



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

DECEMBER 18, 2018 10:00 A.M.

DISTRICT COURTROOM
26 SOUTH B STREET, VIRGINIA CITY, NEVADA

MEETING 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, Deputy Clerk/Treasurer Sarah Burnet, Deputy District Attorney Keith Loomis, Sheriff Gerald Antinoro, Project Manager Mike Northan, Community Relations Director Cherie Nevin, Administrative Officer/Planning Director Austin Osborne.

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

Meeting was called to order by Chairman McBride at 9:00 A.M.

2. PLEDGE OF ALLEGIANCE

Chairman McBride led those present in the Pledge of Allegiance.

3. DISCUSSION/POSSIBLE ACTION: Approval of Agenda for December 18, 2018.

County Manager Pat Whitten, and legal counsel, requests Item 11 be withdrawn.

Public Comment:
None

Motion: Approve Agenda for December 18, 2018, with item 11 withdrawn, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

4. DISCUSSION/POSSIBLE ACTION: Approval of Minutes for November 9, 2018

Public Comment:
None

Motion: I make a motion to Approve Minutes for November 9, 2018, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

5. CONSENT AGENDA

- I. For possible action, approval of payroll claims in the amount of \$331,743.77 and accounts payable claims in the amount of \$631,304.82.
- II. For possible action, approval of 1st reading for Crusader Armament & Training. CCW instructor, Hank Shannon - owner.
- III. For possible action, approval of Amendments to Storey County Administrative Policies and Procedures including Policy 040 Annual Department Budget Request.
- IV. For possible action, approval and acceptance of a National Park Services Historic Preservation Grant (HPF) award for \$46,800.00 to assist St.Mary's Art Center with Phase II of their Building Rehabilitation Project.

Motion: I make a motion to approve the Consent Agenda, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

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

Community Relations Director, Cherie Nevin:

- Approved on the Consent Agenda is a Historic Preservation grant for St. Mary's Art Center. This will allow complete restoration of the third floor and balcony, which has been needed for years. This is about \$46,000 in grant funds with a \$31,000 match. Work should begin in spring.
- On behalf of Eric Schoen, a message to Commissioner McGuffey in appreciation from Community Chest for years of service to Storey County and support for non-profits.

Deputy District Attorney Keith Loomis:

- The County has recently received three Writs of Mandamus regarding public records of an individual. The Writs have been referred to attorney Rebecca Brewer for response.

County Manager Pat Whitten:

- Reminder: Meetings in January will be Monday, January 7th - elected officials will be sworn in, and Tuesday, January 15th.

7. BOARD COMMENT (No Action - Public Comment)

Chairman McBride:

- Acknowledged the passing of longtime Virginia City Highlands resident, Carla McFarlane.

8. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on Resolution no. 18-521 approving the reimbursement agreement among the County and all owners of property in the Tahoe-Reno Industrial Center Tax Increment Area subject to minor changes, if any, as are approved by the County Manager.

Commissioner Gilman recused himself from discussion and vote on Items 8, 9, and 10. Ryan Henry, from Sherman & Howard (County's bond counsel), discussed this item - the reimbursement agreement between the County and property owners in the TIA. The agreement is permitted by statute. Mr. Henry asked for questions regarding the agreement.

Deputy District Attorney Loomis discussed an issue regarding item 11 that has arisen regarding a previous agreement with TRIC properties and repayment of vouchers. It is proposed that revenues received within the TIA that are to be used to repay property owners in the TIA, not be used for

repayment of vouchers. The Stipulation (item 11) has not yet been received. Mr. Loomis requested that a motion to approve the Reimbursement Agreement include a statement that it will be effective upon receipt of the Stipulation from TRIC.

Public Comment:

Nicole Barde, Storey County resident: If a property owner participating in this agreement sells the property, is the new owner obligated under the agreement as well as being eligible for reimbursement.

Mr. Henry said there is nothing in the Agreement restricting a property owner from selling. Reimbursement situations that would apply (to a new owner) are very limited.

Sam Toll, Gold Hill resident commented that the TRI GID is mentioned throughout this agreement. There is no mention of TRI or Roger Norman. Has this changed from previous meetings?

Mr. Henry: The Cooperative Agreement does reference TRI. TRI is not part of the Reimbursement Agreement. There are no changes from previous meetings regarding payment of the project. This Agreement deals with reimbursement of property owners for payment of the undertaking - it does not dictate operation or construction of the project. That is dealt with in the next agenda item.

Mr. Toll questioned the areas where the pipeline will be built, and assumes the remainder will be in Storey County.

Mr. Loomis said the Operating Agreement addresses the relationship with the applicable parties and the GID.

Mr. Toll asked if there was language in this (reimbursement) agreement protecting Storey County?

Mr. Henry said the section referenced is part of Item 9. He explained this agreement addresses any portion of the project not owned by TRI GID and the ability to transfer ownership to other applicable governments - keeping the project a public project.

Chairman McBride commented he is disappointed that the Stipulation referred to in Item 11 has not been received.

Motion: I, Commissioner Jack McGuffey, move to approve Resolution No. 18-521 approving the Reimbursement Agreement among the County and all owners of property in the Tahoe-Reno Industrial Center Tax Increment Area- with the addition for approval that execution of Resolution 18-521 and Reimbursement Agreement, shall not occur until the County receives the signed Stipulation from Tahoe-Reno Industrial Center, LLC, stipulating that incremental tax revenues received by the County attributable to properties and activities within the Tax Increment Area which are distributed to owners of property within the Tax Increment Area to reimburse them for the cost of building the offsite portion of the effluent pipeline will not be included in the project revenues as that term is defined in Exhibit E to the Development Agreement between TRICenter LLC and Storey County dated February 1, 2000, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

9. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on Resolution No. 18-522 approving the Cooperative Agreement between the County and TRI General Improvement District relating to the Tahoe-Reno Industrial Center Tax Increment Area subject to minor changes, if any, as approved by the County Manager.

Ryan Henry, Sherman & Howard, explained this Resolution approves the Cooperative Agreement between the County and TRI GID regarding inspection and ownership of the undertaking of the Agreement. The Cooperative Agreement is authorized and permitted by NRS.

Deputy District Attorney Loomis requested if this item is approved, that it also be conditioned upon receipt of the signed Stipulation as discussed in the previous item.

Public Comment:

Nicole Barde asked if Roger Norman would still provide funding for the pipeline as indicated in previous meetings. Doesn't that make him a third party, and if so why isn't he in the agreement?

Chairman McBride said to his knowledge, yes (regarding funding).

Mr. Loomis referred to section 12, a provision stating the agreement is not intending to benefit anyone other than the parties to the agreement. Mr. Norman is not a party to this agreement.

Mr. Henry explained the Cooperative Agreement is only between the County and the TRI GID. There is no contract between the County and Mr. Norman for recourse where Mr. Norman could come after the County - the County is protected under the Cooperative Agreement.

Ms. Barde understands there is a push to change (the County's) Master Plan to allow residential in TRI. Ms. Barde was surprised that the Agreement does not state the (pipeline) water should only be used for manufacturing and not as a way to calculate water requirement for residential use in TRI.

Mr. Whitten said that SB1 sets the specified uses.

Mr. Henry commented the project complies with the definition of "undertaking" under NRS. Specifics do not need to be outlined within this Agreement. Referring to Ms. Barde's comments, that could be a future zoning matter which would be ancillary to this agreement.

Mr. Whitten commented regarding residential - anything could happen but there are a lot of hurdles, including changes to the Master Plan, the Developer Agreement, Zoning - none of which is being paid for at all.

Mr. Henry agreed there would be a lot of hurdles and those steps are outside of this agreement.

Kris Thompson, TRI Project Manager said the pipeline water is effluent water treated to EPA standards for discharge into the river - this does not make it potable, not allowed for domestic use. It can only be used for manufacturing in closed, separate plumbing systems.

Mr. Osborne confirmed there was nothing in public records requested by Ms. Barde indicating that the County, County staff or leadership are supporting residential uses in TRI that the Master Plan currently does not allow.

Sam Toll referred to a letter (included in response to his request for public records) sent by Mr. Whitten to Governor Sandoval which included as justification for an Opportunity Zone in Storey County, a 10,000 residential "Smart City" within TRI. This is indication that everyone is aware that Blockchains is interested in having residential in the park.

Mr. Toll discussed additional infrastructure improvements that will be needed in the future. Procedures to turning effluent water into tap water are well known. He feels it is shortsighted to not include language to prohibit this water from being used for residential uses and is appropriate.

Mr. Toll asked if the Cooperative Agreement contains any language indicating that Roger Norman, TRI, or the TRI GID, is the person paying the bills.

Mr. Henry said the Cooperative Agreement is between the County and the GID. No other parties are part of this agreement. This project is a government project and needs to be owned by a local government. TRI GID will own and operate the project. Under the agreement, the County cannot own and operate the project.

Mr. Loomis: An agreement between Reno, Sparks, and TRI GID, states TRI GID is responsible for construction of the pipeline. This is done through Mr. Norman and his agreement with property owners and the GID. This is not an agreement with the County and Mr. Norman.

Mr. Toll asked if any of today's (agenda) items discuss Mr. Norman's obligations for the first part of this project. Shouldn't that be an element of these items - a contract to show everything is "on the up and up"? Mr. Toll expressed concern over a lack of documents including the agreement between TRI and the County.

Mr. Loomis: There is a contract between Reno, Sparks, and the GID setting out how the pipeline will be built - this is a public document. There are other agreements between property owners and TRICenter which are not public at this time.

Mr. Toll asked if there was any language protecting Storey County like there is protecting Reno and Sparks.

Mr. Henry responded that the County is protected in the Agreement under (Section 6, Paragraph C).

Mr. Toll expressed concern about the TRI GID. The Board has two vacant positions out of five. The three positions are held by employees and/or residents of the Mustang Ranch. No one outside of the GID has the ability to serve on the Board. Mr. Toll questioned the liability of the County regarding the GID. What if someone sues the GID?

Mr. Loomis said the GID is a separate political entity. The County has some oversight but no obligations or responsibilities in regards to the GID. The GID has its own insurance to protect it.

Motion: I, Commissioner Jack McGuffey, move to approve Resolution No. 18-522 approving the Cooperative Agreement between the County and TRI General Improvement District relating to the Tahoe Reno Industrial Center Tax Increment Area, in addition to this motion for approval of Resolution No. 18-522 and of the Interlocal Cooperative Agreement between Storey County and the TRI General Improvement District, that approval shall not occur unless and until the County receives a signed Stipulation from the Tahoe Reno Industrial Center, LLC, stipulating that interim tax revenues received by the County attributable to properties and activities within the Tax Increment Area, which are distributed to owners of property within the Tax Increment Area to reimburse them for the cost of building the offsite portion of the effluent pipeline and will not be included in project revenues as that term is defined in Exhibit B to the Development Agreement between TRICenter, LLC and Storey County, dated February 1, 2000, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

10. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on Resolution No. 18-523 making certain determinations regarding excess tax increment revenues distributed into the funds

of the respective taxing agencies under Nevada Revised Statutes (NRS) 278c.250 in connection with the Tahoe-Reno Industrial Center Tax Increment Area.

Ryan Henry, Sherman & Howard, explained pursuant to the Reimbursement Agreement, certain excess tax increment revenues must be utilized for government distribution. The County shall pay these amounts to the respective taxing agencies in the TIA.

Public Comment:

None

Motion: I, Commissioner Jack McGuffey, move to approve Resolution No. 18-523 making certain determinations regarding excess tax increment revenues distributed into the funds of the respective taxing agencies under Nevada Revised Statutes (NRS) 278c.250 in connection with the Tahoe-Reno Industrial Center Tax Increment Area, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

11. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on Stipulation with Tahoe Reno Industrial Center LLC (TRIC) to provide that incremental tax revenues used to reimburse owners of the property within the Tax Increment Area for expenses in constructing the effluent pipeline will not be counted as "Project Revenues" as that term is defined in the Capital Improvement Plan agreed upon between Storey County, DP Operating Partnership LLP and TRIC on or about February 1, 2000 (Project Revenues).

ITEM WITHDRAWN

Commissioner Gilman rejoined the Board.

12. DISCUSSION/POSSIBLE ACTION: Approval of Resolution 18-525 honoring Commissioner Jack McGuffey.

County Manager Pat Whitten commented on the huge impact made by Commissioner Jack McGuffey during his years of service to the County. Mr. Whitten applauded Commissioner McGuffey for his work with the Fourth Ward School and St. Mary's Art Center, among others, and commended him for his work to obtain a zip code for the TRIC area. His participation with the V&T Rail Commission has helped lead the V&T to be in a much better position. Mr. Whitten also reviewed Commissioner McGuffey's participation in NACO.

Mr. Whitten read the Resolution:

A Resolution Honoring Jackie McGuffey

WHEREAS, Jackie McGuffey, has faithfully served Storey County for six years from 2011-2012 and again from 2015-2018; and

WHEREAS, Jackie McGuffey is dedicated to his job and the citizens of Storey County; and

WHEREAS, Jackie McGuffey has served with distinction, earning the respect of all he works with both locally and statewide; and

WHEREAS, Jackie McGuffey's professional skills in several capacities have served to make Storey County a better place to live, work and play.

THEREFORE IT BE KNOWN to all present that the Board of County Commissioners of Storey County do hereby resolve to commend and honor JACKIE MC GUFFEY for exemplary service to the people of Storey County, Nevada this 18th day of December 2018, by the following:

AYES: McBride and Gilman

NAYS: None

Vice Chairman McGuffey thanked everyone and reviewed the many Boards he served on and what has been done in the last few years.

Commissioner Gilman said it has been a pleasure and commented that Commissioner McGuffey has carried such a load for everyone, working tirelessly.

Public Comment:

Nicole Barde reminded that Commissioner McGuffey obtained food from TRI for distribution at the Senior Centers. He also sponsored Commissioner lunches at the Senior Center - making a difference. Thank you.

Sam Toll congratulated and thanked Commissioner McGuffey for his service to the County.

Motion: I, Lance Gilman, motion to approve Resolution 18-525, honoring Commissioner Jack McGuffey, **Action:** Approve, **Moved by:** Commissioner Gilman **Seconded by:** Chairman McBride, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=2)

13. PUBLIC COMMENT (No Action)

Sam Toll once again requests that Public Comment be held at the beginning, as well as the end, of the Commission meetings.

Mr. Toll discussed the passing of Resolution 18-521 and said he should have commented at that time. He has talked with people in Storey County for a year and a half about the use of public funds - the only people in favor were two persons at the last (Commission) meeting. Hundreds of citizens expressed opposition and signed petitions, and were overruled every time. Mr. Tolls feels this sends the wrong message - there was no discussion. Hopefully this can be voted on when the new Commissioner comes in.

14. ADJOURNMENT

Chairman McBride adjourned the meeting at 11:20 A.M.

Respectfully submitted,

By: _____
Vanessa Stephens Clerk-Treasurer