

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session  
February 10, 2005**

The Committee on Government Affairs was called to order at 8:09 a.m., on Thursday, February 10, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4401, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. David Parks, Chairman  
Ms. Peggy Pierce, Vice Chairman  
Mr. Kelvin Atkinson  
Mr. Chad Christensen  
Mr. Jerry D. Claborn  
Mr. Pete Goicoechea  
Mr. Tom Grady  
Mr. Joe Hardy  
Mrs. Marilyn Kirkpatrick  
Mr. Bob McCleary  
Mr. Harvey J. Munford  
Ms. Bonnie Parnell  
Mr. Scott Sibley

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Susan Scholley, Committee Policy Analyst

Nancy Haywood, Committee Attache

**OTHERS PRESENT:**

Dan Musgrove, Director, Intergovernmental Relations, Office of the  
County Manager, Clark County  
Thom Reilly, Ph.D., County Manager, Clark County  
George Stevens, Chief Financial Officer, Clark County  
Terri Barber, Director, Intergovernmental Relations, City of Henderson  
James B. Gibson, Mayor, City of Henderson  
Phil Speight, City Manager, City of Henderson  
Randy Robison, Legislative Advocate, representing the City of Mesquite  
David Bennett, Mayor Pro Tempore and Councilman, City of Mesquite  
Bryan Montgomery, City Manager, City of Mesquite  
Vicki Mayes, City Manager, City of Boulder City  
Robert Ferraro, Mayor, City of Boulder City

**Chairman Parks:**

[The meeting was called to order. Roll was called. and all members were present.]

The first presentation on our agenda is Clark County. We have Dan Musgrove and several witnesses in Las Vegas. Good morning.

**Dan Musgrove, Director, Intergovernmental Relations, Office of the County Manager, Clark County:**

[Introduced himself.] It is my pleasure to have been asked to appear before your Committee this morning. I want to apologize up front on behalf of the board chairman, County Commissioner Corey Reid. I was notified late last night that circumstances have changed and that he is unable to appear this morning.

We could easily talk about the incredible things that are happening in Clark County like the new Wynn resort, the fabulous neighborhoods being built like Southern Highlands and Rhodes Ranch.

We thought it somewhat crucial that this Committee understand some of the challenges that are facing Clark County and the uniqueness of the local government that provides regional services for, essentially, 1.7 million residents in Clark County, the 36 million visitors that come to our valley, and an 8,000-square mile area of Clark County that equals the size of New Jersey.

[Dan Musgrove, continued.] The honor of presenting most of the information this morning is given to our County Manager, Dr. Thom Reilly, who is at the table [teleconferenced from Las Vegas]. Thom is the appointed chief executive who is charged with carrying out the mandates and policies established by our seven-member Board of County Commissioners. As county manager, Thom is committed to judicial fiscal management of our more than \$4.4 billion budget, the 38 diverse departments in Clark County, including McCarran Airport and University Medical Center, as well as the 11,000 employees who serve Clark County residents. Also with him is our Chief Financial Officer George Stevens.

**Dr. Thom Reilly, County Manager, Clark County:**

[Dr. Thom Reilly introduced and referenced [Exhibit C](#), "Clark County: Presentation to the Assembly Government Affairs Committee" booklet throughout his testimony.]

Clark County is experiencing unprecedented growth over the last several decades. Since 1990, the county's population has grown by more than 120 percent, an increase of over 800,000 individuals. Every month approximately 5,000 new people claim the Las Vegas Valley as home, as detailed in the monthly Average Migration report [page 1] that is before you. If the current growth trend continues, the U. S. Census Bureau estimates there will be 2 million residents by the end of this decade. From 2000 to 2003, Clark County median housing income increased about 2 percent. Over the same time, the sales price for a new home jumped 29 percent, and resale homes jumped 38 percent.

The tax base is trained to provide the necessary services both for infrastructure and to rehabilitate or expand existing infrastructure. This valley's future poses some hefty challenges like how we pay for this growth and how we ensure that our neighborhoods offer the quality of life we expect while our communities continue to be a place where people have jobs, affordable homes, and plenty of parks and open space.

Clark County is unquestionably the most diverse unit of local government in the state of Nevada. In addition to providing the traditional mix of county regional services such as criminal justice and health and welfare, we are also responsible for providing municipal services such as public safety, public works, and parks for a population base that is larger than any incorporated city in the state. As you can see from the county-wide services list ([Exhibit B](#), page 4), Clark County really does have a wide range of programming, which includes provision of social services, family services, juvenile justice system, public offenders, district attorneys, and Clark County's only public hospital, the University Medical Center.

[Thom Reilly, continued.] Some of the questions you dealt with earlier included what the county rate [tax rate] was and where it goes. I think you can determine from the list of county-wide services and regional services that, regardless of where an individual lives within the 8,000 square miles of Clark County, they receive these services. Under our town services, municipal services, or city services, the tax rate that covers parks, justice courts, fire, cleaning, and public works, is very comparable to what other cities provide. Questions are asked: Does the county-wide rate go to parks? They don't. That's municipal service. We don't use the county-wide rate for our parks in our municipal or town services. In fact, the costs associated with these county-wide services have been growing more rapidly than the cost for buying our municipal services for an unincorporated town resident in unincorporated areas such as Paradise, Spring Valley, Whitney, Winchester, and the more traditional areas of our community.

As a result, this chart that is before you ([Exhibit B](#), page 5) illustrates for you that over the past few years our county revenues or our municipal services have been subsidizing the provision of county-wide services to city residents. That's because our growth for county-wide services, social services, family services, juvenile services, detention services, have been growing at such a high rate.

It is a misconception that the rapid growth in southern Nevada has resulted in a substantial windfall for local government. While it is true that the county revenue base has been growing significantly over the past decade, this revenue growth is entirely attributable to population growth and normal economic inflation. In fact, the county's real per capita revenues have actually declined slightly over the past ten years, as you can see from the chart before you ([Exhibit B](#), page 6) that traces back to FY1994.

Let's look at social services in Las Vegas. The social services cost of nursing home care, indigent medical care, funded by the county has nearly doubled in the past four years when the annual growth rate was nearly 25 percent. For the growth of the senior population of uninsured residents and the continued rapid inflation of health-care costs, this trend is likely to continue for the foreseeable future ([Exhibit B](#), page 7).

The demand on our medical systems has also greatly increased ([Exhibit B](#), page 8). Since FY1997/98, the demand for medical assistance services from our social services has increased over 44 percent. It is also worth mentioning, under this slide, that UMC [University Medical Center] carries the burden of providing medical assistance to those who cannot qualify for medical assistance through social services. As the county's only public hospital, we incurred

\$46.5 million in charity care cost in FY2001/02, and that rose to \$64.3 million in FY2003/04. Charity care costs includes individuals who are not indigent but are either uninsured or, more importantly, underinsured, with little ability to pay for their health-care needs.

[Thom Reilly, continued.] The chart before you ([Exhibit B](#), page 9) here shows the increase in financial assistance provided by Clark County. To the point, though, we talk about the turn-away rate for assistance. Some of our centers that offer social services, in some instances, turn away more individuals than they actually serve. For example, the average turn-away rate at Pinto Lane, which is our main campus, averaged 35 percent for the period from July through September, down from an average of about 50 percent in 2004. The satellite offices that are offered throughout our valley, including Henderson, experienced turn-away rates ranging from 24 percent to 60 percent during the first three months of 2004. To put that in perspective, individuals are coming for assistance who don't qualify for state and federal assistance. In some cases we are actually turning away more individuals than we are actually able to serve.

We will look at the Las Vegas Metropolitan Police Department, [LVMPD] Detention Center expenditures ([Exhibit B](#), page 10). Clark County wants to ensure that this Committee understands our commitment to Metro and public safety. We fully support, as did the voters of Clark County, the "More Cops" sales tax initiative. We think it will help protect our community and maintain our current quality of life. It is also important to realize that our contribution to Metro has increased significantly over time. We will look at some of these numbers. The chart shows that the county's allocations to detention centers have increased over 50 percent since FY2000. County revenue growth has only been half that amount. You can see that the majority of the increased percentage in the county's budget has been dedicated to this county's commitment to funding Metro and making sure our police have the necessary staffing to provide safety to our residents. Additionally it is important to note that when we increase staffing at Metro, it has a significant impact on the rest of the criminal justice system, our county clerk, the court system, the district attorney's office, and the public defender's office.

The percent of the county's general fund dedicated to capital expenditures has been steadily declining in recent years making it increasingly difficult to fund the capital that is necessary to service our growing population ([Exhibit B](#), page 11). While we are a young community, and this may not be as readily evident today as in years past, we look at some of the aging infrastructure. We can look at Sunset Park, for example, which is one of our older, more regional, more traditional parks. We can see that the inability of being able to keep up with

depreciation and/or capital costs will have a significant impact here in southern Nevada.

[Thom Reilly, continued.] A continuation of this trend will also result in deterioration of the county's fixed asset base due to the inability to fund normal depreciation projects. For us, the population growth has necessitated that much of the available capital dollars go to new development. As everything in Clark County continues to mature, there will be a greatly increased need to reinvest in the more mature areas and to address an increase in deferred maintenance.

Briefly we need to talk about two areas of county work, with our board's lead in the last couple of years, that most likely will be coming before you in this Committee, that being the Clark County Community Growth Task Force and the work that we did with our Citizens' Committee of Ethics.

The Growth Task Force ([Exhibit B](#), page 13) is an ambitious plan to deal holistically with the challenge of the growth. This initiative aims to improve the valley's quality of life while protecting the local economy, jobs, and the availability of affordable housing. As part of this initiative, the board creating the Community Growth Task Force has been charged with studying growth issues, seeking public input, and engaging the community in a frank discussion about what we want for Nevada, and what we want southern Nevada to look like in the future.

The 17-member appointed board has a mission to identify desirable growth strategies. They must also consider the impacts of any strategy they recommend including growth-related benefits and costs. Additionally, the task force must seek out our community's involvement and has held a well-attended open house and a series of focus groups in the community. It is important to note that the Task Force has been seeking and will continue to get input and feedback from the Southern Nevada Regional Planning Coalition and its member jurisdictions.

The work of the Task Force is focused on four core areas:

- Urban design
- Natural resource conservation
- Facility adequacy timing and training
- Coordinating and integrating processes, plans, and assignments

At this point in the process, the Task Force is right now considering impact analysis on the lighted strategy areas and will formulate their strategies for final recommendations. Recommendations are scheduled to be presented before the Board of County Commissioners this April.

In the area of urban design ([Exhibit B](#), page 14), the Task Force is focusing on issues of mixed use for urban villages, mass transit, infill development, redevelopment, and affordable housing.

[Thom Reilly, continued.] In the areas of natural resources ([Exhibit B](#), page 15), the Task Force has been focusing on air, transportation, land use planning, transportation linkages to reduce vehicle miles traveled, alternative fuels incentive programs, drought ordinances, homeowners' associations, artificial turf, and a multi-species acreage cap.

In the area of facility adequacy ([Exhibit B](#), page 16), the Task Force is focusing on the timing and infrastructure of services, improving fee programs to support capital improvement, expanding and encouraging joint mixed use of public facilities, increasing discretion within the current fiscal structure to develop unique solutions to unique problems, and aligning financial and human resources with priority and core programs and services.

In the area of coordination ([Exhibit B](#), page 17), the task force is focusing on working with state and federal governments, coordinating with various communities of interest, establishing community indicators, developing a partnership with UNLV [University of Nevada, Las Vegas] to explore the development of a sustainability institute, and exploring the role of the SNRPC [Southern Nevada Regional Planning Coalition] which gives increased visibility and areas of cooperation.

In the area of ethics ([Exhibit B](#), page 19), on November 18, 2003, the Clark County Board of County Commissioners endorsed a recommendation to the Citizens' Ethics Task Force to formally amend the ethics policy on January 6, 2004. A bill draft request will be brought forward in the 2005 Legislature with the series of changes in the state's ethics law that were proposed by the task force and endorsed by the Board.

Some of the proposed changes resulted from the correspondence with the Nevada Ethics Commission, while others were suggestions from the task force itself. The major changes include the following: First is to increase and request changes to the state's ethics law to allow the Nevada Ethics Commission to enforce the provisions of ethics guidelines adopted by cities and counties relating to elected officials and to pose sanctions provided for the law. The result was that the board saw no need to develop two different governing bodies since the [Nevada] Ethics Commission is already established. We are just asking that local governments establish more stringent rules governing

themselves and that the sanctions can be supported as provided by the [Nevada] Ethics Commission.

[Thom Reilly, continued.] The second request changes the state ethics law to make the current gift-reporting requirement applicable to candidates for public office only. It prohibits the acceptance by public officers of gifts of over \$50 unless it can be demonstrated that the gift was not offered because of the public officer's position. Additionally, it asks that public officers report all gifts received, no matter what the value, including information in the statement as to why he or she accepted any gift that exceeds the \$50 limit.

The BDR request ([Exhibit B](#), page 20) adds examples of the conflicts of interest and participation in matters by a public official who must abstain from voting due to a conflict of interest. For example, once they determined that they are abstaining, they will not participate in any discussion or deliberation with the public or the staff.

The BDR would also eliminate the definition of "willful violation" in the state's ethics law and replace it with a definition of "willful" and adding language concerning lack of coercion and ignorance of consequences of action.

These proposed changes are requested to allow the state's ethics law and the ethics guidelines adopted by Clark County Board of Commissioners to contain them. Other proposed policy changes in the state's ethics law that will affect public officials statewide, the Citizens' Ethics Task Force felt were in the best interest of the public.

**Assemblyman McCleary:**

Dr. Reilly, you had mentioned "indigent health care." I understand that there is a formula statewide for dividing indigent care funds. Is that correct?

**Thom Reilly:**

That is correct.

**Assemblyman McCleary:**

For the indigent care in Clark County, what percentage does UMC actually do? What percentage do they treat as opposed to the private hospitals in the area?

**George Stevens, Clark County Chief Financial Officer:**

We pay approximately \$40 million per year for indigent care. We pay the private hospitals somewhere around \$12 million a year for indigent care. The private hospitals are also responsible for doing a portion of their indigent care as



part of their "uncompensated care" requirement. I believe that is around \$5 million a year, so UMC is probably two-thirds, easily.

**Assemblyman McCleary:**

So the dollar figure, the \$40 million versus the \$12 million, is not in proportion to the actual patients treated. Correct?

**George Stevens:**

That I cannot answer.

**Chairman Parks:**

I think we can get that information from several people. Lobbyists who roam the halls can give you an hour's dissertation on how the disproportionate share is distributed.

**Dan Musgrove:**

What we wanted to leave you with was the uniqueness of Clark County and the fact that we do provide the municipal services that all the cities do for all the unincorporated Clark County residents. But then we also have the responsibility of those regional services for every Clark County resident, as well as for all the tourists who are coming in. We are dealing with air quality; we are dealing with transportation; we are dealing with the juvenile justice system, unlike any other county in the country that has that mix of both municipal and regional services. That's why we have faced great challenges, as does this Legislature, in charting our course for the future. We appreciate all of the help that our constituents as well as our elected officials give us.

**Chairman Parks:**

[Thanked Dr. Reilly and Mr. Stevens for their presentations on behalf of Clark County via teleconferencing from Las Vegas.]

I believe we have the City Manager from Henderson in the audience as well as Ms. Terri Barber in Carson City to talk to us about the City of Henderson.

**Terri B. Barber, Director, Intergovernmental Relations, City of Henderson:**

[Introduced herself.] I would like to first introduce our lobbying team here in Carson City. You will see our familiar faces: myself, Santana Garcia, Stephanie Garcia-Vause, and our contract lobbyist, Mr. Renny Ashelman.

We would like to share some of the successes and challenges that we have in the City of Henderson. I would like to introduce our Mayor, Mr. Jim Gibson, and our City Manager, Mr. Phil Speight.

**James Gibson, Mayor, City of Henderson:**

[Introduced himself.] As you probably know, we are home to more than 240,000 people and growing. We have experienced all kinds of challenges and a number of major successes over time that have established our reputation for the city, one that is difficult to maintain. We have some interesting and wonderful elements of the city that add value to life there that are important to us. Many of them are funded by voter-approved overrides. We have been recognized by *Sports Illustrated* as a "sports town" because of the facilities built and programs that are managed in the city. Our goal has been to have a park within a mile of each of the residents who live in the city. We aren't quite there, but we are approaching it rapidly.

We received the Gold Metal of Excellence in park rate and recreation administration, and that is really a tribute to the people who operate in city government and help us with the programs there as well as the volunteers from the city that serve on our advisory board.

We are the largest full service city in the state. We provide water and sewer in addition to police and fire in our city. We maintain the highest employee to resident ratio, something we work very hard at. From 6 people working in the city for every 1,000 people living in the city, we can see that we've been really economical in the way we've tried to spend and account for the resources entrusted to us. As we grow, we have grown with an eye towards keeping that ratio manageable, keeping it in the same range. We've made a conscious effort to control the size of the ratio.

We have one of the lowest city property tax rates at \$2.94, with precious little discretionary money in that. Although we are the second-largest city, we've made a conscious effort to do what we can to maintain a strong sense of community and to develop that in the minds of the people who move into the community. The parks and recreation facilities and other programs we have in the city are designed to help us accomplish that.

[Mayor Gibson, continued.] Our police and fire departments and ambulance services are all nationally accredited. We are the only municipality in southern Nevada to have accreditation for all of them.

We have a growing senior population. Today nearly one-third of the people who live in Henderson are 55 years old or older, and it has caused us to rethink the way that we deliver up some of the parks and recreation services. We have developed a wonderful multi-generation recreation center at our Liberty Point facility in Henderson. That allows us to provide facilities and programs for

seniors, as well as children, and everyone inbetween. It has been well received by the community and is well used.

[James Gibson, continued.] Recently we were made aware of the growing need for hospice in southern Nevada. A gentleman who suffered the tragic loss of his wife experienced first hand the problems that a family member must endure, when his family member falls ill and is unable to be provided hospice care. He proposed to us that we consider sponsoring the development of a project. We have had extended meetings with the community, with our federal delegation, and with Clark County officials. Through those efforts, with Clark County funds, the city's CVG [Circolo Vela Gargnano] funds, and a federal grant, we are well on our way to funding a 28,000 square-foot hospice that will include a 7,000-square-foot adult daycare center located near the Nevada State College campus. It will be operated under a contract with Nathan Adelson Hospice. There is also an additional advantage that we got. The nursing at the hospice will be supported by the nursing teaching program at Nevada State College, which will be next to it.

We have been very supportive of education over the years requiring that developers contribute land for schools if the development warrants it. We are home to a community college campus, the Nevada State College campus, and we secured the property from the federal government for that campus. We have very successful private schools including an osteopathic medical school that opened last year, a tremendously successful pharmacy school that graduates people who have passed their Pharmacy Board Exams at 98 percent and with a 100 percent placement rate with an average wage for each graduating class of \$80,000 to \$90,000 a year.

We are also experiencing some new things. We are about to see the beginning of the largest brownfield remediation project in the nation for residential use. The property lies adjacent to the BMI [Basic Management, Inc.] complex in Henderson that lies east of Boulder Highway. About 2,200 acres of land will be redeveloped over time. There was an announcement recently that Centex Homes had purchased the 2,200 acres I'm speaking of and will develop housing there along with other appropriate commercial development. We are excited to see the complete recovery of that land as it marks an important step in recovering from some of the vestiges of our past. We congratulate the companies moving in the direction they've been pioneering.

One of the things that has been important to us is to be able to provide public amenities in our communities, master planned communities, which is something we pioneered. Southern Nevada had allowed us to mitigate the costs of growth by requiring that growth pay for these kinds of things. The things I'm speaking

of are the park sites, in some cases turnkey parks, and, of course, the school sites and the rest of the infrastructure that we have brought into each of the master planned communities. People love to live in them. In fact, our challenge has been to help people understand that they don't just live in XYZ master planned community, they live in our city.

[James Gibson, continued.] We have seen, in the last year, the opening of one of the most popular and successful projects we've had—the mixed use development known as The District. The project lies to the east of the Green Valley Ranch Station. It has changed the way developers think about developing some of the high priced land in this valley. It has drawn interest from professionals in various disciplines from across the country. The 1,900 acres that was purchased at auction last year at more than a half billion dollars is going to see the first new urbanist project in the valley of considerable size. We are working very hard. One of the challenges we have is figuring out how we think about things in order to accommodate the line prices we are requiring of developers and of us as the government. We must approve their projects.

We have always felt that government must encourage and support business development and growth. Last year the city issued 4,000 new business licenses. Active licenses grew 8 percent with over 13,000 in 2004. We have a goal; I have had a goal since 1996 when we adopted the comprehensive plan for the city. That goal was that at least 24 percent of the residents who work would work in our city. Our 2004 citizens' survey showed that we surpassed that goal; 39 percent of our employed residents from Henderson now work in our city.

We have received high marks from our citizens in our surveys, but they expect an awful lot of us. With the challenges we all face right now, we are very concerned that we be able to do what we can to sustain the very fine quality of life and keep our standards.

I would like to make just a brief comment on two measures that you will be working on in your Committee. The Henderson District Public Library bill is the first. That district is a county library district, therefore the boundaries are larger than the city in some cases and exclude other areas that are within the city and that would come into the city for annexation. The bill would make the boundaries coterminous. At this point the only opposition that we are aware of concerns a single branch, the Green Valley branch that lies at Sunset Road and Green Valley Parkway. We are meeting, as I understand it, in the next couple of days to see if something can be worked out with respect to that branch. We expect, by the time this matter is heard, we will have made every effort to resolve our differences. Hopefully we will have done so.

[James Gibson, continued.] The urban consortium's LID [local improvement district] bill that makes long-needed technical changes to the local improvement district, NRS [*Nevada Revised Statutes*] Chapter 271 will also be heard by you. The discussion will be led by our representatives, Myron Leavitt and John Swenside, who will introduce the elements of the bill and answer technical questions. We have worked with the other large cities in the state on this bill.

I would like to introduce Phil Speight, our City Manager, who has other comments to make to you.

**Phil Speight, City Manager, City of Henderson:**

[Introduced himself.] I would like to take a few moments, if I could, and just tell you about a couple of programs as well as projects that we have going in our community that we are, frankly, very proud of.

The first is a development of a services center, which is a one-stop shop for all of our development individuals who come in and get their plans checked and get their developments going. It is the first time we have ever entered into a cooperative agreement with the development industry on a pay-as-you-go basis. We actually spent quite a bit of time developing a case for how each of the projects and programs would go through the development services center, and we're able to convince the development community that, by us raising our fees and by us putting a number of people on board, we would be able to get those projects through the system a lot faster.

For the development community, obviously, time is money. The longer it takes for us to process their developments, the more it costs them. On the one hand there was an increase of fees; on the other hand it was a dedication by us and promised by us that we would be able to get their programs and projects through quicker. I am happy to say that, since the program has been in place, we have had an opportunity to review 1,460 projects and accept those. We have now reached a 99.9 percent success rate of getting those projects through our system in the amount of time that we promised the development community we would. They realize that this increase in fees is now going to absolutely produce something for them, there will be a quicker turnaround and the projects will be moving a lot faster on their projects themselves.

The other one is that the City of Henderson has been reexamined and has been given a new bonding rating by the Standard and Poor's and Moody's [independent credit rating agencies]. This city is the only city in the state of Nevada that has a bond rating equal to that of the state and the county of Clark. The Standard and Poor's raised ours from an AA- rating to AA, and

Moody's was raised from AA3 to AA2. I think that what this does, obviously, is to provide our residents an opportunity to, any time we bond, pay a lower rate, which then allows us to put more projects together. I think it is also evidence that the stability of the organization and the professionalism of the finance group that works on these issues has also been recognized by these two rating agencies.

[Phil Speight, continued.] Just briefly, a couple of things are happening as far as our commercial projects are concerned. We have a number of large commercial projects that are currently ongoing. We are also in the process of working with the federal government on dealing with a large commercial as well as industrial piece of property south of the Henderson Executive Airport in an effort to safeguard that airport from infringing on the pieces of property that people usually like to buy. Once an airport is fully operational, people buy residential property close to that airport and then start complaining about the airport. We're endeavoring to make sure that never happens and doesn't have any impact on the Henderson Executive Airport by working with the federal government and BLM [Bureau of Land Management], to hopefully have the opportunity to keep that a commercial and industrial area exclusively.

We have also worked very hard in cooperation with the State in the development of the Nevada State College. Their enrollment rates continue to rise, and they continue to see opportunities that exist for us. They are using a lot of different locations, but we are seeing that the Nevada State College is going to be successful. With the establishment of the Nathan Adelson Hospice, we are looking forward to having a cooperative program there with the nursing program.

There are a lot of new transportation projects going in. Nevada Department of Transportation [NDOT] is heavily involved with us as well as the RTC [Regional Transportation Commission] and the City of Henderson. One day soon you will be able to go from the Fiesta Casino all the way to the McCarran Airport without having to go through any stoplights. We are seeing a widening of Interstate 215 from Pecos to Stephanie, a new interchange at Auto Show Drive, and a new interchange at the Galleria. Those improvements will be able to move traffic a lot quicker through our community.

In the area of redevelopment, which is extremely important to us, we have three districts currently established here in the city. One is the Cornerstone District, which is a large commercial establishment at the corner of Stephanie and Interstate 215; Tuscany, which is a residential development on the east side of our community, which will eventually have 2,200 units; and then, downtown, which is currently seeing a growth in commercial development as well as

residential development. We are going to be seeing some loss in condominiums being built in the downtown area as well as a number of retail and office projects currently going in.

[Phil Speight, continued.] We have a number of challenges ahead for us, as the mayor indicated earlier. We are going to be, in some cases, facing those challenges along with you and the Nevada State Legislature.

**Chairman Parks:**

Mayor Gibson, you indicated that you have a tax rate of \$2.94, which is, I believe, the same rate that Clark County has. I was curious if it was intentional to maintain your rate consistent with other governmental entities.

**Phil Speight:**

The city's rate that we have as a discretionary rate is currently our operating rate, which is approximately 14.5 cents. That's really the only rate that the Mayor and City Council have an ability to move against the assessed value. That rate has essentially stayed the same since 2000. It may be, and must be, in fact, just a coincidence that the two rates are identical. It has not been through any manipulation of any kind, I can assure you. We have two other rates in our community. One is approximately 3 cents, if I am not mistaken, which is for police officers and was a voter-approved tax override in 1989. The other one is approximately 30 cents, I believe, and that was also a voter override for parks and recreation projects.

**Chairman Parks:**

I think back to years ago when I tried to ably serve under Marvin Leavitt as his budget person in the Finance Department for the City of Las Vegas. I always remember going to the mayor and council and being cautioned that whatever you do, do not let the city rate exceed the county rate by more than one cent. That was the general message that I got. I was wondering if that type of admonition still holds.

**Assemblyman Sibley:**

I represent Sun City Anthem and Sun City McDonald Ranch. I am sure you are aware of the emails, many of which I have gotten. Many of them are claiming that the City of Henderson has a large surplus of money. Is this true that there is a large amount of money that is there?

**James Gibson:**

No, there is no surplus of money. If you look at our summary of accounts, what you find is that there are budget monies that are fully accounted for and our budget is filed with the state and published. We would never be in a

position to preserve excess funds that we just grapple away. There are funds that have debt-service commitments attached to them. These are enterprise funds that we have under our control. But those funds are not available to us to use for any purpose other than the obligations we have under bond and venture agreements and other obligations.

**Phil Speight:**

When you look at the page ([Exhibit B](#)) on budgeting, you will see \$150 million in a particular account. That account is usually restricted or may have come from another agency. For example, the RTC sends money under Question 10 dollars, and that has to be spent on particular projects and in a certain amount of time and cannot be spent for anything else. In addition, the city is currently going through its budget process, and I can tell you for sure that the city budget committee will take to the city council approximately \$10 million worth of projects and new services. Of the \$185 million budget, the city council only has discretion to spend about \$2 million a year. The rest of it is all earmarked or previously spoken for.

**Chairman Parks:**

I have one last question. It comes to mind from the *Review-Journal's* article in this morning's paper [*Las Vegas Review-Journal*] regarding property tax relief. My question is, since you have numerous new developments, Sun Hills, Anthem, and I'm certain you are planning further ones, what are you hearing about the city level related to the property tax issue?

**James Gibson:**

The message from the voters in Henderson is similar to that in other places. They recognize that there is a certain quality of life that they want to maintain, and they are conflicted because their individual property tax bills have been escalating, as you might know. We have experienced some of the largest increases in the City of Henderson when compared to other places in the valley and the state. There is a concern everywhere about the rise in property taxes.

We have been looking at this issue for some months now just as you have done, and we're anxious to be part of the discussion and the debate. We are, of course, concerned that we get some relief where it is needed for our citizens, and, at the same time, we don't want to do anything that would be so debilitating that it would alter the capacity the city has to meet the needs of the city. That's the quandary we all face. It is no different for you than it is for us. We feel ourselves to be a full partner with you in the discussion and debate. One thing that bears saying—Mr. Speight says we have 14.5 cents; that is about 5 percent of the total tax bill of the residents of our city that we have any



influence over. It is obvious that we are all going to have to be at the table because we could never solve this problem ourselves.

**Assemblyman McCleary:**

With the rise in residential rates, residential property right now, are you or the city council getting a lot of pressure on moving commercial real estate into residential? If so, is there going to be a revision in your master plan because of this?

**James Gibson:**

We have had enormous pressure on us to change the land use from anything to residential, simply because the residential property available is in short supply. We have held the line in most cases. We have recognized that unless we're able to sustain growth in the business sector, it won't do us much good to have houses. Some of the development on the business side has lagged behind the demand for residential housing. But we don't have any plans to make wholesale changes to our Master Plan to accommodate the increases in the residential properties simply for that reason. We know we must accommodate business growth.

**Chairman Parks:**

[Mr. Parks thanks Mr. Speight and Mayor Gibson for their presentation.]

Here in Carson City we have Randy Robison. I will turn it over to you to make the introductions.

**Randy Robison, Legislative Advocate, representing the City of Mesquite:**

[Introduced himself.] In Las Vegas we have Councilman David Bennett, who also is our Mayor Pro Tempore, as well as City Manager Bryan Montgomery. Committee staff are distributing a brief presentation ([Exhibit C](#)) that the two gentlemen in Las Vegas will walk through with you. This is an overview of the city, current state of the city, and some new data.

**David Bennett, Councilman, Mayor ProTempore, City of Mesquite:**

[Introduced himself.] With me today is the City Manager Bryan Montgomery. Our mayor, Bill Nichols, is unable to attend here with us today.

We will share with you a brief overview of the City of Mesquite.

As you may or may not know, the City of Mesquite has come a long way since its incorporation in 1984. We continue to grow rapidly. If you will flip over to page 2 ([Exhibit C](#)) with me you will see graphically the tremendous growth that has taken place in the past 20 years or so. Actually these graphs are from

1990, so it is actually the last 14 years. If Dr. Hardy is still there, no offense is intended, we have passed Boulder City in size. In fact, our projections do show that Mesquite, if you turn to the next page, over the course of the next five or six years, will become one of the larger cities in the state of Nevada.

[David Bennett, continued.] Turn to [Exhibit C](#), page 4 with me as well. We will go over a few of the recent highlights that have taken place in the City of Mesquite. We just completed the Mesa View Regional Hospital. It is a \$32 million facility, which was just completed and opened in June or July of this last year.

We have adopted, recently, our five-year strategic plan. Last year we purchased 7,700 acres of BLM property, and, with that, we salvaged a 600-acre Commerce and Technology Center. We do have a contract with various tenants there already, not the least of which is the Do It Best Corporation. They are constructing right now a 750,000-square-foot distribution center that will be the main cornerstone of our Technology and Commerce Center. We do have to say we appreciate very much the help of the state's Economic Commission [Nevada Commission on Economic Development] and the Nevada Development Authority in assisting with recruiting tenants there and as well for their help in getting the Technology Center off the ground for us.

Another item on our list is the development and construction of an additional 27 holes of golf. Being the resort destination that we are, golf courses are at peak demand, especially at this time of year.

Mesquite has also seen recently that we are getting to the size where there are various retail opportunities. We have recently approved over 400,000 square feet of retail shopping in one shopping center there. We are looking into Wal-Mart, and other retail opportunities will soon open.

The next slide shows some of the rapid growth in building permits in the last two or three years. You can see how those building permits have grown and how the total valuations have grown as well. This is a nice way for us to get to [Exhibit C](#), page 6, which is addressing the major challenge that we face in the City of Mesquite: Addressing all of our land use issues and the financial strain of rapid growth of the city in services.

With this I'll turn the time over to our City Manager Bryan Montgomery, after which we will be happy to address any questions you have.

**Bryan H. Montgomery, City Manager, City of Mesquite:**

I've had the pleasure of serving as the city manager in Mesquite for more than six years now. It has been amazing to see the growth, the development, the improvement of what was a very small farming community to what it is today, a destination resort and a great place to live.

Turning to the packet that we did provide to you, on page 7 ([Exhibit C](#)), I wanted to review just the current projects that may be of interest to the Committee. A project with the Nevada Department of Transportation [NDOT] is a new overpass at the center of the community, an overpass over Interstate 15.

We are working on a very unique win-win project with the Community College of Southern Nevada [CCSN], utilizing a small grant received from the last session and the city building that the city acquired from the school district. A new large Mesquite campus for CCSN is being developed as we speak.

Mesquite Boulevard, formerly a state highway, has now been taken over by the city, at the request and desire of NDOT and the community, again another win-win situation. We are in the process of pouring a pavement overlay as well as median and landscaping improvements in those medians. In your next visit to Mesquite over the next few months, you will see a dramatic difference in our downtown area because of what we are doing to Mesquite Boulevard, which is essentially our main street.

We have a very small airport at the current time. We are working with the FAA [Federal Aviation Administration] as well as the Clark County Department of Aviation in setting up or relocating or replacing the airport out on the Mormon Mesa. It is about ten miles south of town towards Las Vegas. The location has been approved by the FAA, and we are just going on the final environmental studies for that project.

We are also working with NDOT on interchange beautification as well as two new interchanges to handle the dramatic growth that we've experienced. Those interchanges are also found in the federal highway bill that is still under discussion back in Washington, D.C.

We are working on a very unique and innovative business incubator program. We are working in regard to Mesquite Boulevard and our redevelopment agency for downtown redevelopment. Mesquite grew so fast that we have never had a downtown, and we are striving to create an environment and destination that we will all be proud of.

[Bryan Montgomery, continued.] We are also working on a comprehensive citywide trail system and a very unique project using our waste water to irrigate all of the golf courses and other parks in town, and the Army Corps is assisting us in setting up some detention areas to further enhance that reuse of the waste water. I will speak more in a minute regarding the flooding issues that we experienced some weeks back, but one of the current projects is working on the Virgin River Flood Control trying to manage and better control what's going on there.

I did want to touch on the next slide on the next page, ([Exhibit C](#)), page 8, just on a few legislative issues that we'll be watching. We are also very capably served by Mr. Robison who is with you this morning. I appreciate his assistance. For all local governments and school districts is this issue of the property tax cap, certainly our great concern, and I'm sure you're receiving great pressure to address the issue. I also know of several proposals that will be presented to you. As the mayor of Henderson stated, we certainly want to be a player in discussing those proposals with you. We know that any sort of cap will harm our revenue source to some degree. Just to remind you, the property tax is one of the very few locally controlled revenue sources for cities. It may sound easier said than done, but one would encourage the Legislature, should residents have concerns over those property tax issues, they should be directed back to us, as the local entities, to address those. Some entities may be able to address the issue by reducing property tax rates or have some other ideas that could be considered. It may be, because it is locally controlled revenue, best administered and directed and resolved on a case-by-case basis by each community.

The consolidated tax is actually the largest source of revenue for the city. Back in 1997, we, along with many other cities, were severely damaged by some changes under the tax formula. Those changes, since 1997, cost us over \$10 million. That's very significant for a community our size. However, recent changes to the formula, mostly conducted in the last couple of sessions, have brought the pendulum back to what we believe is a more proper balance and a fair formula. We believe the Legislature needs to continue to give time for this formula to work. We would encourage that no changes be made to the consolidated tax formula during this session.

The city will be seeking a more reasonable way to fund a very important enhanced E-911 [Emergency-911] public safety dispatch system. The current statute significantly disadvantages smaller cities such as Mesquite, especially cities that are served by small telephone companies. We have proposed legislation to address that very issue.

[Bryan Montgomery, continued.] We also share a seat with our good friends from Boulder City on the Las Vegas Convention and Visitors Authority Board. We switch off every two years. We feel that it is time, very long overdue, that Mesquite have its very own full-time seat, and we'll be seeking legislation, working in concert with our friends from Boulder City, to attain that seat for the City of Mesquite.

As a growing city, we will be watching any legislation that relates to growth. These issues affect us in such a dramatic way. I will ask and, perhaps, make a plea as a city manager, that those zoning issues be left to local communities and not set forth by the Legislature. I very respectfully make that request.

Some of you may have heard of the significant flooding that took place in Mesquite over the last few weeks. The Virgin River swelled to more than 10 to 15 times its normal size and affected some 80 homes. If you will turn to page 10 ([Exhibit C](#)), you will see just one dramatic example of one subdivision that was hit. About 80 homes were affected. This photo shows the water that has receded about two feet. The next one on page 11 ([Exhibit C](#)) is a neighbor to that home. This is the kitchen. I wish all could see this; it is dramatic. Again, the water had receded by two to three feet by the time this photo was taken. Unfortunately many of these residents were outside of the flood plain as designated by FEMA [Federal Emergency Management Agency]. They did not have flood insurance. Many of them were retirees that had put most of their savings into their homes, and they were completely devastated.

**David Bennett:**

Some of the stories here of retirees, homeowners, putting their entire life savings into these homes and then having no recourse, no insurance whatsoever, living on a fixed income is pretty tragic.

**Bryan Montgomery:**

We had the mayor, the city council, myself, and many others sandbagging and doing the things you do in the event of an emergency, but the tragedy is really after the fact when you see what was done to these homes. The photos on page 12 ([Exhibit C](#)) are dramatic as well. It shows, at the very bottom of that photo, what used to be the width of the river to the bottom of the page where it swelled. You see a broken sewer main. This is one of the major sewer mains in Mesquite that was severed. The sewer, which runs to the Virgin River and eventually to Lake Mead, was bypassed within one day.

There was damage to the city's trail system, and there is a brand-new middle school that was threatened by water and continues to be threatened. This shows more of the drama as does the next page, page 13 ([Exhibit C](#)), showing

where the original location of the river was and then a few days after the flood. You can see how wide it got and the homes that were affected.

[Bryan Montgomery continued.] The very last page is a subdivision map that shows those homes that were affected in such a dramatic way. The cost to public infrastructure and private infrastructure is into the millions. We have not heard yet from FEMA whether or not we will receive the disaster declaration.

Again, we make a very respectful plea, as the Legislature considers the surplus that appears to be available, that this damage and significant cost to public and private infrastructure be considered for a small community such as ours to deal with the expense, the millions of dollars to repair what has been done.

**David Bennett:**

You can see, based on a lot of our slides, there are exciting times for the City of Mesquite. Our economy and our population continues to grow. As a city, a community, we work very, very hard to continue to provide the services that our citizens need and demand. We try to do that in the model that we had down in the City of Mesquite in a polite, respectful, and professional manner.

We are proud to represent Mesquite. It is one of the fastest growing cities in America. It has been that way for the last decade or so, and we will continue to work hard to meet our citizens' needs.

Bryan Montgomery and I are happy to address any questions you may have.

**Assemblyman Grady:**

I noticed in the paper that Lincoln County just sold about 13,000 acres bordering your city. Your mayor has some concerns with that. Would you touch on some of those concerns and what the city tried to purchase, what piece of that property and were not successful? Can you just touch on that for a moment?

**David Bennett:**

Our interest, just briefly, in the one parcel of property was to preserve part of the Flat Top Mesa area that extends over into Lincoln County. As you can see if you looked at the price tag on that, we were obviously way out of the bidding rather quickly. We are concerned from the standpoint that, geographically, the location of this property is within a few miles of Mesquite City Hall.

Relative to the rest of the population centers of Lincoln County, it is approximately a 2½ hour drive from Pioche, Panaca, and Caliente. As this area might grow immediately north of Mesquite, in Lincoln County, it is a concern to

us regarding services and so forth. Police, fire, issues of zoning, building inspections, and those kinds of things—who is going to handle those services? We are a little up in the air at this point. We are concerned and rightfully so. We believe that if the county's commissioners were here, they would probably say some of the same things. They might be somewhat concerned about how exactly this is going to go; 13,000 acres is a lot of land.

**Assemblyman Christensen:**

To both of you down there in Las Vegas, thanks for your presentation. My question is for Councilman Bennett. You mentioned your growing economy, which is amazing to see what is going on. Congratulations to all of you. Our city is a resort destination, hotels, golf courses, and other entertainment helps the economy. You mentioned the Nevada Development Authority and your dealing with them. After the resort and entertainment side of the economy, what would you say is your secondary economic goal? What kinds of industries are you looking for down there?

**Councilman Bennett:**

The second one, after our entertainment and tourist industry, is probably the construction industry. We're building homes at a very, very rapid pace as well as businesses. The construction industry is far ahead of the other industries. The other industries that we do have include Primex Plastics, which employs 150 or so employees, the school district, and some county employees.

**Assemblyman Christensen:**

Being so close to the Utah border, do you see many Utah companies coming down to operate in Nevada outside of construction or entertainment? You mentioned the plastics company. Are there any others that are interested in coming there?

**Councilman Bennett:**

We have seen some interest. The Do It Best Corporation distribution center is located just down the road from a Wal-Mart distribution center. As such, there are some companies now that see we have a viable industrial park. I think we are becoming a lot more viable for companies looking to relocate in the southern Utah or southern Nevada areas. We are much more viable now with that park underway and under construction right now. As an option, Nevada obviously is a friendly environment and place for businesses to relocate—tax-wise, inventory tax-wise; we are probably all pretty aware of those advantages. Yes, we are seeing a lot of interest at this point in time. As we complete our infrastructure in the industrial park, we expect that interest to grow as well.

**Assemblyman Christensen:**

Do you hope that the airport, once active, will help you do more? Obviously you are a huge transportation corridor. Is part of the idea behind the airport to facilitate that? Did that play a role? When do you expect that would be completed?

**Councilman Bennett:**

If we knew what the FAA's [Federal Aviation Authority] timetable was exactly, we would love to be able to tell you a more exact date. I know that our environmental studies should be done, for the most part, this year. We're hoping for 2006 to be done with that. Then we can begin planning and actual work on the airport. Hopefully, early 2007, we are in a new location with at least transferring what we have now out to the new airport site.

As far as our hopes, we've got approximately 2,500 acres out there in and around the airport. There's plenty of room out there for us to invite industrial cargo uses and so forth. That side of the airport is only about a 45-minute to 50-minute drive along Interstate 15, and you are down into North Las Vegas and the North Las Vegas area.

We do have some hopes that it will take some strain off of McCarran [International Airport], and provide some industrial cargo shipping opportunities there. The people might take advantage and use our airport and then truck things into the Las Vegas area as well.

**Assemblyman Hardy:**

I appreciate my "Mesquitonians" coming up and testifying. I appreciate everything you do for those constituents down there. I had a unique opportunity to go down to see the flood zone so, while Mayor Nichols is not around to defend himself, I think it only fair to tell part of that story. I went over to Mesquite with the intent of surveying the place, and the mayor took me out of my little car, put me in a fire truck, and drove me around the town.

We had an interesting tour going, almost house-to-house and road-to-road, seeing the people helping out, to help other people who are in flood plains who weren't before. The good ear, nose, and throat doctor was literally up to his knees in mud and dirt. I shook his elbow because I couldn't shake all that mud off his hand first. We have a wonderful group of people out helping each other in the neighborhoods. It was a heart-warming experience to be there watching these good people work along with the mayor on the front lines. Kudos to him and, if I had a hat, I would tip it off to him, too. I do appreciate those people of Mesquite helping each other.



**Assemblywoman Parnell:**

My question is going back to those individuals who were told they were in a nonflood zone, and in reality they were. Is there anyone who holds responsibility for that? Since no designation was made, have you made inquiries into that?

**David Bennett:**

FEMA has been out to visit us. I will ask the City Manager to field this one.

**Bryan Montgomery:**

It is a very good question, and certainly those individuals could evaluate what their legal resources are, but FEMA, who designates those flood plain areas, did not designate the area where these homes were built. Certainly those homeowners may want to consider that opportunity. Of course, at the same time, we are trying to receive assistance for them as well and have not received word.

It is devastating because these homeowners would have obtained flood insurance if they thought it was something that they needed. Flood insurance is relatively inexpensive, \$200 to \$300 per year, and certainly all of them regret not having it now.

In talking with a lot of the old timers, people who have been around for a long time, there is no doubt this flood was probably a 100-year to a 500-year event. None of them, neither in their memories nor in their parents' memories, ever recall this much water this close to what is now considered to be Mesquite, ever. It was a pretty devastating unforeseen event.

**Assemblywoman Parnell:**

It seems to me to be really tragic to be told you don't need it and then, ultimately, losing your home and everything you have. Good luck to you in getting some answers for that.

**Chairman Parks:**

Looking at your map on page 14 ([Exhibit C](#)), it looks like approximately 80 homes were impacted, not including the undeveloped property.

**Bryan Montgomery:**

That is correct. There are two or three other areas in town that were affected. I showed you a photo of the middle school and the broken sewer. This is the residential area that was impacted most significantly.

**Chairman Parks:**

Have you been in communications with other authorities as far as efforts to reestablish the proper flow of the river and any future development to keep this type of thing from happening again?

**Bryan Montgomery:**

Certainly we have. I think this is such an unusual event to plan for. FEMA does utilize a 100-year flood event as a standard. Maybe they need to consider a 200-year or 300-year flood event. This is just hard to plan for, so we must be very careful. There is not much around the river to be developed anyway, but you see this large yellow thing on the map that you referred to, Mr. Chairman. That area needs to be reevaluated to know if homes will ever be able to go into that area.

**Chairman Parks:**

You are proposing to develop a new airport. What is the proposed use of the existing airport?

**Mr. Montgomery:**

That is another great question. The existing airport actually is flanked on both sides by two championship golf courses. The city owns the site of the present airport and cannot expand in that location. It is not a very safe location as well because of the residential area and those golf courses. We would seek interested buyers in the property for residential development or looking to those golf courses to utilize all of those funds as required by the FAA into the new airport location. It will be sold for residential development and the funds used to build the new one. It could also be the longest fairway in the world, I guess.

**Chairman Parks:**

I spoke last night with Mr. Robison briefly regarding the 13,000 acres of BLM land. He was commenting a little bit and, perhaps, either he or either of you gentlemen could comment on the possibilities with regards to local agreements. You are on the edge of Lincoln County line.

**Bryan Montgomery:**

It is of critical concern. As the mayor stated in the *Las Vegas Review Journal* this morning, we have discussed with Lincoln County perhaps an interlocal agreement whereby the city can provide those very critical services. We have the existing staff, we have the professional expertise to assist them, and then we would provide those services for a fee. Another option to consider is actually a portion of Mesquite could be located in Clark County and a portion in Lincoln County.

[Bryan Montgomery, continued.] The area could potentially be annexed. The county would still be receiving tax revenue which it desperately needs as a county, but the annexation would provide the city the opportunity to provide those services that the county cannot and have greater control over the look and feel and the quality of the development that would take place. Those are the two key options. The Lincoln County Commissioners have indicated their willingness to work with us on that. The federal law does indicate that there is some coordination between the city and the county that's required. We are obviously very concerned that it doesn't become a drain but, rather, a benefit to the community. I think it will eventually.

**Assemblyman McCleary:**

Mr. Montgomery, you did comment while discussing property tax caps and you said something to the effect that whatever decision we make up here, you would appreciate it if we directed it back to you. What did you mean by that?

**Bryan Montgomery:**

Because it is a locally controlled revenue, and you have received dozens of emails and phone calls, particularly in Clark County where property taxes have increased, not that the rate has increased but the assessed valuation has increased, I guess the suggestion is, respectfully, why not have those residents address those issues with Clark County, with the City of Mesquite, with the City of Henderson, with the City of Boulder City, asking for those locally controlled revenues to be thought through.

I believe that some of the ideas that have been expressed relate to reducing the rates. That may work in one entity but not in another. There may be some exemptions that could be granted through legislative authority that local entities could provide. In my opinion, as long as I have the floor on this issue, commercial and industrial properties, rental and residential properties, should not be included in any cap that is considered.

One idea that has been bantered about elsewhere is that, perhaps, when someone sells a home or transfers title, if they have gained an advantage by having a cap, perhaps they should rebate, because there would be a windfall in increased valuation when they sell the home. Perhaps they should rebate back to the schools and the cities the money that they did not have to pay during that time frame. My city manager friends in California tell me the horror stories of Proposition 13 [Proposition 13: State of California, 1978, Property Tax Limitation]. Of course, just because something was done in California, we don't need to do it here in Nevada. Simply put, I would hope the Legislature would not take action on a cap. Perhaps it is inevitable, but our desire is that no cap be placed.

**Assemblyman McCleary:**

Would you be suggesting that whatever plan we came up with, we actually send it to local municipalities and allow them the authority to ratify that?

**Bryan Montgomery:**

Exactly. In fact, if some other set of authority is necessary and parameters given, each local entity could address the issue of those rising assessed valuations in their own unique way to its constituents to whom they are responsible, who elected them as city council members or school board members, not forgetting that the school districts may be more affected than even the cities. As you just restated it, I believe that is certainly a proposal to consider.

**Assemblyman McCleary:**

I appreciate your comments about possibly assessing commercial property differently, but I think, constitutionally, we're not allowed to differentiate between residential and commercial in assessing property. Correct?

**Susan Scholley, Research Analyst, Legislative Counsel Bureau:**

For the record, I am Susan Scholley from the Research division. I did have the good fortune to sit through some of the property tax discussions, and I believe that the phrase in the *Nevada Constitution* is "uniform and equal."

**Assemblywoman Kirkpatrick:**

What is your largest piece of vacant land, zoned residential land, available today? How often does your master plan change, considering that it's a bubble map and you're growing?

**Bryan Montgomery:**

We have one residential area that is approximately 2,000 acres that has been zoned and is going through the "planned new development" process that is still vacant but is certainly under development. We are undergoing a very comprehensive master plan update. We are probably six months into that year-long process of updating our master plan. Our local constituents and our local elected body have to work together on these issues. Unfortunately, the Legislature is not as close to those issues as the city council is, so that's why I made that comment.

**Assemblywoman Kirkpatrick:**

Mesquite is very fortunate to have a lot of great services out there already considering that the population isn't as large as other entities. Some of it is because you have a very large snowbird group that comes in and spends their

winters with you, so they have services. That increases your population during certain parts of the year. When incorporating your new master plan, are you going to allow for your infrastructure to come in under development agreements, are you planning to work with the county to get additional services, or is the city planning on bonding to get some of those services? What direction are you headed?

**David Bennett:**

You are correct as far as the influx of snowbirds, friends that join us during the winter months from the mountain states. Right now, if you were to drive around in Mesquite versus driving around in the months of June or July, you would notice that, right now, there are a lot more people on the roads and in Mesquite. That does create a tax on our services, a strain on our services, during those months, because there are more people eating in the senior center and using our recreational facilities and on the roads.

As far as seeking assistance, we are taking all of that into account in our master plan. Obviously, we have spent a great deal of time with our master planning company. They have been in quite a number of times, held public meetings, and a lot of meetings with staff and elected officials. As far as planning or looking for services, we have an excellent staff that works very closely with the county, with the state, and the federal government looking for grants. We have utilized grants from the state and the federal government for our senior services programs, our recreational programs, and opportunities for our trails systems. We are seeking funds and help from any source that we can, as innovatively as we can, to provide those services.

**Chairman Parks:**

[Thanks Mr. Bennett and Mr. Montgomery for their presentation.] Good luck to you as far as the work with the residents regarding the flood damage. Hopefully we will proceed to look at the possibility that the state fund deal with emergency issues like that, which is not our Rainy Day Fund, will be addressed during this session of the Legislature. That would be a source available when such devastation occurs.

We still have the City of Boulder City, and Dr. Hardy, it looks like you're off the hook on that one unless you would like to make some prefacing remarks. It appears that we have Mayor Ferraro of Boulder City, as well as the City Manager, Vicki Mayes, with us this morning. Welcome to the Government Affairs Committee.

**Vicki Mayes, City Manager, City of Boulder City:**

[Introduced herself.] I have with me Mayor Bob Ferraro, who will be giving our legislative overview to you.

**Robert Ferraro, Mayor, City of Boulder City:**

Our presentation will be somewhat brief and the only purpose in doing so is to highlight some of the real key issues we're faced with in Boulder City. Some of you may know that Boulder City is a small-growth community. We have limited our growth to approximately 1 percent per year, and that is by choice. We are the only controlled-growth city in the state of Nevada, and that is a condition that is going to exist for a number of years to come, I'm sure. As a consequence, we are so much different than all of our neighbors, even from Mesquite and Henderson that preceded us this morning. They are growth communities and that's all right; that's exactly their desire, and that's the way they should proceed. We take the opposite view, so, as a consequence, our concerns are somewhat different.

One thing I want to say right now is to tell all of you that we are not coming before you at this time to request any large acquisitions as far as money. We are not coming before you to ask for anything great in your session that is before you. We are here to alert you to several things that we think are important. That is to say that we are not here to support any particular bills, and we don't have any before the legislative session.

Let me remind you that there are some things of concern. One that we just became aware of in the last 10 days is that there was a bill passed in the 2003 Legislative Session that is really going to have a compound effect on Boulder City.

We are planning to develop another power plant in the El Dorado Valley. That power plant is going to be known as Copper Mountain power plant. It's been under consideration for several years now. We didn't realize that, in the Seventy-second Legislative Session, there was a bill passed that is really going to limit it if it isn't changed. That's why we're asking that you take a serious look at this. It is going to say to us that we cannot put that power plant in El Dorado Valley.

The reason for that is that there is a surety bond that is presently required that would be for 150 percent of the contract price. This would be difficult because all of this is on leased property. We do not sell property in Boulder City; we lease it. Since this is related to a lease proposition, there is that consideration to be made. We are asking that you look at this and review it and see if there can't be some relief provided to us.

[Robert Ferraro, continued.] The other thing that most of you are probably aware of is the fact that there is a bypass of Hoover Dam that is occurring at the present time. It's going to be completed in 2008. That's not very far off. In fact, most of the road work has been completed on the Arizona side and a good portion on the Nevada side. When this happens, it is going to put all of that truck traffic right back through Boulder City. Why do I say this? At the time of September 11, 2001, all the truck traffic ceased on the roadway over Hoover Dam, and we haven't had that truck traffic come back through Boulder City. As a consequence, it has been a relief.

We know that we are going to face that in 2008 because we will not only have what we had before, we're going to have the influx that we know would normally occur. You may not realize that this is part of the Cal-Mex Highway proposition. That comes right through the center of our community.

We are asking you people to give any consideration you might have on anything that comes before you in regards to what the state of Nevada is going to have to do to look for a source of revenue in order to take care of the bypass that we are going to need around Boulder City. You are probably wondering why I say, "Around Boulder City." This is exactly what the community wants. We have taken this before a vote to the community, and they have said to us, very unequivocally, that they want to see a bypass around the community. They don't want all that traffic running through the town.

We are looking for funding, and this is going to be a major, major project, to be able to provide the funding that's going to take that bypass around Boulder City. It's about 13.5 miles. The prices we've heard are anywhere from \$300 million to \$400 million. We know, of course, that we are going to get a number of those dollars from the federal government. In fact, Senator Reid has stated to me, personally, on several occasions, "We will help you find the funding." I do know that we are going to have to provide some funding from the State of Nevada. That's going to come before you people.

What is Boulder City doing? Boulder City has already stepped up to the plate. We have said that we will actually give all of the right-of-way that is necessary for this 13.5 miles of roadway. That's a considerable chunk of land, and that's a considerable chunk of cash. We are helping out immensely on that particular proposition.

In regards to the property tax issue, you have heard from a number of people, and you are always constantly hearing from a number of people in regards to money and taxes. It is our position that we will certainly support whatever is

being done this year. We are not necessarily asking for anything except we want your budget to remain whole. We don't want to have something taken away from us that we presently have. I just absolutely ask that this be taken into consideration because Boulder City is not in the position to have money taken away from it. We can certainly exempt what we have, but we don't want anything that's less than what we get at the present time.

**Vicki Mayes, City Manager, City of Boulder City:**

Just as the mayor has mentioned, Boulder City's challenges and concerns are a little different than the cities and counties that you've heard from in southern Nevada. Any adjustments in the consolidated tax, especially if they are related to adding in the growth factor, because of our controlled growth policy, will have a negative impact on us. While we felt adjustments were needed in the past and actually supported them, future adjustments geared to growth would definitely have a negative impact on our city.

In that we have such large land holdings, we really support slow residential growth. What we've really worked for is trying to be a regional recreational facility for all of southern Nevada. El Dorado Valley has the desert tortoise core habitat which allows our neighboring cities and counties to grow. We have a huge amount of open space that we allowed for recreational use. We have put major improvements into Bootleg Canyon, which has resulted into a very popular mountain bike facility. We're actually looking at working on an expansion of that park project made possible through the Southern Nevada Land Management Act grant funding.

While Boulder City's needs are different than our sisters', it works together very, very well in that we have the open space. We can provide the recreational facilities. We can also provide things like golf that I did want to touch on. Mesquite did mention that there is a bill that separates Boulder City's position on the Las Vegas Convention and Visitors Authority with Mesquite. We are definitely in support of that. Much like Mesquite in targeting a certain tourist environment, we, too, would like to promote our recreational facilities and golf courses in Boulder City.

**Robert Ferraro:**

Ms. Mayes has done an exceptional job of getting you the information for this particular overview this morning, but our primary goal for folks over the next couple of years is to treat Boulder City as a destination community. We have heard this from the Mesquite just preceding our presentation. That's what we feel that Boulder City can offer the entire southern Nevada area: a place for people to go out of the city, enjoy our recreational pursuits, our activities, our events, and then they can go back to their own homes. We find this to be very



successful in the last year with the number of major events we've had there that draws and attracts people from the surrounding areas and then allows them to go home in the evening. It is something we think we can continue to provide. We want to provide that.

**Vicki Mayes:**

That's a good point. We feel that Boulder City is a destination, but it is probably a destination for our neighbors in southern Nevada just to get away from the city and coming to our community and taking advantage of our recreational resources. We have also looked toward trying to promote the arts in Boulder City. With that has come some unique endeavors. We have an amphitheater that we put in adjacent to our library, which is becoming more and more used for special concert events. We did our first launch of the First Night program, which is a celebration of the arts that was held on New Year's Eve. Those are just some of the activities going on in Boulder City.

**Robert Ferraro:**

Just this last weekend we had an event that I wasn't sure how it was going to turn out, but it turned out to be extremely well attended and certainly well-represented from all over the country. It was our first film festival that we called "Damn Short Film Festival." It was exceptional. I'm very proud of the fact that we had two local individuals that live in Boulder City who were primarily responsible for putting all of this together. We didn't require one ounce of support from the city as far as financing. It was done entirely by local citizens, local citizens with a view and had a vision of what could be accomplished by this type of event. It was successful.

**Assemblyman Hardy:**

I need to make an observation as well. We believe in volunteerism in Boulder City. Boulder City is very involved. The people who live there are very involved politically as well as every other way. We had the opportunity to have a "Town Hall" meeting in Boulder City about 2½ weeks ago or so. It was about property tax. We invited Clark County School District representatives, Clark County representatives, Boulder City had their library district person, their financial director, Mark Schofield came, Senator Warren Hardy attended, and myself. It was of interest because we have obviously heard about property tax in Boulder City. Many people have obviously been affected or potentially affected by the increased valuations.

It was interesting to note that the people who presented used the term, "We do not expect a windfall. We are not anticipating getting a windfall," and were amenable to information. As we went through the meeting, it became clear that people felt a certain comfort level as we talked about this, knowing that, as I

have stated, I have not talked with a legislator who is averse to doing something. In fact, I think all of us want to do something about property tax. As we went through the meeting, we talked about three things that give people some hope and comfort.

[Assemblyman Hardy, continued.] One is some kind of quick freeze that keeps the municipalities whole, a cap of some kind that is done statutorily after adequate discussion, and then some kind of constitutional change that will be reasonable in an amount that will allow the municipalities and the entities to have what they need in the way of services to the people who live and visit in our fair communities. It was well attended and people appreciated the instruction, the education, and the participation. Boulder City is to be complimented on their volunteerism and their participation. It is a pleasure to live in Boulder City.

**Assemblyman Grady:**

I will have to tell you that, during my years with the Nevada League of Cities, I followed Mayor Bob [Ferraro] through the chair. He was a pretty good mentor who taught me a lot of what's going on in the city. Vicki, I think you missed one very good point in your recreation, and that's the photography angle. Do you still have bighorn sheep running around in your yard and the park?

**Vicki Mayes:**

Absolutely. There's a herd of about 40 of them that comes down at 10:00 every morning. They are becoming quite an attraction.

**Robert Ferraro:**

I am pleased that you recognize that as an attraction in Boulder City. It has become just exactly that. It is surprising how many people come that drive out from Las Vegas, almost on a daily basis, just to witness the sheep traffic. We see people coming in. In fact, we see the tour companies now have arranged large buses. The people in those buses have the opportunity to see the sheep.

**Vicki Mayes:**

In celebration of the sheep and also art in Boulder City, we are going to be dedicating a mural that we put downtown that has a scene of Callaway Valley. The sheep are the primary focal point of that huge tile mural. It is absolutely a tremendous addition to the downtown.

**Chairman Parks:**

Mayor Ferraro, regarding the El Dorado Valley project, would you by any chance have the bill number that created the restriction?

**Robert Ferraro:**

No, unfortunately I don't have it, but I will make sure that you have it.

**Chairman Parks:**

I certainly would appreciate that. We will take a look at that and see.

**Robert Ferraro:**

I would really like to suggest that you, as the Chairman, or any one of the members of your group here this morning, take an opportunity to look at that because it is serious. It is seriously flawed.

**Chairman Parks:**

I know you have a resident of Boulder City who would be very helpful in regards to the funding for the 13.5 mile bypass. He also sits as the Clark County Commission's Chair of the Regional Transportation Commission [RTC]. I am sure that working with the RTC and the federal government, we can try to seek the funding for the construction of the bypass.

**Robert Ferraro:**

It is amazing how much cooperation that we have and that we do get from the county commission, from RTC, and from all of our other ancillary organizations in the Las Vegas Valley. We cooperatively work together and are very supportive of one another.

**Vicki Mayes:**

The RTC has funded several studies for us that are really going to help us in the meantime. We know that, with the bridge opening 2008, there is no way that a bypass could be constructed by that time. The Regional Transportation Commission has undertaken a traffic litigation study that they are actually doing right now through Stantec Engineering, which will give us some alternative as to what Boulder City can do to help itself in the meantime. They also agreed to do a funding study for us. That will help us try to get together funding alternatives or funding scenarios. In that it is between a \$300 million and \$400 million project, there isn't going to be just one source that will make this bypass work and come together.

Boulder City is trying to work with the Regional Transportation Commission so that we can come up with some of these alternatives on our own as we go out into the state and into the federal government to find support for this project.

**Chairman Parks:**

Any further questions from members of the Committee? [Thanks the mayor and city manager of the City of Boulder City for their presentation.] We will work on that El Dorado Valley power plant issue.

We do have one Committee introduction. It is BDR 309 to authorize the issuance of revenue or obligation bonds to finance capital costs of improving Marlette Lake water system. This just authorizes the issuance of revenue and general obligation bonds to finance modernization of the Marlette Lake water system and other matters related thereto. I believe that is the source of Carson City water? [Received an affirmative response from legislators and audience members alike.]

- BDR 27-309—Authorizes sale of revenue or general obligation bonds to fund capital improvement projects associated with Marlette Lake Water System. (Assembly Bill 49)

ASSEMBLYMAN GRADY MOVED FOR COMMITTEE  
INTRODUCTION OF BDR 27-309.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Public comment: Is there anybody either in Las Vegas or in Carson City who would like to address the Committee? Not seeing any we stand adjourned [at 10:02 a.m.]

RESPECTFULLY SUBMITTED:

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Nancy Haywood  
Committee Attaché

APPROVED BY:

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Assemblyman David Parks, Chairman

DATE: \_\_\_\_\_

## EXHIBITS

**Committee Name:** xGovernment Affairs

**Date:** xFeb. 10, 2005      **Time of Meeting:** x8 a.m.

[illegible]

