

CARSON CITY BOARD OF SUPERVISORS

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A meeting of the Carson City Board of Supervisors was scheduled for 6:00 p.m. on Thursday, December 10, 2009 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Robert Crowell, Mayor
Supervisor Robin Williamson, Ward 1
Supervisor Shelly Aldean, Ward 2
Supervisor Pete Livermore, Ward 3
Supervisor Molly Walt, Ward 4

STAFF: Andrew Burnham, Public Works Department Director
Neil Rombardo, District Attorney
Kathleen King, Recording Secretary

NOTE: A recording of these proceedings, the Board'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.

1 - 4. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE (6:04:45) - Mayor Crowell called the meeting to order at 6:04 p.m. Roll was called; a quorum was present. Chet Alexander led the pledge of allegiance.

4. ACTION ON APPROVAL OF MINUTES (6:05:44) - None.

5. ADOPTION OF AGENDA (6:05:50) - Mayor Crowell deemed the agenda, consisting of one item, adopted.

6. PUBLIC COMMENTS AND DISCUSSION (6:06:05) - Darrell Peterson commended the ideologies of the proposed project, which is the subject of item 7.

7. OFFICE OF BUSINESS DEVELOPMENT - PRESENTATION BY STAFF REGARDING THE NUGGET ECONOMIC DEVELOPMENT PROJECT AND POSSIBLE ACTION TO DIRECT STAFF TO RETURN WITH SPECIFIC BUSINESS TERMS THAT FORM THE BASIS FOR POSSIBLE EXECUTION OF A DISPOSITION DEVELOPMENT AGREEMENT AND TO APPROVE TWO LETTERS OF INTEREST FOR MANAGEMENT OF THE BUSINESS AND TECHNOLOGY INCUBATOR AND THE SIERRA DIGITAL MEDIA LAB, THE PROPOSED FINANCE PLAN, AND THE PROJECT SCHEDULES (6:08:21) - Mayor Crowell introduced this item, and Business Development Manager Joe McCarthy reviewed the agenda report. Mr. McCarthy introduced Meridian Business Advisors President Candace Evart and Director Eugenia Laramore. Ms. Laramore narrated a PowerPoint presentation of the Nugget Economic Development Project Market, Economic Impact, and Financial Analyses, copies of which were included in the agenda materials.

Consultant Mark Lewis narrated a portion of the PowerPoint presentation pertinent to the private / public aspect of the proposed development. The role of the Redevelopment Authority "would be to construct public facilities" such as the library, infrastructure, parking, transit hubs, the business incubator, and the digital media lab. "Public dollars for public facilities." The private sector would be responsible for constructing office buildings, retail, residential, and an entertainment component for the project. Mr. Lewis

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advised that the Hop and Mae Adams Foundation responsibility would be “to fund community partnerships.” He provided background information on the mission and purpose of the Hop and Mae Adams Foundation. “Their land contributions for this project would be in the form of long-term leases that would generate income … [which] would come back to the community in terms of reinvestment in … projects.”

Consultant Robert Hartman provided background information on his experience in the technology industry, and narrated portions of the PowerPoint presentation pertinent to the Knowledge and Discovery Library, the Sierra Digital Media Lab, and the Business Technology Incubator proposals. Carson City Library Director Sara Jones narrated a portion of the PowerPoint presentation pertinent to the Knowledge and Discovery Library proposal. Mr. Hartman continued narrating the PowerPoint presentation, specifically an explanation and review of the business incubator concept. He provided background information on a Reno business incubator, C4 Cube, and introduced its Founder and Partner Ky Good and Executive Director Norman Smith. Mr. Good provided additional background information regarding C4 Cube, and introduced its principals. Mr. Smith provided background information on his experience with business incubators, in general, and with C4 Cube. He expressed an interest in participating in the subject project. In consideration of the previous testimony, Mr. Hartman noted the opportunity represented by the proposal. In reference to the digital media lab, he provided background information on Paul Siegel’s experience. Mr. Siegel thanked the Board and the citizens for the opportunity, and provided background information on his involvement in the proposed digital media lab. He introduced a video clip of a current PBS program to demonstrate the behind-the-scenes function of a digital media lab. He narrated a portion of the PowerPoint presentation pertinent to the digital media lab, and presented an additional video clip of a Korean program, portions of which could be produced in Carson City.

Consultant Mark Lewis discussed the Knowledge and Discovery Library in consideration of the number of citizens which use the existing library. He discussed the concept of adding a business development component to the existing library “to drive economic development in the community.” He referenced the business incubator and digital media lab “pieces” of the project, and suggested these elements represent “some class A office space.” “What we’re talking about here is to build a center on the downtown, and to build on the capitol complex and make the downtown a centerpiece. That gives us the opportunity to do some commercial and retail spaces, and then some residential spaces …” Mr. Lewis also listed an entertainment venue, a public transit hub, and a public plaza as elements of the proposal. “… again, like the library, a central public plaza has always been a key component to successful communities; a place where the community can meet, can celebrate, can have events …” Mr. Lewis narrated conceptual photographs of the same, and noted an interesting aspect of “the more modern, central, public plaza is that you add a lot of the technology into them: sound and lights, the ability to do … theater …”

In reference to the Mayor’s direction at the November 5th Board of Supervisors meeting, Deputy Business Development Manager Tammy Westergard advised that similar presentations have been made to the Carson City Chamber of Commerce, the Downtown Business Association, the Carson City Library Board of Trustees, the Redevelopment Authority Citizens Committee, the Sierra Nevada Association of Realtors, the noon Rotary Club, and the Lion’s Club. She further advised of having received “several calls from other service organizations in the community and have dates on the calendar to present to them in the next number of weeks.” In consideration of key stakeholders, she advised of having met with representatives of the Nevada Division of State Lands, Buildings and Grounds, Public Works, the Governor’s Office, the Gaming Control Board, the Public Utilities Service Commission, and the Division of Health and Human

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Services. She noted that the Division of State Lands campus master plan is “just adjacent to the boundaries of this project.” Ms. Westergard further advised of having met with representatives of Western Nevada College relative to curriculum development and internship programming, with representatives of the Northern Nevada Development Authority, and with “the education community,” including representatives of charter and public schools. She advised that Ms. Jones has authored an education collaborative white paper, explaining the educational opportunities. Ms. Westergard advised of also having met with representatives of Carson-Tahoe Regional Healthcare. She expressed appreciation for the media attention the proposal has received, and introduced Carson Nugget, Inc. Vice President Steve Neighbors.

Mayor Crowell commended Mr. Neighbors on the Nugget’s corporate citizenry. Mr. Neighbors discussed his responsibilities, over the past eighteen months, as Mae B. Adams’ steward. He provided historic information on the Carson Nugget and the Adams family, relative to the Carson Nugget. He discussed Alan Adams’ efforts to consolidate the Carson Nugget real estate under the Mae B. Adams Trust. He discussed Mae Adams’ philosophy behind forming the Hop and Mae Adams Foundation, and advised that he and Attorney Andrew MacKenzie will serve as trustees.

Mr. Lewis reviewed that portion of the PowerPoint presentation pertinent to the preliminary finance plan, copies of which were included in the agenda materials. He clarified that previously-proposed Question #18 funding would not be pursued. He reviewed the Preliminary Expenditure Plan, copies of which were included in the agenda materials. He advised that the proposed project “would not anticipate any property tax increase and just a small sales tax increase for funding the library.” Meridian Business Advisors estimate the actual cost per family would be “about \$26 per year.” Mr. Lewis reviewed the project schedule, copies of which were included in the agenda materials. He anticipated that “if we all work together as a community, it’s possible to break ground about a year from now. If that were to occur, then it’s possible that we could have doors open ... in November 2013.”

Mr. McCarthy reviewed the recommended action, as outlined in the staff report, and entertained questions and comments of the Board members. Mayor Crowell expressed appreciation for the citizens’ attendance, and complimented the development team on their presentation. He advised of having considered the proposal from the standpoint of whether it’s the right thing for the community and, in consideration of tax revenue, whether it is a proper investment of taxpayer money and “what does the community get for that investment.” He discussed the importance of considering whether the City can afford the proposed project in these difficult economic times, and of ensuring that the risk is acceptable from the investment and business standpoint. He suggested that part of the business and investment consideration is counting the cost of a lost opportunity. Supervisor Williamson thanked the citizens for their attendance, and described the proposal as an “exciting opportunity for our community.” In consideration of the Meridian Business Advisors presentation, she inquired as to “how we can afford not to do this; ... to take steps to control our own destiny and to invest in ourselves.” She pointed out that a library is a civic investment in “all fine communities,” and expressed support for using “this fine civic investment as a way to jump start our economy, provide good, high quality jobs for ourselves, our youth, and generations to come, and that we ... seize an opportunity in time and move forward ...” She looked forward to working together in making the proposal a reality.

Mayor Crowell requested Mr. Lewis to provide an overview of the method by which the project will proceed forward. Mr. Lewis referenced the project partners, including the City, the Nugget Foundation, and a developer. He suggested the likelihood, because of the project complexity including public and

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private improvements, for two developers working together. Mayor Crowell inquired as to which partner would bear the responsibility of development cost. Mr. Lewis advised that development agreements would outline the details, but suggested the City would likely want to “pass the risk of the construction on to the developer.” In response to a further question, he advised that City funding would be allocated only to public improvements. In response to a further question, he advised that public improvements are “traditionally built by public agencies. The library is a good example,” as is the public plaza. The digital media lab and business incubator, “areas where cities are trying to develop new businesses as part of their economic development plan and program are generally funded by the economic development agencies.” The office buildings, commercial, retail, and residential portions of the project “and their share of the infrastructure would all be funded by the private side.” Mr. Lewis acknowledged the potential of a developer willing to “spend the balance of the money, roughly \$46 million … in our community.” He further acknowledged the potential developer is “comfortable with the mix of projects” presented. In response to a question regarding the existing space to be left vacant by state agencies, he advised that the business incubator will “focus on generating jobs and companies that will take up that vacant space. … While the library is a catalyst for the project itself, the project itself is a catalyst for the community. It will drive jobs outside the project.” He discussed the economic decline in the community which “if left uncorrected is going to have dire consequences …” He advised that the focus of the Hop and Mae Adams Trust “is to bring jobs into the community so that the economic structure of the community gets corrected.”

In reference to the Meridian Business Advisors presentation, Supervisor Livermore discussed various reasons families choose to live outside Carson City. He further discussed vacant medical office space around the former Carson-Tahoe Hospital property. In response to a question, Mr. Good advised of having met with Western Nevada College President Carol Lucey. He expressed a willingness to work with WNC representatives, and discussed the potential of internship programs. In response to a further question, he provided the Reno business address of C4 Cube. In reference to a Chamber of Commerce vacancy study, Supervisor Livermore inquired as to the method by which the proposed project will “solve the vacancies in the buildings that currently exist on Carson Street.” Mr. Lewis expressed the “hope and plan … for this project to be a catalyst … for the rest of the community. As this project drew people into the downtown area, as a city center, then the vacant businesses and stores on Carson Street would have a better opportunity of leasing out.” In response to a further question, Mr. Lewis expressed the hope that the economy begins to recover sooner than 2013. “The notion of creating literally hundreds of jobs pretty quickly as this project begins, in construction, certainly should have a huge boost to the local economy. And then as the project completes itself, then the permanent jobs will begin to take place. And it’s that economic activity that will help the community recover.” Supervisor Livermore noted Jeff Winston’s presence in the meeting room, and referred to the downtown vision developed following several community charrettes facilitated by Mr. Winston. In response to a question, Mr. Lewis advised that the proposed project is “right in the middle of that area … kind of dead center. The whole notion of creating a centerpiece in the downtown and creating an urban area is what … was envisioned by the charrette.”

In response to a previous question, Mr. Hartman discussed the opportunity to involve WNC students in digital media projects via an internship program. In reference to Mr. Siegel’s presentation, he advised that the digital media lab could be opened within a period of several months. Supervisor Livermore inquired as to acquisition of the land for the library. Mr. Neighbors theorized that land will either be donated to the library or “set up on a ground lease where the library pays a lease … and then that money is set back up for the library to do future things as determined by the Foundation and Sara [Jones]. For the rest of the property, I envision a 99-year ground lease where, as that income stream comes in, then it will be brought

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back to the Board of Supervisors for additional community efforts. All of the money coming out of the leases will be brought back to the community. There's no profits being made in the foundation ... There's no gift of the land to the developer and there's no gift of the land to the City just to consume it and it be gone. This is a perpetual foundation where what monies are paid back in some kind of reasonable lease rent will be reinvested back into the community." In response to a further question, Mr. Lewis advised that "all these agreements plus the final reading of the sales tax" to the Board "at the same time so that you would have the decision-making authority to consider all of the elements, all put together as a single package before you made any final decisions on anything." Supervisor Livermore discussed operating costs, and requested the consultants to present the funding sources. In reference to the Preliminary Funding Plan, Mr. Lewis noted that revenue sources have been "set aside ... for operations. As we get back to the next level, we will quantify those and bring them back to you for your final review." He advised that approximately \$320,000 in program income has been set aside, in addition to sales tax revenue generated from the site for operations.

Mayor Crowell remarked on the phenomenal opportunity represented by Mr. Neighbors' statements. In response to a question, Mr. Neighbors discussed the theory of a "bare-ground lease, so really Mae's foundation is paid only the value of the bare ground and that lease amount will then be set aside to be brought back to the community on another project. There will be other costs in there that will be determined by the developer to pay for the brick and mortar and their investment. Mae is making an investment of the land; the developer is making a business investment to make profit on the brick and mortar and the City is participating in that." In response to a further question, he expressed the belief there should be "bare-ground rent set aside under the library, strictly for the library, and that money gets accumulated so Sara [Jones] has a tool to get other grants and / or to make changes to the library to stay current and be aggressive and make Carson City's Library one of the best. We have one of the best directors. Let's give her the tools to get her facility and keep it that way."

Supervisor Walt thanked the development team and City staff for all of their time, and discussed the purpose of the presentation to receive community input. She described the proposed project as an investment in the future. She encouraged an optimistic view of the proposed project and for the citizens to direct their questions to "knowledgeable people." She expressed excitement over the opportunity to participate in such a project, and thanked the consultant team.

Supervisor Aldean advised of having met with many of the consultants, and commended the presentations. She described the preliminary funding plan as "a little nebulous," and inquired as to whether the City / RDA capital funds involve an increase in franchise fees. Mr. McCarthy advised of Mr. Werner's assurances that, "in the process of creating the next budget, we have the ability to take a look at capital funds to the tune of about \$1 million a year. That could fill the gap on this project. That is not specifically franchise fees increase or any other revenue at this time, but it could be a mix of those things." Mr. McCarthy advised that the finance plan will be re-presented with more specificity. In response to a further question, Mr. Lewis advised that the calculated TIF is only that within the project area itself. The TIF outside the project area are likely to see an increase in value as the project goes forward. Those values have not been calculated and would potentially be a source of revenue for this project. Supervisor Aldean inquired as to the \$20,000 per parking space estimate. Mr. Lewis advised of having reviewed actual construction costs for the most recent parking structures built in northern Nevada. "They ranged from \$15,000 a space up to \$18,000 a space. ... Just to be conservative, we took a little bit higher number than that ... That is all in construction and soft costs for that particular structure." In response to a further

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question, Mr. Lewis advised that surface parking costs, with a conveniently available site, would be substantially less. Supervisor Aldean advised of having calculated the square footage in consideration of the current parking ratio required by the Carson City Municipal Code, and suggested reviewing the proposed parking. She expressed concern over the existing downtown merchants, and Mr. McCarthy advised of the development team's consideration for the parking associated with the proposed project "to provide additional parking for all of the businesses in the area." He assured the Board that the development team will "do its homework."

Mr. Lewis acknowledged that the \$200 per square foot cost associated with the business and technology incubator and the digital media lab refers to turn-key spaces. Supervisor Aldean expressed understanding for the nexus between the business and technology incubator and the digital media lab. In reference to Mr. Siegel's presentation and the understanding that digital media labs "can be quite lucrative," she inquired as to the reason for including the digital media lab in the public sector component of the project. In reference to Mr. Good's presentation, Mr. Lewis advised that most business incubators have a theme focused on a business sector. "Our business sector, which we believe has the ability to provide the most jobs and create the most interest, is the media lab." In response to a question, Mr. Smith advised that C4 Cube is a privately-funded business incubator. Supervisor Aldean inquired as to the reason for Carson City's business incubator requiring a public subsidy. Mr. Smith described a public / private business incubator in Concord, California "where two-thirds of the funding was coming from private sources; a third was coming from a public source ... seventeen different city councils." He noted the advantage to move quickly when necessary. "Typically, an incubator will generate a company graduating using in an incubator space about 600 square feet. When they graduated outside into the community, where they stayed about 92 percent of the time, they would take an average of 3,000 square feet of space. The advantage of having the public entity aware of what was going on there raised not only our profile but made opportunities available when those guys were going back out into the community." Mr. Smith expressed the opinion that the opportunity to involve all phases of the community is better served by a public / private partnership, as proposed. Supervisor Aldean inquired as to the possibility of requiring business incubator graduates to continue doing business in Carson City. Mr. Smith advised that C4 Cube does not allow anyone to present to local investors without understanding that an actual investment will require moving to Nevada. He acknowledged the possibility of making the move to Nevada compulsory. In response to an earlier question, he explained that a "typical incubator process is somewhere between 18 and 36 months. It takes that long to attract management, create the disciplines, find the funding, and create the product or the commercialization. Because of those things, there is an opportunity there the same day that your business and technology incubator opens that you can have graduates out of there. It serves a community well ..."

In consideration of the financial analysis, Supervisor Aldean noted that Carson City's sales tax increased, following the last legislative session, by 0.35 percent, to 7.475 percent. With the additional 0.125 percent, "we're up to 7.6 percent which means that we are still competitive with Storey and Washoe [Counties] but we're not competitive with Lyon or Douglas [Counties]." Supervisor Aldean suggested keeping this in mind in consideration of unanticipated consequences. Mr. McCarthy noted the importance of the Board ensuring retention of the Carson City auto dealers.

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Mayor Crowell opened this item to public comment, and provided direction with regard to the same. (8:33:17) Western Nevada College Vice President of Institutional Affairs Helaine Jesse commented on the “great working relationship” between the City and WNC, and committed to doing “whatever we can to help diversify the economy and support you in your efforts.” She provided business cards to Mr. Siegel and Mr. Hartman.

(8:34:20) Drew Simmons, representing the Carson City Chapter of WE of the World, read a letter into the record expressing support for the proposed project.

(8:37:06) In consideration of education, Karen Abowd expressed support for the digital media lab. “It’s something that will allow us to raise and keep a young work force.” She expressed the opinion that the proposed project represents an opportunity for “our young kids to stay here and help grow this community.” As a business owner, she discussed the City’s need for a stimulus package and suggested “this is it.” “We can attest to the declining … sales tax revenue. The businesses here are in a choke hold and if we don’t do something about this soon, we’re going to be in dire straits.” She described the proposed project as “a blessing.”

(8:38:13) John Procaccini, representing the Brewery Arts Center, discussed the struggle to recruit “new members, new faces. … Without a face lift, in the next few years, we’re going to struggle immensely.” In consideration of the digital media lab, Mr. Procaccini advised that Mr. Siegel had toured the Brewery Arts Center, where “much emphasis” has been placed on digital media programs. “Without the help and the collaboration of a venture like this, we will … be left in the dust.” Mr. Procaccini expressed wholehearted support for the proposed project.

(8:39:59) Northern Nevada Development Authority Executive Director Rob Hooper expressed excitement over the proposed project, and described it as a “rubber hits the road action … putting into place all the things that all the multiple consultants that we’ve paid thousands of dollars to have said, ‘Here’s what’s important for the region and for the City.’” He reviewed the results of various studies conducted over the years in consideration of the opportunities represented by the proposed project. He noted the importance of the “cluster” component of the proposed project “because it creates a magnetic effect,” and the emphasis on “digital high tech which is recognized by the [venture capital] community and by everybody in technology as the future growth area.” He commended the development team, the Nugget representatives, City staff, and the Board members.

(8:43:32) Sherri Glockner, representing Carson-Tahoe Regional Healthcare, noted that the Carson-Tahoe Regional Medical Center facility was first occupied four years ago. She expressed the opinion that the facility represents the vision of “proactive, determined leadership.” She read into the record a statement from the Carson-Tahoe Regional Healthcare Board of Trustees and Chief Executive Officer. Mayor Crowell commended the Carson-Tahoe Regional Medical Center and noted its positive contribution to Carson City’s quality of life.

(8:44:55) Gene Paslov commended the impressive endeavor, and strongly encouraged the Board’s serious consideration in terms of approval. He noted the opportunity “for Carson City to become very special at a time when Carson City needs to be very special …” He expressed the opinion that the development project represents a “tremendous stimulus,” but offered “a few cautions.” He discussed the importance of careful management in order to avoid cost overruns “which will kill something like this.” He expressed

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excitement over the business incubator, but noted that “business incubation has usually been developed in urban areas. This is an urban / rural area, and it’s usually centered around, in many cases, ... research universities ...” He commended WNC as a “first-rate college” with “intellectual capital,” but expressed uncertainty over WNC’s research capabilities to the extent necessary. He encouraged engaging in appropriate conversations with WNC, Sierra Nevada College, and University of Nevada representatives. He suggested considering expansion of the digital medial lab concept, and expressed support for the “loft concept.”

(8:50:08) Chet Alexander expressed concern over unintended consequences, and suggested that operating costs for the proposed library will be considerably more than those for the current library. “That money’s got to come from the tax base.” He expressed the concern that the proposed project could “put this City in bankruptcy.”

(8:51:08) Phyllis Patton, as a private citizen, commended the proposed project as “a wonderful idea,” and the “whole team for your innovative, creative, outside-the-box thinking in bringing this community some chances to better themselves rather than waiting for the economy to right itself.” As Library Board of Trustees Chairperson, Ms. Patton advised of “100 percent approval to this team to go forward with what they had and with our Director, Sara, to work with them.” In consideration of previous comments, Ms. Patton advised of the Library Board of Trustees’ adamance over “a green ... library, and the estimates that we’ve seen from other public libraries ... built in the last few years, their operating costs are not raised by much at all.” She expressed confidence that the new library could be operated “basically with the same budget that we had before the last three cuts.”

(8:53:07) Darrell Peterson expressed appreciation for Mr. Procaccini’s attendance and participation. In response to a question, Supervisor Walt advised that Jeffrey Scott, of the Wild Horse Theater, had expressed support for the proposed project via e-mail correspondence earlier in the day. Mr. Peterson discussed the importance of the digital media lab incorporating local arts productions. Mr. McCarthy read Mr. Scott’s e-mail correspondence into the record.

(8:56:01) Former State Archivist Guy Rocha noted that Nevada and Carson City are at an economic threshold. “You are experiencing history. This is a tremendous economic crisis. ... There’s no question that this state and this community have to reinvent itself.” He noted that the state relied on mining for many years and “then developed a service economy, with all its component parts, principally casino gambling.” He predicted that Nevada’s service economy will never be a growth industry again. “We are at that kind of threshold. Knowing that, and its impact, all these communities ... have to ask themselves what they’re going to do.” Mr. Rocha described the proposed project as a potential solution. He suggested that “Nevada’s had, for a long time, a something-for-nothing mentality. It grew out of our addiction to tourism that we could get people to principally gamble, lose their money, and make it all easier on us. And it worked for a long time.” He noted that 39 states now have legalized casino gambling. “The question is, what are we going to be in the 21st century.” Mr. Rocha expressed an interest in the details of the proposed project. “If this project is not the right investment, ... what is? Who’s bringing anything else forward at this point?” Mr. Rocha commended the synergy represented by the proposed project, and expressed excitement. He acknowledged the proposed project represents risk and cost, and inquired again as to what risk will be taken if not this. He expressed concern over an indefinite period in decline of Carson City, and requested the Board’s serious consideration. Mayor Crowell noted the risk involved with doing nothing.

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(9:03:17) Peter Barton, representing the State of Nevada Division of Museums and History, specifically the Nevada State Museum, a neighbor to the Carson Nugget and sharing a complimentary mission with the City's public library, expressed an interest in "seeing the library expand and become even closer, in proximity, to the museum." In reference to earlier comments, Mr. Barton advised that "information has to be mined. Within the collections of the State Museum, there's a lot of information that tells us so much about why Nevada once led this nation in so many ways. It wasn't that we were always best of the worst and worst of the best." Mr. Barton advised that museum visitors "are more sophisticated than ever" in consideration of their experiences with Disney, Universal Studios, etc. "They expect more from their leisure-time activities. They want a higher level of engagement with the content that we have in our collections." Mr. Barton suggested that a partnership with the library and a digital media lab to "develop and deploy new technologies for our museum translates into more people downtown; more people visiting our museums, walking away with a better understanding about Nevada." He described a vision for a "holographic image of Abe Curry" to walk with the museum visitor "and explain to them the history of early Carson City as they walk through." Mr. Barton discussed the necessity of the project and of the investment, and encouraged the Board's support. Mayor Crowell thanked Mr. Barton and the Nevada State Museum staff for their contribution to Carson City's cultural quality of life.

(9:05:42) Commercial Realtor Brad Bonkowski advised that the commercial vacancy figures in the Meridian Business Advisors report were generated by his office over the past summer. He commended the presentation as "exciting," and suggested that "all good ideas boil down to the money needed to fund" them. He inquired as to a provision, "on a land lease basis, ... where the tax-exempt status of the City would preclude property tax from being collected ..." He expressed concern that this would change "the financial impact on the revenue stream that's in this report." Mayor Crowell expressed the understanding that the question of whether the library "starts off as being a public ownership or private ownership" has yet to be determined. Mr. Lewis advised that the study addresses the question "on both sides of the page. If it's publicly owned and privately owned and how the tax issues are to be dealt with. If it's privately owned and publicly leased, there is a tax that's being paid ... in essence, a lease-hold tax. If it's privately owned, there's also a property tax that's being paid. ... If it's publicly owned, then there's no property tax to be paid." Mr. Lewis referred to an analysis "in the study that takes a look at those questions." Mr. Bonkowski noted the two letters of intent from State agencies to relocate "to class A office space in downtown," will, in turn, vacate the "same amount of space in other parts of the City." He further noted some apparent discrepancies between the square footage indicated for the incubator and digital lab in the preliminary financial information and the construction costs "on the next page." He inquired as to a public process "on the financial side of this for some further clarifications as we go through this process ..." He noted that "operating costs is another issue that's been brought up several times tonight." Mayor Crowell assured Mr. Bonkowski that project details will also be subject to the public process. He advised of no intent to vote for any tax increase without understanding the private commitment, as well. He expressed the belief that the development team "is on the same page ... There'll be times between now and when that occurs that the public's input will be, again, solicited. But it's going to take a little bit to put some of the fine point on some of the financing details as they get worked out ..."

(9:12:05) Donna Curtis advised of "mixed feelings" associated with the project. She expressed excitement over the concept, and uncertainty as to whether a business incubator is "really valid for Carson City." As Friends of the Library Vice President, she expressed support for a new library. She advised of having been recently informed that "Parks and Recreation was a partner on this," and of never having "seen anything on this project." She further advised of having first reviewed documentation on Tuesday, at which time

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the finance plan included a \$4.4 million allocation from Question #18. She advised that the Parks and Recreation Commission had not been previously made aware of the proposed allocation, and expressed the understanding that the Parks and Recreation Director had also not been made aware. She expressed appreciation that the proposed allocation had since been removed from the preliminary finance plan. She expressed the opinion that the process, “up to this point, is a little problematic in the fact that, if you’ve got partners, then you need to take the documents and the reports to the partners and explain to them thoroughly what’s going on and give us … a chance to respond.” She expressed appreciation for statements made, at this meeting, that the presentation will be made to the advisory boards, commissions, and committees, and the desire “to see parks and recreation remain a partner on this project.” She expressed the opinion that “we will have proven, in terms of the ice rink, that when you let parks and recreation do something that they know something about, they can make a success of it.” She expressed concern over the “impacts of this project on the Carson City budget.” In response to a question, Planning Division Director Lee Plemel explained the opportunity to leverage Community Development Block Grant (“CDBG”) funds. Ms. Curtis inquired as to the source for the capital funding, and advised of “maybe 75 [parks and recreation] projects that we’ve been trying to get funded, like improvements to the restrooms in Sonoma Park. There’s been no capital money available for us to do that …” Ms. Curtis expressed concern that “any money the City may, someday if things get better, pull together for capital projects would all be going into this project or whether the City’s going to have some money as they’ve had in the past for us to be able to do some things.” In response to a further question, Mayor Crowell advised that sales tax revenues would be allocated to the general fund. The rent would be allocated to the Hop and Mae Adams Trust, to be “used for Carson City projects that they would bring to the Board of Supervisors.” Ms. Curtis expressed an interest in a “three-dimensional presentation” as part of a charrette process. Mayor Crowell noted the significance of the private / public partnership in that “the private entity is really the one bringing the opportunity to us.” He reassured the citizens of sufficient opportunity for public participation.

(9:19:59) Kathy Halbardier, of the University of Nevada, Reno Small Business Development Center, expressed appreciation for the City’s long-time support of her program. She provided background information on a recent small business innovative research national conference hosted in Reno.

(9:21:17) Dennis Johnson commended the project concept, and advised that he would be forwarding questions regarding “the details.” He commended the presentation, and expressed concern over clarification of library operating costs. Ms. Jones provided background information on her 23 years’ experience operating libraries. She discussed plans to build a new library “that can be managed with the operating costs that we have right now, the people that we have right now.” She acknowledged the understanding that “human resources will not be plentiful or even extra or even constant.” She advised that a new library building will have improved energy efficiency, translating to reduced utility costs. “With some technology investment, we can really reduce human resource needs.” Ms. Jones reiterated the plan to operate a new library “with the operating budget that has been given and indicated from the City in the years past.” Mr. Johnson offered to e-mail his list of questions, and suggested they could be answered at the next public meeting. Mayor Crowell advised that the Meridian Business Advisors report is available on the City’s website.

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(9:26:20) Greg Carr advised that he will be moving to the area because of the business incubator. “It gives you the opportunity to marry expertise, investment, and new ideas together and build something big. ... It also attracts to the community the angel investor.” Mr. Carr advised he is also a Northern Nevada Development Authority investor “because I think once we start attracting angel investment, we’ll also start attracting businesses into Nevada.” The Board members welcomed Mr. Carr to Carson City.

(9:27:10) Carson City School District Associate Superintendent of Human Resources Jose Delfin expressed excitement over the proposed project. On behalf of the Carson City School District, he stated, “We remain poised, positive, and a pillar of strength for this community as ... within our midst we have students that are very talented who are the next ... Donald Trumps, the next mayors of this City, and we are really working hard in our school district to develop great citizens for not just this City but for the nation.” Mr. Delfin expressed appreciation for the partnership between the City and the School District. Mayor Crowell commended the School District on its community partnership. Mr. Delfin commended Carson High School athletic teams on their achievements this year. He discussed award-winning culinary and web design programs at the high school.

(9:29:10) In reference to his involvement in the Downtown Consortium, Attorney Chris MacKenzie discussed a preference for proposals to be made from the business community rather than from the City. “This is well beyond anything I anticipated happening ...” He expressed appreciation for the “huge opportunity,” and acknowledged the need to “iron out” details. He discussed the need to attract young professionals to Carson City, and encouraged the Board to seize the opportunity. Mayor Crowell thanked Mr. MacKenzie for his involvement in the Downtown Consortium.

(9:30:53) Carson High School Librarian Corey King advised of an “education bias,” and commended the project as “a great opportunity not only for the public library but for education for everybody in this community, birth to grave ...” He discussed student opportunities represented by the business incubator and the digital media lab, and expressed support as a librarian. As a citizen, Mr. King expressed faith in the community “that things will keep getting better here.” He advised of having lived in Carson City for the past nine years, and that he is nearly 35 years old. He expressed concern over Carson City’s future and, in reference to previous comments, described the project as “an opportunity that I don’t think we can pass up. ... In the long run, this is an investment in our community. It’s going to take years for us to see the full benefit, but ... we need to take a serious look at it.” He acknowledged details to be “ironed out,” but suggested “at its core, this is a great project” for which he expressed full support.

(9:33:20) Silver State Charter High School Senior Marcie Harris expressed support for the project. She discussed her frequent use of the library, and expressed the opinion that the project will benefit the community as a whole, as well as “the teens and students ...”

(9:34:10) Carson City Symphony Conductor David Bugli discussed his involvement in community musical events, and expressed appreciation for the artistic component of the proposed project. He advised that “arts energize a city and the people, especially the young people.” He commended the project, and encouraged the Board and the development team to “work hard on the details.” Mayor Crowell thanked Mr. Bugli for his community involvement.

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Mayor Crowell entertained additional public comment; however, none was forthcoming. He thanked the development team, the Nugget representatives, and City staff for the professional presentation; the prospective business partners for their participation in this meeting and their interest in the community; and the citizens for the exceptional quality and tenor of the testimony presented at this meeting. He expressed the opinion that “tonight showed how democracy can really work if people keep a level head about things, make their comments, think through issues, and present them in a way that is respectful of the process ...” He entertained additional comments or questions of the Board members.

Supervisor Livermore echoed Mayor Crowell’s comments, and discussed the significance of the recommended action in consideration of the potential investment. Supervisor Livermore advised of having contacted Clerk / Recorder Alan Glover earlier in the day to discuss the possibility of including an advisory question on the primary election ballot. Supervisor Livermore provided historic information on his service as a Carson-Tahoe Regional Healthcare Trustee, and on development of the Carson-Tahoe Regional Medical Center. He expressed concern over “obligating my community to such a large commitment of taxes because ... what we have left to apply to this project, there’s nothing left. We have no ability to raise taxes beyond what the legislature may do.” He discussed the importance of involving the community in the decision, and a preference for the community to “have more options and more disclosure and more ability to sort out the pros and the cons of this.” He expressed appreciation for the effort invested in the presentation, and for the partnership opportunity presented by the Hop and Mae Adams Trust.

Supervisor Aldean expressed appreciation for Supervisor Livermore’s comments, and the opinion that the citizens in attendance “are pretty well informed because they have an inherent interest in the project ...” She expressed understanding for Supervisor Livermore’s recommendation, but suggested it represents “an easy way out for us.” She noted that the Board of Supervisors “do[es] this on a daily basis. We are bombarded with information and ... need to do our due diligence.” She expressed the opinion that the Board members, City staff, and the development team have sufficient intelligence to analyze the details. She disagreed with the Board members “abdicate our roles ...,” and expressed the opinion “we can make these critical decisions on behalf of our community. That’s why we were elected.” She noted that the City’s government structure is “not a direct democracy. We don’t send every issue to the voters to let them decide. It renders us impotent if we do that on a regular basis.” Supervisor Aldean advised of unanswered questions, but expressed the opinion the Board is “fully capable of continuing this conversation, this dialogue with the public to make them comfortable ...” She noted “time is of the essence,” and reiterated the Board’s responsibility “to make these critical decisions on behalf of the people we serve.”

Supervisor Williamson commended Supervisor Aldean’s comments, and offered to make a motion. Mayor Crowell entertained a motion. Mr. Rombardo advised that the letters of intent were written for the Redevelopment Authority and that acceptance of the Meridian Business Advisors report was not properly agendized for action. **Supervisor Williamson moved to authorize staff to return with specific business terms that form the basis for possible execution of a disposition development agreement, to forward two letters of interest for the management of the business and technology incubator and the Sierra Digital Media Lab to the Redevelopment Authority, and to authorize staff to return with a proposed finance plan and the project schedule. Supervisor Walt seconded the motion.** Supervisor Livermore proposed an amendment to the motion to request staff to return with the elements providing for an advisory question to be placed on the June 10th primary ballot. Supervisor Williamson was unwilling to accept the proposed amendment. Mayor Crowell proposed an amendment to indicate that the letters of intent would be reviewed by the District Attorney. A brief discussion followed, and Mr. Rombardo agreed to review

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the letters of intent. He noted that the letters of intent are non-binding, and reiterated that they would need to be approved by the Redevelopment Authority. Mayor Crowell clarified his interest in having the letters of intent reviewed by the District Attorney, and discussion took place regarding the pending motion. **Supervisor Williamson amended her motion to indicate that the letters of intent would be reviewed by the District Attorney. Supervisor Walt continued her second.** In response to a question, Mayor Crowell explained the mechanism for proposing an amendment to a pending motion, according to Robert's Rules of Order. Mr. Rombardo acknowledged the accuracy of the explanation. Mayor Crowell called for a vote on the pending motion; **motion carried 4-1.**

8. ACTION TO ADJOURN (9:51:57) - Supervisor Williamson moved to adjourn the meeting at 9:51 p.m. Supervisor Aldean seconded the motion. Motion carried 5-0.

The Minutes of the December 10, 2009 Carson City Board of Supervisors meeting are so approved this 7th day of January, 2010.

ROBERT L. CROWELL, Mayor

ATTEST:

ALAN GLOVER, Clerk - Recorder