Hem# 10A

City of Carson City Agenda Report

| Date Subm | mitted: April 17, 2007 | Agenda Date Requested: May 3, 2007 |
|--|--|---|
| | | Time Requested: 5 minutes |
| To: Boa | ard of Supervisors | |
| From: | Linda Ritter, City Manager | |
| cooperative | | , a resolution adopting and approving the consultant to investigate opportunities for and Douglas County. |
| upon count This system customer be another to I for a study, | ties sharing a customer base to entice re m does not reflect demands and costs for base. Instead, it places two neighboring lure tax generating revenues to their side, supported by bother Counties, but paice to system that will achieve the following: Broaden the tax base for both count where possible, Remove competition for retail deveraget incentives and improvement areas throughout the "regional econt Encourage cooperation of the entiti system of infrastructure; and | ties and smooths business cycle fluctuations elopment practices between the counties, as to revitalize aging, deteriorating commercia |
| | r Williamson and Supervisor Aldean havessed support for this study. | ve met with Douglas County officials, who |
| | ction Requested: (check one) K_) Resolution (|) Ordinance) Other (Specify) |
| Does This | Action Require A Business Impact S | tatement: () Yes (XX) No |
| | | e Resolution No, a resolution adopting |
| - | | e the services of a consultant to investigate ween Carson City and Douglas County. |
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| Applicable Sta | tue, Code, Policy, Rule or Regi | ılation: | n/a | | |
|----------------|---|-----------------|-----|------|---------|
| Fiscal Impact: | Not to exceed \$ | | | | |
| Explanation of | The Scope of Work study. They would work within. | | | | |
| Funding Source | ce: General Fund | | | | |
| Alternatives: | Do not approve | | | | |
| Supporting M | aterial: Cooperative Agreemen | t in the second | | | |
| | Department Heads City Manager) District Attorney) | <u>} W\$</u> | | 4/23 | |
| Motion: | | 1) | | | Aye/Nay |
| (Vote Recor | ded By) | | | | |

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A RESOLUTION ADOPTING AND APPROVING THE COOPERATIVE
AGREEMENT TO ENGAGE THE SERVICES OF A CONSULTANT TO
INVESTIGATE OPPORTUNITIES FOR SHARING REGIONAL TAX REVENUES
BETWEEN CARSON CITY AND DOUGLAS COUNTY

WHEREAS, any two or more political subdivisions of the State of Nevada may enter into cooperative agreements for the performance of any governmental function pursuant to NRS 277.045; and

WHEREAS, NRS 277.045 provides that every such agreement must be by formal resolution or ordinance of the governing body of each political subdivision included and must be spread at large upon the minutes, or attached in full thereto as an exhibit, of each governing body; and

WHEREAS, the parties to the Cooperative Agreement for consulting services entered into between Carson City and Douglas County desire to adopt and approve such agreement as required by NRS 277.045. A copy of the agreement is attached to this Resolution as Exhibit "A;" and

WHEREAS, all parties to the Cooperative Agreement for consulting services entered into between Carson City and Douglas County are political subdivisions of the State of Nevada.

NOW, THEREFORE, BE IT RESOLVED that the terms and conditions of the Cooperative Agreement for consulting services entered into between Carson City and Douglas County are hereby adopted and approved; and

BE IT FURTHER RESOLVED that the Cooperative Agreement for consulting services entered into between Carson City and Douglas County shall be spread at large upon the minutes or attached in full thereto as an exhibit, and that a copy of this Resolution shall be sent to Douglas County.

| Supervisor_adopted this day of | the foregoing Resolution was passed and, 2007 by the following vote: |
|--|--|
| AYES: | NAYS: |
| ABSENT: | ABSTAIN: |
| | |
| ATTEST: | Marv Teixeira, Mayor Carson City, Nevada |
| | |
| Alan Glover, Clerk/Recorder Carson City, Nevada | |

COOPERATIVE AGREEMENT

This Agreement is made and entered into this 3rd day of May, 2007, by and between Douglas County, Nevada, a County organized under the Nevada Revised Statutes, hereinafter called DOUGLAS, and Carson City, Nevada, a consolidated municipality under the Nevada Revised Statutes.

WITNESSETH:

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the Agreement is authorized by law to perform and refers to such as an Interlocal Contract, hereinafter called an Agreement; and

WHEREAS, retailers located in Carson City and Douglas County serve the same customer base; and

WHEREAS, current Nevada Revised Statutes require that certain revenues be transmitted to the County in which a retailer may be located, regardless of where customers may come from; and

WHEREAS, this system of revenue distribution does not take into consideration the need for revenues to provide governmental services to the customers of the retailer; and

WHEREAS, this system of revenue distribution places neighboring counties in the position of competing for placement of retail developments within their borders, often resulting in the payment of subsidy's from the governmental entity to the retail developer.

NOW, THEREFORE, CARSON CITY and DOUGLAS desire to engage the services of a consultant to investigate opportunities for sharing regional tax revenues between the two entities in such a manner as to achieve agreed upon objectives, and in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

ARTICLE I - CARSON CITY AGREES:

- To work cooperatively with the consultant chosen to perform the study by providing any and all information requested.
- 2. To endorse and support the Scope of Work included herewith as Exhibit "A" to this agreement, including the stated goals in the Scope of Work.
- To pay 100% of the costs of the study.

ARTICLE II - DOUGLAS AGREES:

- 1. To work cooperatively with the consultant chosen to perform the study by providing any and all information requested.
- To endorse and support the Scope of Work included herewith as Exhibit "A" to this agreement, including the stated goals in the Scope of Work.

ARTICLE III - IT IS MUTUALLY AGREED

- 1. The term of this Agreement shall be from the date first written above continuing until completion, delivery and acceptance of the study.
- Northern Nevada Development Authority will be asked to manage and administer the study, including selection of the consultant to perform the study.
- 3. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile or electronic mail with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth below:

FOR DOUGLAS:

Dan Holler, County Manager

Douglas County

1594 Esmeralda, Room 307

Minden, NV 89423 (775) 782-9821

dholler@co.douglas.nv.us

FOR CITY:

Linda Ritter, City Manager

City of Carson City

201 North Carson Street, #2 Carson City, Nevada 89701

(775) 887-2100

Iritter@ci.carson-city.nv.us

- 4. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of the Nevada State Supreme Court for enforcement of this Agreement.
- 5. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement and this Agreement shall be construed as if such provision did not exist. The unenforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.
- 6. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement and that the parties are authorized by law to engage in the cooperative action set forth herein.
- 7. Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is confidential by law or a common law balancing of interests.
- 8. Each party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that party to the extent that such information is confidential by law or otherwise required by this Agreement.
- 9. Each respective party agrees to indemnify and hold harmless the other party, to the extent provided by law, including, but not limited to, NRS Ch. 41, from and against any liability arising out of the performance of the agreement proximately caused by any act or omission of its own officers, agents, and employees.
- 10. This Agreement shall not become effective until and unless approved by appropriate official action of the governing body of each party.
- 11. This Agreement constitutes the entire agreement of the parties and such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement.

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

| CARSON CITY | DOUGLAS COUNTY |
|----------------------------------|------------------------------------|
| | |
| Marv Teixeira, Mayor | Doug N. Johnson, Chairman |
| Attest: | Attest: |
| Alan Glover, Clerk | Barbara Griffin, Clerk |
| | |
| Approved as to Form: | Approved as to Form: |
| | |
| Neil Rombardo, District Attorney | Mark B. Jackson, District Attorney |
| | |

SCOPE OF WORK REVENUE SHARING STUDY

The Consolidated Municipality of Carson City and the County of Douglas, Nevada, wish to jointly retain a consultant to evaluate possible revenue sharing mechanisms that address our regional economy and each entity's need to generate adequate revenue in order to provide public services to its collective residents.

Carson City and Douglas County are located along the eastern front of the Sierra Nevada, just east of Lake Tahoe. Geographic proximity, demographic makeup, and residential and employment travel patterns create a critical interdependence between the region's economy and its representative governments. The respective governing boards of Carson City and Douglas County desire to seek out a beneficial strategy that will provide for a fiscal and social balance within this "regional economic unit". Nevada's current revenue sharing mechanisms encourage competition between county governments. Sales tax revenues are distributed to local governments based upon the point of sale. Thus, regardless of where a resident may reside, the taxes paid by that resident are paid to the County in which the retail establishment exists. The place of residence and thus, the demand for public services are not considered. This system provides motivation for competing governments to offer incentives and other benefits to developers, and national retailers, in an effort to locate them within their borders. Thus, shopping center developers and retailer giants are often placed into the enviable position of having two local governments in a bidding war for their business. In terms of public policy, the Douglas County Board of Commissioners and Carson City Board of Supervisors find that granting development incentives as a means of generating revenue is detrimental to each government's ability to provide public services. Both Boards wish to explore alternative revenue sharing methods that may achieve the following goals:

- 1. Broaden the tax base for both counties and smoothes business cycle fluctuations where possible,
- Remove competition for retail development practices between the counties,
- 3. Target incentives and improvements to revitalize aging, deteriorating commercial areas throughout the "regional economic unit,"
- 4. Encourage cooperation of the entities in development of an efficient and effective system of infrastructure; and
- Provide tax revenues to each county based upon their demand for public services.

Both entities have directed the Northern Nevada Development Authority (NNDA) to administer the study contemplated by this Scope of Work. NNDA will select the appropriate consultant to perform the work and will report back to each entity the results of such study.

Carson City agrees to pay for this study subject to approving the final scope of work and cost.