



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

TUESDAY, SEPTEMBER 4, 2018 10:00 A.M.

DISTRICT COURTROOM
26 SOUTH B STREET, VIRGINIA CITY, NEVADA

MINUTES

MARSHALL MCBRIDE
CHAIRMAN
ATTORNEY

ANNE LANGER
DISTRICT

LANCE GILMAN
VICE-CHAIRMAN

JACK MCGUFFEY
COMMISSIONER
TREASURER

VANESSA STEPHENS
CLERK-

ROLL CALL: Chairman McBride, Vice-Chairman McGuffey, Commissioner Gilman, County Manager Pat Whitten, Clerk/Treasurer Vanessa Stephens, Comptroller Hugh Gallagher, Deputy District Attorney Keith Loomis, Sheriff Gerald Antinoro, Planning Director/Administrative Officer Austin Osborne, Public Works Director Jason Weizrbicki, Building Inspector Pete Renaud, IT Director James Deane, Project Manager Mike Northan

1. CALL TO ORDER REGULAR MEETING AT 10:00 A.M.

Meeting was called to order by Chairman McBride at 10:00 A.M.

2. PLEDGE OF ALLEGIANCE

Chairman McBride led those present in the Pledge of Allegiance.

3. DISCUSSION/POSSIBLE ACTION: Approval of Agenda for September 4, 2018.

Commissioner Gilman recused himself from items 7 through 11 due to having a pecuniary interest in the Tahoe Reno Industrial Center.

Mr. Osborne requested item 13 be continued to October 16, 2018.

Public Comment:
None

Motion: Approve Agenda for September 4, 2018, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

4. CONSENT AGENDA:

I. For possible action, approval of payroll claims in the amount of \$1,235,259.56 and accounts payable claims in the amount of \$3,212,758.51.

II. For possible action, approval of business license first readings:

- A. CHEEK CONSTRUCTION, LLC / Contactor - 3303 Reno Hwy ~ Fallon, NV
- B. LASCO PROCESS SYSTEMS, LLC / Contractor - 18601 LBJ Fwy ~ Mesquite, YX
- C. MCA MECHANICAL, INC / Contractor - 2190 Fish Springs Rd ~ Gardnerville, NV
- D. MOBILE TRUCK WASH LLC / General - 75 Bank St #8 ~ Sparks, NV
- E. FTM CORPORATION / Contractor - 460 N. Geneva Rd ~ Lindon, UT
- F. VERDI ENERGY INC / General - 2104 Lytham Ct ~ Wilmington, NC
- G. ROTO-ROOTER / Contractor - 200 B Coney Island Dr ~ Sparks, NV
- H. KINETIC SAFETY LLC, DBA: 3M SAFETY TRAINING / General - 3M Center Bldg. ~ St Paul, MN

III. For possible action, approval of assessor's recommended correction to Unsecured Tax Roll for clerical error.

IV. For possible action, approval of Assessor's recommended correction to 2018-19 Secured Tax Roll for abatement pursuant to NRS 701A.210.

Public Comment:

None

Motion: Approve Consent Agenda for September 4, 2018, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

5. DISCUSSION ONLY (No Action - No Public Comment): Committee/Staff Reports

Sheriff Antinoro :

- The Labor Day weekend was very busy for the Sheriff's Department with a missing person, a suicide, and drug arrest.
- Peace Officers Standards and Training will be here in two weeks to audit all records to insure compliance.

Public Works Director Jason Weizerbicki :

- Hwy 342 will be shut down before Griner's Bend tomorrow morning for repair of a leak.

Building Inspector Pete Ren aud:

- Reported on Community Development activities for last month:
 1. 42 construction reviewed;
 2. 55 permits issued;
 3. 17 new business licenses issued;
 4. 29 active on-going nuisances;
 5. 54 annual fire inspections completed;
 6. 234 construction inspections conducted;
 7. Special inspector packet (Title 17) has been updated;
 8. Gary Hames is working Attorney Bob Morris on an ordinance updating and adopting building and fire codes amendments.

County Manager Pat Whitten :

- The sewer pipeline project is 91% complete by pipe - by budget, 87% complete, with the outer edges of the project being wrapped up.
- E Street has now been connected to Mill Street.

Clerk/Treasurer Vanessa Stephens :

- Meeting date changes: November 6th is Election Day Commission. The Commission meeting will be held on November 9th. This will be the only meeting in November.
- Due to “swearing in” the first meeting in January will be on Monday, January 7th - the second meeting is set for January 22nd.

6. BOARD COMMENT (No Action-No Public Comment):

Vice Chairman McGuffey:

- Artist Nolan Preece, a member of St. Mary’s Board, has been invited to show his art in New York.
- Previously it was mentioned that there was a meeting with the Governor’s office to discuss funding for the V&T. He was advised that the V&T’s request for 1301 funding will be submitted this week and will go on to generate a BDR for next year’s legislation.

Chairman McBride:

- As pointed out, there was a lot of activity over the Labor Day weekend. Civil War reenactors did a great job entertaining visitors.

7. DISCUSSION ONLY (No Action): Workshop to provide and discuss updates on the Special Assessment District and all related documents and provide an overview of the inter-related Tax Increment Area including estimated revenue projections.

Mr. Whitten introduced representatives from Switch, Applied Analysis, attorney Bob Sader, Brent Farr - County engineer, financial advisor Marty Johnson, and bond counsel Kendra Follett.

Marty Johnson gave a Power Point presentation reviewing revenue projections and timelines. See presentation attached.

Approval was received at the August 14th GOED Board meeting to continue forward with the process. Discussions have started with the State Treasurer’s Office. The Board of Finance will likely take action at meetings on October 9th and November 13th - with a bond sale November 20th and closing in early December. Meetings have been held with the Department of Taxation regarding management of the Tax Increment Area (TIA) and cash flows.

Brian Gordon from Applied Analysis said the Department of Taxation would have to establish a procedure to determine going forward which sales taxes would be generated off of the parcels contained in the Tax Implement Area.

Chairman McBride asked how the sales tax would be measurable, the (County) hasn’t been able to get measurable sales tax information from the Department of Taxation up to this point. Are voter approved incremental taxes protected or not protected?

Mr. Johnson: On the property tax side -yes. On the sales tax side - no, that is not my understanding.

Mr. Johnson continued the presentation with a schematic showing how the money will flow within the tax increment area.

Vice Chairman McGuffey: Understanding the information presented is just projection - are the total taxes generated projection totals without the pipeline County-wide or is this focused on TRI?

Mr. Johnson said it is strictly tax increment area properties based on the County’s property tax rate.

Mr. Gordon: The projections were based on development scenarios into the future for the various participants in the TIA.

Mr. Johnson: Whatever abatements available to data centers under Nevada Law were factored in to these projections.

The Interim Finance Committee meeting will be held tomorrow to consider the Tax Increment Area.

Public Comment:

Nicole Barde , Storey County Resident asked how likely would it be that the pipeline isn't built if they don't get money out of the tax increment area? Are you going to look for other ways to do this since it's so important? Do you need (Storey County's) money?

Brian Gordon responded that conversations have been held with all of the private sector participants - indications suggest if the Special Assessment District (SAD) and the TIA did not move forward they would evaluate and determine whether to go forward with any or all of the development plans on their property. The additional water is necessary for major developments. The request is being made in order to help support the project.

Ms. Barde asked if they walk away, what does that mean to revenues out of the TIA?

Mr. Gordon understands that some participants may scale back plans - plans would certainly alter. There would be less development without full water availability - plans would be delayed while figuring out their approach.

Ms. Barde: It would be cheaper for them to pay the \$35 million amongst the 6 of them - and be done with it in 18 months. Why not go that option? Whether it's the County or companies paying for it, why wouldn't the companies just pay? Why should residents pay?

Mr. Gordon explained that incremental revenues are being generated off the properties participating in the SAD. Future price appreciation or future investments are what's generating the taxes to be used for the reimbursement. Participants agreed to pay the principle and interest on the bonds - if there is no increment, they are still paying it - the County has not paid anything related to the bond payments. SAD participants are 100% "on the hook" for those payments, regardless of what happens with future taxes. If future taxes are generated by participants on those properties, under the current structure, they are able to be reimbursed.

Mr. Johnson referred back to his presentation reminding that the \$60 million reimbursement comes from various local governments. The County is on the hook. The County would share in a piece of that - other governments are also "giving up" money in this scenario.

Chairman McBride: The bond is going to be repaid with taxes generated by this new district, and not from existing taxes being generated and collected County-wide.

Mr. Johnson: The bonds will be paid from the assessments, the reimbursement will be on the assessments, not necessarily the bonds. Right, those will come from revenues generated within the TIA that are not currently being generated. The taxes getting paid to the reimbursement are allocated among the various participating governments.

Kris Thompson , Tahoe-Reno Industrial Park Project Manager: Not one penny for this proposal is coming out of current taxes to the County - it is all out of the growth.

Mr. Thompson commented that a primary critic of this project is Ms. Barde, who is running for County office. Ms. Barde has talked about her experience working for Intel. Mr. Thompson reviewed tax breaks, subsidies, and such that Intel has received in the past and said this was hypocrisy on criticism of this plan. Mr. Thompson said there is competition with other localities and States who are willing to do bonds. It has taken years to get this going and it is a very historic opportunity. Mr. Thompson reviewed statistics of employment and capital income in the Park with the current 800 acre feet of water. The amount of water being talked about and the capital investment these companies are making is historic for the region.

Ms. Barde said she did work for Intel, is imminently qualified, and is pro-business. Ms. Barde is against the use of public money and as a citizen feels this is not right.

Chairman McBride asked if this was a fresh water pipeline to existing and future homeowner's in the Highlands, and it was to be paid back - would you have the same opposition with people who are in need of fresh water in contrast to the need for effluent water by businesses in the industrial park?

Ms. Barde: I would ask them to vote on it. The money coming out of TRI was promised to us. We were told there would be property tax....

Chairman McBride commented this is off track.

Ms. Barde: The money coming from TRI belongs to the residents of this County.

Chairman McBride indicated approximately 85% of the taxes paid in the County are paid by the industrial park. This water legislation was passed about three years ago.

Ms. Barde summarized that she is against the use of public money to fund corporate welfare.

Randy Aleman, Emerald City Empire & Town Center, commented that corporate welfare means they have "no skin in the game". Mr. Aleman does not see any risk to Storey County. This is a vehicle made available to the County by the State to invite and help companies into this community and supporting jobs. Mr. Aleman explained the risk his company is taking and said this is a tremendous opportunity. He hopes the pipeline goes on no matter what happens - water is a crucial lifeline. Mr. Aleman bought into the lake 14 years ago - wants to see it filled and to see this project go forward.

Sam Toll: Shares Mr. Aleman's vision. The future of the park hinges on this pipeline. There are environmental benefits to the Truckee River in diverting the 4,000 acre feet of water. Mr. Toll opposes the diversion of funds that would otherwise go to Sheriff, Fire, and Public Works. The water is a direct benefit to the developers. The taxpayers should not be obligated to pay a developer expense. Many of the "players" are multi-billion dollar companies and should be expected to pay their way and not take services away from citizens of the County. The County should proceed with everything but the tax increment area and get the pipeline built.

8. DISCUSSION/POSSIBLE ACTION: Discussion and possible action on resolution 18-510 directing the engineer of behalf of Storey County, Nevada to prepare and file with the County Clerk preliminary plans and an assessment plat in connection with a proposed water project in Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center

Marty Johnson reminded that he represents the County and does not advocate for the project - his job is to make sure that the Board has the facts and give his objective opinion on how this is laid out. Kendra Follett echoed Mr. Johnson - she is bond counsel representing only the County and not any of the developers.

Brent Farr, the County's engineer, gave a power point overview of the project, including costs and contingency. The overview is attached to these minutes. There will be no bond proceeds reimbursing any portions of the pipeline within the industrial park.

Vice Chairman McGuffey asked if there would be any future opportunities to tap into the line for something like a park between Washoe County and TRI? Has the County paid for the engineers work so far?

Mr. Farr said that would be pretty slim due to the way the water is allocated to the various participants. In the future if there is more water, (a park) may be possible. The County has not paid for work so far - the groups involved in the SAD have paid those services.

Mr. Whitten commented that the six project participants have put funds on deposit, under the previously approved reimbursement agreement, for the services provided by Mr. Johnson, Ms. Follett, and Mr. Farr to the County.

Mr. Johnson explained the bond issuance and related costs. The bond reserve fund is a critical part to the County.

Mr. Whitten reviewed the provision of the SAD that discusses default, the options, and a safety net.

Mr. Johnson continued with the power point review with information regarding the bonds. The County will be issuing assessment district bonds. Mr. Johnson explained the administrative fund which will be used to pay items such as County staff time on foreclosures, the trustee, and other expenses.

Mr. Johnson explained the Revenue Fund where the balance will be built up. This is the other substantial security the County has. If everything goes as it should, there would be funds to pay off the bonds early.

Public Comment:

Sam Toll: Asked if the term of the bond had been decided.

Mr. Johnson: Guidelines suggest 20, the maximum for an assessment deal is 30 years, the developers asked for 25 years - this bond is based on 25.

Mr. Toll: Asked if there was a number for the total principle and interest based on the 25 years rather than the 20.

Mr. Johnson: Does not recall on the 20 years. The longer you go the more you pay in total debt services if the bond goes to maturity - but the annual payment is lower.

Mr. Toll: Asked about Emerald City Empire's "skin in the game" and the numbers that specifically affect them.

Mr. Whitten: Looking at their numbers, they have a much better assessment to value ratio before the pipeline and after the pipeline than others.

Mr. Toll: Referring to the chart - does this reflect the increased value based on the assessments?

Mr. Johnson: The column referred to reflects the value of the water tied to those parcels - that can be used as a result of this project. The "as is" includes the land - the "as if" is the land with the water.

Mr. Toll commented that with the water those properties will increase value. Without taxpayer's investment, that would be a developer investment on their properties. Mr. Toll said he vigorously supports this project without using taxpayer dollars. Is there a provision on over-runs if this project is approved?

Kendra Follett: There is a financing agreement currently in negotiation - this provision will be included.

Mr. Whitten: The County is capped at \$35 million - anything over that will be borne by the participants.

Mr. Toll asked if funds for easements on property in Lockwood have been included.

Mr. Farr: An appraiser has been hired for private property to appraise and make an offer in accordance with how these are generally acquired. All repairs will be made and properties put back to original conditions. These costs are included in the \$35 million budget.

Ms. Follett: Item 8 is a Resolution required by NRS 271 in order to create the Special Assessment District. The Resolution directs the engineer to prepare preliminary plans and assessment plat for Storey County Special Assessment District No. 01, Tahoe Reno Industrial Center.

Motion: I, Commissioner Jack McGuffey, move for approval of resolution 18-510 directing the engineer on behalf of Storey County, Nevada to prepare and file with the County Clerk preliminary plans and an assessment plat in connection with a proposed water project in Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center), **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

9. DISCUSSION/POSSIBLE ACTION: Discussion and possible action on resolution 18-511 directing the engineer on behalf of Storey County, Nevada to prepare and file with the County Clerk full and detailed plans, cost and an assessment plat in connection with a proposed water project in Storey County Special Assessment District No. 01 (Tahoe-Reno Industrial Center).

Ms. Follett said this is part of the legal proceedings required under NRS 271, directing the engineer to prepare and file these final plans, cost estimate, and assessment plat.

Public Comment:
None

Ms. Follett read the Resolution: A resolution directing the engineer on behalf of Storey County, Nevada to prepare and file with the County Clerk full and detailed plans, cost estimates and an assessment plat in connection with a proposed water project in Storey County Special Assessment District No. 01 (Tahoe-Reno Industrial Center).

Motion: I, Commissioner Jack McGuffey, move to approve resolution 18-511 directing the engineer on behalf of Storey County, Nevada to prepare and file with the County Clerk full and detailed plans, cost

estimate and an assessment plat in connection with a proposed water project in Storey County Special Assessment District No. 01 (Tahoe-Reno Industrial Center), **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

10. DISCUSSION/POSSIBLE ACTION: Discussion and possible action on ordinance 18-289 creating Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center); ordering a water project, within Storey County, Nevada.

Ms. Follett explained this ordinance, first reading, creates the Special Assessment District. In order to move along to second reading each of the property owners is required by NRS 271 to sign an affidavit consenting to waiver of certain notices which need to be executed prior to adoption of the ordinance creating the district. The creation ordinance creates the district as it is right now and remains unchanged until the assessments are all paid.

Public Comment:
None

Ms. Follett read the ordinance: An ordinance creating Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center); ordering a water project within Storey County, Nevada.

Motion: I, Commissioner Jack McGuffey, make a motion to approve first reading of ordinance 18-289, creating Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center); ordering a water project within Storey County, Nevada, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

11. DISCUSSION/POSSIBLE ACTION: Discussion and possible action on ordinance 18-290 concerning Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center) and assessing the cost of local improvements against the assessable property benefited by the local improvements.

Ms. Follett: This ordinance on first reading, levies the assessments on the property, providing for the amount of interest on the assessment at 1% over the highest bond rate, the assessment payment dates of March 1 and September 1, and for penalties on any delinquent assessment payment.

Public Comment:
None

Ms. Follett read the ordinance: An ordinance concerning Storey County, Nevada Special Assessment District No. 01, Tahoe Reno Industrial Center, and assessing the cost of local improvements against the assessable property benefited by the local improvements.

Motion: I, Commissioner Jack McGuffey, move for approval of first reading of ordinance 18-290 concerning Storey County, Nevada, Special Assessment District No. 01 (Tahoe-Reno Industrial Center) and assessing the cost of local improvements against the assessable property benefited by the local improvements, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

12. DISCUSSION/POSSIBLE ACTION: Possible approval of the lease agreement with Pitney Bowes for use of the mail metering equipment in the Storey County Sheriff's Office.

Sheriff Antinoro said the present provider is not being supported necessitating an upgrade of service. The new lease will cost about \$120 more annually.

Public Comment:
None

Motion: I make a motion to allow Sheriff Gerald Antinoro to sign lease agreement with Pitney Bowes for us of the mail metering equipment in the Storey County Sheriff's Office, for use by the Sheriff's Office and the District Attorney's Office, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

13. DISCUSSION/POSSIBLE ACTION: Approval of Ordinance No. 18-274 amendment to the Storey County sign ordinance, Storey County Code Title 17 Zoning, including Chapters 17.84 Signs and Billboards, 17.12 General Provisions, 17.15 Public zone, 17.16 R1 Single-Family Residential zone, 17.20 R2 Multi-Family Residential zone, 17.24 A Agriculture zone, Chapter 17.28 C Commercial zone, 17.30 CR Commercial Residential zone, 17.32 F Forestry zone, 17.34 I1 Light Industrial zone, 17.35 I2 Heavy Industrial zone, 17.40 E Estate zone, 17.44 SPR Special Planning Review zone, and 17.10 Definitions as pertaining to signs and billboards, and other properly related matters. Additional information including, but not limited to, draft text may be obtained from the Planning Department at 775.847.1144 or planning@storeycounty.org, or viewed online at <http://storeycounty.org/517/Updates>. In addition to the provisions of the NRS, any person may complete and return to the Board a statement supporting or opposing the proposed amendments to the county code and/or zoning ordinance.

This item continued to October 16, 2018.

14. DISCUSSION/POSSIBLE ACTION : Approve Resolution No.18- 509 relinquishing to NDOT two parcels of real property near the USA Parkway US 80 interchange.

Deputy District Attorney Keith Loomis: NDOT submitted this request asking the County to relinquish two parcels of property near USA Parkway/Highway 90 interchange. NDOT previously relinquished the two parcels in 2015 to the County and have asked for them back as they are maintaining the parcels.

Public Comment:
None

Motion: I move to approve Resolution No. 18-509 relinquishing to NDOT two parcels of real property, and authorize the Chairman to sign, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

15. DISCUSSION/POSSIBLE ACTION: Approval of business license second readings:
A. BLOCKCHAINS MANAGEMENT, INC - General / 610 Waltham Way ~ Sparks, NV
B. INTERIOR SPECIALISTS, INC - Contractor / 10 Bunsen ~ Irvine, CA
C. ANTON PAAR USA, INC - General / 10215 Timber Ridge Dr ~ Ashland, VA
D. CALTROL INC - General / 1385 Pama Lane ~ Las Vegas, NV

On behalf of Community Development, County Manager Whitten, recommends approval of items A. through D.

Public Comment:
None

Motion: I move to approve Items A. through D., **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

16. PUBLIC COMMENT (No Action)

Sam Toll: Urged the Commissioners to include Public Comment at the beginning and end of meeting. Mr. Toll said he visited Mark Twain while campaigning, and folks down there are in dramatic opposition to tax dollars being spent on the pipeline. They are concerned their property taxes will be going up and that they will be expected to share the burden of the growth and increased demands of the County. There were comments about the lack of communication from the Commission with the residents.

17. ADJOURNMENT

Chairman McBride adjourned the meeting at 11:52 A.M.

Respectfully submitted,

By: _____
Vanessa Stephens Clerk-Treasurer