

**CARSON CITY BOARD OF SUPERVISORS**  
**Minutes of the Special August 23, 1995 Meeting**  
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A special meeting of the Carson City Board of Supervisors was held on Wednesday, August 23, 1995 in the Community Center Sierra Room, 851 East William Street, Carson City, NV at 5:30 p.m.

**PRESENT:** Mayor Marv Teixeira  
Janice Ayres  
Greg Smith  
Tom Tatro

**STAFF:** John Berkich, City Manager  
Paul Lipparelli, Supervising Deputy District Attorney  
Steve Kastens, Parks and Recreation Director  
Scott Fahrenbruch, Parks Superintendent  
Fran Smith, Recording Secretary  
(SBOS 8/23/95 1-0000.5)

**NOTE** - Unless otherwise indicated each item was introduced by Mayor Teixeira. Individuals speaking are identified following the heading of each item. 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.

- A. CALL TO ORDER** - Mayor Teixeira called the meeting to order at 5:30 p.m.
- B. PLEDGE OF ALLEGIANCE** - City Manager Berkich led the pledge.
- C. ROLL CALL** - A roll call was taken and a quorum was present although Supervisor Bennett was absent.
- D. CITIZEN'S COMMENTS ON NON-AGENDIZED ITEMS** - None.

**AGENDA ITEM**

**DISCUSSION AND ACTION TO ACCEPT THE HIGHEST BID WHICH CONFORMS TO RESOLUTION 1995-R-61, THE RESOLUTION OF INTENT TO LEASE ADOPTED JULY 20, 1995 AND DIRECTION TO CITY STAFF TO NEGOTIATE THE TERMS OF A LEASE CONSISTENT WITH RESOLUTION 1995-R-61** - (1-0033.5) George Keele, Attorney for Bar-One (Owners Carol and Don Barone) - Mayor Teixeira asked Mr. Lipparelli to state for the record that after reviewing the lease it meets the provisions of the bid. Mr. Lipparelli confirmed that it does and was reviewed by the Parks and Recreation Department, the City Manager's Office, and the District Attorney's office. He said the staff report given to the Board indicates this as well. Mayor Teixeira asked for confirmation that there are no legal problems at this time and Mr. Lipparelli said there are none. Mayor Teixeira said because it is the only bid and conforms to NRS then it is valid and no legal points need to be discussed at this time.

(1-0075.5) Mr. Keele expressed his appreciation to the District Attorney's office and the City Manager for preparing the Request for Board Action. He said it correctly states the City's position but also truly represents that, even if the Board approves and accepts the bid at this meeting, the City is under no legal obligation because this is the beginning point of negotiations. He noted the law says unless the City and the applicant are able to successfully negotiate a lease that is acceptable to the City, then the City is under no obligation to the applicant. For that reason he felt the City is in a very low risk situation at this point and the applicant is in a high risk position. He said, although they are probably not prepared to accept all of the conditions the City's negotiating team will put forth and there are probably some things the Board will ask that they will not be happy about but they will, nevertheless, end up accepting that they have a negotiated lease. He said if, on the other hand, their position is too slim for the City and, if they are not willing to make the commitments the City asks through their negotiating team, then they will not end up with a negotiated lease and the City will end up with no obligation either to the applicant or with respect to the property at Fuji Park. He mentioned considerable research that has been done with the District Attorney's office and Ms. Barone in particular, and having researched similar leases that have been entered into by many event centers throughout the country, there is an excellent basis upon which to

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begin discussions. It was his hope that the discussions will be fruitful, efficient, and expeditious. He said their target would be six weeks to two months for having something in place. He said if negotiations are still going on in three months they could live with that but ideally if they have a lease that is acceptable to both parties within three or four weeks they would be happy.

(1-0173.5) Mayor Teixeira said he would like to establish the risk estimate and said at this point he did not feel that there is a problem on either side and noted the desire to look at the applicant's business plan to see how it fits within the City's environment. Mr. Keele felt the Mayor had correctly stated the City's position recently, i.e., the notice process was necessary so that the City could begin discussions with the applicant. It was his belief that the applicants are in a slightly favored position at this point because there were no other bidders. He added that should the City, at any point including the time they have the final lease in front of them, and should the Board vote by a majority to reject the lease as it has been negotiated the applicant would be without recourse. He said that would be unfortunate but also believed that when the City investigates the applicant's business plan, the resources, the management they intend to put together, and of the financing and also the proforma of income and rents payable, especially the percentage rent payable to the City, they will believe this is going to be a very mutually beneficial enterprise and one that will be for the direct benefit for the citizens of the City. He said he was very confident as negotiations continue that both sides will find fruitful ground and expressed his belief that the City will be excited with the work the applicant does. He pledged their total support to the negotiation effort.

(1-0250.5) Mr. Keele said they would like to have negotiation sessions every day but understands that is not realistic. It was their hope, if they receive favorable Board action at this meeting, that the Board might appoint a couple of their members and certainly the Parks and Recreation Commission as well as the District Attorney's office, the City Manager's office, and representative of such other City departments as they feel appropriate to be the negotiating team for the City. He said it might be more appropriate to initially have a smaller group and expand it to a larger group the closer a negotiated lease gets. However, he said they are willing to meet in early morning or late evening hours at the convenience of the City's negotiating team in order to make it work.

(1-0282.5) Mayor Teixeira commented that the Board feels this is in the best interest of the City; otherwise they would never have entertained a bid. He said they approach this as we, the people of Carson City, want the applicant to be successful. He said the Board is looking out for the long range interest of the City. He hoped that some of the more obvious problems can be resolved one at a time because he did not want to go through the process and realize later that some questions should have been answered. He commented if this project can't work he didn't want the applicant to feel the City had not tried. He felt that the City has a good reputation about being open for business. Mr. Keele complimented staff in that they have been professional and cooperative in the help they have provided. He said at the same time they have conveyed they are business people and not doing favors to anyone and if this works that is fine. If not, everyone will move on.

(1-0436.5) Mr. Keele added his belief that the applicant has chosen well. They have surrounded themselves with consultants in specific areas and to pay a large sum up front, which they have already incurred so they would have the expertise going into the project in order to deal appropriately with the City and answer the kinds of questions they anticipate the City will be asking. He said if it is required the applicant is willing to spend even more money to obtain other consultants to advise the City properly. He reiterated his statement about staff's professionalism. At this point Mayor Teixeira asked for comments from the Board.

(1-0520.5) Supervisor Tatro did not believe any Board members should be on the negotiating team and cited his reasons.

(1-0539.5) Pete Livermore, Parks and Recreation Commission Chairman, felt this is a potential win situation for everybody in the community, especially for the City's parks. He noted it was premature but asked that the potential revenue generated from this lease be put in Capital Improvement Projects for Parks. He also commented that everybody will get a part of the potential from room tax, gaming tax, and sales tax. Mayor Teixeira felt this idea deserves consideration.

(1-0615.5) Supervisor Ayres supported Supervisor Tatro's suggestion that none of the Board be on the negotiating

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team. She felt that individuals who use the park more than others would be able to provide valuable input on any potential problems that might be encountered during the negotiations.

(1-0639.5) Mayor Teixeira said it is important that periodic updates on progress of the negotiations be given to the Board and applicant. He then entertained a motion on the subject at hand. Supervisor Ayres moved that the Board of Supervisors accept the bid of Bar-One Enterprises which is the highest bid that conforms to the Resolution 1995-R-61, and I further move that the Board direct the City staff to negotiate the terms of a lease consistent with the Resolution 1995-R-61. Supervisor Smith seconded the motion. Motion carried 4-0.

There being no further business Mayor Teixeira entertained a motion to adjourn. Supervisor Ayres moved to adjourn. Supervisor Smith seconded the motion. Motion carried 4-0. Mayor Teixeira adjourned the meeting at 5:50 p.m.

The Minutes of the special August 23, 1995 meeting of the Carson City Board of Supervisors

ARE SO APPROVED \_\_\_\_\_ October 5 \_\_\_\_\_, 1995

\_\_\_\_\_/s/\_\_\_\_\_  
Marv Teixeira, Mayor

ATTEST:

\_\_\_\_\_/s/\_\_\_\_\_  
Alan Glover  
Clerk-Recorder