

2/21/14

Tax hike is closer to reality

Vote moves city toward
improvement projects

By John Barrette

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A plan for Carson City improvement projects and the first step toward a city sales-tax hike to finance them won 4-1 approval from the Board of Supervisors on Thursday.

The action came after lengthy board discussion that had been preceded by 2 hours and 25 minutes of testimony, pro and con, over whether to build an athletic

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Mayor Robert Crowell

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center, an animal shelter and do street-scape improvements in business corridors all along Carson Street, including downtown, as well as on East William Street. The motion added improvements at the Community Center to the multiple-projects plan.

"I'm a firm believer that the long-term sustainability of our community requires this," said Mayor Robert Crowell just prior to the vote on the sales tax portion, which would tack one-eighth of a penny on and cost consumers \$12.50 on each \$10,000 in taxable goods purchased. "These projects are an investment that we need to do today."

Whether they will be done, however, still may hinge on a second vote by the board at another meeting. A super-majority of four votes is required and the board takes another crack in a final tally on the tax ordinance that likely comes in two weeks. Supervisor John McKenna, who has always advocated a vote of the people and did so again Thursday, has until then to ponder whether he sticks with board support or changes.

Supervisor Jim Shirk cast the dissenting vote on both the expenditure plan and the tax hike after he proposed a different alternative in a motion that died for lack of a second. He said his plan envisioned funding projects without a general tax hike. It involved using redevelopment authority money, increasing the lodging tax, earmarking a penny or two from existing property taxes for a couple of the projects, and other changes.

"We're double taxing citizens," he asserted. "I have trouble double-taxing people."

"I don't see it as double taxation," replied the mayor.

Shirk also objected that bonding would make the various projects cost \$35 million or more.

Supervisors Brad Bonkowski and Karen Abowd were steadfast in their ongoing support for the plan.

Bonkowski ticked off several items he said the city will get from proceeding, among them a much-needed animal

shelter for safety and other benefits, a multi-purpose athletic center that would be "an economic driver" that will help put heads in beds for the lodging industry, Americans with Disabilities Act sidewalks, and sales tax revenues that are 40 percent paid for by visitors.

Abowd made a disclosure statement about her co-ownership of Adele's restaurant and said it wouldn't involve a conflict, so she would vote. She said the projects are aimed at "refreshing our appeal" in the city and would "increase our revenue stream" by helping spur future economic development. Her husband and business partner, Charlie Abowd, earlier had testified in favor of the plan.

Testifying against it, and delivering an outburst after the tax vote, was Linda Barnett, director of operations at Eagle Hospitality and Adventures.

"When are you going to think about the taxpayers?" she said. She decried previous decisions to use city money on the Virginia and Truckee Railway tourist train and accused this board of similar action. "Who do we go to when it doesn't work?"

Bonkowski voiced respect for Barnett's opinion but said if she wanted to hold him accountable, "vote me out of office."

"Done deal," she shot back.

Lisa Schuette, head of the private sector Carson Animal Services Initiative that is seeking donations for the shelter project, and Dana Lee Freund, president of the Downtown 20/20 business group pushing that business corridor's improvements, had testified for the projects earlier and followed Barnett to the podium to thank the board.

Witnesses galore earlier testified on each side, with many opponents seeking a vote of the people and proponents urging support to promote progress. Among them was Alejandra Leon, Western Nevada College president of the associated students there, who said she is a "future resident of this town" because she enjoys it here. However, the 20-year-old said many young people think it needs a change, which the board should embrace.

"It's outdated," she said. "It's boring."

From: Kathleen King

Sent: Tuesday, February 25, 2014 2:50 PM

To: Roger Moellendorf; Lee Plemel; Marena Works

Subject: Motions for items 22(C) and (D) from February 20th BOS meeting

22(C) POSSIBLE ACTION TO ADOPT A PLAN OF EXPENDITURE FOR A ONE-EIGHTH OF ONE PERCENT (0.125%) SALES TAX FOR PUBLIC INFRASTRUCTURE PROJECTS, PURSUANT TO NRS 377B, INCLUDING, BUT NOT LIMITED TO, CONSTRUCTION OF AN ANIMAL SERVICES FACILITY, A MULTI-PURPOSE ATHLETIC CENTER, AND STREET AND PEDESTRIAN IMPROVEMENTS IN THE DOWNTOWN AREA AND CARSON STREET AND WILLIAM STREET / HIGHWAY 50 EAST COMMERCIAL CORRIDORS, AND / OR OTHER PROJECTS AS DIRECTED BY THE BOARD OF SUPERVISORS - (5:01:47) Supervisor Bonkowski moved to adopt a plan of expenditure for one-eighth of one percent sales tax for public infrastructure projects, pursuant to NRS 377B, including, but not limited to, construction of an animal services facility, a multi-purpose athletic center, street and pedestrian improvements in the downtown area, Carson Street and William Street / Highway 50 East Commercial Corridors, as well as the Carson City Community Center. Supervisor Abowd seconded the motion. At Supervisor McKenna's request, Supervisor Bonkowski read back the motion. Extensive discussion followed. Supervisor McKenna moved to table this item. Supervisor Shirk seconded the motion. Motion failed 2-3. Mayor Crowell entertained additional discussion on the pending motion and, when none was forthcoming, called for a vote.

RESULT: Approved [4 - 1]

MOVER: Supervisor Brad Bonkowski

SECOND: Supervisor Karen Abowd

AYES: Supervisors Bonkowski, Abowd, McKenna, and Mayor Crowell

NAYS: Supervisor Jim Shirk

ABSENT: None

ABSTAIN: None

22(D) POSSIBLE ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING TITLE 21, TAXATION, OF THE CARSON CTY MUNICIPAL CODE, BY ADDING A NEW CHAPTER 21.08, INFRASTRUCTURE SALES TAX, FOR THE PURPOSE OF IMPOSING A SALES TAX IN CARSON CITY OF ONE-EIGHTH OF ONE PERCENT ON RETAIL SALES; BY ADDING A NEW SECTION 21.08.010, DEFINITIONS; BY ADDING A NEW SECTION 21.08.020, IMPOSITION OF TAX, REFUNDS, EFFECTIVE DATE OF TAX, REPEAL OF TAX, IMPOSING A ONE-EIGHTH OF ONE PERCENT (0.125%) SALES TAX; BY ADDING A NEW SECTION 21.08.030, USE OF PROCEEDS OF TAX; BY ADDING A NEW SECTION 21.08.040, PAYMENT OF PROCEEDS OF TAX TO DEPARTMENT, CONTRACT WITH DEPARTMENT; BY ADDING A

NEW SECTION 21.08.050, INCORPORATION OF PROVISIONS OF CHAPTER 374 OF NRS; BY ADDING A NEW SECTION 21.08.060, CREATION OF INFRASTRUCTURE FUND; BY ADDING A NEW SECTION 21.08.070, ISSUANCE OF BONDS, NOTES, AND OTHER SECURITIES; BY ADDING A NEW SECTION 21.08.080, IMPAIRMENT OF OBLIGATIONS PROHIBITED; TO CREATE AN INFRASTRUCTURE FUND FOR THE ACCOUNTING OF THE TAX; TO PROVIDE FOR PAYMENT OF THE PROCEEDS OF THE TAX TO THE NEVADA DEPARTMENT OF TAXATION; TO AUTHORIZE A CONTRACT WITH THE NEVADA DEPARTMENT OF TAXATION RELATED TO THE ADMINISTRATION AND OPERATION OF THE TAX; TO INCORPORATE CERTAIN PROVISIONS OF CHAPTER 374 OF NRS; TO PROVIDE FOR THE ISSUANCE OF BONDS AND OTHER SECURITIES, AND OTHER MATTERS PROPERLY RELATED THERETO (5:19:30) - Mayor Crowell introduced this item, and entertained a motion. Supervisor Abowd moved to introduce, on first reading, Bill No. 105, an ordinance amending Title 21, Taxation, of the Carson City Municipal Code, by adding a new Chapter 21.08, Infrastructure Sales Tax, for the purpose of imposing a sales tax in Carson City for one-eighth of one percent on retail sales; by adding a new Section 21.08.010, Definitions; by adding a new Section 21.08.020, Imposition of Tax, Refunds, Effective Date of Tax, Repeal of Tax, imposing one-eighth of one percent (0.125%) sales tax; by adding a new Section 21.08.030, Use of Proceeds of Tax; by adding a new Section 21.08.040, Payment of Proceeds of Tax to Department, Contract With Department; by adding a new Section 21.08.050, Incorporation of Provisions of Chapter 374 of NRS; by adding a new Section 21.08.060, Creation of Infrastructure Fund; by adding a new Section 21.08.070, Issuance of Bonds, Notes, and other Securities; by adding a new Section 21.08.080, Impairment of Obligations Prohibited to create an infrastructure fund for the accounting of the tax, to provide for payment of the tax to Nevada Department of Taxation, to authorize a contract with the Nevada Department of Taxation related to the administration and operation of the tax, to incorporate certain provisions of Chapter 374 of NRS, to provide for the issuance of bonds and other securities, and other matters properly related thereto. Supervisor Bonkowski seconded the motion. Following extensive discussion, Mayor Crowell called for a vote on the pending motion.

RESULT: Approved [4 - 1]
MOVER: Supervisor Karen Abowd
SECOND: Supervisor Brad Bonkowski
AYES: Supervisors Abowd, Bonkowski, McKenna, and Mayor Crowell
NAYS: Supervisor Jim Shirk
ABSENT: None
ABSTAIN: None