



Board of Storey County Commissioners Agenda Action Report

Meeting date: 2/15/2024 10:00 AM -
Special BOCC Meeting

Estimate of Time Required: 1 min

Agenda Item Type: Discussion/Possible Action

- **Title:** Consideration and possible approval of the agenda for the February 15, 2024, special meeting.
- **Recommended motion:** Approve or amend as necessary.
- **Prepared by:** Drema Smith

Department: **Contact Number:** 7758158601

- **Staff Summary:** See attached.
- **Supporting Materials:** See attached
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head


Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modification
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued

	<h2 style="text-align: center;">Board of Storey County Commissioners</h2> <h3 style="text-align: center;">Agenda Action Report</h3>	
Meeting date: 2/15/2024 10:00 AM - Special BOCC Meeting	Estimate of Time Required: 15 min.	
Agenda Item Type: Consent Agenda		

- **Title:** Possible approval updating the list of county appointments to serve on state, county, and regional boards and committees for the 2024 calendar year.
- **Recommended motion:** I (commissioner) motion to approve the list of appointments recommended by staff in the enclosure herewith to serve on state, county, and regional boards and committees for the 2024 calendar year.
- **Prepared by:** Austin Osborne

Department: **Contact Number:** 775.847.0968

- **Staff Summary:** The attached list indicates the recommended changes to the list of appointments.
- **Supporting Materials:** See attached
- **Fiscal Impact:** None
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modification
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued

List of Storey County Board and Committee Appointments for 2024

1. Legislative Representative – Clay Mitchell, Jay Carmona, and Austin Osborne, including department heads, elected officials, lobbyists, and staff as needed.
2. Nevada-NACO – Jay Carmona with Lance Gilman as alternate.
3. Nevadaworks – Lance Gilman with Lara Mather as alternate
4. Friends of Storey County Senior Center Board – Lance Gilman
5. Storey County Safety Committee Chair – Bryan Sandoval
6. Comstock Cemetery Foundation Board – Caitlin Best
7. Carson Water Subconservancy District – Jim Hindle with Austin Osborne as alternate
8. State Land Use Planning Advisory Council (SLUPAC) – Kathy Canfield
9. Natural Resources Conservation Services (NRCS/USDA) – Kathy Canfield
10. Washoe-Storey Conservation District – Kathy Canfield
11. Truckee River Flood Management Authority, Technical Advisory Committee – Lance Gilman with Kathy Canfield as alternate
12. Comstock Historic District Commission – Clay Mitchell
13. Nevada Commission for the Reconstruction of the V&T Railway – Clay Mitchell
14. Saint Mary's Art Center – Jay Carmona
- ~~15. Nevada Water Resources Association – Jason Wierzbicki~~
16. Historic Fourth Ward School and Museum Board – Clay Mitchell
17. Economic Development Authority of Western Nevada (EDAWN) – Austin Osborne
18. Western Nevada Development District (WNDD) (Elected official seat) – Clay Mitchell
19. Western Nevada Development District (WNDD) (Appointed official seat) – Honey Coughlin
20. Nevada Governor's Workforce Development Board (Rural representative) – Lara Mather
21. Northern Nevada Development Authority (NNDA) (elected official seat) – Clay Mitchell
22. Northern Nevada Development Authority (NNDA) (appointed official seat) – Lara Mather
23. Northern Nevada Transportation Management Association – Lara Mather
24. Storey County Wildlife Advisory Board – Rob DuFresne, Greg Hess Sr., Greg "Bum" Hess, Casey Kelly, and Todd Hess.
25. Virginia City Tourism Commission: Paul Hoyle, hotel representative; Deborah Haward, at-large representative, 1-year term*; Gretchen Lavach, business district merchant representative, 1-year term*; A. Perry, motel representative; and Jay Carmona, county commission representative.

Notes:

1. Friends of Storey County Senior Center, a non-profit 501(C)(3), will accompany and provide grant assistance and other support to Storey County Senior Services.
2. Before a County Manager position was created in Storey County, the board members would oversee certain departments of the county directly. This oversight may no longer be necessary with a County Manager now overseeing all appointed departments, and, therefore, a board member representative for Public Works is not assigned at this time. Also, the Fire District is overseen by the Fire District Chief, and that appointed Chief is overseen by the Fire District Board. Therefore, the same applies to the Fire District list.
3. *Two seats will be considered for a 1-year term for the purpose of creating staggered board terms. These positions will be considered by the Storey County Commissioners at the first board meeting in 2025 for appointment to 2-year terms.



Board of Storey County Commissioners Agenda Action Report

**Meeting date: 2/15/2024 10:00 AM -
Special BOCC Meeting**

Estimate of Time Required: 10 minutes

Agenda Item Type: Discussion/Possible Action

- **Title:** Consideration and possible approval of the final canvass of the results of the February 6th, 2024, Presidential Primary Election held in and for Storey County.
- **Recommended motion:** I, Commissioner _____ move to approve the final canvass of the February 6th, 2024, Presidential Primary Election held in and for Storey County and that the County Clerk make a copy of the abstract and make a mechanical report of the abstract to the Secretary of State.
- **Prepared by:** Jim Hindle

Department: _____ **Contact Number:** 17758470969

- **Staff Summary:** Unofficial summary results will be posted on the County Website by February 13, 2024 and the Proposed Report of the Canvass of the Vote will be provided prior to the meeting.
- **Supporting Materials:** See attached
- **Fiscal Impact:** none
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head


Department Name: _____

_____ County Manager

Other Agency Review: _____

- **Board Action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modification
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued

	<h1>Board of Storey County Commissioners</h1> <h2>Agenda Action Report</h2>	
Meeting date: 2/15/2024 10:00 AM - Special BOCC Meeting	Estimate of Time Required: 60 min.	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Review, discuss, and provide comments and public review on Bill No. 139, Ordinance No. 24-327 amending Storey County Code 3.50 adding Economic Diversification District No. 2, and draft Government Services Agreement defraying county costs needed to provide government services to Economic Diversification District No. 2 related to Tesla, Inc.'s application to the Governor's Office of Economic Development for certain sales and use tax, real property tax, and personal property tax abatements for Gigafactory 2 and/or related expansion activities, and other properly related matters. This item does not pertain to Economic Diversification District No. 1.
- **Recommended motion:** No action. Receive and file comments.
- **Prepared by:** Austin Osborne

Department: **Contact Number:** 775.847.0968

- **Staff Summary:** This proposal is related to expansion activities in Economic Diversification District 2. This item is not related to Economic Diversification District 1 where real and personal property tax abatements are set to expire on June 30, 2024.
- The Nevada Economic Diversification Act, Section 35, enables the county to enter into an agreement with an owner of any interest in property located within an economic diversification district, pursuant to which that owner would agree to make payments to the county that provides services within the economic diversification district, to defray in whole or in part the cost of providing governmental services within the district. Storey County over approximately the past year negotiated terms in the attached Government Services Agreement (GSA) that will defray costs that the county will incur responding to the governmental needs of Economic Diversification District 2. Costs to be included in the GSA include, but are not limited to, Sheriff's patrol, emergency dispatch, Assessor's appraisal and auditing services, and county administrative costs.
- This agenda item allows further discussion and comments from the board and public following ordinance first reading that occurred on February 2, 2024. Second reading of the ordinance is scheduled for February 20, 2024, possible board action. The ordinance proposal has been posted in accordance with NRS.
- **Supporting Materials:** See attached

- **Fiscal Impact:** Yes
- **Legal review required:** TRUE
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modification
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued

Draft--- 02/08
Subject to changes between
first and second reading.

Bill No. 139
Ordinance No. 24-327

Summary

An ordinance adding Article III District No. 2 to Chapter 3.50 to the Storey County Code creating Storey County Economic Diversification District No. 2 and providing for other properly related matters.

Title

An ordinance adding Article III District No. 2 to Chapter 3.50 to the Storey County Code creating Storey County Economic Diversification District No. 2 and providing for other properly related matters.

Chapter 3.50 ECONOMIC DIVERSIFICATION DISTRICT CREATION ORDINANCE

ARTICLE III DISTRICT NO. 2

3.50.310 Title.

This article is known as the "Economic Diversification District 2 Creation Ordinance." (Ord. No. 24-327, February 20, 2024)

3.50.320 Determinations of the board.

The board has determined that it intends to create one or more economic diversification districts for the purpose of encouraging local economic development. The board has also determined:

1. The pledge of any proceeds of an economic diversification district must not impair any existing contract for the sale of bonds, which were issued before September 11, 2014, the effective date of S.B. 1, 28th Special Sess. (Nev. 2014) known here as the Economic Diversification Act.
2. Any economic diversification district created must be located entirely within the boundaries of Storey County.

(Ord. No. 24-327, February 20, 2024)

3.50.325 Definitions.

1. Except as otherwise defined herein, the definitions contained in the Economic Diversification Act (NRS 271B) are incorporated into and adopted for use in this chapter.
2. **Expansion Improvements.** "Expansion Improvements" include real and personal property improvements made to Economic Diversification District 2 on or after the specified dates in this ordinance, and do not include any real property leased by a participant, and do not include any personal property used for the maintenance or replacement of any property or equipment abated under Economic Diversification District No. 1. The burden rests upon the lead participant (Tesla) to establish that improvements to real property and any personal property are expansion improvements.

(Ord. No. 24-327, February 20, 2024)

3.50.330 Creation of District No. 2.

The board, for the purposes of carrying out the encouragement of local economic development, creates an economic diversification district designated as the "Storey County Economic Diversification District No. 2 (Tesla)" ("District No. 2") for the purpose of facilitating the acquisition, improvement, development, and equipping of the "project," which consists of the improvements to and operations within the geographic boundaries of District No. 2, which are defined below and are represented in the site map attached to the Government Services Agreement executed on February 20, 2024.

1. **Gigafactory 1:** Except as otherwise provided in Giga First Floor Expansion Area, Giga Second Floor Expansion Area, Equipment Expansion Area, North Parking Lot Expansion Area, and South Parking Lot Expansion Area, the real and personal property making up Gigafactory 1, the boundaries of which are defined below and illustrated in the Government Services Agreement, are not included in District No. 2, and are not abated. Gigafactory 1 and defined Expansion Areas are described as follows:

A- Gigafactory 1 is described as follows:

Commencing at the most northwest corner of Gigafactory being a location of 39.542431, -119.439904; thence in an easterly direction 985' to 39.542429, -119.436433; then southerly 1200' to 39.539147, -119.436392; then easterly 500' to 39.539154, -119.434620; then southerly 700' to 39.537233, -119.434629; then westerly 500' to 39.537217, -119.436400; then southerly 1,080' to 39.534254, -119.436321; then westerly 875' along the south wall of Gigafactory 1 to 39.534240, -119.439458; then southerly 160' to 39.533798, -119.439429; then westerly 270' to 39.533796, -119.440386; then southerly 370' to 39.532781, -119.440380; then westerly 600' to 39.532777, -119.442507; then northly 955' to 39.535399, -119.442533; then easterly 263' to the west side of Gigafactory 1 at 39.535403, -119.441601; then northerly 540' along the west side of Gigafactory 1 to the most westerly northwest corner of the building to 39.536882, -119.441614; then westerly 100' to 39.536882, -119.441976; then northerly 2,425' to 39.543541, -119.441897; then westerly 555' to 39.534570, -119.439929; then southerly 415' to the point of beginning, locations and bearings approximate using Eagle View Technologies imagery software for Storey County, Mosaic View May 2023- June 2023.

- B- **Giga First Floor Expansion Area and Giga Second Floor Expansion Area:** Personal property and related expansion improvements purchased for use on or after July 1, 2024, are part of District No. 2 and are abated. Giga First Floor Expansion Area and Giga Second Floor Expansion Area are described as follows:

1st floor: 100 feet east and 154 feet south (approximately 15,400 sq ft)

2nd floor: 100 feet east and 900 feet south (approximately 90,000 sq ft)

Commencing at the West side of Gigafactory 1 building at 39.541822, -119.439824, running eastbound until 39.541723, -119.439352, then southbound to 39.539257, -119.439374, then westbound to 39.539158, -119.439867, and back north to the starting point. Giga First Floor Expansion Area is the first floor of the Gigafactory 1 building and Giga Second Floor Expansion Area is the second floor of the Gigafactory 1 building. This space includes the first and second floor areas that were built as manufacturing space, but are currently occupied by office or shared spaces. The total square footage of this area is approximately 94,379 square feet. ((Checking legal description and measure.))

- C- **Equipment Expansion Area:** Personal property and related expansion improvements

purchased for use on or after July 1, 2024, are part of District No. 2 and are abated. Equipment Expansion Area is described as follows:

Commencing at the northeast corner of Gigafactory 1 being 39.542443, -119.438214, thence in a southerly direction along the east side of Gigafactory 1 750' to 39.540388, -119.438165 and the point of beginning; thence easterly 500' to 39.540400, -119.436402; then southerly 400' to 39.539295, -119.436393; then westerly 500' to the east side of Gigafactory 1 at 39.539287, -119.438148; then northerly 400' along the east side of Gigafactory 1 to the point of beginning, locations and bearings approximate using Eagle View Technologies imagery software for Storey County, Mosaic View May 2023 - June 2023.

- D- **North Parking Lot Expansion Area:** Personal property and related expansion improvements purchased for use on or after July 1, 2024, are part of District No. 2 and are abated. The area of North Parking Lot Expansion Area is described as follows:

Commencing at northwest corner of Gigafactory 1 at 39.542430, -119.439911; then 2,020 feet southerly along west side of Gigafactory 1 to point 2 at 39.536892, -119.439847; then 600 feet westerly 269.69 degrees to a point at 39.536882, -119.441976; then 2,425 feet northerly 53 degrees to a point at 39.543541, -119.441897; then 555 feet easterly 88.96 degrees to a point at 39.534570, -119.439929; then 415 feet southerly to the point of beginning, all measurements, locations and bearings approximate using Eagle View Technologies imagery software for Storey County, Mosaic View May 2023 – June 2023.

- E- **South Parking Lot Expansion Area:** Personal property and related expansion improvements purchased for use on or after July 1, 2024, are part of District No. 2 and are abated. The area of South Parking Lot Expansion Area is described as follows:

Commencing at the southwest corner of Gigafactory 1 at 39.534236, -119.441587; then 610 feet easterly along the south wall of Gigafactory 1 to a point at 39.534240, -119.439458; then 160 feet southerly 180.43 degrees to a point at 39.533798, -119.439429; then 270 feet westerly 269.75 degrees to a point at 39.533796, -119.440386; then 370 feet southerly 179.73 degrees to a point at 39.532781, -119.440380; then 600 feet westerly 269.89 degrees to a point at 39.532777, -119.442507; then 955 feet northerly 359.56 degrees to a point at 39.535399, -119.442533; then 263 feet easterly to west side of Gigafactory 1 building 89.65 degrees to a point at 39.535403, -119.441601; then 425 feet southerly to the point of beginning, all measurements, locations and bearings approximate using Eagle View Technologies imagery software for Storey County, Mosaic View May 2023 – June 2023.

2. **EDD2 Main:** Expansion improvements made to real property, and personal property and related expansion improvements purchased for use, on or after December 1, 2023, are part of District No. 2 and are abated, except for Gigafactory 1 as described above. Real and personal property existing on or before November 30, 2023, is not part of District No. 2 and is not abated. EDD2 Main is described as follows:

Parcel 2021-01 of Lot Consolidation Doc. No. 133436, filed in the Office of County Recorder of Storey County, State of Nevada, on February 3, 2021, as File No. 133436, of Official Records.

3. **EDD2 Milan: Personal property and related expansion improvements purchased for use on or after December 1, 2023, are part of District No. 2 and are abated. Real and personal property existing on or before November 30, 2023, is not part of District No. 2 and is not abated, even if Tesla purchases the real property. EDD2 Milan is described as follows:**

Parcel 2007-105 of Record of Survey Map No. 107226, filed in the Office of the County Recorder of Storey County, State of Nevada on July 25, 2007, as File No. 107226, of Official Records. (APN 005-111-08, 385 Milan)

Parcel 2009-1 of Record of Survey Map No. 111108, filed in the Office of the County Recorder of Storey County, State of Nevada on May 4, 2009, as File No. 111108, of Official Records. (APN 005-111-22, 550 Milan)

Parcel 2011-6 of Record of Survey Map No. 115249, filed in the Office of the County Recorder of Storey County, State of Nevada on June 6, 2011, as File No. 115249, of Official Records. (APN 005-111-31, 555 Milan)

Parcel 2009-2, 700 Milan, Map#111108, APN 005-111-26, Legal - doc #111109 pages 9-10.

4. **EDD2 Viewshed: Expansion improvements made to real property, and personal property and related expansion improvements purchased for use, on or after July 1, 2024, are part of District No. 2 and are abated. Real and personal property existing on or before June 30, 2024, is not part of District No. 2 and is not abated. EDD2 Viewshed is described as follows:**

Parcel 2014-16 of Record of Survey Map No. 120639, filed in the Office of the County Recorder of Storey County, State of Nevada on July 17, 2014, as File No. 120639, of Official Records.

5. **EDD2 New West: Expansion improvements made to real property, and personal property and related expansion improvements purchased for use, on or after December 1, 2023, are part of District No. 2 and are abated. Real and personal property existing on or before November 30, 2023, is not part of District No. 2 and is not abated. EDD2 New West is described as follows:**

Parcel 2014-34 of Record of Survey Map No. 121588, filed in the Office of the County Recorder of Storey County, State of Nevada on February 2, 2015, as File No. 121588, of Official Records. (005-091-42, 2200 Electric)

Parcel 2015-34 of Record of Survey Map No. 123219, filed in the Office of the County Recorder of Storey County, State of Nevada on November 25, 2015, as File No. 123219, of Official Records. (005-091-47)

Parcel 2015-36 of Record of Survey Map No. 123219, filed in the Office of the County Recorder of Storey County, State of Nevada on November 25, 2015, as File No. 123219, of Official Records. (005-091-49)

Parcel 2015-3836 of Record of Survey Map No. 123221, filed in the Office of the County Recorder of Storey County, State of Nevada on November 25, 2015, as File No. 123221, of Official Records. (005-091-52)

6. EDD2 Electric. Expansion improvements made to real property, and personal property and related expansion improvements purchased for use, on or after December 1, 2023, are part of District No. 2 and are abated. Real and personal property existing on or before November 30, 2023, is not part of District No. 2 and is not abated. EDD2 Electric is described as follows:

Parcel 2023-1 of Deed of Reconveyance Doc. No. 137576, filed in the Office of the County Recorder of Storey County, State of Nevada on April 12, 2023, as File No. 137576. (portion of Electric Ave)

7. Test Area: Test Area is not included in District No. 2 and is not abated. Test Area is described as follows:

Commencing at 39.541683, -119.458756, then 400 feet easterly 90.98 degrees to a point at 39.541665, -119.457336; then 175 feet southerly 179.6 degrees to a point at 39.541184, -119.457330; then 400 feet westerly 271.24 degrees to a point at 39.541206, -119.458748; then 175 feet northerly 359.29 degrees to the point of beginning, all measurements, locations and bearings approximate using Eagle View Technologies imagery software for Storey County, Mosaic View May 2023 – June 2023.

8. Other Improvements: All roads, buildings, structures, driveways, sidewalks, and paved vehicle and equipment staging areas and improvements existing on or before the dates specified for each area above are not included in District No. 2 and are not abated.

(Ord. No. 24-327, February 20, 2024)

3.50.340 Determinations of the board concerning District No. 2.

The board has determined the following with respect to District No. 2:

1. The pledge of any proceeds of District No. 2 will not impair any existing contract for the sale of bonds, which were issued before September 11, 2014, the effective date of the Economic Diversification Act. District No. 2 is located entirely within the boundaries of Storey County.

(Ord. No. 24-327, February 20, 2024)

3.50.350 Pledge of amount equal to District No. 2 proceeds.

For the purposes of carrying out the acquisition, improvement, development and equipping of the project within District No. 2 and the funding of certain expenses related to the project, Storey County determines to pledge and does hereby irrevocably pledge to grant to the lead participant an amount equal to the proceeds of all sales and use taxes imposed on or owed by each participant in the project with regard to tangible personal property purchased for use in District No. 2, or stored, used or otherwise consumed in District No. 2 by a participant in a transaction occurring on or after [REDACTED], which is ...or after July 1, 2024, subject to sales and/or use tax in Storey County, other than the amount of any local sales and use taxes for which a participant has received an abatement pursuant to an Economic Diversification Act application approved by the Governor's Office of Economic Development ("District No. 2 Revenues") (such grant of District No. 2 Revenues shall be referred to herein as the "reimbursement payments"). Storey County is prohibited from pledging any District No. 2 Revenues to any party other than the lead participant. ((Verifying with GOED))

(Ord. No. 24-327, February 20, 2024)

3.50.360 Pledge payable out of District No. 2 proceeds.

The reimbursement payments shall be paid to the lead participant solely from District No. 2 Revenues received by Storey County from the State of Nevada Department of Taxation. Storey County's obligation to make reimbursement payments is not a general obligation of Storey County but is limited to such District No. 2 Revenues. Nothing contained in this chapter shall be deemed to constitute a pledge of the general credit, general funds, or general moneys of Storey County. ((Verifying with GOED))

(Ord. No. 24-327, February 20, 2024)

3.50.370 Eligible expenses for reimbursement.

The reimbursement payments may be used to defray any of the following costs incurred by, on behalf of, or for the benefit of the lead participant or by any participant in District No. 2 (without mentioning minor details) on or after July 1, 2024: ((Verifying with GOED/Taxation))

1. Any real property, site preparation, infrastructure and building construction, and real property improvements, together with any and all machinery, equipment, and other items of tangible personal property necessary, useful or desirable in connection with the project.
2. The costs of the project including, but not limited to, expenses for architects, engineers, attorneys and other consultants and other costs of the project.
3. Any other costs currently allowed under the Nevada statutes, including, but not limited to, any additional expenses qualified under the Economic Diversification Act.

(Ord. No. 24-327, February 20, 2024)

3.50.380 Department of taxation agreement for distribution of District No. 2 revenues.

After adoption of this chapter, the board must enter into an agreement with the State of Nevada Department of Taxation specifying the dates and procedure for distribution to Storey County of all District No. 2 Revenues pledged pursuant to this chapter. The distributions to Storey County must:

1. Be made not less frequently than monthly; and Cease at the end of the fiscal year in which the 20th anniversary of the adoption of this Article occurs.

(Ord. No. 24-327, February 20, 2024)

3.50.390 Lead participant reimbursement agreement.

Upon adoption of this Article, Storey County is authorized and directed to enter into a "reimbursement agreement" with the lead participant in the project to reimburse those eligible costs of acquiring, improving, developing, and equipping the project as described in Section 3.50.370. The board determines that the reimbursement agreement contains such terms that are desirable for Storey County.

1. The reimbursement agreement must include that any reimbursement payments are secured by a pledge of, and be payable from, any and all money pledged and received by Storey County from the Nevada Department of Taxation pursuant to the Economic Diversification Act with respect to District No. 2.
2. The reimbursement agreement must provide for the reimbursement payments to be made to the lead participant not later than 15 days after the date on which the money is received by Storey County from the State of Nevada Department of Taxation.
3. The reimbursement agreement is not subject to the limitations of subsection 1 of NRS 354.626 and shall be binding on Storey County beyond the fiscal year in which it is made since the reimbursement agreement pertains solely to one or more of the participants in the project.
4. The reimbursement agreement may not be secured by or payable from the general fund of Storey County, the power of Storey County to levy ad valorem property taxes, or any source other than any money pledged pursuant to the Economic Diversification Act and received by Storey County from the State of Nevada Department of Taxation with respect to District No. 2, or any combination thereof. Further, no bond, note or other agreement issued or entered into pursuant to the Economic Diversification Act may ever become a general obligation of Storey County or a charge against its general credit or taxing powers, nor may any such bond, note or other agreement become a debt of Storey County for purposes of any limitation on indebtedness.
5. The reimbursement agreement will automatically terminate at the end of the fiscal year in which the 20th anniversary of the adoption of this article occurs.
6. With respect to such reimbursement agreement, the board:
 - a) Shall require the review by an independent auditor of each claim for reimbursement submitted by the lead participant to Storey County. The cost of the auditor must be paid for by the lead participant.
 - b) Shall not provide any reimbursement if Storey County obtains an opinion from independent bond counsel stating that its applicability would impair an existing contract for the sale of bonds that were issued before Sept. 11, 2014, the effective date of the Economic Diversification Act.

(Ord. No. 24-327, February 20, 2024)

3.50.3100 Report to legislature.

In accordance with the Economic Diversification Act, the board directs the county manager or the comptroller on behalf of the board on or before September 1 of each year during the term of the reimbursement agreement, to prepare and submit to the director of the legislative counsel bureau for submission to the legislature, or to the legislative commission when the legislature is not in regular session, an annual report containing:

1. A statement of the status of the project located in District No. 2 together with any changes in that status since the last annual report; and
2. An assessment of the financial impact of District No. 2 on the provision of local governmental services, including, without limitation, services for police protection and fire protection.

(Ord. No. 24-327, February 20, 2024)

3.50.3110 Governmental services agreement.

This chapter shall not be effective until the date on which Storey County enters into an agreement with one or more of the owners of any interest in property within District No. 2, pursuant to which that owner would agree to make payments to Storey County or to another local government that provides services in District No. 2, or to both, to defray, in whole or in part, the cost of local governmental services during the term of the use of any money pledged pursuant to this chapter (the "governmental services agreement"). The governmental services agreement must specify the amount to be paid by the owner of the property interest, which may be stated as a specified amount per year or as an amount based upon any formula upon which Storey County and owner agree.

(Ord. No. 24-327, February 20, 2024)

3.50.3120 Participant Notice.

The lead participant shall provide written notice to the County of any participant added to the "project" concurrently with the notice provided to the state pursuant to NRS 360.945(3)(c). Such notice shall also include the description of the plan by which the participants collectively make the total capital investment as required by NRS 360.945(3)(d).

(Ord. No. 24-327, February 20, 2024)

DRAFT 02-08-24 (02/15/24 BOCC WORKSHOP)

NOTE: The parties are in negotiations on one or more parts of this draft. A completed draft will be provided to the board and public on or before the 02/15/24 board workshop.))

GOVERNMENTAL SERVICES AGREEMENT**for Storey County Economic Diversification District No. 2 (Tesla)
between Storey County and Tesla**

This Governmental Services Agreement (the "Agreement") is made and entered into as of this _____ day of _____ 2024, to be effective _____, (the "Effective Date") by and among **TESLA, INC.**, a Delaware corporation, having offices at Electric Avenue, Sparks, Nevada 89437 ("Tesla" or "Lead Participant"), **STOREY COUNTY, NEVADA** a political subdivision of the State of Nevada (the "County"). Tesla and County are referred to as the "Parties."

RECITALS

Whereas, pursuant to S.B. 1, 28th (2014) Special Session of the Nevada Legislature, (the "Economic Diversification Act"), the County has the power to create an economic diversification district for the development of property within the jurisdiction of the County for the purpose of acquiring, improving, equipping, and developing a qualified project; and

Whereas, pursuant to the Economic Diversification Act, section 35, the County may enter into an agreement with an owner of any interest in property located within an economic diversification district, pursuant to which that owner would agree to make payments to the County or other local government that provides services within the economic diversification district, to defray in whole or in part the cost of providing governmental services within the district; and

Whereas, pursuant to the Economic Diversification Act, section 31, the Board of County Commissioners of Storey County, Nevada (the "Board") has adopted Ordinance No. 24-327, the Economic Diversification District 2 Creation Ordinance (the "Ordinance") creating Storey County Economic Diversification District No. 2 (Tesla) in Storey County, Nevada (District No. 2) which becomes effective on approval and execution of this Agreement; and

Whereas the County will provide governmental services within District No. 2 including, but not limited to, Sheriff's Office law enforcement, 9-1-1- Dispatch services, and Assessor; and

Whereas Tesla will cause increased vehicular traffic on certain roads in the County, and Tesla will cause improvements at Tesla's expense to occur on those roads to defray associated impacts to the County; and

Whereas, the Parties all acknowledge that, as a result of the abatement of sales and use tax and property tax that the County would normally receive to pay for governmental services within District No. 2, there is a resulting budgetary difficulty facing the County in providing governmental services within District No. 2; and

Whereas, Tesla, as the Lead Participant in District No. 2, desires to assist the County by making payments to the County intended to enable the County to provide governmental services in District No. 2 during this period of budgetary difficulty; and

CONFIDENTIAL DRAFT.

FOR DISCUSSION PURPOSES ONLY.....02/08//24

Whereas, in an effort to address the situation just described and to fulfill the Economic Diversification Act, Section 35, Tesla, together with the County desire to set forth the terms pursuant which Tesla will make payments to the County to defray

in whole or in part the cost of providing the governmental services within District No. 2 and will cause certain road improvements to occur at Tesla's expense during the term of this Agreement.

Now, therefore, in consideration of the premises set forth above and the mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. Term. This Agreement will remain in effect (the "Term") from the Effective Date until June 30, 2034, unless sooner terminated under the provisions of this Agreement.

2. Governmental services to be provided. The County including, as applicable, such divisions of the County as the Sheriff's Office shall provide the following "Governmental Services" to the standard and in the quantities described in this Agreement, and in any event, at a service level not less than provided by the County to other commercial enterprises located within the County (the "Base Level of Services").

Governmental Services means the following services which will be provided by the County, as applicable, and Tesla as applicable, within and throughout the District No. 2 for the benefit of all Participants in District No. 2:

- Sheriff's Office law enforcement services,
- 9-1-1 Emergency Dispatch services, and
- Assessor and tax appraisal services.

3. Compliance with Base Levels of Services.

(a) In the absence of extenuating circumstances and subject to the factors described elsewhere in this Section 3, the County agrees to provide the Base Level of Services for each of the Governmental Services throughout the Term of this Agreement.

(b) The Base Level of Services assumes an average level of demand and activity, and the Parties recognize that Governmental Services provided on any particular day or period may vary based upon special circumstances. However, the expectation is that the County will perform each of the Governmental Services at no less than the Base Level of Service, except as otherwise provided herein.

(c) The Base Level of Services may be adjusted to reflect new methodologies and policies, provided that the basic intent of this Agreement is maintained in any adjustment.

(d) In the event of extreme emergency, as declared by the Chairman of Board of County Commissioners or the Governor of the State of Nevada, Governmental Services may be temporarily suspended in all or part of District No. 2, to the extent required by such emergency. The Parties acknowledge that such circumstances are likely to be highly unusual and temporary in nature.

4. Computation of Governmental Services Amount. Each year during the term of this Agreement, Tesla, as an owner of a property interest within District No. 2, agrees to pay the amount determined pursuant to Section 5 below to defray, in whole or in part, the costs of the Governmental Services provided by the County in District No. 2. The Parties agree the amounts to be paid by Tesla will be used primarily by the County to provide Governmental Services in District No. 2.

5. Payment for Governmental Services.

(a) Tesla agrees to pay the following annual amounts shown in Table 5.1 below, based upon a June 30th fiscal year, to the County to defray, in whole or in part, the cost of the Governmental Services provided in District No. 2 by the County during the term of this Agreement.

(b) Tesla will pay the County _____ by April 1, 2024, and _____ by June 30, 2024, toward Sheriff's Office services to expedite the hiring of Sheriff's deputies and acquisition of law enforcement equipment needed to fulfill this Agreement. These amounts will be subtracted from Tesla's Fiscal-Year 25 (Fiscal-Year 24/25 in Table 5.1) contribution. Between the effective date of this Agreement and July 1, 2024, the Sheriff's Office will progressively recruit deputies and purchase law enforcement supplies necessary to fulfill this Agreement. The Sheriff's Office will continue progressively building its patrol program between July 1, 2024, and December 31, 2024.

((This section in negotiations. More details will be provided on or before the 02/15/24 board/public workshop.))

Table 5.1		
Fiscal Year (July 1 – June 30)	Payment (Annual Amount)	
	Sheriff's Office	Dispatch & Assessor's Office
24/25		
25/26		
26/27		
27/28		
28/29		
29-30		
30/31		
31/32		
32/33		
33/34		
Subtotal		
Total Investment		

(c) On or about April 1, 2027 and again on or about April 1, 2030, the Parties agree to meet upon the request by either Party to re-determine Tesla's annual fee payments to the County to defray, in whole or in part, the cost of the Governmental Services provided in District No. 2 by the County during the next succeeding three years of the term of this Agreement (County Fiscal Years ending in 2024-2027 and 2030-2034).

Factors which the Parties must consider in this re-determination include, without limitation: (i) the County's current budgetary condition and its resulting ability to provide Governmental Services in District No. 2 without financial assistance from Tesla; (ii) Tesla's historical usage of Governmental Services in District No. 2; (iv) an assessment of the financial impact of District No. 2 on the provision of local governmental services, including, without limitation, services for police protection and fire protection in the County.

The Parties agree to meet immediately to re-determine Tesla's annual fee payment to the County to defray, in whole or in part, the cost of Government Services provided to District No. 2 by the County at any time when the State of Nevada or a political subdivision or agency of the State of Nevada causes the diversion of Tesla Gigafactory I or Gigafactory II (Economic Diversification District 1 or 2, respectively) property tax revenues away from Storey County causing adverse fiscal impact to the County during the term of this Agreement.

Tesla shall pay in advance each annual amount provided for in this Section 5. Such payments shall be made to the County in four equal installments on a quarterly basis (July 1, October 1, January 1, and April 1). Payments received by the County past 30 of these dates will result in a 1.8% compound monthly penalty charged to Tesla.

(d) Nothing in this Agreement shall be construed to cause permits and plan review fees of the Community Development and/or Building Department or the Fire Protection District to be abated or deferred. Tesla will be subject to permit and plan review fees per Storey County Code, Storey County Fire Protection District Code, and/or other applicable codes or regulations, and permit and plan review fee abatements and deferments for Economic Diversification District 1 do not apply to Economic Diversification District 2.

(e) In addition to payment for Government Services, Tesla agrees to terms and payment for road improvement and traffic management as specified in Exhibit A of this Agreement.

6. Cooperation, non-exclusivity, conflict.

(a) Conflict. Any conflict between the provisions of this Agreement and any present or future lawful exercise of the County's police powers shall be resolved in favor of the latter.

7. Public Records Law. Tesla acknowledges and agrees that, subject to the limitations and protections of the Economic Diversification Act, all records, documents, drawings, plans, specifications and other materials in the County's possession, including materials submitted by Tesla, are subject to the provisions of the Nevada Public Records Law (NRS 239.005 et seq.). Tesla shall be solely responsible for all determinations made by it under such law, and for clearly and prominently marking each and every page or sheet of materials with "Trade Secret", "Proprietary" or "Confidential" as it determines to be appropriate.

8. Defaults and remedies.

The following shall constitute an Event of Default by Tesla under this Agreement:

(a) Any representation, covenant or warranty contained in this Agreement which proves to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the County after expiration of the cure period set forth below; or

(b) A court having jurisdiction has made or entered any decree or order (1) adjudging Tesla to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of Tesla or seeking any arrangement for Tesla under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Tesla in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of Tesla; or

(c) Tesla shall have assigned its assets for the benefit of its creditors (other than pursuant to a security instrument) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event; or

(d) Any violation of a material provision of this Agreement, which remains uncured within the time set forth below.

9. Remedies Cumulative. The rights and remedies of the Parties under this Agreement are cumulative, and the exercise or failure to exercise one or more of these rights or remedies by either Party will not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default.

11. Prohibition on Assignment or Transfer. Except as provided below, Tesla shall not directly or indirectly, voluntarily, involuntarily or by operation of law make or attempt any total or partial sale, transfer, conveyance, assignment or hypothecation (collectively "Transfer") of the whole or any part of this Agreement without the prior written approval of the County, which will not be unreasonably withheld or delayed. Any such attempt to Transfer this Agreement without the County's consent will be null and void and will confer no rights or privileges upon the purported assignee and will constitute an Event of Default. Notwithstanding the foregoing, Tesla's rights hereunder with respect to the Governmental Services may be transferred to (i) any affiliate of Tesla; or (ii) any person or entity to whom the Tesla's rights with respect to the Gigafactory Project are transferred in compliance with the transfer/assignment provisions of any applicable agreement between Tesla and the County.

13. Notices. All notices and other communications to be given by either Party may be given in writing, depositing the same in the United States mail, postage prepaid and addressed to the appropriate Party as follows:

With Copy to:

Tesla Inc.
1 Tesla Road
Austin, TX 78725
Attention: Legal Department

To the County: Attn: County Manager, Storey County
 P.O. Box 176
 Virginia City, Nevada 89440
 Phone: (775) 847-0968

Any Party may change its address for notice by written notice to the other Party at any time.

14. Counterparts. This Agreement may be executed on one or more counterparts, each of which shall be regarded as an original and all of which shall constitute the same Agreement.

15. Severability. If any section, subsection, clause, phrase, or word of this Agreement is for any reason held invalid, unenforceable, or unconstitutional by any court of competent jurisdiction, such section, subsection, clause, phrase, or word shall be deemed a separate, distinct and independent provision and such holding shall not negatively affect the validity of the remaining portions of this Agreement.

16. Applicable law. This Agreement shall be interpreted and enforced under the laws of the State of Nevada. Jurisdiction for all matters triable before a state court shall be in the First Judicial District Court of the State of Nevada.

17. Amendment. Tesla and the County agree to consider reasonable requests for amendments to this Agreement (including any of the Exhibits hereto) that may be made by any of the Parties hereto, provided the requests are consistent with this Agreement and would not substantially alter the basic business terms included herein. Only the Board is authorized to execute any amendments to this Agreement on behalf of the County. Any alteration, change or modification of or to this Agreement, in order to become effective, will be made in writing and in each instance signed on behalf of each Party. No purported oral amendment to this Agreement shall be valid.

18. Miscellaneous. Paragraph headings are for convenience only and do not effect, limit or modify the content of the provisions of this Agreement. Use of the masculine, feminine, or neuter shall not limit the application of any provision of this Agreement, but each such gender is deemed to include all other gender cases, just as the singular includes the plural, and the plural the singular.

19. Dispute Resolution. In the event that any dispute arises between the Parties for any reason under or arising out of this Agreement, the Parties shall promptly meet to discuss the dispute and work in good faith through fair dealing to seek a resolution. In the event that the dispute is not resolved within the earlier of (i) thirty days from the date of such meeting or (ii) sixty (60) days from the date of a Party's request for such meeting to discuss the dispute, the Parties will attempt to mediate the dispute using a professional mediator agreeable to both Parties with business representatives present for at least one session. In the event the dispute is not resolved through mediation, either Party may request to have the matter submitted to arbitration by giving written notice to the other Party to such effect. Immediately upon the giving of such notice, the Parties will attempt to select an arbitrator agreeable to both Parties. If the Parties agree upon an

arbitrator, the dispute shall be arbitrated and the proceedings shall be governed by the rules and regulations established by the arbitrator. The location of the arbitration shall be in the County unless otherwise agreed by the Parties, and shall be governed by the laws of the State of Nevada. All decisions by the arbitrator(s) so chosen shall be final and binding upon both Parties and may be enforced by either Party in a court of competent jurisdiction. To the extent possible, the Party found to be at fault shall pay the cost of any such mediation or arbitration. If the Parties cannot agree upon an arbitrator, the dispute shall be submitted to the First District Court of the State of Nevada. The procedures specified herein shall be the sole and exclusive procedures for the resolution of disputes between the Parties arising out of or relating to this Agreement; however, either Party may at any time seek a preliminary injunction or other preliminary judicial relief from the appropriate court or other jurisdictions as the circumstances require to prevent irreparable or immediate damage. Nothing contained herein, shall restrict either Party's right to seek monetary damages in addition to or independent of injunctive relief. Despite such action, the Parties will continue to participate in good faith in the procedures specified herein, which shall survive any termination of this Agreement.

20. Entire agreement. This Agreement is the entire Agreement of the Parties and supersedes all prior negotiations whether written or oral.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In witness whereof, the Parties have executed this Agreement the day and year first above written.

TESLA:

THE COUNTY

TESLA, INC.

STOREY COUNTY, NEVADA

By: _____

By: _____

Attest:

Attest:

Name

Jay Carmona, Chair
Board of Storey County Commissioners

ATTEST:

By: _____
Jim Hindle
Storey County Clerk-Treasurer

APPROVED AS TO FORM:

Anne Langer,
Storey County District Attorney

EXHIBIT A or B Draft

Governmental Services

In negotiation. Information to be provided on or before the 02/15/24 board/public workshop.

EXHIBIT A or B Draft

Road Improvements and Traffic Management

- a. In negotiations. Details will be provided on or before the 02/15/24 board/public workshop.

EXHIBIT B
Economic Diversification District No. 2
 (See Legal Descriptions in Storey County Code 3.50, Article III)

Exhibit C Cover Map Summary

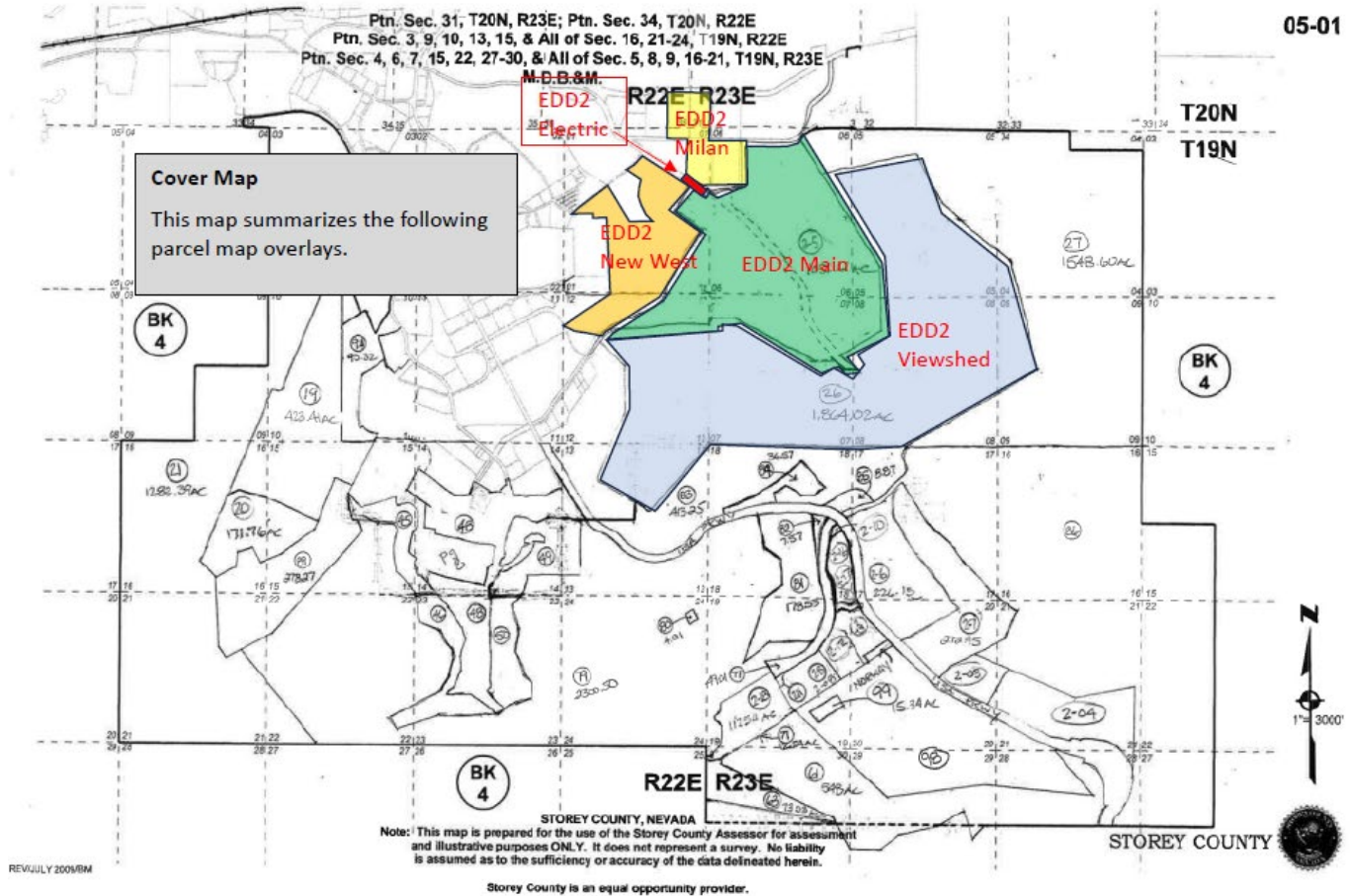


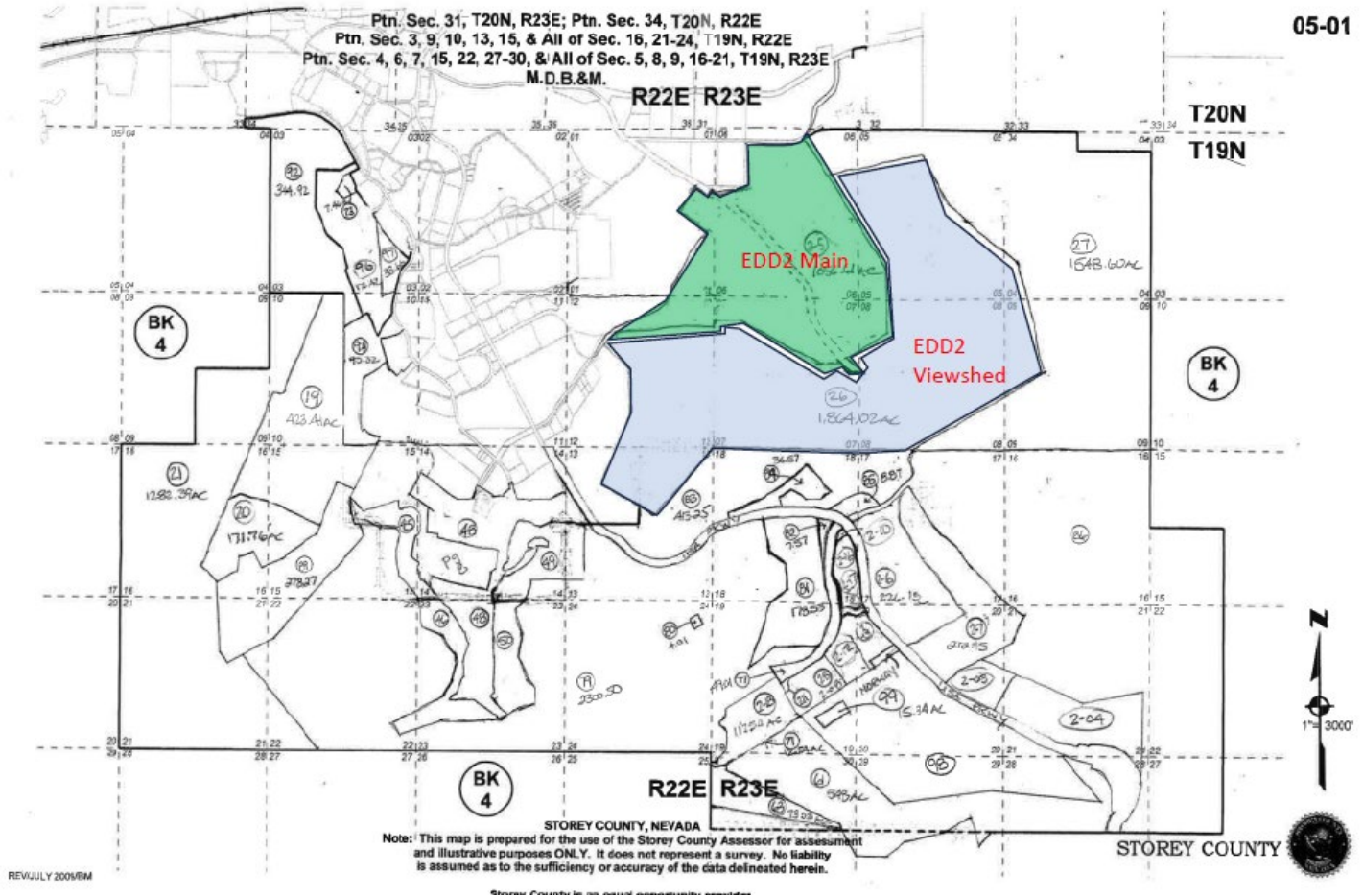
Exhibit B: District No. 2, EDD2 Main & EDD2 Viewshed

Exhibit B: District No. 2, EDD2 Milan & EDD2 Electric

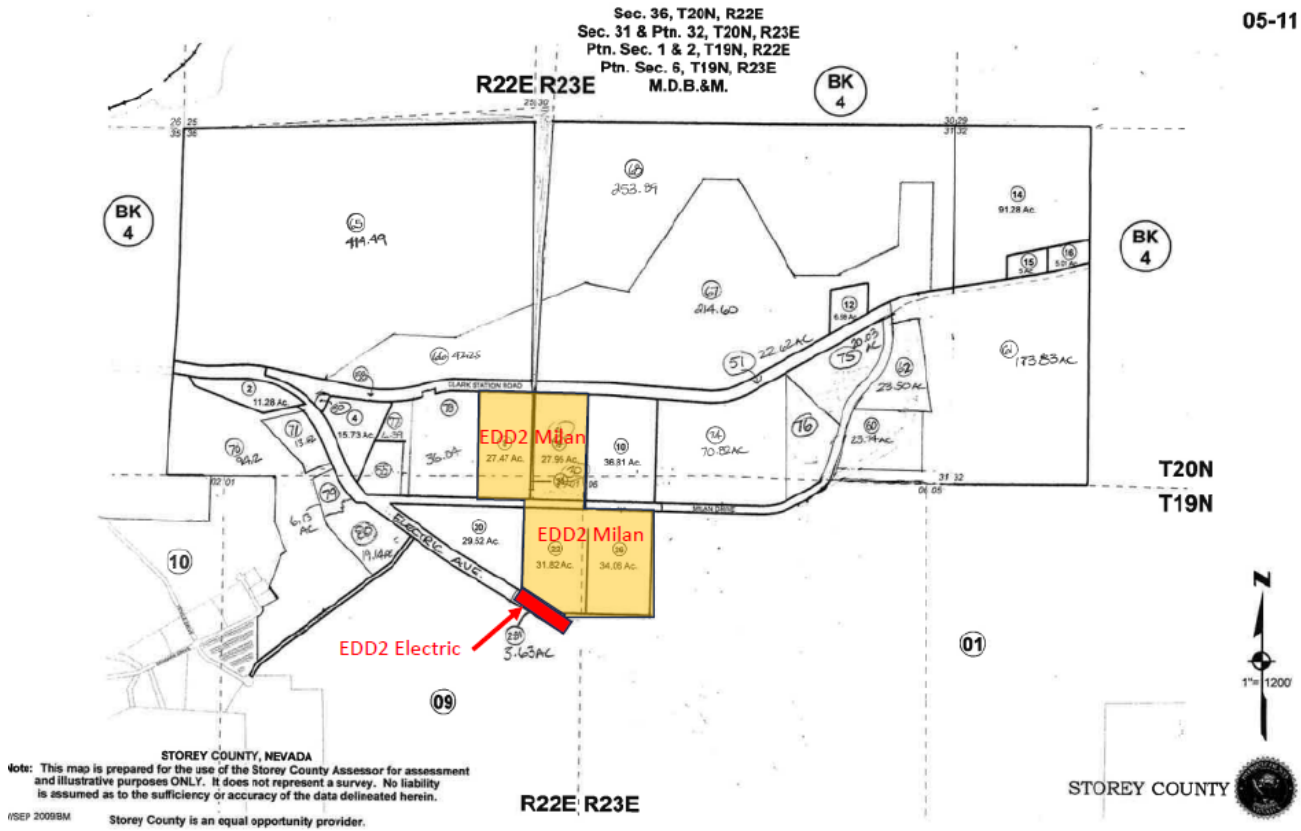


Exhibit B: District No. 2, EDD2 New West

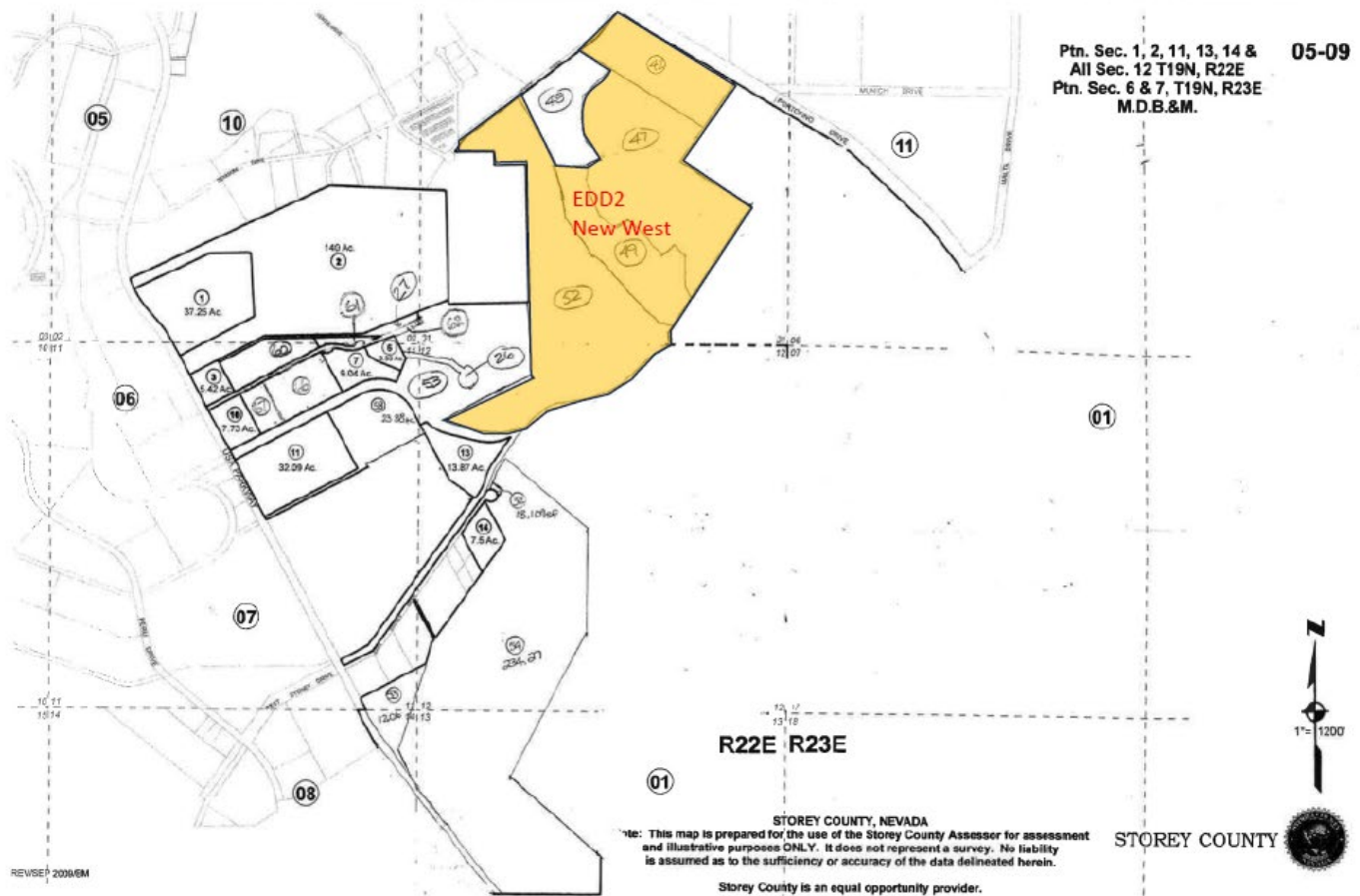


Exhibit B: Gigafactory 1, Not District No. 2 and Not Abated

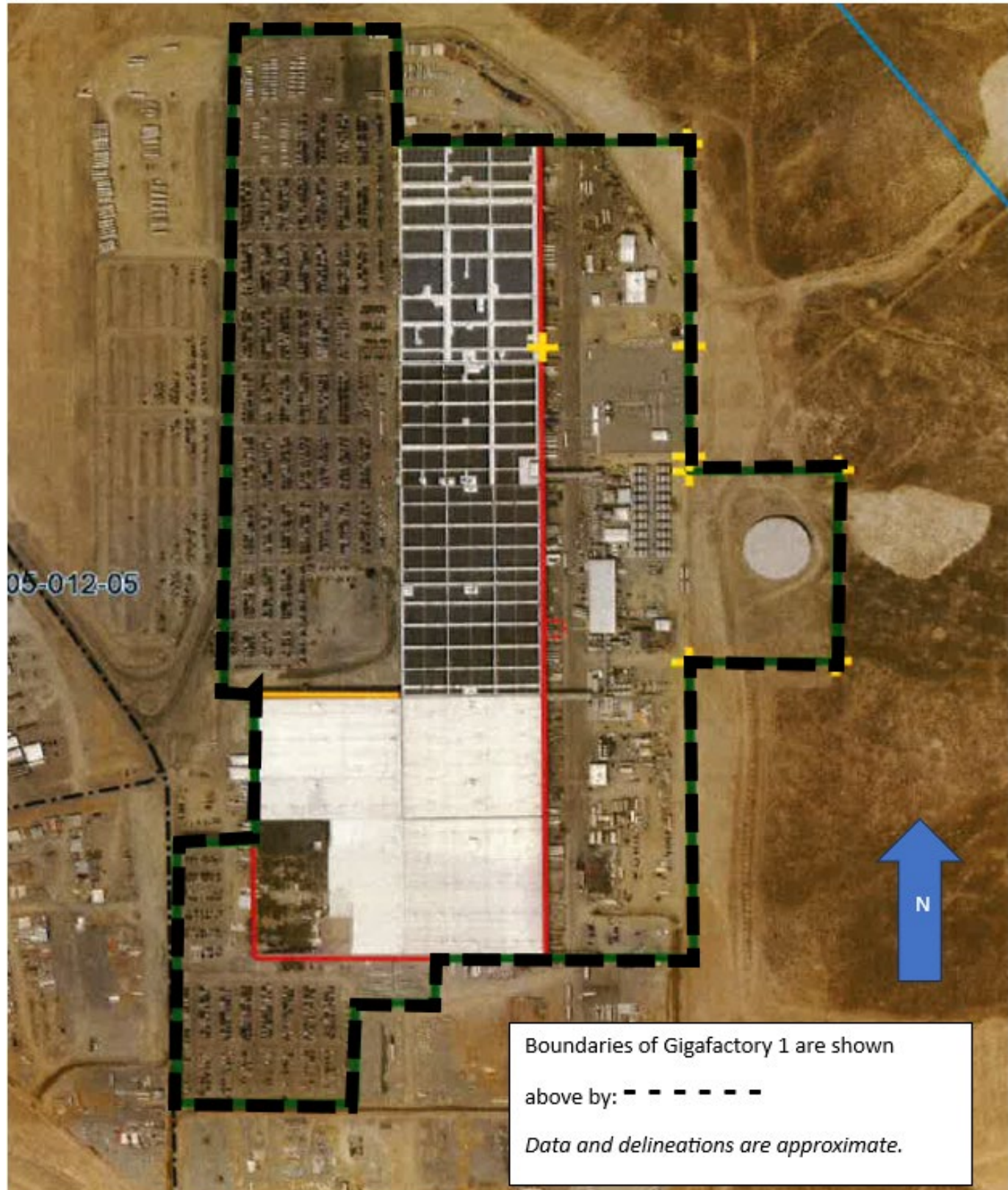


Exhibit B: Gigafactory 1 Exception: Giga First Floor Expansion Area & Giga Second Floor Expansion Area

((Draft subject to measurements and verification...))

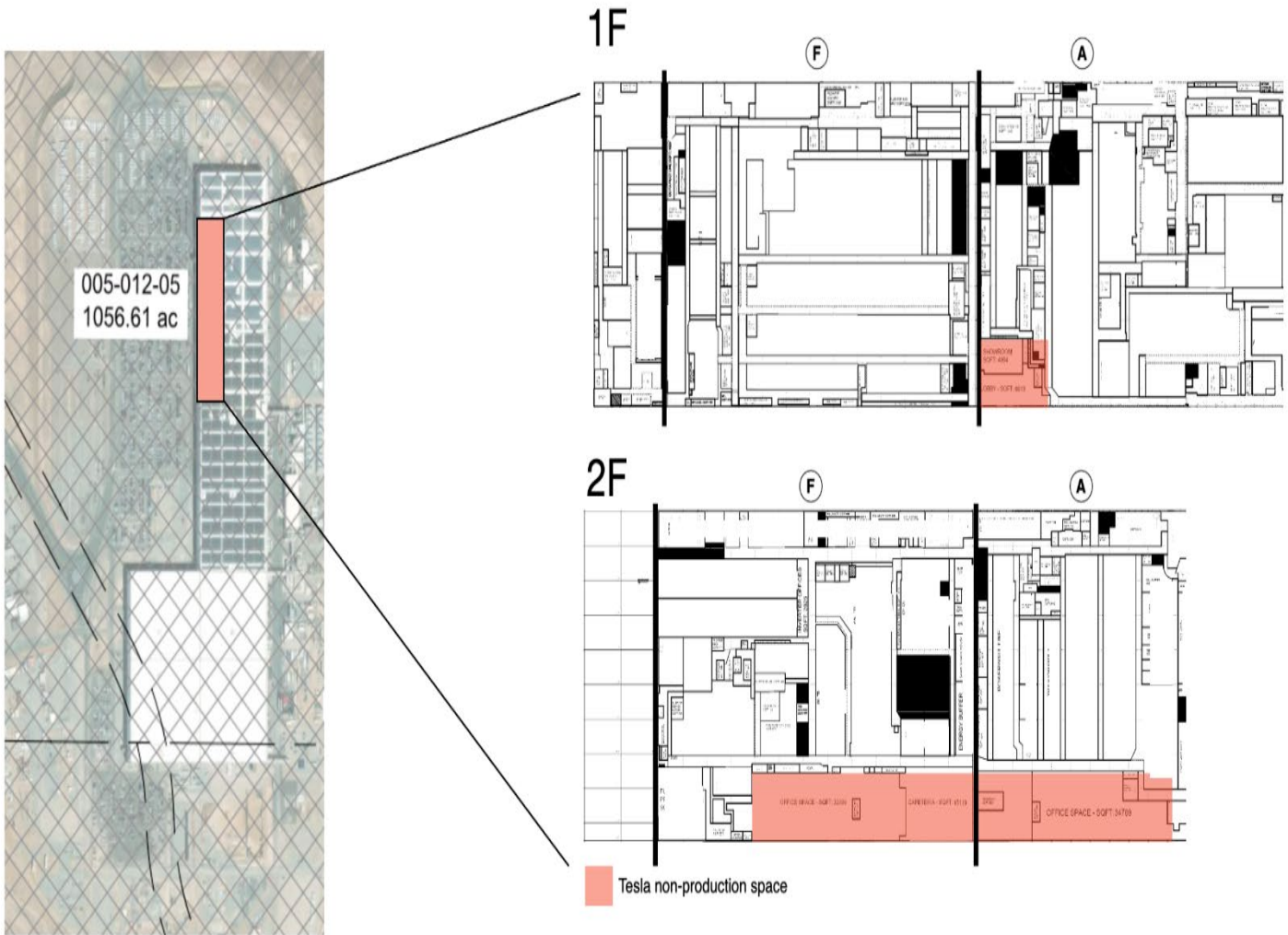


Exhibit B: Gigafactory 1 Exception, Equipment Expansion Area

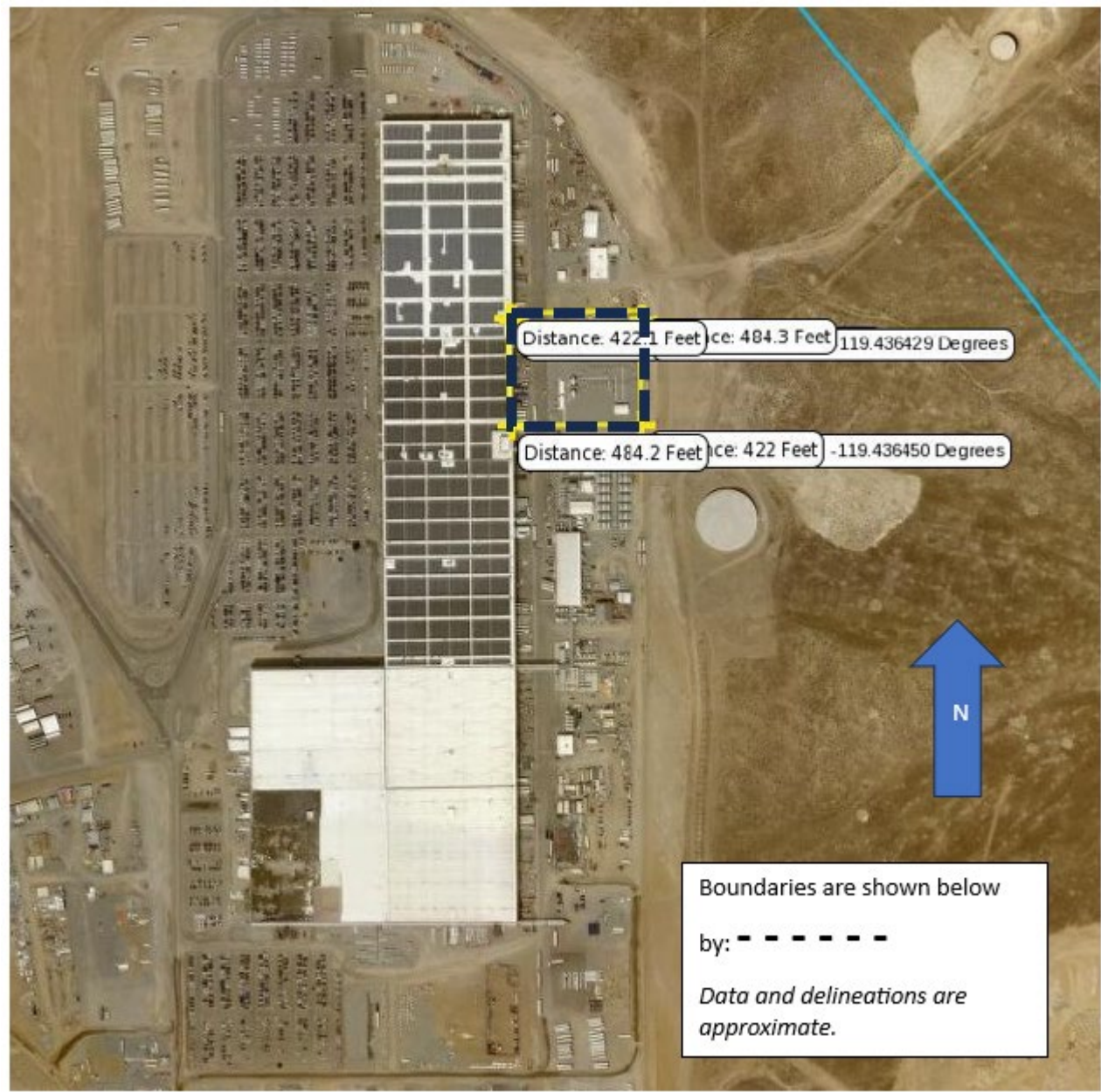


Exhibit B: Gigafactory 1 Exception, North Parking Lot Expansion Area & South Parking Expansion Area

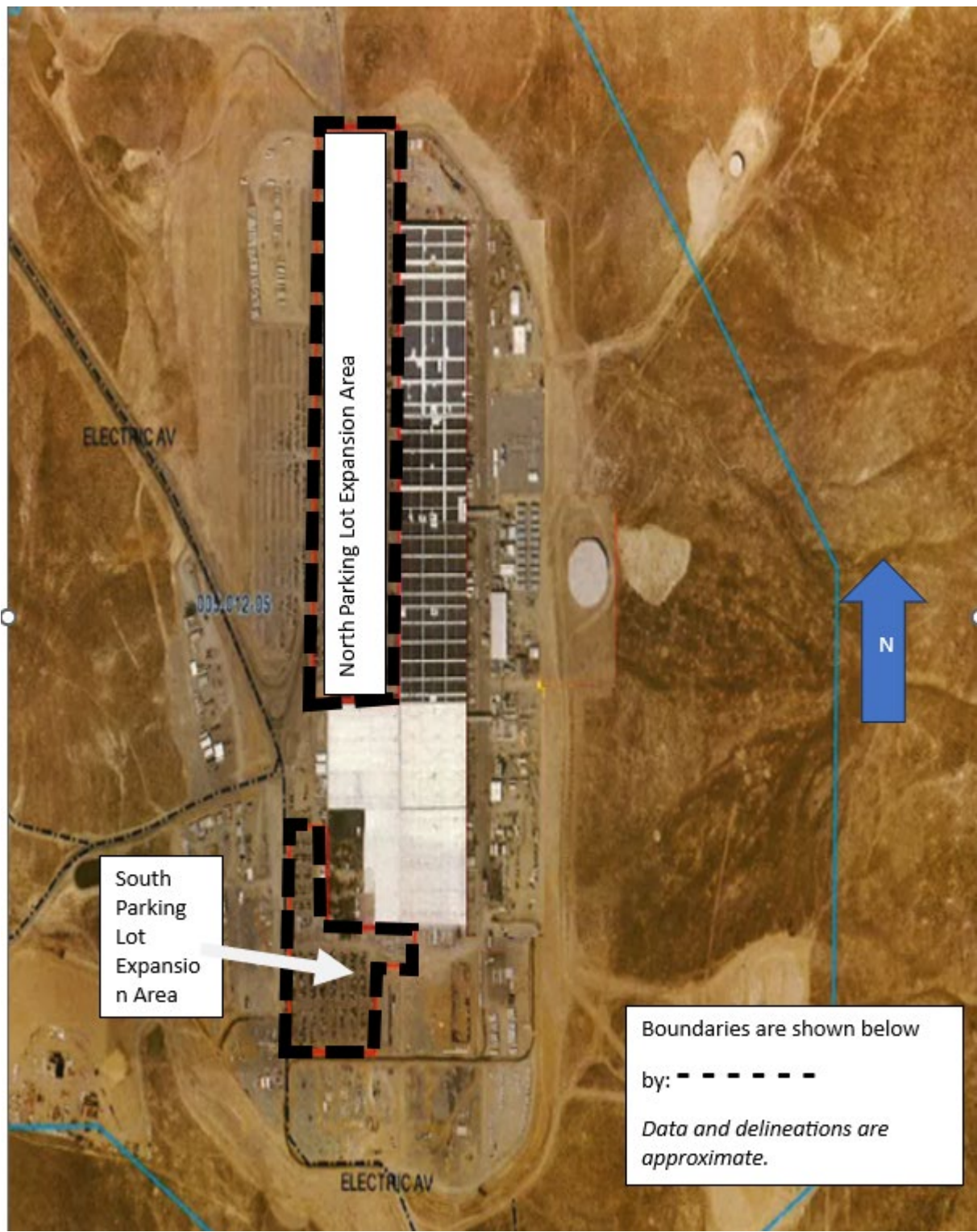


Exhibit B: Gigafactory 1 Exception: Test Area Expansion Area

