto dealers would not relocate until after the freeway is constructed. Justification for selecting the proposed site was provided. The term auto mall was defined. Examples of cities who have "sponsored" auto malls and reasons some had failed were listed. He then limned the financial details and justified the figures. Supervisor Williamson corrected Page 13 of the report to show that the City as well as Redevelopment receives property taxes. In this case, the City would receive the same property tax as it had been receiving on the bare ground. Redevelopment will receive the property taxes obtained from the improvements. Mr. Long indicated that the flow chart will be corrected. Payment for the project occurs only upon performance and after the project is completed. Reasons were provided for comparing the proposed auto mall with Roseville. The resolution commitments were then limned. The auto mall is to be developed by 2006 and not the 2008 freeway completion date. The site must be part of a Redevelopment District in order for the financial incentive to be provided. City assistance will be needed to obtain the BLM and NDOT sites. After the property is obtained, the footprint of the

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mall will be designed. They need between 90 and 100 acres for the project. There is approximately 140 acres available at the proposed site. It will be a challenge to find uses for some of the present auto lots. He suggested that the resolution be amended to eliminate the proposed location and not lock the agreement into the one site.

Discussion between the Board and Mr. Long pointed out that the City would be at risk if the economy does not respond and current sales taxes are not expanded. The City will be required to use other funding sources to meet the annual contribution of \$976,000 for the development costs and the \$366,000 annual site mitigation costs. The City will not be obligated to make the \$550,000 incentive payment to the dealers. Mayor Masayko also indicated that the City will be obligated to make the bond payments of \$1.34 million as required for the \$15.4 million bond. This risk needs to be included in the record. Discussion indicated that the \$12.1 million in incentive payments are made to the developer. The dealers cut their own deal with the developer and receive their incentives from him. The \$12.1 million is not guaranteed in terms of a rate of payout. It is a contractual obligation for Redevelopment to pay over time. The Redevelopment development agreements contain a clause that allows the agreements to be renegotiated when the taxes do not materialize, fail to grow, or the Legislature makes changes in its collection ratio. Failure to receive an increase in sales taxes justifies renegotiation. The long-term commitment to provide \$12.1 million in incentive funds should be kept, however, the City cannot guarantee it legally nor can the City provide the funds without consideration for other community service demands. The City should renegotiate the agreement and provide another method to meet this obligation. The \$15.4 million bond repayments will have to be made. Mr. Long then explained that the proposal is merely an outline of the package. It is not the agreement. The negotiations of the agreement require careful review of all of the different circumstances both parties may face and addressing them in a legal document. This creates a very, very detailed document. The resolution is a commitment indicating that the City is moving forward in good faith based on the suggested outline. Mayor Masayko indicated that the record should show that he supports the approach that makes sure that the site, incentive package, and the Redevelopment District are considered. He intended to work an arrangement with the local and existing auto dealers, the majority of whom have been in the community a long time, raised their children here and have given back to the community. The City is not dealing with someone from another community. He knows how important they are to the City's economic base and the current tax structure. They are known to be honorable people. He was willing to do whatever he could within reason and within what he considered to be an "easy, legitimate, and legal treatment" of the process for both parties and making sure that the audience, the guarantors of any arrangements negotiated, are not adversely affected by the arrangements which may work out as projected. This process in his mind has a fair way to go before the probing questions are answered, i.e., site location, the public's view, the neighbors' concerns, and the significant findings required to include a vast tract(s) of land in the Redevelopment District. His reading of the Redevelopment statutes does not indicate that it should be used as an economic development tool. He cautioned the Board and community to be cognizant of his concerns. It is necessary according to the terms of the agreement that the Board commence the process for placing the area in the Redevelopment District and begin developing the disposition and development agreement with the developer. Mr. Long urged the Board to make a determination as to whether the Redevelopment process should be used so that other alternatives can be considered early on. Discussion indicated that the Redevelopment process is a complex legal procedure with full disclosure. Mayor Masayko reiterated his belief that they needed economic development tools and should not use the Redevelopment process for this purpose except as the tool of last resort.

Mr. Burnham explained that the process had been started two years ago. It is now time for the Board and community

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to be involved in the process. He also explained Senator Raggio's proposed bill on economic development. If it is adopted and becomes law, it could be another tool for the community. The proposal is similar to that used for the Costco project. Mayor Masayko noted that Mr. Burnham is aware of his feelings regarding that project. Mr. Burnham explained that it had begun with a resolution of support for the concept that was used to develop the final program. Mayor Masayko indicated that he understood and that the process should be fully disclosed. He intended to continue to pose his questions and obtain the community's reaction to the process and the disclosures.

(2-2046) Discussion between Mr. Long and Supervisor Staub indicated that the inability to obtain enough land could be the deal breaker for the program. It was unknown at this time whether the Airport Authority or Dana Borda would be interested in participating in the program. Two members of the Airport Authority and the Airport Engineer Jim Clague had been involved in a discussion regarding the proposal. Mr. Clague indicated that there is a 12-acre parcel on the southeast corner which is designated as part of the clear zone. Buildings cannot be constructed in this zone. The proposal will grade this area and reduce its height which will be an enhancement for the airport. If the Board approves the resolution, a presentation will be made to the full Airport Authority. This will allow them to take a stand on the proposal at a public meeting.

Mr. Burnham indicated that preliminary discussions have been conducted with the BLM. Changes in the urban interface plan will be required. It is a lengthy process and there are no guarantees of its success. The site is the preferred one. The time required to complete this process is unknown.

Supervisor Staub stressed his desire for the public to know that this is not a done deal. There are lots of hurdles which must be jumped before its completion. This includes acquiring land from the airport which FAA funds had been used to acquire. Mr. Long explained that acquisition of the airport property is not being proposed. FAA has purportedly indicated that it supports any program that generates an income on the property as this helps the financial condition of the airport. The proposal is to lease the property from the airport and to develop it within the FAA guidelines.

Discussion indicated for the record that Mr. Tabor had a lease option on the three parcels owned by Don Langston and totaling 43 acres. Buffer zones will be included in the final design. Neighborhood meetings have been discussing the buffer zones as well as visibility of the site, lights, traffic, noise, design issues, etc. Discussion between Mr. Long and Supervisor Staub reiterated the requirement that the City must repay the \$11.2 million regardless of whether the auto dealers sell one extra car. The bond payment is \$976,000. Mr. Long indicated this figure included a safety margin.

Mr. Tabor then explained Roseville's decision to develop an auto mall close to its freeway. Carson City's dealers currently draw 30 to 40 percent of its clientele from the Reno and Douglas County areas. The current locations will allow Douglas County residents to bypass the Carson City dealers without seeing them. Roseville was a fast-growing area similar to Carson City's. Projections using Roseville's statistics indicate that the auto mall will gain 50 percent of the market. Discussion between Supervisor Staub and Mr. Tabor explained that Roseville's incentives were considerably smaller, e.g., \$9 million and located on 95 acres. The Roseville incentives were based on revenue which over the life of the agreement totaled \$12 million in cash. The incentive was paid as a "write down off of the mall to avoid being treated as taxable income". Mr. Long explained the Roseville's concept made annual payments

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from the incremental sales tax revenue over a 12-year period. The offset of development costs was included in the annual payments which was contingent upon generation of a sales tax increment. Supervisor Staub pointed out that Carson City is smaller than Roseville and questioned the reasons for it to provide \$27.5 mil in incentives for a smaller project. Mr. Long indicated that the size of the project is almost the same. The sales and gross profit projections were based on the market. Roseville's market is not that much larger than Carson City's. The industry benchmarks had provided the larger gap for a similar project. Supervisor Staub supported Mayor Masayko's concerns regarding the use of the Redevelopment District and indicated his opposition to making the entire City part of a Redevelopment District when economic development programs should be used. The proposal has the City participating substantially. There is a risk which the City needed to be prudent about in its deliberations. He supported the auto mall and wanted to address it, however, did not want to address it blindly

Supervisor Livermore explained the Legislature's intent to increase/modify sales taxes and other tax sources. It may be that this will reduce the City's share of the sales taxes. The impact on the proposal was questioned. Mr. Long explained that if the Legislature changes the tax program, the City should renegotiate the package. The only example of an area which had risk sales tax revenue in Nevada was Douglas County who had provide \$3 million in improvements which were noncontingent for Home Depot and Target. A similar offer was made to the "AIG Baker" project. Mayor Masayko pointed out that Douglas County does not rely on its sales revenue. It is a guaranteed county. Therefore, they can play both ends against the middle. They are spending incremental property tax funds. Mr. Long agreed and indicated that if its tax revenue grows, it will become an exporter. He then explained the proposal to aggressively provide reuse assistance for the current car lots. Some sites are reusable as they currently stand while others will need assistance. Supervisor Livermore explained the economic vitality coalition's work on this issue. Economic opportunities and potential uses for the auto sites have yet to be identified. Mr. Long acknowledged that there are no guaranteed uses for the sites at this time. Discussion indicated that the proposed site is zoned tourist commercial which allows a casino, RV park, etc. Mr. Langson had previously submitted plans for a mobile home park which the Board denied. Mr. Long had been told by staff that Mr. Langson has also considered developing a RV park which is consistent with the zoning. Ms. Mayes indicated that there were plans for an equestrian center. The mobile home park had required a zone change.

Mr. Long indicated that there had been no "direct indication" that the auto dealers had proposed relocation to Douglas County beyond "rumors". The suggested Douglas County location is not within its Redevelopment area; therefore, incentives cannot be given. The County could, however, make the public improvements. Such improvements could be construed as substantial. Supervisor Livermore pointed to the graphs illustrating the impact the loss of the auto dealers will have on the City and the need to protect its tax base and economic vitality. He supported participation from the public regarding this impact and how to mitigate it. He also indicated his support for the auto mall as he understood the essential need for a tax base that will continue to provide services for the community.

Supervisor Aldean welcomed Mr. Tabor and acknowledged that there are a lot of problems which need to be worked through regarding the concept. The negotiation process is valid and should be supported. She then noted that the resolution includes references to the freeway as the "bypass". She had been surprised that the draft is not obligatory that development occur at the proposed site even though the resolution almost reads that way. She suggested that a whereas be removed or a clause added indicating that all other sites are not precluded from

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consideration under the resolution. This eliminates the potential that individuals could be lead to believe that there are no other viable alternatives. Mr. Long indicated that the City's ability to assist with the reuse of the current sites will be enhanced by their inclusion in a Redevelopment district although it is not required. The reuse of the former Supply One site was used as an illustration of how it could be done without being part of a Redevelopment district. The auto mall site must be in the Redevelopment district. Negotiations have not established the period of time required for the dealers to remain at the auto mall site. These terms will be included as part of the disposition and development agreement. Mr. Long suggested that it be equal to the pay back period of the incentive package.

Supervisor Williamson supported Supervisor Aldean's recommendation that the whereas clause be removed or changed to indicate that other site alternatives can be considered. Supervisor Staub suggested that the resolution indicate that the proposed site will be 100 acres located in Carson City. Supervisor Aldean explained her desire that the whereas indicate that the auto mall will be built at the preferred location although other sites will not be precluded from consideration. She also felt that there was a need to consider that the package is built on the cost of the property which is a moving target that depends upon the final location. The resolution needs to include adequate flexibility to accommodate these changes.

Mayor Masayko explained that the Board of Supervisors also sets as the Redevelopment Authority and hears Planning Commission appeals. The Board is being asked to enter into a resolution that if the land is obtained it will be placed in a Redevelopment District. As the hearing board for appeals from the Planning Commission, this creates an ethical question. He wanted to do the right thing without arguing both sides of the question. Public discourse must occur in a fair public process to convince the neighborhood that it will be a good neighbor and in the City's best interest to proceed forward with the concept. The process should be on a level playing field. He continues to have concerns regarding the use of the Redevelopment process before the land issue is resolved. He felt that the Board was too anxious and moving forward without thinking about its roles.

RECESS: A recess was declared at 3:30 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:40 p.m., constituting a quorum.

(2-3070) Mayor Masayko explained Mr. Long's need to leave and asked if the Board had any more questions for him. None were made. Mr. Long then left the meeting.

Public comments were then solicited. Ms. Fallon gave the Board and Clerk a document. (A copy is in the file.) She stressed the importance of having the freeway reach Fairview in order for the site to be viable. She had discussed the freeway with Ms. Martinovich of the Nevada Dept. of Transportation. The freeway is scheduled for completion in 2008. Attempts are being made to push the date to 2005 or 6, however, potential litigation with the Lompa Family may delay the construction date. She questioned whether the dates are realistic; whether it is financial prudent to grant guarantees with the present economic situation in Nevada and whether the projected 45 percent increase in auto sales would be reached during the next five years. None of the parcels are zoned for the proposed use. The Redevelopment issues are "huge". The corridor is not there and is not blighted. The designation of blight will negatively impact the abutting properties. The relocation of the auto dealers will create a blighted condition on Carson Street/Highway 395. If the City's Redevelopment Authority proposes to assist the auto dealers with reuse of their sites, the costs should be disclosed. Mayor Masayko indicated that this is one of his questions.

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Mr. Kinsley indicated that he had been contacted by his neighbors who were concerned about the process being used to present the concept. He also explained the hazards of being under the airport flight path. Aborted takeoffs will have a reduced lethal impact as compared to one that happens in a highly populated area as the site is presently zoned, however, this was not felt to be a reasonable justification for granting the request. He also indicated that emergency access would be easier if only one facility is located on the site rather than high density multi-dwellings. The cost of studies, such as an environmental impact and an FAA study, have not been determined. These funds would be better spent increasing the community's economic diversity and filling the empty boxes presently found in the City. The dumping of "aircraft drainage" when leaving the field could pose a problem for the auto dealers and stigmatize the auto mall auto mall. Concerns were also noted about the airplane noise pollution, increased insurance costs, etc. He then questioned the reasons the information regarding the auto mall had been withheld from the public.

(3-0028) Mr. Williams explained that he is not against the auto mall but the selected site. His aviation background was described. He felt that the City had a nice airport with an astonishing industrial complex along the north and south sides. As the industrial complex grows, large, faster and more aircraft will be needed. This will require extension of the runways and clear zones. Problems will be encountered with pilots who have forgotten how to handle the flight pattern required at the airport. These pilots will end up in the middle of the auto mall with devastating results. He urged the Board to increase the open space on both sides of the airport.

Mr. Ceragioli explained his desire to have open space when he purchased his home. He did not want to have a large parking lot behind his home. The April 13 public notice that he had been given by the developer indicated to him that the process was "cut and dried". He had not felt that it was a workshop. The Board owed the public honesty and integrity in its public dealings. As the process had started in February of 2001 there had to have been closed meetings as no one knew about them. Mayor Masayko cautioned him that disparaging remarks about violations of the Open Meeting Law without any information were "over the line". Mr. Ceragioli expressed his belief that the meetings had been held without public notice and that an April 23 newspaper article quoted the promoter as indicating that the deal for the auto mall was cemented. He questioned the value of having meetings with the taxpayers and property owners if it is "cut and dried" deal, the loss of revenue created by moving the auto dealers from their present locations, and the impact of having vacant establishments on the south end of Carson Street. The Board had purportedly committed to help sell those establishments. This statement had also been in the newspapers. He also indicated that there are other questions which need to be answered. Supervisor Aldean indicated that she had a copy of the article he had referenced. The Board cannot control the headlines. The statement(s) had not been made by Mr. Long. It is also possible that the article had misrepresented what had been stated. Mayor Masayko explained that the newspaper could, as the owner and operator, phrase any statement however they see fit. It is an issue the Board must deal with daily. He also indicated on behalf of the Board that this is a public hearing and that this is the first time he had heard the item. The meeting will be conducted straightforward from now on and that until the Board votes on the matter, there is no deal.

Mr. Vukota felt that the location was a poor place for an auto mall as it is in the middle of a residential district. NAC 3061.111 Obsolescence indicates that the City could be subject to losing property taxes for the area. This also impacts the school district. The Administrative Code and NRS 360.090 and 350.250 were read into the record. He felt that the auto mall would impact the surrounding property due to the lights, noise, pollution, traffic, etc. Mayor Masayko indicated that Mr. Vukota was talking about the defined property values within the surrounding area.

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Ms. Dallas thanked Mayor Masayko for returning her call. She opposed having an auto mall in any residential area. She suggested that the resolution include an exclusion from residential areas. She felt that Mr. Long's presentation had indicated the mall would be in place by 2003 and that Pages 5 and 16 of his presentation needed to be revised/corrected accordingly. She also felt that the Board had a conflict of interest due to the number of hats it wears. She questioned whether the Supervisors would support the request if the auto mall was located in their residential areas.

Mr. Owens felt that freeway traffic would not have direct access to the auto mall at the proposed location. Douglas County traffic may see the mall but the Reno traffic would not. The comparison to Sacramento Valley was odd. The numbers were suspect as Carson City will be built out when the population reaches 70,000. Mayor Masayko indicated that the access and site plan will be presented to the Planning Department for review. Supervisor Williamson explained that access would be from College Parkway.

Mr. Fallon explained the location of his residence. He had used the Rand McNally Atlas to compare the Roseville area of three million people to Carson City's region of 490,000. The Roseville auto mall has 8,000 cars and 21 manufacturers. At this time Carson City's proposed site has three dealers and 12 franchises. He questioned the amount of space required for growth.

Mr. Keeton explained his background in removing hazardous materials/contaminates left at former auto dealer sites and involvement with the construction of auto malls in other areas. He questioned who would be responsible for cleaning up the antifreeze and oil at the current auto dealer sites. He did not want a similar use in his backyard. If the dealers remain at their current locations, cleanup will not be required.

Mr. Le Balch felt that without a commitment from the Airport Authority or BLM the site may not be viable. The proposed purpose does not meet the recreational or public purpose requirements mandated for BLM property. He also questioned whether NDOT would be willing to relinquish the former Carsonite site. The Planning Commission is not ready to consider establishment of the area as part of a Redevelopment District. The numbers do not support inclusion in a Redevelopment District. The Statutes are strict regarding such designations. He suggested that if it is approved that ten percent of the land surface be utilized as a buffer that could be made into a linear park and that it be dedicated to the residents.

Mr. Bowman felt that the area would not be safe for pilots and that its lighting would be a distraction to them. He also objected to the traffic, the test driving and heavy trucks that will use the residential area. He also disagreed with the commitment of \$25 million in City funds.

Mr. Nowlin agreed that the City needs to pursue methods of retaining the auto dealers and applauded staff's efforts. It was the beginning of an open process. He thanked the developer for starting the process at this time as it allows issues to be worked out. He was concerned about the residential location and the proposed funding amount. He felt that there is "sticker shock" from the suggested prices and noted the incentives given to Roseville. The project is too premature at this time to approve the resolution. Additional information should be obtained. An independent auditor should look into the proposal. The incentive dollars should be the market value received for the current auto dealers' locations. Mayor Masayko felt that this was Ms. Fallon's issue. Mr. Nowlin urged the Board to reject the

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resolution until the questions are answered.

Mr. Bibee thanked the Board for having an open process and Mayor Masayko and Supervisor Williamson for returning his calls. He opposed the auto mall for the same reasons Mr. Nowlin had indicated. The Board had not shopped around to learn what could be done for less. He did not see any reason for accepting the first proposal. He urged the Board to look at other alternatives. He suggested that the resolution be tabled. Additional public comments were solicited but none were given.

Mayor Masayko indicated his desire to see the concept move forward but not bound by a number of the specificities in the resolution, e.g., creation of the Redevelopment zone. The Board/City has not considered any other alternatives such as direct purchase assistance or infrastructures. It is his job is to lookout for the City's best interest and that incentives of less than \$27.5 million could be found. He acknowledged the importance of the auto dealers to the community. He wished to see them in an auto mall with the City being a junior partner rather than a senior partner. As they move through the land use planning issues, the Board should be independent judges as much as is possible. The land use plan is not a "done deal". The proposed resolution forces the Board to do the Redevelopment district and change the zoning. These issues bother him. It does not make it an "arms length" proposal. He did not want to kill the deal. It is a question of how it is packaged and presented. He preferred to take small steps which would indicate that the concept is good. They should not be forced to do whatever the "partner" requests. He cautioned the Board Members to consider the perception of how the arrangement looks as indicated by the controversy and concerns expressed by the neighborhood. The special use permit and land use change issues will take time resolve. The "devil is in the details" and the details in the resolution are too deep. If the concept does not move forward, the deal is dead. He could not support the recommended resolution as presented as it is too committed.

Supervisor Williamson thanked the audience for its attendance and participation. She then described how the economic vitality and corridor committees had been established. The Board, the Redevelopment Authority, and the Planning Commission have adopted their position papers. The committees had basically indicated that for the community to obtain and maintain its sustainability and health it would be necessary to support the Hospital, manufacturing, State government, the College, and auto sales. They would not chase retail sales to fill vacant holes due to the belief that if there are good, strong primary jobs throughout the community, retailers will come without requiring incentives. For this reason a community center, regional medical center, downtown improvements, and development of the cultural, historical and tourism attributes were undertaken. Examples of the 13 groups who are working on this plan were provided. The effort to increase the economic energy without raising property taxes while expanding the library services, etc., was noted. The challenge is to provide additional funding and balance the budget without reducing services. The auto mall concept had been developed as part of this process and in an attempt to retain and expand the auto dealers. The loss of one dealer, as indicated in the graphs, was cited to illustrate justification for the auto mall. She felt that the Board supported the auto mall but was unsure of the details. More details are needed. A large dark report was not being kept hidden from anyone. It is a concept for moving forward. The proposed site is vacant commercial property abutting the freeway. It is zoned commercial. The open space and BLM land may be an issue but it is also possible that it could be negotiable. She could not accept anything less than a buffer zone around the auto mall. She did not want to have residential areas abutting car lots. This is the type of discussion that is needed. The basic idea of keeping the auto dealers and energizing them was reiterated.

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Supervisor Aldean supported her comments and noted that the resolution had included a large amount of specificity. She wished to pass something to send a message to Mr. Tabor and the auto dealers that they are important to the economic engine. Mayor Masayko expressed his concerns about negotiations from the dais. He urged the Board to accept the concept and provide direction to staff so that staff could bring back a better document or to continue the item. Supervisor Aldean questioned Mr. Tabor regarding what he would need to continue the process.

Mr. Tabor indicated that the auto dealers had signed letters of intent to proceed based on the incentive program before the Board. He felt that neither their letters of intent nor the resolution were binding. They were "good will intents". The important thing is not the location nor the amount. The issue is the rental costs which he indicated was \$800 per car without the partnership. The dealers will not stay without the incentive package. He acknowledged that there is a difference in the Roseville numbers. The Carson City dealers compete with Reno and Fallon who are paying \$400 per car. He needed a statement in good faith to move forward with the incentive package as he must make a payment on the property option tomorrow.

Supervisor Livermore expressed his understanding of the residential perception that vacant land should remain vacant. This is the reason the Hospital had sought new vacant land to relocate to rather than the vacant property across from its present location. The Hospital is different as incentives were not being offered for it to relocate to another County. Douglas County wants our auto dealers. He questioned which public services should be cut if the auto dealers are lost. Budget reductions may adversely impact staffing and could lead to implementation of a volunteer fire department with increased response times. The economic vitality debate included what the community has and a discussion about an auto mall. Economic vitality looks at what you have, what you can do, the availability of government to afford itself, etc. He pointed to the estimated cost for storm drainage and questioned whether the community will be able to afford the \$3 charge for it. The response when cable television increases its rates 45 cents was cited to illustrate his concern. It is unfortunate that there is an option that requires payment tomorrow. His personal residence and its proximity to the present auto dealerships are similar to that of several of the individuals in the audience. His neighborhood encounters on a daily basis individuals who are test driving vehicles. His business on South Carson Street has a lot of business from the auto dealers. It is a tough call. They are attempting to balance the desire to live in a community with affordable and desirable services such as snow removal, parks, a safe community, etc. Twenty percent of the City's sales tax is generated by auto sales. He questioned what should be given. They need some incentives. Big box retailers will want some incentives. A resolution supporting the auto mall should be approved regardless of the location. Doing nothing will create a future which will not be liked or wanted.

Supervisor Staub felt that the site is not the issue. There is a small amount of property available for such a project within Carson City's boundary. This means that it will be near a residential area regardless of the final location. A buffer and reasonable zoning parameters are required to protect the quality of life desired in the community. He committed to supporting these causes. He also felt that business deals made during a crisis are bad business deals. He supported the auto mall project 110 percent, however, was concerned about receiving a resolution on May 1 with an option payment required on May 2. The Board should have had the agenda package 90 days ago. He wished to see what is spent on other auto malls, the cost per car for Roseville, the similarities between Carson City and Roseville, the price per square foot, the price of the property, etc. It is a \$50 million project which the City is committing \$27.5 million toward and will not own any part of it. He felt he should own 55 percent of the project with this type of an investment. The time necessary to do a proper amount of due diligence should be taken. It should

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be a good business deal and bargain for all of the participants. He could not support committing \$27.5 million for autos he did not know will sell. Neither did he believe that all of the dealers will go to Douglas County. He also believed that there is every opportunity available to complete the project, construct it within an acceptable timeframe, and to do it based on a deal that is good for them as well as the City.

(3-0868) **Supervisor Staub moved to endorse the Carson City Auto Mall Project and to instruct staff to take other good faith actions to assist in implementing the Auto Mall which may include a reasonable and cost-effective incentive package to facilitate the product.** Mayor Masayko indicated his support for the motion as it provides the correct public policy statement for going forward at this point in the project. He was unwilling to be stampeded into saying it will not go forward unless a commitment is made to the \$27.5 million. He had not had enough time. **Mayor Masayko seconded the motion.** Supervisor Aldean indicated that she is the swing vote as it appears that the Board is split 2-2. She was concerned about the lack of a firm commitment. She had read the language in the resolution which expresses the current intent, which is incorrectly based on the discussion today, which makes it a philosophical intent, but not the intent of the Board and does not bind the Board or any future Board to a contractual commitment. Yet, there are some very direct comments preceding that, i.e., "the City Manager is authorized and directed to take all necessary and legally appropriate actions to implement this resolution". These statements are somewhat contradictory. One gives specific direction to accomplish something while the other says it is not binding. This bothers her. She supported the auto mall plan and acknowledged Mr. Taber and all of the work that had been committed on the project to bring the project to fruition. She was befuddled and disappointed that the matter was presented with so little time. She had seen the presentations and staff had done a good job of keeping the Board apprised but now it is show time and there hasn't been a rehearsal. This is her concern. Supervisor Livermore agreed that there had not been a rehearsal. The time frames had escalated as a result of the Governor's decision to push the freeway through as indicated on Page 1 of the resolution which he read into the record. He, as well as the community, had seriously doubted that the freeway would become a reality for many years even though they had paid five cents a gallon for gasoline for it. On January 15th when the Governor made his decision known, the wheels were set in motion. He felt that the options had been there long before that time. Mr. Taber agreed. Supervisor Livermore acknowledged Supervisor Staub's statement that crisis decisions do not make good business decisions. He wanted the record to indicate that the project had never been a done deal that had been hidden from the public or from anyone. It has been roughly 90 days since the Governor declared that the freeway would be completed. He did not know the amount of work Mr. Taber had done to bring together his auto dealers, etc., during that period. He also wanted it to be on the record that neither the Economic Vitality Committee nor his own personal efforts had motivated the project. It was the Governor's commitment. An unnamed resident had contacted him asking what the auto dealers had paid the Governor to build the freeway. If he had known that this would have moved the freeway to the forefront, he would have done it years ago. Comments indicated that the City may have been the one to make the offer. It is necessary to strike when the opportunity arises. This is the only time an opportunity is provided. Wishful statements indicating that something should have been done when the first opportunity is provided but were not followed through on were cited to illustrate that this is the opportunity for the City to have the auto mall. Supervisor Staub pointed out that if the packets are provided with sufficient time, the Internal Auditor can review them and give the Board an analysis. The proposal involves a lot of money. The Board needs to be prudent. The motion does not preclude any of that. It allows the project to proceed forward and maybe in 30 to 90 days the same packet may be setting in front of the Board but at that time he would be a lot more educated about it and, hopefully, more comfortable with it. If not, then he could vote accordingly. His back is not

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against the wall and neither is the City's. Mr. Taber's back may be against the wall. He can deal with his options. Options can be extended. This is a reasonable solution to what is being attempted today. **Supervisor Staub read the motion. The motion was voted and carried 5-0.** Mayor Masayko indicated that the entire Board had done the correct thing from his perspective. He thanked the audience for its participation.

Supervisor Livermore moved to adjourn. Supervisor Aldean seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 4:48 p.m.

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The Minutes of the May 1, 2003, Carson City Board of Supervisors meeting

ARE SO APPROVED ON August 7, 2003.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder