

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 1

A regular meeting of the Carson Nugget Development Advisory Committee was scheduled for 6:30 p.m. on Monday, March 8, 2010 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Scott Dockery
Vice Chairperson Rob Hooper
Brad Bonkowski
Court Cardinal
Lenny Chappell
Bruce Kittess
Jim Lawrence
Marilyn Lewis
Dwight Millard
Phyllis Patton
Guy Rocha
Richard Stokes

STAFF: Larry Werner, City Manager
Andrew Burnham, Public Works Department Director
Lee Plemel, Planning Division Director
Joe McCarthy, Business Development Manager
Joel Benton, Senior Deputy District Attorney
Kathleen King, 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.

1. CALL TO ORDER AND DETERMINATION OF QUORUM (6:30:00) - Mr. Werner called the meeting to order at 6:30 p.m. Roll was called; a quorum was present. Members Aldean and Williamson were absent. At Mr. Werner's request, City staff introduced themselves for the record. Mr. Werner provided an overview of the agenda.

2. DISCUSSION AND ACTION TO SELECT A CHAIR AND VICE CHAIR (6:31:00) - Mr. Werner entertained nominations for chair. Member Kittess nominated Scott Dockery as chair. The nomination was seconded and carried. Mr. Werner called for additional nominations and, when none were forthcoming, a motion to close nominations. Member Millard moved to close nominations. The motion was seconded and carried; motion carried unanimously to elect Scott Dockery as chair. Chairperson-elect Dockery nominated Member Kittess for vice chair. Member Patton nominated Rob Hooper for vice chair. Member Bonkowski seconded the nomination. Chairperson Dockery called for additional nominations and, when none were forthcoming, Member Millard moved to close nominations. The motion was seconded and carried unanimously; motion carried unanimously to elect Rob Hooper as vice chair.

3. PUBLIC COMMENT ON NON-AGENDIZED ITEMS (6:33:17) - Mr. Werner provided an explanation of the purpose of this item and its function within the public meeting. Chairperson Dockery entertained public comment; however, none was forthcoming.

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 2

4. PRESENTATION ON THE NEVADA OPEN MEETING LAW (6:34:22) - Mr. Benton explained the requirement to record public meetings, and instructed the committee members to turn on their microphones each time they speak. Mr. Werner provided an overview of the Nevada Open Meeting Law, noting specifically the requirement for discussion and action to adhere to the published meeting agenda. Mr. Benton emphasized the prohibition against a quorum of the committee meeting to discuss committee business, including “serial communications,” which he described. He advised the committee members to refrain from discussing committee matters with other committee members outside of a public meeting. He reiterated “the agenda ... controls. We have to inform the public of what the committee is going to speak about at public meetings so it’s very important that we only discuss what’s on the agenda. ... if you wish to discuss something that’s not on the agenda, we need to agendize it for a future meeting.” Mr. Werner requested the committee members to submit requested agenda items to Chairperson Dockery or to the City Manager’s Office. He advised that City staff often sends e-mail correspondence to advisory committee members. He cautioned the committee members against replying back to “everybody as a group. You can only reply back to [City staff]. That way, you’re not serially doing through e-mails what you can’t do through voice and person.”

5. PRESENTATION AND DISCUSSION OF PUBLIC / PRIVATE PROJECTS; 6. DISCUSSION OF THE ADVISORY COMMITTEE’S ROLE WITHIN THE CITY AND THE RELATIONSHIP BETWEEN THE ADVISORY COMMITTEE, THE CITY, AND THE NUGGET; and 7. PRESENTATION AND DISCUSSION ON THE NUGGET DEVELOPMENT PROJECT (6:38:43) - Mr. McCarthy introduced Carson Nugget, Inc. President Steve Neighbors, and provided an overview of agenda item 5. Mr. Neighbors expressed appreciation for the committee members’ and citizens’ attendance and participation. He provided background information on his business experience as a turnaround practitioner; his brief history in Nevada; the opportunity presented to turnaround the Carson Nugget, beginning in the summer of 2007; his responsibility as Trustee of the Mae B. Adams Trust; and development of the Hop and Mae Adams Foundation. In consideration of gaming, he discussed the importance of the City and the State “rethink[ing] their economic base.” He discussed his approach to turning around an entity, and expressed the opinion that Carson City “could be different if Carson City wants to be different.” He expressed the belief that the City “is in for ... tough times” economically. He expressed the further belief that “the answer is trying to ... give some opportunity to the Carson City community to consider some strategy to be proactive.”

Mr. Neighbors noted that the City had adopted an economic vitality plan in 2002 and referred to the City’s comprehensive master plan, available via the City’s website. He further noted that a new building and zoning code was adopted and that City representatives had attended the Urban Land Institute, “the gold seal of how to do developments for downtown ...” Mr. Neighbors emphasized that the Nugget project “really is in conformance to everything that you ... have already done, what you’ve already put out, what you already have all gone on the record as supporting.” He discussed the importance of including the incubation system to “change the economic base of Carson City if Carson City wants to do that.” He emphasized “the Nugget is not trying to force the City into anything.” He advised that the Nugget recently adopted its own vision, “Community First.” He discussed the significance of the purchase of Alan Adams’ share of the Nugget “so it’s available if Carson City wants to do something.” He expressed the belief that the project is feasible at this time because of interest rates and because of the Board of Supervisors’ interest in being proactive. He provided additional information regarding his experience as a turnaround practitioner, and offered his assistance as the President of the Nugget, as the Trustee of the Mae B. Adams Trust, and as a fellow Trustee of the Hop and Mae Adams Foundation “if the City wants to do something.”

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 3

He noted the committee's advisory role to the Board of Supervisors "to help sound this out," and that public / private partnerships have been "around for decades and decades."

Mr. Neighbors advised that "to date, we have gone forward in funding and the Foundation hasn't had any money to do this so it's been the Nugget who has been paying and driving this." He listed consultants and the Meridian Business Report, as examples. He advised of having discussed the project with different people in Boise, Idaho, and that "Boise sees Carson City as a sister city. It's a capital of a neighboring state." He emphasized the project "isn't about the Nugget. This is about ... Carson City." He discussed plans to vet the developer to ensure financial stability, "heart and intent." He further discussed the Nugget's interest to "carry on the mantle of Mae B. Adams. And if the community does well, then the Nugget will do well." He noted the focus on creating jobs. He explained that design is dependent upon "what the developer is willing to fund and take a risk on." He emphasized the City will not be requested to risk funding. "Whatever the City feels they can put into it, let's put that in. I'll know what the casino can do. I'll know what the Foundation can do." Mr. Neighbors advised of "powerful friends in D.C. that want to make a real statement of what they can bring to the table, too, to help this. ... All the fear-mongering that we're trying to sell out the future is just ... In every turnaround, there are people that don't want their corner office rocked and it's just human nature not to adapt change and always be suspicious." Mr. Neighbors noted that the "Nugget's reputation is on the line. This isn't about the Nugget." He discussed the intent to be "honest and open as we can." He expressed a willingness to "listen to anybody else's plan." He acknowledged the unusual situation for "a casino to step up" and offer to change the City's economic base, "but somebody has to." He reiterated the focus on creating jobs, and displayed an Appendix compiled of "everything you've already done to date." He suggested reading it would reveal "this is the Nugget project that you ... put together, vetted in front of the Urban Land Institute years ago."

(7:05:05) Mark Lewis provided background information on his experience as an economic development consultant, and his involvement in developing the Reno Aces ball park. He expressed appreciation for the opportunity to be involved in the Nugget project for the reason "that the City ... is going to benefit significantly by the creation of new industries and new jobs in the community and connecting those industries and those jobs up to our education system so that the youth in Carson City have a future here ..."

In consideration of private / public partnerships, he reviewed *Ten Principles for Successful Public / Private Partnerships*, published by the Urban Land Institute and included in the agenda materials. He encouraged the committee members to read the publication and emphasized, "We are following these ten principles as you see this project ... roll out step by step by step."

Mr. Neighbors advised of having been asked a number of questions and of having attempted to address the "most repetitious ... out in the paper." He further advised, "Everybody keeps asking me, 'Why the library?'" He expressed the belief that "Carson City has a real asset in [Library Director] Sara [Jones]." He expressed the further belief that "a library of the future is not the library that we think of ..." He acknowledged Ms. Jones' description of the future library as "the knowledge and discovery center," and advised of his view of the library, as a businessman, is a "resource ... to help ... attract some specific segmented industries." He discussed the vision to include fiber optics, "to make it a high-class research center," and to include a business development aspect. He expressed the opinion that the proposed new library "speaks well to what we're trying to do in the community. It really is about a community. It really is about an investment in the future. It really is about knowledge and discovery." He explained the first reaction in a turnaround is "to ... hunker down." He expressed support for cutting costs, but explained

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 4

“that’s not a turnaround. A turnaround is reinventing your future.” He emphasized the importance of the City’s side of the partnership and of the City’s willingness to be proactive.

Mr. Lewis discussed similarities between communities and people in consideration of reinventing themselves to maintain viability. He described the proposed project as “the opportunity for the City to reinvent itself a little bit ... just enough so we can create some industry and jobs in the community that are not currently present ...” Mr. Neighbors discussed another key element of a successful turnaround is “to attack the root cause.” He advised that such issues as crime rate, gangs, and drug issues can’t be addressed without a good economic base.

Chairperson Dockery entertained questions or comments of the committee members. In response to a question, Mr. Neighbors advised of a couple interested developers, who will be vetted. He expressed the hope that a developer will be “on board in the next couple months.” He reiterated the developer’s financial feasibility will be ensured. He discussed a duty to the City to ensure the developer makes a fair profit. He advised that he is meeting with “finance people outside of the developer” which brings the advantage of competition. “Whoever the developer is, the objective is to employ Carson City people.” Mr. Neighbors estimated 500 jobs “that we’ll be able to put on for a few years in just building. These are Davis-Bacon jobs ... in the \$20+ range ...” Mr. Neighbors expressed the belief “that which they’re building and the developer invests in will bring business, ... will create permanent jobs.” He expressed the further belief that the incubation system will also bring in additional industries. “All of that has to be attractive to a developer,” and Mr. Neighbors advised of the possibility “that there may be some small gap that we’ll be looking to for whatever grants, what Mae can do, what the Nugget can do to help fill that gap ...” In response to a further question, Mr. Lewis advised of a “development sequence” which has been prepared “over the last several months.” “It contemplates that ... between the time the developer is selected and early summer ... the design will be complete and that we’ll have enough information to be able to process the appropriate planning entitlements and so forth.”

Member Rocha commended Mr. Neighbors and Mr. Lewis on their presentation. He inquired as to the “sales tax criticality, trying to understand how that is part of this component project in the dynamic of moving forward.” In consideration of declining sales tax revenue, he further inquired, “How do we make that work?” Mr. Neighbors expressed the belief that Mae Adams would have wanted to support the library. “So it all started with that.” Mr. Neighbors reiterated that Ms. Jones is a community asset, and expressed the belief that the “library of the future will actually be a resource to help ... drive additional jobs here.” In consideration of paying for the library, he discussed the 1/8 cent sales tax which will help fund a portion. “Ultimately, we have to get the developer to the table. The City pays the 1/8 cent sales tax, whatever it is. We’re not asking the City to guarantee \$20 million in ‘x’ amount of years with this sales tax so whatever the sales tax is.” Mr. Neighbors estimated the impact per family at \$26 per year. “For that, not only do they get the library ... but they get ... a whole lot more.” He noted his function, as a businessman, to leverage funding without measured risk. In consideration of economic development, Mr. Lewis discussed the creation of catalysts as part of a project. “A catalyst is an economic development entity and, in our case, it’s the library that will drive people into the project site alone.” He noted that the current library attracts over 1,000 visitors per day. “The notion is to recreate that facility as a modern institution that has all sorts of additional resources ... for the community and for business and use that as the catalyst for this project to drive people in.” Mr. Lewis referred to the Reno Aces baseball stadium, which concept was to serve as a catalyst to redevelop that part of the city that had fallen into such decay. He advised that the Aces stadium attracts thousands of people to the neighborhood and “there are now new restaurants and so

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 5

forth that are going into that blighted area.” He discussed the plan to transform the library to “a more modern resource and institution and use that public facility ... as an economic catalyst for this project.” The 1/8 cent sales tax increase will provide a sufficient “push to help us be able to use the library as a catalyst so that we can create other tax dollars through redevelopment and through tax increment to help come back in and fund the rest of the project.” Mr. Neighbors advised that the Meridian Report provided the theory. “We think Carson’s in for a tougher time so we took 80 percent of that just so we can be dealing with the developer on what we think are realistic figures looking with a ... conservative eye.”

In consideration of “some of the cynicism and skepticism,” Member Rocha inquired as to concerns associated with locating the library in the vicinity of the casino. Mr. Neighbors explained that the Nugget lost a percentage of its customer base by being very stringent on requiring proof of age from patrons wishing to order alcohol. In consideration of “what the kids are doing on the internet ... and on T.V., Mr. Neighbors expressed the opinion “the safest place for them is in a casino.” Member Patton advised of having provided copies of an article entitled, “Would You Like a Latté with that Library Card?” She requested the committee members to pick up a copy and review it.

Member Kittess advised of having spoken with Mr. Neighbors a few weeks ago. Member Kittess observed, “We’re bombarded with bankruptcy,” and suggested, “Nevada’s in for a big surprise at our next legislature ...” He expressed the opinion that most people were surprised about “what happened last year with our savings and our jobs. ... A lot changed last year.” He advised that the 1/8 cent tax “is the other half of a quarter percent that the Supervisors can impose ... without a vote of the people.” He inquired as to “what happened to the first 1/8 [cent] tax.” He stated, “In 2005, the City was told the V&T Railroad would be a great salvation. It would really help business.” He expressed appreciation for the V&T Railway Commission “that is pulling things together,” but noted, “the City has invested \$21 million and the project isn’t finished. It needs another \$30 million.” In addition, “We’re paying \$300,000 to make up paying for the bond, the sales tax.” In consideration of “another tax without a vote of the people, then ... we’re going to get \$12 million ... and you’re assuming that’s going to be available. Our first concern is ... another couple hundred thousand dollars because we have a shortfall on paying for that bond.” Mr. Neighbors explained that “for that 1/8 cent, you will be guaranteed this state-of-the-art library ...” In response to a further question, he expressed the belief the cost of the library will be “quite a bit” more than \$12 million. “We’re trying to get several million in grants to bring in the fiber optics. We’ve applied to Google, also, to adopt this City so we think we’re going to bring more money as well. All we’re asking the City for is the 1/8 cent and, for that, you get the library plus more.” In response to a previous comment, Mr. Werner advised that the \$300,000 for the V&T is not being allocated from the City’s general fund. “If there is that amount of shortfall, it’s coming from reserves from the Convention and Visitors Bureau ...” Mr. Werner advised that the City will not be in any position to try to absorb a shortfall associated with the library. He further advised that a discussion item regarding project funding will be agendaized for a future committee meeting. He emphasized that the City will not commit a revenue stream “beyond what that stream is as it fluctuates.”

In response to a question, Mr. Neighbors advised that the developer will invest what he believes is financially feasible. “I can’t tell him to invest in bowling alleys. ... We are bringing some things to the table ... that say, ‘This makes sense.’ He will have to vet that himself and then he has to step up with his money. He’s the one that goes and gets the loan. He’s the one that guarantees the loan. All we do is say, ‘We will donate and the 1/8 cent, whatever it is, and whatever the property tax increase is on the property you build ... we’ll use that to pay for these public things that we want built.’” Member Kittess expressed

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 6

the belief that certain citizens want a new library. Others have expressed a preference for a convention center. In response to a further question, Mr. Neighbors advised that the developer will “bring in what he thinks makes sense ... with an overall picture.” He expressed support for “a huge hotel, a great big casino, a great convention center, but that may not be the best thing for the community and / or for the developer.” In response to a further question, Mr. Neighbors explained that the proposal presented to the Board of Supervisors is for “the developer to go and get the loan. We’re not asking the City to put out bonds or guarantee anything. All we’re asking them for is the 1/8 cent sales tax so we can go build the library, plus other things, for it and then the incremental tax. If there’s grants and other stuff that we can get from feds, state, whatever, so be it. That’ll help minimize the gap and bring it within reach of the Foundation and the Nugget.”

In reference to the December 10, 2009 presentation to the Board of Supervisors, Member Kittess advised of material which indicated “an investment of \$40 million for the City. If \$12 million comes from the sales tax and some number from the increment, is it \$40 million or is it only \$12 million?” Mr. Neighbors explained, “That’s a hypothetical. What we ... went through is we said, ‘This is what makes sense. This is what’s financially feasible and here’s what’s possible.’ We were trying to show what we thought the public part could do to bring to the partnership and we’re out talking to developers and we believe there is private investment that is justified that we can bring the other part. We can put them together and make a nice, community, polished project downtown.”

Member Millard commended the project, and expressed concern over the number of existing vacancies in town. He acknowledged the importance of a vibrant downtown, and expressed support for “not having to float a bond.” In consideration of the developer’s portion being the key component, he inquired as to the point at which the developer will commit “that we commit back to our portion of it.” Mr. Lewis explained that no commitment of the 1/8 cent will be necessary until “we get the developer on board, they get their arms around the project, we define what the critical elements of the project are going to be, and then put together a finance plan for it that makes it work ...” He acknowledged the number of retail, commercial, and office vacancies around town. In consideration of the business incubator, he discussed the intent to “have start-up companies come to Carson, start in Carson, grow up in Carson, and then fill up some of that vacant space ... There really isn’t any other solution.” He advised of consideration given to starting the business incubator prior to starting the project in order to fill up some of the vacant downtown spaces. Mr. Neighbors discussed the importance of being proactive in consideration of customer desires and “investing in the new.” Member Millard expressed the opinion that parking is one reason “downtowns don’t succeed,” and concern that six acres will be sufficient for the project. Mr. Lewis discussed the importance of “leading with parking” in order to support community businesses. He assured the committee this is a critical aspect of the proposed project. Mr. Neighbors noted the challenge associated with creating free public access parking. He advised of a study underway which is considering appropriate parking for the project.

In response to a question, Mr. Lewis estimated that half the project is proposed to be public and half private. Mr. Neighbors advised that the proposed parking garage will be available to the entire community, “there’s a square, there’s the library that’s public. The one thing that’s a little unique, maybe, is the incubator space. We’re asking to use some of the incremental property tax that the private party is bringing, is going to create in his buildings that is paid to the city; we would like to get an incubation site for high tech, high class-type businesses. ... The Foundation intends to drive the incubation systems in its various little elements throughout the City so there’ll be no operating costs for that incubation system to the City.”

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 7

Mr. Lewis distributed to the committee members and staff materials entitled, "Downtown Carson City, Nevada Unique Investment / Development Opportunity." Mr. Neighbors distributed to the committee members and staff materials entitled, "Appendices." Chairperson Dockery recessed the meeting at 7:57 p.m. and reconvened at 8:10 p.m. Mr. Lewis reviewed statistical information regarding the economy, and the mission and purpose of the project in conjunction with the distributed material. He stated, "We are ... absolutely, totally committed to helping make this project work."

Chairperson Dockery entertained committee member questions. In response to a question, Mr. Lewis explained that, in a private / public partnership, the partners come to the table with certain concepts and ideas. "We certainly have come to the table with the concept of a new public library as a critical component to this project, as a catalyst. Our impression is that the Board of Supervisors and the City have that same notion." He advised that discussions have yet to take place with a developer. In response to a further question, Mr. Lewis explained the criteria for selecting a developer is "their ability to finance, construct, and take the risk of the project" with their own money. "We're asking somebody to put millions of dollars into our community." Mr. Neighbors expressed the belief that the library is an important component; if "the City comes up with the 1/8 cent, whatever that is; ... we'll be able to solve the difference to the satisfaction of the developer between the Nugget, the Foundation, ... private donations." He expressed the opinion that the library "helps create the mass we need for successful downtown development." He expressed hesitation over "tak[ing] the library out of it."

Mr. Werner explained one of the committee's roles to consider the development agreement and whether it warrants any City funding. "The combination will be between what's the benefit to the City, what are the funding mechanisms, and how does the City play in that. If there's nothing there for the City, from a public standpoint, then there certainly wouldn't be any City money involved." Mr. Werner suggested there would be no reason for City involvement without the library, "unless there's something really there that shows a benefit to the City without the library."

In consideration of the planned public investments listed in the material distributed and reviewed by Mr. Lewis and the 1/8 cent tax increase, Chairperson Dockery pointed out "all this is obviously going to be more than \$12 million." He inquired as to the source of public funding to cover the public investments. Mr. Lewis advised of having been in the process of developing a preliminary finance plan, which contemplates the 1/8 cent sales tax and tax increment as the "major sources of funding." He explained "tax increment is property tax dollars that come in a redevelopment area from the new development within the area. ... As this \$80 million project is built, it's going to generate property tax and that property tax then, along with property tax from around the neighborhood in the redevelopment area, grows. That money, then, is reinvested back into the project for the public improvements." In response to a further question, Mr. Lewis explained the major source of the funding would be from the new buildings within the project area. "The office buildings, the public structures that are going to be built and leased back to the City and the agency, they all create tax increment. That's the major source." Mr. Lewis anticipates additional property tax dollars created as the value of the surrounding area also grows for the redevelopment agency.

Member Millard expressed concern over "redevelopment when we're really talking about development because we're really talking about the source right now, of taxing, is only raw land." He considered redevelopment "as an old building that's not bringing in what it should. You redevelop it and you get an incremental increase where what we're really talking about here is raw land and a new building and maybe a big increment." In response to a question, Mr. Lewis estimated that the 1/8 cent sales tax will

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 8

conservatively generate \$12 million. “The balance of the public improvements is \$30-some million and that’s being generated by tax increment.” Member Millard inquired as to whether a “life” for that \$30 million has been projected. Mr. Lewis explained that the property tax dollars are leveraged “so you get a flow and income stream of tax increment from the new buildings and you’re able to leverage those dollars back into present-day dollars. And we’ll be using those to help build the project.” Mr. Werner clarified, “As we get into the project and define what those public / private pieces are, then we’ll bring back to this committee that concept. Plus, there is additional funding. For the transit hub, there’s RTC funding that’s dedicated for that purpose only. If we’re putting in water and sewer mains, that’s part of the public infrastructure ... so there’s some spin off on other utility projects ... that are part of that mix. ... until we sit down with the developer to understand exactly what all is necessary, what’s the site plan ..., it’s hard to say what’s going to be one piece and another.” Once City staff meets with the developer, Mr. Werner anticipates bringing to the committee “how those pieces ... might be funded and alternatives to that ...”

Member Bonkowski expressed the understanding that the existing surface-level parking will be replaced with the public parking garage. He inquired as to whether the public parking garage will become the primary source of parking for the Nugget and, if so, whether there will be sufficient parking for the additional public and private businesses that go into the project. Mr. Lewis advised that the Nugget has contracted with Fehr and Peers, a nationally-known traffic and parking consultant, to consider the uses and a corresponding parking ratio for the combination of uses. Mr. Neighbors advised that the Nugget had already opened its surface parking for public use. “We see the Nugget’s needs out on the lot and we also see the existing neighbors and businesses using our parking lots as well.” As a parking garage is constructed, the excess land will be used up. Mr. Neighbors explained the Nugget’s interest to ensure sufficient parking, “but as we see it, our parking is evenings and weekends and we see a lot of what the developer wants to bring is going to be weekday parking. We see ourselves sharing in the parking.” He discussed associated maintenance costs, and the challenge associated with ensuring parking is accessible to the public and “everybody in that whole community and all the neighboring areas around it ... and yet still make it economically feasible because we’re not getting revenue from the parking.” Mr. Lewis discussed the importance of understanding the use patterns of the new project. He estimated each space in a parking structure will cost between \$18,000 and \$20,000. Member Bonkowski pointed out that the entertainment venue would factor in as well. Mr. Neighbors advised that “the final design mix will be what the parking is designed for.”

Mr. Werner acknowledged that the subject property is located within the redevelopment district. In response to a question, Mr. Plemel advised that the property is zoned correctly for all the proposed uses. In response to a question, Mr. Neighbors advised that the Nugget owns the parking lot across Carson Street to the west, the lot adjacent to the coin shop, the City Center Motel but not the land upon which it is situated, land west of the City Center Motel, and an RV parking lot across Stewart Street to the east. “All of that is available for whatever ... we collectively want to do. Mr. Neighbors advised of the sole concern to continue the Nugget as a business and “meet its needs.” He acknowledged the likelihood that Nugget patronage will likely decrease during project construction. He advised that Nugget patrons prefer surface-level parking over garage parking. “Ultimately, the Nugget is committed to whatever is in the best interests of the community and ... will fight for survival and what we need in negotiations ...”

In response to a question, Mr. Lewis discussed the traditional concept of a library. Today, libraries are community resources, “particularly for people that are looking for work.” Mr. Lewis discussed the intent to build a library with “a business backbone, that provides resources to the business community to be able

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 9

to grow and to expand and to look for other opportunities.” Coupling the concept with a business incubator, “integral to the library that actually has start-up companies in it that are focused on high-tech issues and high-tech business, then you really now have the concept of what we’re looking to to help drive jobs in our community.” Mr. Neighbors described the proposed library as “a resource for business incubation.” Member Patton advised that the current library has 20 computer stations. The new library is proposed to have approximately 150 computer stations. Member Patton discussed the importance of the computer stations to the community and for job seekers.

In consideration of the desired project schedule included in the distributed materials, Member Rocha requested additional clarification regarding the leases to be finalized with State agencies. Mr. Lewis acknowledged the challenge, and advised of having worked with three State agencies with “a tremendous amount of interest in locating on this site.” He further advised of having met with representatives of the Governor’s office “with the notion of relocating those three departments.” He assured the committee that “we’re just going to work our way through it and do the best we can.” He explained that the State leases are critical to the project because they generate tax increment. He reiterated that the majority of the project will be financed by tax increment. He advised of having commissioned a study to consider methods by which to save the State money by consolidating offices into one building.

Member Millard inquired as to “who is looking at the reaction to the action.” Mr. McCarthy advised that the School District was actively involved in development of the 2002 economic vitality study. “If we’re successful redeveloping our community over a long haul, that means the stability and strength of the revenue stream for the school district is enhanced because they wouldn’t be losing head count, they’d possibly be gaining head count out of successful redevelopment.” In reference to Mr. Lewis’ earlier comments, Mr. McCarthy reiterated that the tax increment generated from the project is for public improvements only. Member Millard inquired as to who is looking forward to what the legislature is going to do. “It’s not a secret that the legislature’s going to have to do something in a tax situation.” Mr. Werner advised that the City’s financial advisor and bond counsel have been involved in discussions, and are monitoring “what might be happening in the legislature and what the impacts might be.” He anticipates the financial advisor and / or bond counsel will be addressing the committee “down the road when we get to the funding side ...”

In consideration of making space available for State agencies, Chairperson Dockery expressed the belief that the “agencies ... we’re interested in bringing into this project are not currently renting class A space.” He suggested a price difference between class A, B, and C office space. He noted the expenses associated with moving State offices, and suggested an increased cost to “relocate and pay more in rent.” Mr. Lewis explained “that’s the piece we’re looking at right now.” He expressed hope there will be significant savings for at least one of the agencies that will help offset costs. As an example, he discussed the Health and Human Services Department which is “a long way from the downtown area.” He advised that the decision will be one of policy and have to be made “at the highest levels in State government.” Member Lawrence inquired as to whether consideration had been given to the use of State land as part of the project area and, if so, whether offsets of the value of the asset are being factored in. Mr. Lewis referred to a parcel of land owned by the State, and advised of the possibility of tradeoffs back and forth. “It’s a mix and it’ll have to be a partnership all the way around.”

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 10

Vice Chairperson Hooper thanked the committee members and City staff, and advised that “what is going on in this town is not happening within a vacuum. ... Companies considering moving to this location are looking to see what kind of community they’re moving into and this is a good part of that process.” He noted the opportunity, through the committee structure, to consider the proposed project and reiterated his thanks.

Chairperson Dockery opened these items to public comment, and provided direction with regard to the same. (8:57:16) Sarah Adler, a resident of Carson City since 1980, discussed her involvement in community economic development since 1984. She expressed gratitude to Mr. Neighbors and commended the Nugget’s “astounding generosity.” She thanked the committee members and discussed the appropriateness of “look[ing] a gift horse in the mouth carefully.” She commended the wisdom of the investment, from a public standpoint, in consideration of the library “which is a center for lifelong learning,” starting with “family story time at 3 years old.” She commended the wisdom of the business incubator in consideration of “grow[ing] businesses which will fill up the second story office spaces in our downtown so that they go downstairs ... and buy lunch in the restaurants that are on the main street of our community.” She described the proposed digital media lab as a “clean industry that’s full of really bright people ... and, again, we’re doing business development. So, at least two-thirds if not three-quarters, of the public investment is associated with job development and that’s exactly what we need.” Ms. Adler noted “two really big pieces of due diligence ... a developer who’s willing to take on all this risk and then the financing that the developer has to bring to the table.” She expressed support for the 1/8 cent sales tax, and described it as “an enormously cheap way for us to really change the nature of this community.” She expressed “a thousand percent” support, and reiterated appreciation for the committee members’ willingness to “do the hard work.”

(9:00:17) Pete Sinnott advised of having living in Carson City for 55 years and provided background information on his and his family’s community involvement over the years. He thanked the committee members and expressed confidence in their knowledge and business experience. He thanked Mr. Neighbors and Mr. Lewis for their generous commitment of time, and the Adams family “who have given a ton back to this community over the last fifty years.” Mr. Sinnott stated, “Nevada is littered with ghost towns. ... A lot of them, you can’t even tell what’s left out there.” He expressed the opinion that the City and the State are “on the verge of economic collapse. You can look the other way and not acknowledge that but it is on the horizon. We’ve got to be visionary. We’ve got to be courageous ...” In reference to John Wesley Powell’s courage, he challenged the committee members “to get in the raft ... and get down the River.” Carson City, as well as the State, “depends on your vision, your insight, and how this project develops because Carson City needs this project.” In reference to Robert Laxalt’s book *The Sweet Promised Land*, Mr. Sinnott expressed the opinion “this can be the sweet Promised Land again, but it’s going to be tough to get there.” Mr. Sinnott offered his assistance, and encouraged the committee’s efforts. He expressed support for moving forward with the project, and caution over “how we do it and make it work the right way.”

Chairperson Dockery entertained additional public comment; however, none was forthcoming. In response to a question, Mr. Werner reviewed the role and responsibilities of the committee to hear the development matters and funding mechanisms. He advised that, as more detailed information becomes available, it will be provided to the committee, likely in the form of an issue paper. In addition, he noted the importance of understanding the developer’s perspective “so we can ... mesh that all together and see where it all leads us.” He commended the committee on the discussion. In response to a question, he explained that once

CARSON NUGGET DEVELOPMENT ADVISORY COMMITTEE

Minutes of the March 8, 2010 Meeting

Page 11

the project team can meet with the developer, “we’ll actually begin to define the project in concrete terms. At that point, we’ll know what can be funded, what’s practical, what isn’t, what we can afford, what we can’t afford.” Then a specific project proposal can be presented to the committee. Member Stokes requested additional clarification of the committee’s role. Mr. Werner explained that the Board of Supervisors has expressed support for a concept with the types of facilities discussed at this meeting. The details will be deliberated by the committee and a recommendation forwarded to the Board of Supervisors. Mr. Werner acknowledged that the next committee meeting depends upon the action that Mr. Neighbors and Mr. Lewis pursue, and that they will notify staff accordingly. Mr. Neighbors expressed the belief that the next step is to “bring the developer to the table.” In response to a question, he anticipated doing so within the next two months. In response to a further question, Mr. Werner reviewed the process for agendaizing meeting items. He acknowledged that, until a developer is identified, there should be no reason to schedule a committee meeting. A brief discussion followed.

Chairperson Dockery thanked Mr. Neighbors and Mr. Lewis for their presentation, the citizens for their attendance and participation, and discussed the importance of the public process. Mr. Benton requested the committee members to visit the Recorder’s Office to be sworn in prior to the next committee meeting.

8. ACTION TO ADJOURN (9:10:18) - Member Kittess moved to adjourn the meeting. The motion was seconded and carried unanimously.

The Minutes of the March 8, 2010 Carson Nugget Development Advisory Committee meeting are so approved this 26th day of April, 2010.

SCOTT DOCKERY, Chair