

CARSON CITY OPEN SPACE ADVISORY COMMITTEE

Minutes of the November 30, 2010 Meeting

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A meeting of the Carson City Open Space Advisory Committee was scheduled for 6:00 p.m. on Tuesday, November 30, 2010 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Steve Hartman
Vice Chairperson Dan Jacquet
Member Michael Fischer
Member Terri Green-Preston
Member Tricia Lincoln
Member Howard Riedl
Member Bruce Scott

STAFF: Roger Moellendorf, Parks and Recreation Department Director
Juan Guzman, Open Space / Property Manager
Lee Plemel, Planning Division Director
Ann Bollinger, Natural Resources Specialist
Joel Benton, Senior Deputy District Attorney
Kathleen King, Deputy Clerk / Recording Secretary

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

CALL TO ORDER AND DETERMINATION OF A QUORUM (6:02:52) - Chairperson Hartman called the meeting to order at 6:02 p.m. All members of the committee were present, constituting a quorum.

CITIZEN COMMENTS ON NON-AGENDIZED ITEMS (6:03:09) - None.

1. ACTION ON APPROVAL OF MINUTES - October 18, 2010 (6:03:34) - Member Scott moved to approve the minutes. Member Riedl seconded the motion. Member Green-Preston advised of not having been able to print the minutes, which were sent to the members electronically. Chairperson Hartman advised of her right to abstain, but expressed the opinion the minutes accurately reflected the content of the meeting. He entertained additional comments and, when none were forthcoming, called for a vote on the pending motion. Motion carried 7-0.

2. MODIFICATIONS TO THE AGENDA (6:03:18) - None.

3. AGENDA ITEMS:

3-A. ACTION TO MAKE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS REGARDING THE FEE TITLE ACQUISITION OF THE SERPA PROPERTY IN THE CARSON RIVER CANYON CONTAINING APPROXIMATELY 405 ACRES (6:05:14) - Mr. Guzman introduced this item, and reviewed the agenda materials. He advised of having inquired of Attorney Scott Heaton, prior to the start of the meeting, as to whether a deal had been reached. Mr. Heaton acknowledged that a deal had been reached; however, Mr. Guzman clarified "we didn't discuss details. So, we'll go ahead and discuss details." He reviewed staff's recommendation, as outlined in the agenda report. He advised that, at the close of escrow, "there will be a payment of \$3,146,775 and that includes monies from [the City]

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and monies from the Nevada Land Conservancy, through the grant from Question #1. The agreement reflects all of that.” Mr. Guzman noted the number of times this item had been agendized before the committee, and that he would detail again the reasons “this property is so important to us.” He advised that the property is “in all master plans, from the Carson River master plan, the Land Use master plan, the Open Space master plan. And all of them identify the property as good property for acquisition and open space.” Mr. Guzman noted the appraisal, included in the agenda materials.

Mr. Guzman advised that if the subject item is not recommended for approval, Open Space Program staff “will not be able to proceed in a timely fashion to the Board of Supervisors, have an escrow and close escrow prior to January 31st.” Member Riedl noted that the appraisal, which values the land at \$7,500 per acre, “was for the entire piece of property and did not include the exempted V&T assumed easement sometime in the future ...” Mr. Guzman advised of having requested the appraiser to appraise all of the land “with the knowledge that, in addition to the customary easements that the title report shows ... there is going to be land set aside for the needs of the V&T for easements. Those consist specifically of three kinds of easements: permanent easement for right-of-way, temporary construction easement, and permanent slope ... easements.” Mr. Guzman advised that the City is “buying all the land. The land will include an easement that is what Mr. Serpa will reserve.” Member Riedl inquired as to the value of the easement and whether the price should be reduced accordingly. Mr. Guzman advised that the price to be paid is the same with or without the easement. “It’s just the price of the land.” He explained that when the V&T Railway Commission intended to enter into negotiations directly with Mr. Serpa, they had a specific appraisal of the rights-of-way. That appraiser determined the value to be \$1.1 million. “And that includes more than buying fee title. It includes damages and the concept of fair compensation as opposed to fair market value.” Member Riedl noted that the City purchasing the entire parcel does not translate to damages to the property owner “because he no longer owns the property.” He inquired as to the value of the easement that the property owner is going to retain, and reiterated the opinion that the purchase price should be decreased accordingly. Mr. Guzman explained that the value of the land, as appraised, is \$7,500 per acre. “Multiply that by the number of acres we’re going to buy and come up with a price. That price includes land that is subject to an easement. It’s no different than buying land that is affected by Kings Canyon ... or by any other encumbrance for an easement.” In response to a further question, Mr. Guzman advised that the easement will be in place at the close of escrow.

Member Riedl inquired as to the reason for not purchasing the entire piece of property and “then negotiate with the V&T to provide the easement to them through some sort of agreement purchase price.” Mr. Guzman explained the problem that purchasing the entire parcel for the Open Space Program may create a difficulty in “then segregat[ing] a portion to be used for ... what is perceived as an economic development project which is what the V&T is. Because of that, ... at the time that we close escrow, the easement must be in place. In addition to that, the Question #1 grant specifically ... doesn’t allow ... the utilization of funding towards economic development projects. So the only way to make everybody fit into the mold was by agreeing that, at the time of closure of escrow, the easement will be in place and that we will buy the entire amount of land available.” Member Riedl inquired again as to the value of the easement. He expressed concern that the City will purchase the entire piece of land with an easement restricted “and then the owner is going to go ahead and sell to the V&T Railroad the easement. ... So, it’s being bought twice, the same piece of property.” Mr. Guzman advised that the point was discussed “ten times with the appraiser to make sure that we were all understanding. And it is his conclusion ... that when you pay \$7,500 per acre, you are paying for land that contains easements and that is one more. That easement being there doesn’t devalue the \$7,500 you are paying ... plus or minus. That was his conclusion. We made a

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point of ... discussing that very clearly. And then, again, the answer to your question: the last time that the easement ... [was] appraised which is now about a year ago or so and it was done by the V&T [Railway Commission] ... was \$1.1 million.”

Member Green-Preston analogized the situation as “paying for somebody’s train ticket. ... Essentially what we have here is ... an easement of 29 acres that we’re going to be giving over to the V&T and it’s from one pot to the other ...” She expressed concern that access to the open space property will be cut off. She expressed confusion over previous assertions that the V&T Railway Commission “was going to come up with money and that they had transportation funds ... and now all of a sudden not.”

Chairperson Hartman noted the appraiser’s report that indicated “he’s unaware of any easements or encumbrances which would have a negative impact on the subject property and he is aware ... that there is a reserved easement. So at the conveyance, there’s a reservation of an easement that Mr. Serpa is keeping. [The appraiser] made his evaluation based upon that knowledge.” Chairperson Hartman expressed understanding for the concerns expressed by Members Riedl and Green-Preston, but noted the appraiser “has made that determination.” Chairperson Hartman expressed the understanding that the V&T Railway Commission has a different arrangement with Mr. Serpa. In response to a question, he referenced page 42 of the appraisal report, Easements and Encumbrances, and noted the statement that the appraiser was unaware of any easement or encumbrance which would have a negative effect on value. Chairperson Hartman reiterated the understanding that Appraiser Wren was made aware “multiple times that there was an easement that Mr. Serpa was reserving and it was his opinion that that was not going to have a negative impact on the subject property.” Discussion continued along the same line, and Chairperson Hartman noted the deadline associated with the Question 1 Program grant. “We set this date as a time when we would try to get as much of this put together as we could. ... The fact is they’re not in final form yet.” Chairperson Hartman expressed the opinion that the committee’s purview is relative to “the deal as explained to us; that it’s 419.57 [acres] for \$7,500 an acre with an easement reserved for 29.6 ...” He inquired of Mr. Guzman as to whether the appraisal report will reflect 419.57 acres with an acknowledgment of the 29.6-acre easement reservation by Mr. Serpa. Member Green-Preston reiterated her reservations. Chairperson Hartman noted the requirement for the committee to make its recommendation based on the appraisal reflecting “those changes,” and “the purchase agreement jiv[ing] with that.”

Member Scott expressed a willingness to make a recommendation based on an agreed-upon per-acre valuation “with an understanding that, at least on that one parcel, ... it probably is closer to 94 acres than 80. But I think we can deal with that by just simply having it tied to acres as surveyed or as ultimately agreed to ...” Member Scott reminded the committee members that Mr. Serpa’s earlier appraisal was \$4.6 million. “And so we obviously had a review of that appraisal and our own appraisal and it has come down significantly from that.” Member Scott expressed the preference to move forward “because ... the acquisition of this property ..., given the nature of the amount of issue we’re arguing about in five years or ten years and for the benefit and the long-term enhancement of Carson City’s open space, ... we have gone about this in a fairly thorough, if disjointed, kind of way.”

In terms of the willing seller, Vice Chairperson Jacquet confirmed that the offer is comprised of the “400+ acres subject to an easement. We’re not being offered the property in fee without an easement. So, whatever our desires are, we have a seller that’s offering us the property subject to the easement.” Vice Chairperson Jacquet expressed the belief there are other encumbrances on the property in the form of other rights-of-ways or easements “that were equally not identified in the appraisal. This is just another easement

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and ... the statement that the appraiser makes that ... he's considered other encumbrances, but ... only those that have an effect on value." Vice Chairperson Jacquet expressed assurance that the "20+-acre easement for the V&T ... didn't have an effect on value. So his \$7,500 an acre stands. ... it's simply a matter of doing the arithmetic to come up with the value."

In response to a question, Chairperson Hartman advised of the requirement for the Question #1 grant funding to be awarded prior to January 30, 2011. "To get through the Board of Supervisors ... and the clearing at the state level, we had to get through our process now ... to make that time frame because of the holidays." Chairperson Hartman expressed the understanding that the easement will be of record when the deal closes. Mr. Guzman explained the difference between the subject and the Bently transactions. Member Green-Preston reiterated her concerns relative to the easement language not being in the appraisal or purchase agreement documents. Chairperson Hartman expressed the opinion that, in terms of valuations, the City's contract appraisers don't value all of the riparian area or the cultural elements of the open space. "So, from a valuation standpoint, I'm pretty comfortable, from the community's perspective, that they're getting that." Chairperson Hartman acknowledged the need to "clean up" the documentation prior to forwarding a recommendation to the Board of Supervisors.

Member Scott noted the existing Brunswick Canyon Road easement which goes through some of the subject property. "... that's another easement that is probably prescriptive, at best, but as a practical matter, it's on the ground, the appraiser's aware of it and ... it would be covered under this umbrella statement. That could be clarified as well."

Chairperson Hartman recognized Ken Dorr of Manhard Consulting. (6:34:52) Mr. Dorr provided background information on the two parcels "that the railroad easement goes over, owned by Mr. Serpa." He advised that a NDOT right-of-way plan format has been used "all the way from Gold Hill down to define our right-of-way." He explained this is a "perfectly acceptable method of identifying parcels for right-of-way acquisitions. So all that information has been obtained. It's just not in a record of survey format." Mr. Dorr advised that Manhard Consulting staff is in the process of preparing "specific exhibits identifying these two parcels, ... the overall acreage ..., and ... the proposed easements ... with meets and bounds, legal description of the entire parcel, as well as for the proposed easements. The bottom line, that parcel ... is closer to 94 acres than it is to 80." Chairperson Hartman thanked Mr. Dorr for his attendance and participation.

(6:37:31) Attorney Scott Heaton, representing John Serpa, reminded the committee that "Serpa's original appraisal was in excess of \$8 million. His appraiser valued the property at highest and best use and they used a PUD that Manhard had actually developed for purposes of coming up with that figure." He provided background information on the subsequent appraisal which valued the property "as is." He advised that Mr. Serpa's appraiser valued the property at \$4.6 million. "Your appraiser came up with a \$3.041 [million] appraisal." Mr. Heaton expressed no surprise over the differences in value between the two appraisals. "The property that our appraiser relied on primarily was a property that was rejected by your appraiser." Mr. Heaton clarified that Mr. Serpa does not agree with Mr. Wren's appraisal, "... but we've been working too long to let this deal go by the wayside." Mr. Heaton explained the approach to "fashion a way to still get Serpa close to his \$4.6 million, keeping in mind that ... he still thinks the property is worth over \$8 million and that's why he's not here tonight to tell you that." Mr. Heaton noted the time sensitivity associated with the Question #1 funding, which "expires January 30th. ... So this deal will never be available again." He noted that "the City is still paying approximately the \$2.1 million that [Appraiser Lyn]

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Norberg determined was the value way back in 2007. John Serpa is taking a chance with accepting this deal based on the existing appraisal of the City in reserving an easement that can only be used ... by the V&T and for no other purpose. If he is unable to strike a deal with the V&T, the V&T doesn't get the funding, ... whatever the reasons may be ..., that easement will never be used other than as open space. If he is able to strike a deal, whether he will get the ... \$1.4 million that he's shooting for remains to be seen and that's going to depend on the funding sources of V&T. V&T right now could not go forward with their deal because they needed to do environmental assessments. I don't know how long those will take. I don't know what the funding situation will be if and when those environmental assessments are accomplished and that's why we had to put the deal in the format that we put it in. Additionally, if we try to sell the entire piece to Carson City using the State funds, and let's say we got the \$4.6 million that Serpa wanted, with the understanding that ... the City could turn around and sell that portion of the easement to V&T for \$1.5, then the State funds would cease to be available under that proposed arrangement. So, we're literally down to our last gasp at trying to get this deal done."

Mr. Heaton expressed the opinion that Mr. Serpa has made a lot of concessions. He acknowledged that buyers and sellers never agree on price. He noted that specific easements are not uniformly delineated by appraisers. "Appraisers ... simply appraise based on the value and based on easements of record. In this case, based on what the guy was told would be of record at the time of closing. So this easement will be put in place. We're obviously not going to put it in place if we're not going to make the deal with Carson City." Mr. Heaton expressed the hope that the committee would be "excited to go forward with this ...; that we can get it done and we have deadlines that we have to achieve." He stated that Mr. Serpa is "prepared to do it," and thanked the District Attorney's Office for all of their efforts. He suggested not imposing a deadline on the appraiser such that the "whole deal falls apart ..., and make that a condition of close of escrow and give him until January 30th." He expressed disappointment with the length of time associated with completing the appraisal by the end of November.

In reference to statements made at previous meetings, Member Riedl expressed surprise "that suddenly, out of nowhere, this reserved easement idea comes up which is obviously going to slow down the process." He inquired as to the reason the easement "wasn't carved out first before ... present[ing] to the [committee.]" Mr. Heaton assured the committee that the reserved easement "is nothing other ... than a way to try to achieve a result." He advised that Mr. Serpa would not sell the property to the City for \$3.1 million. "If he can't have his easement to sell to V&T, he's not going to do the deal for \$3.1 million." Chairperson Hartman reiterated the conditions relative to the Question #1 funding. In response to a question, Mr. Heaton advised that "if, to make this deal work, you want to subtract 29 acres times \$7,500, then the deal will still go forward. ... We're also not wed to this 419.57. It is what it is and we simply picked up on the one parcel going from 80 to 94. If people are uncomfortable with that figure, it certainly doesn't matter to me that we get a survey done and come up with an exact measurement times the \$7,500. ... if what you need to get done is to subtract that 29 acres ... without even talking to Mr. Serpa, I will go ahead and commit to the reduction of the price by that amount." Chairperson Hartman expressed appreciation for the offer, and reiterated the request for Mr. Guzman to obtain a written statement from Appraiser Wren that the easement did not make a difference in his valuation of the property. Mr. Heaton expressed the opinion "that's the whole reason ... they spent two-plus hours out there to make sure there were no ifs, ands, or buts about how he arrived at his appraisal. So that was made crystal clear. And, again, it's not a last minute deal. It's simply a deal we needed to fashion in order to get the funding. And it's a deal that Serpa will still be at risk with V&T on whether that deal goes through." Discussion followed and, in response to a question, Mr. Heaton acknowledged a willingness to "take the \$215,000 out of there ... and

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get the ... thing done” if Mr. Wren can’t supply the requested letter. In response to a comment, Mr. Heaton suggested that the committee’s action include language indicating the need to “clean up the agreement and do some of these things prior to the Board of Supervisors meeting and certainly prior to closing.” He responded to questions of clarification.

In reference to the appraisal, Member Scott expressed the opinion that “unless Mr. Wren says that, for some reason, his appraisal ... doesn’t include the fact that there will be an easement, that we owe Mr. Serpa the full amount of the appraisal. ... It’s nice to bargain, but it’s really not appropriate ...” Mr. Heaton expressed appreciation, and reiterated the purpose for his attendance and participation in this meeting was “to try to get this deal done.” He expressed concern over the committee or the Board of Supervisors getting “hung up on a \$200,000 issue on a multi-million dollar deal when we don’t have the ability to make this thing happen down the road. Once the State funds are pulled from the project, it won’t happen with the City and ... that’d be a shame for everybody.” Chairperson Hartman entertained additional questions or comments of Mr. Heaton and, when none were forthcoming, thanked him for his attendance and participation.

(6:51:28) Chuck Pope, representing The Nevada Land Conservancy, emphasized that “the State will not pay for anything inside that easement area. They’ll just pay for what’s outside. The grant just covers that area.” He read into the record portions of a letter from the State Question #1 Program stating “final notice that if the appraisals are not completed, purchase and funding agreements in place, and title transferred by January 31, 2011, the grant award will be rescinded. There will be no further exceptions or extensions. If you feel that you or your client are unable to meet this deadline, please notify this office as soon as possible so that we can transfer the funding to another project.”

(6:52:36) V&T Reconstruction Commission Chair Dwight Millard clarified the difference between the subject transaction and the Bently transaction such that “in the Bently situation, the Commission has the money so we are ready to go forward.” He provided background information on the V&T Commission’s involvement in the transaction, and credited Vice Chairperson Jacquet with the idea for Mr. Serpa to retain the easement. “... really, this is a very complex part of the problem. We cannot buy it because we don’t have the funds and we actually talked in the field about if John [Serpa] would assign it to a third party, assign it to the City, whatever it was. And, after talking with the appraiser and everybody there, it was decided that if John just simply retained it, ... he’s on the hook. If the V&T never buys it, he never gets any more, but at least we have an opportunity now to go and get that and come on down the canyon. And, to that degree, ... from our standpoint, we’re going to try to pay him what our appraisal was valued on ...” On behalf of the V&T Reconstruction Commission, he encouraged the committee to move forward.

Member Scott noted that the Serpa property and the Bently property represent “the canyon,” and emphasized the “potential asset for Carson City, not just for open space. It’ll be a wonderful tourist attraction, whether you’re on the V&T or whether you’re in a raft in the river.” Member Scott described the acquisition as “the epitome of our primary focus on land acquisition when we first started this committee ...” He expressed the opinion that moving forward is “really essential.” “We have some things coming together and we have the potential for things falling apart if we don’t move ...”

Chairperson Hartman reminded the committee members that the Open Space Program has “managed ... to get ... the River from down in the Mexican Dam area and, with this, it’ll get us almost to the Lyon County line.” He pointed out there is no other community in the State of Nevada that has that, and emphasized the

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“significant, long-term benefit.” He noted the benefits of the aquatic trail and the hiking / biking trails, and requested Mr. Guzman to emphasize the committee’s charge when presenting this item to the Board of Supervisors. He further noted the River as the “number one priority,” and expressed the opinion that the committee has “done a reasonably good job of discharging that responsibility.” He further noted the committee’s responsibility over biological and cultural elements associated with open space, and that the subject acquisition has both attributes. He encouraged Mr. Guzman to emphasize these assets when presenting the committee’s recommendation to the Board of Supervisors.

In response to a question, Chairperson Hartman acknowledged that the committee has envisioned the Open Space Program’s focus changing to one of maintenance. “Some of that is a City responsibility; a shared responsibility with Parks and Rec and the rangers and some of the volunteer programs ...” Chairperson Hartman was uncertain as to whether maintenance was a consideration relative to the subject transaction. Member Lincoln expressed the opinion that the railroad restricting access will “reduce the kinds of illegal usage that occurs there. ... also, when there’s increased use for ... legitimate public traffic, it reduces illegal use as well.” She inquired as to an estimated length of time the City “will be faced with that maintenance.” Chairperson Hartman acknowledged the concern and that the Open Space Program’s funding will likely be very different in the future.

Vice Chairperson Jacquet commended Chairperson Hartman’s comments relative to the community value of the subject acquisition. He noted the committee’s obligation to ensure responsible allocation of Question #18 funding, and the committee’s charge to purchase open space lands at fair market value, primarily determined by appraisal. He acknowledged Member Green-Preston’s concerns, and agreed with the need to clarify the appraisal and to resolve the “issue of the parcel size.” He expressed the opinion that the committee can meet its obligation to the public and move forward.

Chairperson Hartman entertained public comments and, when none were forthcoming, a motion. **Member Scott moved to recommend to the Board of Supervisors approval of the fee title acquisition of the Serpa property in the Carson River Canyon, with the understanding that the basis for valuation would be \$7,500 per acre; that we estimate there are approximately 419.57 acres in the area to be acquired; and that staff will work with the appraiser to clarify, in writing, the fact that existing easements at the time of closure would not adversely affect the value as determined by the appraisal. Member Fischer seconded the motion.**

At Member Green-Preston’s request, the last part of the motion was read back by the recording secretary. Member Green-Preston suggested that staff obtain, from the appraiser, a written statement that the 29 acres excluded from the purchase price was considered in determining the \$7,500 per acre value. Member Scott explained the intent of his motion for the appraiser to formally recognize that easements on the property, at the time of closure, do not adversely affect the value. He suggested this as “a clean and simple way to do it because we also have the Brunswick Canyon Road affecting some of it.” Member Scott expressed hesitation “to make the motion too tight that it really ties his hands that way.” Member Green-Preston expressed concern over having the appraiser acknowledge awareness of the easement included at Section 9. She expressed confidence that the appraiser is aware of the Brunswick easement “and all the other different easements ...” Member Scott expressed the opinion that the written clarification would formally

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recognize that the easements exist at the time of closing and do not adversely affect the appraisal. He expressed the further opinion “that would suffice,” and advised that the appraiser is aware of the proposed easement. He expressed understanding for Member Green-Preston’s attempts to ensure “that’s real clear” without any doubt.

Member Green-Preston expressed concern over the term “existing easements; this is not an existing easement.” She suggested the wording “existing easements and the proposed easement.” Member Riedl expressed agreement with Member Green-Preston, noting that the appraisal was dated November 22, 2010 and the draft purchase agreement, with the exclusion, is dated November 30th at 3:51 p.m. Member Riedl expressed concern “that the appraiser will not be able to confirm that.”

Chairperson Hartman noted the draft purchase agreement provided to the committee members prior to the start of the meeting was marked Draft #4. “This has been going on for awhile.” Chairperson Hartman acknowledged the confusion associated with the proposed easement not having been written. He expressed understanding for the intent of Member Scott’s motion, i.e., “all easements of record, including the anticipated easement from the V&T.” He acknowledged Member Green-Preston’s intent to ensure clarification and Member Scott’s intent to ensure flexibility. Chairperson Hartman further acknowledged “there are more easements out there and they’re not of record. They’re prescriptive and they would seemingly not affect value according to ... the appraiser ...” Chairperson Hartman requested Mr. Guzman to communicate to Appraiser Wren the need for a real simple letter of clarification. He suggested everyone was “saying the same thing,” and noted the importance of clear communication of the same to the Board of Supervisors.

Vice Chairperson Jacquet noted that the committee’s recommendation is subject to verification by the appraiser that he considered the V&T right-of-way in determining the \$7,500 per acre value. Vice Chairperson Jacquet acknowledged this as a proposed amendment to Member Scott’s motion. **Vice Chairperson Jacquet suggested amending the motion to indicate that the committee’s recommendation to the Board of Supervisors is subject to verification by the appraiser that he considered the existence of the proposed easement to the V&T Railroad in determining his value of \$7,500 per acre; that, if he did not, then as Attorney Scott Heaton stated, the valuation of the permanent easement acreage will not be included in the purchase price; and subject to a survey determining the proper number of acres. Member Scott so amended his motion. Member Fischer continued his second. Motion carried 7-0.** Chairperson Hartman reviewed direction to Mr. Guzman, Mr. Dorr, and Ms. Russom, and also offered his assistance. He thanked Mr. Heaton and requested him to convey the committee’s appreciation to Mr. Serpa.

3-B. ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS APPROVAL OF A FUNDING AGREEMENT CONTAINING AN ADVANCE FUNDING REQUEST AND DEED RESTRICTION WITH THE DIVISION OF STATE LANDS IN ORDER TO EXECUTE A NEVADA CONSERVATION AND RESOURCE PROTECTION PROGRAM QUESTION #1 GRANT IN PARTNERSHIP WITH THE NEVADA LAND CONSERVANCY FOR APPROXIMATELY \$1,070,000 FOR THE FEE TITLE ACQUISITION OF THE SERPA PROPERTY IN THE CARSON RIVER CANYON, APPROXIMATING 405 ACRES (7:14:27) - Member Scott noted that this item had been discussed as part of item 3-A. **Member Riedl moved to recommend to the Board of Supervisors approval of a funding agreement containing an advance funding request and a deed restriction with the Division of State Lands in order to execute a Nevada**

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Conservation and Resource Protection Program Question #1 grant in partnership with The Nevada Land Conservancy for approximately \$1,070,000 for the fee title acquisition of the Serpa property in the Carson River canyon, approximating 405 plus or minus acres. Member Fischer seconded the motion. Mr. Guzman corrected the figure to indicate \$1,075,000 and the acreage to indicate 419.57. **Member Riedl so amended his motion. Member Fischer continued his second.** Chairperson Hartman entertained public comment and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 7-0.** Chairperson Hartman thanked Mr. Pope for his attendance and participation.

3-C. ACTION TO RECOMMEND TO THE BOARD OF SUPERVISORS APPROVAL OF A CONSERVATION EASEMENT REQUIRED FOR THE TRANSFER OF PRISON HILL RECREATION AREA, SILVER SADDLE RANCH, THE AMBROSE NATURAL AREA, AND ADJACENT CARSON RIVER LANDS FROM THE BUREAU OF LAND MANAGEMENT, IN ACCORDANCE WITH THE OMNIBUS PUBLIC LANDS MANAGEMENT ACT (7:16:18) - Mr. Guzman introduced this item. As the principal author of the easement, Vice Chairperson Jacquet recused himself and stepped from the meeting dais. Mr. Guzman introduced Planning Division Director Lee Plemel, and reviewed the agenda report in conjunction with displayed descriptive materials, copies of which were also included in the agenda materials.

Member Scott inquired as to the possibility of the language of paragraph 14(k) being removed from the draft conservation easement. Mr. Guzman advised of the BLM's position "to be neutral about third-party enforcement." Member Scott noted that the conservation easement will be implemented together with a management plan. He suggested the importance of the management plan allowing for maintenance of an irrigation operation on the Silver Saddle Ranch, and expressed appreciation for the consideration given in the draft. He expressed the hope that the BLM will not cease maintenance in the interim.

In response to a question, Mr. Guzman advised that the stewardship account will be utilized by the BLM for monitoring the easement. He responded to questions of clarification regarding the stewardship account established by Michael Fagen for the Horse Creek Ranch. He noted that the Omnibus Public Lands Management Act established the stewardship account requirement. He responded to additional questions of clarification regarding the method by which the stewardship account will be funded. "We have established \$600,000 that can go towards that, plus the other expenses of paying for the transfer of land." Chairperson Hartman expressed the hope that the stewardship account can be funded over a period of time rather than up front. In response to a comment, he emphasized the importance of the grazing operation revenues being allocated to the stewardship account rather than the City's general fund. Discussion followed regarding the budget line items, as outlined in the agenda materials, and Member Scott expressed the opinion that the committee should be more directly involved in development of the management plan.

Chairperson Hartman entertained public comment. (7:41:42) Bureau of Land Management Community Liaison Dan Jacquet noted that the easement was drafted with "great ... care to follow the guidance in the law." He thanked the steering committee "that created the draft. There was a lot of creativity that went into it and a lot of compromise." He expressed the opinion that the effort represented a mini-charrette. "We really worked hard on trying to accommodate a law that not a lot of us agreed with and trying to meld that with our charrette process that most of us agreed with. And so you see evidence of both of those things in this easement." Mr. Jacquet expressed the opinion that the citizens will be appreciative toward the committee "and others for moving ahead with this kind of an easement because it's going to do the kinds of things that we're all dedicated to here at Open Space. This is going to ensure that we have 3,600 acres

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of open space in the future.” Mr. Jacquet acknowledged the built-in “inflexibility for events and motorized use and park and rec-type uses as well.” He expressed the opinion that the conservation easement represents “a win for open space.”

Chairperson Hartman entertained additional comments from City staff and, when none were forthcoming, a motion. **Member Scott** disclosed that his wife, Beth, was a member of the steering committee which helped draft the conservation easement, and **moved to recommend the Board of Supervisors approve the conservation easement required for the transfer of Prison Hill and the adjacent Carson River lands from the Bureau of Land Management in accordance with the Omnibus Public Lands Management Act of 2009. Member Riedl seconded the motion. Motion carried 6-0-1, Vice Chairperson Jacquet abstaining.** Chairperson Hartman thanked Vice Chairperson Jacquet.

3-D. ACTION TO CANCEL THE REGULAR OPEN SPACE ADVISORY COMMITTEE MEETING SCHEDULED FOR DECEMBER 13, 2010 (7:45:10) - Vice Chairperson Jacquet returned to the meeting dais. Mr. Guzman introduced this item, and reviewed the agenda materials. Discussion followed, and Chairperson Hartman entertained a motion. **Member Riedl moved to cancel the regular Open Space Advisory Committee meeting scheduled for December 13, 2010. Member Fischer seconded the motion. Motion carried 7-0.**

3-E. ACTION TO DETERMINE AND ADOPT THE SCHEDULE FOR THE OPEN SPACE ADVISORY COMMITTEE’S REGULAR MEETINGS IN 2011 (7:48:59) - Mr. Guzman introduced this item, and noted the proposed schedule included in the agenda materials. Chairperson Hartman entertained a motion. **Member Riedl moved to adopt the schedule, as presented in the agenda materials. Member Scott seconded the motion. Motion carried 7-0.**

4. NON-ACTION ITEMS:

STATUS REPORTS AND ANNOUNCEMENTS FROM STAFF (7:49:57) - None.

MEMBERS’ ANNOUNCEMENTS AND REQUESTS FOR INFORMATION (7:50:04) - Member Scott formally thanked Vice Chairperson Jacquet for his effort in developing the conservation easement which was the subject of item 3-C.

5. FUTURE AGENDA ITEMS (7:51:24) - None.

6. ACTION ON ADJOURNMENT (7:51:36) - Member Fischer moved to adjourn the meeting at 7:51 p.m. Member Scott seconded the motion. Motion carried 7-0.

The Minutes of the November 30, 2010 Carson City Open Space Advisory Committee meeting are so approved this 28th day of February, 2011.

STEPHEN D. HARTMAN, Chair