

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

**Seventy-Third Session
February 11, 2005**

The Committee on Government Affairs was called to order at 8:01 a.m., on Friday, February 11, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada and, via simultaneous videoconference, in Room 4412 of the Grant Sawyer State Office Building, 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 Chairwoman
Mr. Kelvin Atkinson
Mr. Jerry S. Claborn
Mr. Chad Christensen
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
Eileen O'Grady, Committee Counsel
Kiz Malin, Committee Attaché

OTHERS PRESENT:

Nicole Lambole, Legislative Relations Manager, Office of the City of
Manager, City of Reno, Nevada
Pierre Hascheff, At-Large Member, Reno City Council, City of Reno,
Nevada
Charles McNeely, City Manager, City of Reno, Nevada
Geno Martini, Mayor Pro Tempore, City of Sparks, Nevada
Shaun Carey, City Manager, City of Sparks, Nevada
Bonnie Weber, Chairman, Board of County Commissioners, Washoe
County, Nevada
David Humke, Appointed Legislative Representative, County
Commissioner, District 2, Washoe County, Nevada
Katy Singlaub, County Manager, Washoe County, Nevada
Kelly Kite, Chairman, Board of County Commissioners, Douglas County,
Nevada
Bob Milz, Chairman, Board of County Commissioners, Lyon County,
Nevada
Marv Teixeira, Mayor, Carson City, Nevada

Chairman Parks:

[Meeting called to order. Roll called.] This hearing is also broadcast on the Internet for those people joining us via the Internet. Today we have a number of presentations. We have had presentations for the last several days and we will be continuing that. Today we have the cities of Reno, Sparks, Washoe County, Douglas County, Lyon County, and Carson City. We would like to start with City of Reno.

**Nicole Lambole, Legislative Relations Manager, Office of the City Manager,
City of Reno, Nevada:**

[Introduced herself.] I am pleased to present to you today Councilman Pierre Hascheff and our City Manager, Charles McNeely.

Pierre Hascheff, At-Large Member, City Council, City of Reno, Nevada:

[Introduced himself.] We have seven members—five members who represent five different wards, the mayor, and myself as the at-large member who represents the entire city. Here is some background for the city of Reno ([Exhibit B](#)). Its population is about 207,000 persons. Our city limits extend 70 square miles. Reno's economic base is wholesale trade, transportation, utilities,

leisure hospitality, government services, professional business services, education, and health services.

[Pierre Hascheff, continued.] For the last several years, Reno has tried to diversify its economy to lessen our dependence on gaming, based on the gaming competition. Through that, we have EDAWN [Economic Development Authority of Western Nevada], which is a second economical development commission that provides economic diversification to the region. Reno has had several accomplishments, and I will name just a couple. Reno was ranked one of the top ten best places to live in cities ranked and rated in 2004. In *Inc.* magazine, it was rated number 4 in the top 50 small metropolitan areas to start and grow a small business. Those are just a few of the many accomplishments.

The City of Reno has several challenges in the next year. The city council has set several priorities, a few of which are public safety and code enforcement. We understand that our community appearance is extremely important, as well as public health and safety. We continue to concentrate our efforts on our downtown experience and our redevelopment efforts, including residential activity downtown and our whitewater park, which has turned out be a very successful venture for the city.

We have several projects that are ongoing in the city of Reno, including the ReTRAC [Reno Transportation Rail Access Corridor] Project and the Reno Events Center. We have a joint venture with Washoe County for a new courthouse, and then we have a public plaza that we are going to develop in the next couple of years. As you deliberate on the various issues that are going to be affecting local government and delivery of services, we hope that you will include the city's perspective in that discussion. Right now, we are joined by the City Manager, Charles McNeely, and I will turn the presentation over to Charles.

Charles McNeely, City Manager, City of Reno:

[Introduced himself.] I have been City Manager since 1996. I have had an opportunity to work with the Mayor and the council, and I am very proud of the accomplishments that we have achieved during the course of my tenure here. Councilman Hascheff has been very clear in defining his priorities for the city and toward that effort, enhancing the quality of the services and programs that we offer our residents in the community, and in doing so, establish a very clear vision for the community and where it would like to see our community go and the programs and services that are a priority to them. As part of that overall vision, there are some areas that our council has highlighted for the long term. They include creating a very vibrant downtown, maintaining an infrastructure

that is well kept and that will serve the growing needs of our community, maintaining a strong economy, particularly in our downtown core, and recognizing that our downtown is central to our overall economic vitality.

[Charles McNeely, continued.] We are also focused on the need to enhance our art, cultural, and recreational programs for our residents. While maintaining excellent neighborhoods, we provide excellent services to our community through our neighborhoods. One of those examples is the development of a whitewater park that was done last year along the Truckee River. This was a new element to our downtown core. That whitewater park completed last year, attracted some 100,000 people to the downtown. It was a partnership project that included the Nevada State Commission on Tourism, our downtown properties, Question 1 fund, and the federal government. We are very proud of the whitewater park, which covers over a half of a mile.

As Councilman Hascheff pointed out, one of our major efforts over the last number of years has been to focus on redevelopment—rejuvenating and revitalizing our downtown. Part of that reason is that the decline in the gaming industry has really led us to focus more on diversifying our economy. Part of that diversification has particular focus on conversion of what used to be some of our casino properties into housing areas, to attract more residents to live and work in our downtown area. You may be aware of the Sundowner project which was converted to the Belvedere Tower. That has 377 condominium units and 17 retail spaces.

We also have the Comstock property which was closed, and has now been converted to a River Walk condominium development, which contains 149 condominium units along with 3 retail units. The price range in these projects range anywhere from \$300,000 to \$1 million for some of the condominium developments. A project that we are very proud of, that just got under way, is a project called the Palladio which is located right along the water. This is a mixed-used development project. It will contain some 87 residential condominiums, some 20,000 square feet of retail and dining area and will also create 167 jobs in our community. The overall economic impact of this project is roughly \$8.3 million, and the overall cost of the project is \$32 million.

We also have a Riverside Complex project which is directly across from the Palladio, which, again, is another mixed-use project which will contain some 50 residential condominiums and over 10,000 square feet. The overall cost of that project is \$27 million. This is all geared from the council's and staff's perspective. It is really designed to go about creating greater housing opportunities with the thought that if we can attract people downtown, it is

much easier for us to revitalize our downtown, while having people living and working in the downtown core.

[Charles McNeely, continued.] We have just completed a Reno Events Center. This project started construction last year in January of 2004. One year later that project was completed and it just opened. It is a \$27 million project and the seating capacity is 7,500. The purpose of this project is really to target the midrange entertainment venue in our community that we did not have. It is located downtown next to our Bowling Stadium. The approximate square footage is 118,000 square feet. It is targeted to host concerts and sporting events to bring a new and different clientele to the downtown core. We are presently negotiating for another project called our ballroom facility, which is geared to meeting room space and smaller conventions, and is approximately 30,000 square feet. This facility will add to the overall venue that we have in our downtown core.

Moving on from economic development projects, we have a project that we have been working on for the last number of years called ReTRAC. This project is geared toward lowering the tracks through our downtown core. It is approximately 2 miles in length through the downtown. This project is approximately \$264 million. We have been very successful in keeping this project under budget, and it is coming in on time. In fact, we are scheduled to complete this project within the next 12 months. There was a lot of discussion going in about this project, but it has been very successful. It will eliminate many of the conflicts that we have experienced over the years, such as car traffic and pollution that is in our downtown area, by lowering these tracks and putting them below grade.

The council for the last number of years has really stressed the infrastructure of the city, in particular our streets, in making sure that we have well-maintained developed streets, not only in our neighborhoods, but also major arterials. The council, back in 1993, was fortunate in going out and getting support for a voter override to enhance the commitment financially for our streets. That effort invested some \$122 million for rehabilitation of our streets. Forty-four million dollars of that went to residential streets, and another \$41 million was dedicated to collector and arterial streets.

Because that initial override was expiring, the council approved the support for going out to solicit support for a renewal of that override, and we were very successful. The voters did approve that override, which will generate some \$550 million over the next 30 years. That will allow us to continue the commitment to our streets and our infrastructure.

[Charles McNeely, continued.] Another project that we are very proud of is our homeless service center. This is one that the mayor and council have been working on for a number of years. Through the specific efforts of Mayor Cashell and this council, we have been able to reach agreement with our social service providers to relocate the homeless service centers and combine them in one central location on Record Street. This facility, in phase 1, will include a 150-bed men's drop-in center. That will include St. Vincent's Dining Room and also the Reno/Sparks Gospel Mission. Phase 2 of that project will include a women's and family shelter along with the homeless resource center. The men's drop-in center will include some unfinished space that will also allow for a community triage center and other needed services, to be provided later on.

Funding for that project comes from a number of different sources, including community development and block grant funding from both the City of Reno, as well as from the City of Sparks. We are also dedicating \$1 million in room tax revenue for that homeless service center and some \$200,000 of our capital fund that will go to it as well. In addition, we have our downtown properties, the casinos, which have stepped up and contributed some \$300,000 to that project. We have also received over \$1 million in grant money from the Weingard Foundation as well as the Redfield Foundation. We have also gotten \$850 million in HUD [U.S. Department of Housing and Urban Development] funding from the EDI [Economic Development Initiative] grants.

We are very pleased that this project is coming together and is coming together as a result of partnerships throughout the community. Phase 1 will approximate some \$8.7 million, and phase 2 of the project will be roughly \$9 million to complete. With respect to public safety, as in most cities, this is a number one priority for our community. This has been a challenge for this community. But, it is a challenge that our council has stepped up to and supported and made happen. Currently, we have 364 sworn officers and 175 civilian personnel within our department. We have added 14 part-time reserve officers, and we have 120 senior volunteers who also assist us in providing adequate public safety services. They also serve as ambassadors to our community, particularly in our downtown core.

During the last number of years, the council adopted a policy that every year, they would, at minimum, add six new officers to the department. The last two years we have added six and combined that with 18 additional officers because of the growing nature of our community. We have added another six officers that focus solely on traffic issues throughout the community. We have recently brought a new proposal to the council. Looking out over the next five years, the council has made a commitment to add another 35 officers, along with 15 nonsworn personnel in our community who are community officers.

[Charles McNeely, continued.] As you can see, the council has made a very strong commitment to public safety in ensuring that we have adequate police officers and fire personnel throughout the city as we grow. With respect to our firefighters, we negotiated a brand new labor contract that is a long-term five-year commitment to ensure that we have adequate fire services, that our firefighters are compensated, and that we maintain competitive in the market.

Financially, we have an overlapping tax rate of \$3.64. Reno's portion of that is \$0.94 cents. Forty-seven percent of that is voter-approved overrides directed to streets and public safety. Our 2004 to 2005 estimated property tax revenue is approximately \$36 million. Twenty-three percent of that is General Fund. The total city budget is \$440 million with a general fund budget of \$159 million. Public safety is a major component and represents 64 percent of the overall budget. There is a significant commitment on our part and the council's part to ensure that we have adequate public safety, which our residents have come to respect.

During the upcoming legislative session, we will have our representatives, Nicole Lamboley and Susan Fisher, representing the city. It is our desire to work with this Committee and other committees here to ensure that we are well represented and can provide you with whatever assistance you need, giving you adequate information about our city, our goals, and priorities. With that, I will close now and thank you for the opportunity to present the City of Reno, the vision that we have for the upcoming future, and the issues that we are confronted with.

Assemblywoman Parnell:

I think that I live the closest to your area than anyone else on the Committee. I applaud you for all of your efforts along the river. I think that of everything that has been considered in the last 29 years, it has just developed beautifully and continues to be the new look of Reno. I compliment you. Keep your energy there; I think it is the way to go.

Charles McNeely:

We do have a bus tour that is scheduled for Tuesday, and we would urge all members of the Committee, that if you have the opportunity, please take part in that. We would like to show you our city and give you a first-hand look at many of the projects that we have and some of the excellent venues that we have that we think make Reno an outstanding city. If you do have the opportunity, we would strongly urge you to come and be a part of that.

Assemblyman Munford:

You presented to us how to solve your homeless problem, and we have the same problem in Las Vegas. Approximately, what is your number count of homeless, and does it fall off during the winter months, at this time of year, and then pick up in the summer?

Charles McNeely:

I don't know if we have any exact numbers, but yes, it does fall off in the winter. Part of our issue is making sure that we have a colocation of the facilities. We have a number of those facilities that are scattered throughout our downtown area. Part of the council's goal has been to colocate as many of those facilities as possible, under one roof, with the approach that we can do a much better job of providing them with the service that they need and obviously, to enhance the overall appearance and aesthetics of our downtown area. Our population does drop off during the wintertime, but the wintertime also creates some unique problems, obviously, for the homeless who do not have shelter. Nicole, do you have a sense of the overall numbers?

Nicole Lamboley:

The homeless count was just done, and I have not seen the numbers, but I do know that the week of February 21 is going to be dedicated in the Assembly, to the Human Services Committee, to discuss the homeless population. We will then have some exact numbers. I will try and get those for you. The 150-bed men's drop-in shelter that we have tends to be adequately sufficient. It is full, but it is not overpopulated, and if it is, it is only in the winter when there is a need for transitional housing or temporary housing.

Pierre Hascheff:

One hundred fifty beds is an estimate of what we think will accommodate the men's homeless. Charles is correct on the resource center. We have a lot of families that live on Fourth Street that are on the verge of homelessness. Homeless is really a misnomer. It is a resource center that will allow us to accommodate the needs of the community, those that are on the verge of homelessness, and those that are on the verge of poverty.

Charles McNeely:

Some of our residents are mentally ill and require mental health services, which is a large part of that population. We are also trying to address it so that it is not simply a homeless issue, per se.

Chairman Parks:

I would like to commend you on the work that you have done. I have been actively involved with the homeless issues for the last four or five years. I think

that you have a good start and are going in the right direction. I am sure that southern Nevada will want to watch what you are doing, and hopefully they will get some good points to follow. Any other questions? Okay, well thank you very much for your presentation. Next on our agenda, is the City of Sparks.

Geno Martini, Mayor Pro Tempore, City of Sparks, Nevada:

[Introduced himself.] We would like to go over a few things in the Sparks community that we are very proud of. With me today on my left is City Manager Shaun Carey. On my right is Assistant City Manager Steve Driscoll. In the audience we have, from the planning department, Rob Joiner. With that, I will turn it over to Mr. Carey to give the presentation.

Shaun Carey, City Manager, City of Sparks, Nevada:

[Introduced himself.] It is a very exciting time in Sparks. We are just coming up on our city's 100th birthday. We are looking at the century of change that has occurred, and we are very excited about the future promise that lies for our city.

We look at our city's future, and we try to imagine what its true potential is. We try to innovate our city's services to meet those potentials, and we are doing our very best to implement our government services at their very highest level. Our city council met in January, and we identified these as our top eight priorities for the coming year. We continue to work very hard on financial stability. As a growing city, we have great demands for new services, and we also have challenges in the older parts of our community as we try to revitalize those. Public safety continues to be an issue in a growing community like Sparks, most particularly in the area of traffic safety and traffic enforcement, as we try to move ever more cars through, essentially, the same infrastructure. Redevelopment and economic growth are two great paths that our city must follow to achieve our true potential. We have infrastructure challenges which follow those two.

Traffic light coordination remains very important to our citizens as they try to move through existing arterials to reach the freeway system, to get to their homes, offices, and businesses. Special events became a great challenge for us in just the last year. As our performance and our redevelopment area continues to slide, the city must continue to utilize its general fund to provide the exciting entertainment that keeps Victorian Square in the minds of everyone in the Truckee Meadows.

Our council is very committed to the appearance of the city. We are increasing our code enforcement staff and implementing a number of programs in this area. Our growth rate continues to be a strong portion of the growth which is coming to the entire Truckee Meadows. We have a current population of about

81,000 residents. Our forecast into the future is that we will reach 95,000 residents in just the next five years.

[Shaun Carey, continued.] Our growth continues. It has been very much a part of an economic plan that we implemented. We do most of our growth through PUDs [planned unit developments]. We require a financial analysis of all of those projects to ensure that our city's service levels can be maintained as an outcome of the future growth. That strategy has been very successful for our community. Our second strategic plan, moving forward, is to deal with the growth as it comes over the next five years.

In the last year, we have approved 1.5 million square feet of new retail throughout our community, and we anticipate that the construction will begin this spring. The story isn't quite as positive in our downtown sector. This is Nevada's first redevelopment district. It was started in 1977. The changes in the gaming and tourism industry in northern Nevada are a very big portion of the issues that we are facing in our downtown. You can see that this graph ([Exhibit C](#)) clearly shows the challenge that lies ahead. We do plan to meet that challenge through this project. This revitalization project, which got a great helping hand from the Legislature in the last session, provided a room tax increase, which is being used by the City of Sparks to implement its vision of Victorian Square.

We intend to build an exciting mixed-use project with exciting residential and new retail opportunities in our downtown. We believe that this will shore up and reverse the trend that I have just shown you. To that end, we are engaging professional consultants to put together a plan, which will have the financial ability to achieve success in the next few years. The room tax is being used right now in the acquisition of key parcels that will allow us to bring forward this exciting new project.

Sparks is part of the Truckee Meadows. In the Truckee Meadows, we do have an overlapping tax rate with several other very important service providers. Our current tax rate in the city of Sparks is a little over \$0.91, and our overlapping tax rate is at \$3.58. Here is where our taxes go. For a home valued at \$100,000 in the city of Sparks, we would receive about \$320.64, comprising about 25 percent of the tax rate, which is used to provide a portion of the services.

We want the residents to know what they are getting for their property taxes. We provide a full range of services, such as police, fire, public works, municipal court, community development, and community support. We have a long standing tradition of wanting to have the very best in parks and recreation that

we can provide for our community. We are Nevada's fifth-largest city and we are very proud to have a very good working relationship with all of Nevada's larger cities. I can tell you that there is some great talent in the cities in our state that are going to lead us forward.

[Shaun Carey, continued.] Our per capita General Fund revenues are about \$490.15, and we are very proud of the services that we provide with the revenues that we get. We have had good growth, but certainly not growth which would be comparable to what has occurred in southern Nevada. We have had a great strain in having our revenues grow to continue to provide city services the way we would like to. Some of our great challenges have been in the area of law enforcement.

Just this year, we have added 7 new positions in public safety, and yet 20 were requested. We are adding 12 new firefighters to serve the growing northern part of our community and to do that, we had to stagger the hiring over two years. I just wanted you to be aware that the margins are very close. We got a great helping hand from the last session of the Legislature. We have a wonderful partner in Washoe County. We are working towards trying to bring Triple-A baseball to northern Nevada. The Sierra Nevada Baseball group is looking to pursue the acquisition of a team and the construction of the stadium in the very near future. We continue with Washoe County to negotiate with Sierra Nevada Baseball to make this dream a reality. This is an actual artist's rendering of the stadium ([Exhibit C](#)) that they would be building in our community in the coming years.

In regard to our legislative issues, we feel that we need as a city to join with Nevada's other cities in working with the Legislature on the property tax question. This is a very complex issue, and we feel that it is right for you to look at that issue and find the solutions that you feel, as a legislature, will lead our state forward. We also feel that we have an issue on fuel tax equity in our county, and we have used our single city bill draft request to bring that issue forward to you. We have a modest change to our city charter, which includes the extension of our judges' terms from four years to six years, providing there are terms to match the municipal judge terms in the rest of the state.

We are vitally concerned about the Truckee River flood control project. Our city incurred over \$3 million in damage in the 1997 flood. We hope to work with our partners in Reno, Washoe County, the University of Nevada, and the U.S. Army Corps of Engineers to move that project to its implementation phase. We are also looking forward to improvements to tax increment financing that would allow our city to capture a larger share of tourist destination projects. We believe that the provision of tax increment financing, for the purpose of

expanding our tourism, is essential to the northern Nevada/Truckee Meadows market. We have projects in our community which would benefit from this change, and we also see this as an opportunity for all of the governments in northern Nevada to find ways to improve our gaming.

[Shaun Carey, continued.] We are very proud of first 100 years. We have changed a lot. We started with about 1,920 residents in the year 1905 and have grown steadily. The period following World War II has been especially promising to our community, and we look at our opportunities and what we have accomplished with a great deal of pride. Many of the buildings in this last photo ([Exhibit C](#)) are actually still in our downtown and are part of our city today. This is a look at our first courthouse, firehouse, and police station. You might remember that the Helms pit was certainly a challenge for our community, but we have been able to turn that around. This is the Helms pit today. We are very proud of that facility [Sparks Marina Park].

We are a vital city of 81,000 residents. We feel that Nevada's future rests in your House as it does at the local level, and we look forward to working with you. In terms of centennial events, we did provide you with a calendar of those events ([Exhibit D](#)). We take great pride in our ability to celebrate, and we would encourage you to include these dates on your calendars and join us, if at all possible, to experience what we call Hometown Sparks, Nevada. We are working to ensure that our city is as successful in the next 100 years as it has been in the first 100. We hope to build a lighthouse which will serve as a shining light to guide our community forward.

Assemblyman Goicoechea:

Shaun, could you touch quickly on what you are looking for in the Washoe County fuel tax equity?

Shaun Carey:

We are looking at a change in the distribution of fuel taxes within Washoe County. It is a singular bill focusing on the unique conditions which we feel that are present in Washoe County. It would change the distribution at the tier 2 level, which is the distribution that occurs from cities and counties, to match that which is done at the state level for tier 1 distribution. It is based upon road miles and populations, 2/3 and 1/3. It is based upon use and need, the same system that is used by the State in distribution from the State to its counties. We feel that it that will provide equity for the taxpayers in Washoe County. This is ensuring that each taxpayer receives a fair return on the fuel taxes they are paying.

Chairman Parks:

If I might add a comment to that. We do have an S.B. 557 Committee, and it has had numerous previous designations, such as the S.B. 40 Committee. It has been put in place, and through the interims we have studied and looked at those distributions of those revenues. It is the tier 2 that tends to be the biggest headache that we have. This would be part of that.

Assemblyman Grady:

I think that we would be remiss if we did not offer Sparks our condolences on the loss of their mayor; and Mayor Pro Tem, we wish you the best of luck in your upcoming assignment to take over the mayor. Good luck to you, and you have a good team working with you.

Assemblyman McCleary:

I just have a couple of brief questions on your Triple-A baseball stadium plan. Is this being funded by the car rental tax?

Shaun Carey:

Yes, sir. There was a rental car tax increase approved for Washoe County by the last session of the Legislature. It is providing a portion of the funds necessary for the construction of the stadium. I would say about 60 percent from the private sector and about 40 percent from the rental car tax.

Assemblyman McCleary:

Do you know offhand how much that it has generated in the last biennium for this tax?

Shaun Carey:

No, sir, I do not. Washoe County is actually the custodian of the tax. They may be able to answer that. I would say that Washoe County has been very diligent in assisting us in working on the project.

Assemblyman McCleary:

Does that sunset, or is that just a continuous tax from here on? Do you remember?

Shaun Carey:

I do not.

Chairman Parks:

I would like to comment on that. I believe that 3/4 of that tax has been collected. The additional rental car tax of 2 percent went into effect last April. I know only of the amounts of the combined two quarters, and it is in the amount

of a little over a \$250 million per quarter. It looks like the annual revenue generated from this will be in the range of \$1.1 million for Washoe County. Doing some extrapolation to extend that—in southern Nevada, we are looking at somewhere between \$5.1 and \$6.3 million on an annual basis. We may be dealing with that issue as we move forward in this Committee.

Assemblyman Goicoechea:

As I recall, there was a 10-year sunset on that, was there not? Or was it 30?

Chairman Parks:

There were provisions on that. It says, "The authorization to impose a fee pursuant to this section by limitation on June 30, the latter of the fiscal year, that is 30 years after the fiscal year, after the ordinance is imposed."

Washoe County imposed the ordinance. I am sure we will be dealing with that further as we go through the session this year. Are there further questions? The gentlemen from the City of Sparks and Mayor Pro Tem, thank you very much. Our next presentation will be from Washoe County. We have members of the Washoe County Commission. We have a face that is very familiar to us. I would like to welcome the Chair of the Board of County Commissioners, Bonnie Weber, and Commissioner David Humke, who for many, many years was a member of this Committee. Welcome back. We also have Katy Singlaub, County Manager.

Bonnie Weber, Chairwoman, Board of County Commissioner, Washoe County, Nevada:

[Introduced herself.] You have heard two excellent presentations from the City of Reno and the City of Sparks and their governments, who are located in Washoe County. We look forward to presenting our information on our regional government now.

With me today is Commissioner David Humke, who will be our Commission's representative during the 2005 Session. Also with me today is our County Manager, Katy Singlaub. You will hear from Ms. Singlaub about the many ways that Washoe County practices good government. She will provide you with examples of this, showing some of the key challenges that we have identified. Mr. Chairman, with your permission, I would like to address Ms. Singlaub to address the Committee.

Katy Singlaub, County Manager, Washoe County, Nevada:

[Introduced herself.] We have provided each of you a blue folder ([Exhibit E](#)), and within that folder, you should have a copy of our presentation, as well as some publications that we wanted you to keep. One has to do with our regional water

resources. The other is our Washoe County Guide to Services. In 2003, this Residential Guide to Services was the number one award winner in the United States for residential guides to services for our population.

[Katy Singlaub, continued.] We hope that you will keep this reference book with you and be able to use it throughout the session, because it does include some of the key information about Washoe County. I will go through that with you today. The first page of that presentation lists all of our legislative contacts for Washoe County, so if you need to get in touch with any of us, it provides our phone numbers and our email addresses. You will see me here down here, you will see John Slaughter, who is our Legislative Affairs Coordinator, and our commissioners are also listed as well as some of our lobbying team.

I would like to begin by giving you a little background about some of the facts about Washoe County. There are 6,905 square miles of geography we are responsible for, and it certainly is an impressive responsibility. The population is 373,000. There are 1,000 miles of roads maintained by Washoe County. We just learned last week, from a report by the Tripp Foundation, that daily traffic levels in Washoe County, per freeway lane miles, have almost reached the same level as in metro Clark County. There are 16,308 vehicles in Washoe County versus 17,244 vehicles in Las Vegas. So, we are growing and reaching some congestion and capacity challenges.

Our jail has a daily average population of about 1,073 people, with a capacity of 1,124. Last year alone, we exceeded the capacity of our jail six times. The last legislative session was kind enough to give us the opportunity to create a release program for inmates under the direction and supervision of our chief judge. We implemented this program six times in the last year. In addition, we have about 526 persons who are in the sheriff's custody every day, but are on alternatives to incarceration programs. We are quite proud of our alternative sentencing program that has kept our jail population under manageable levels. We have been a model for many areas of the United States.

We have about 2,800 employees. We are the third-largest employer in our region. We have labor bargaining units, which always make for challenging relations at budget time. Our total budget is \$579 million, and the general fund is \$292 million. Of that, 82 percent is spent on countywide regional services. About 18 percent is spent on municipal services, which we provide to 100,000 unincorporated area residents. Our average annual population growth in the past five years was about 2.5 percent per year, with a total population growth of about 44 percent since 1992.

[Katy Singlaub, continued.] Washoe County adopted its strategic priorities in 2004 and 2005. The first priority, preserving natural resources, was the number one issue of our voters in Washoe County. The next one is promoting quality economic development, and of that, our first priority is our Truckee River flood control project. We are seeking to prevent the repeat of over \$600 million in damage from the 1997 New Year's flood with our partners, Reno and the City of Sparks.

We are also working on transportation and road system improvements. With Reno, Sparks, and our Regional Transportation Commission, we have implemented a regional road efficiency study, which is planned to save \$3.2 million a year in our region for the taxpayers when fully implemented. Through that study, we share equipment, resources, and we have been able to sell pieces of equipment that are duplications of the effort among our three local governments. We look forward to continued success, including contracting with one another where we can cost effectively provide services.

Government efficiency and financial stability is another one of the board's priorities, and we have done quite a few things under efficiency and technology. We will talk more about those in a moment. Encouraging citizen participation, and, finally workforce development are strategic priorities of our board. In our organization, like many government organizations, we are facing a 30 percent turnover of people who are eligible for retirement on our work force within the next five years. I know that it is probably a similar figure for the State and other local governments. On the next page of our presentation ([Exhibit E](#)), there is a graph of our Washoe County population. In total, and as I mentioned, population has increased 44 percent since 1992. Obviously the numbers are not as large as those of you who live in southern Nevada are used to, but for us, it has been a challenging growth rate.

On the next page ([Exhibit E](#)), are some charts that refer to some snapshots of our economy. Annual job growth rates from 1992 to 2004 are rebounding very strongly, and job growth last year was about 4.1 percent in Washoe County. The next table shows annual unemployment rates from 1992 to 2004. As you may know, Washoe County consistently has a lower unemployment rate than the rest of the state average, which has a lower unemployment rate than the nation. Our unemployment rate for 2004 is about 3.3 percent. As far as the assessed values for fiscal years 1992 to 2005, we have shown you the average change in assessed value, from year to year. Our five-year average increase in assessed value is 6.7 percent, so it is not as dramatic as many areas. For the 2005 to 2006 year, our assessed value growth is projected to be about 8 percent.

[Katy Singlaub, continued.] The next page ([Exhibit E](#)) shows our property tax rate for fiscal year 2004 to 2005 and where that money goes. Of the property taxes that are paid to Washoe County, most are legislatively-imposed overrides or voter overrides. Of the \$1.3917, only the operating rate is governed by the Board of County Commissioners at their discretion, and the operating rate for our general fund is about \$0.9081. We have provided for you the sources and uses of our general fund. Our general fund is about 40 percent funded by property taxes and about 38 percent from sales taxes. Of those resources, about 30 percent of our general fund goes to public safety, which is typical for local governments.

One of the important points of our presentation is on the next page ([Exhibit E](#)). The top table shows our general fund operating rate history from 1999/2000 through this current fiscal year. This chart shows what our allowed rate is by statute compared to what the County Board of Commissioners actually chose to impose. Our board is one of the only local governments that we are aware of that has voluntarily set a cap on our spending. We cannot grow our budget from year to year more than the combined rates of growth of the CPI [Consumer Price Index] and population in our county, and we have done that for seven years. That has enabled us to lower our imposed rate compared to what we could have done.

That chart shows you that in the 2004 to 2005 fiscal year, we did not impose the \$0.28 property tax rate that we would have by law allowed to impose, were there room in the cap to do so. We have been working very hard for many years at being very fiscally prudent and efficient. One of the places that we have done that is in our employee complement. The bottom chart on that page shows our Washoe County full-time equivalence per 1,000 population. You can see the changes since 2001; we now have only 7.6 employees per 1,000 population.

These are some of the highlights of our efforts for efficient government and some of the things you will see in the list of achievements. I won't go through all of them, but I would like to highlight some of them. We work hard at being as efficient and cost-effective as we possibly we can. One of the ways that we do that is through partnerships. You have heard about some of the partnerships we have with Reno and Sparks. As I mentioned, we have reduced our full-time equivalence per 1,000 population to 7.6.

We have reduced our General Fund expenditures per capita from \$743 to \$731. We have been named the number one local government in the United States for waste reduction by the United States EPA [Environmental Protection Agency] for the fifth consecutive year. I mentioned that we are the only local

government in Nevada, to our knowledge, who has voluntarily limited growth in the budget to the combined growth and population and CPI for seven years.

[Katy Singlaub, continued.] Some of the other highlights at the bottom of that page are that this past year, we opened our new \$19 million, 108-bed Jan Evans Juvenile Justice Center. We did this on-time and within budget without a tax increase, with the generous help of the State Legislature. Former late Assemblywoman Jan Evans sponsored legislation to give us \$3,000,000 to complete that \$19 million project. We have opened that, and it has reduced our length of stay at the juvenile center. We built an entirely full district court room in that center so that we don't have to transport the kids downtown anymore for court. That center includes outreach services, education, family resources, and a variety of work programs that the juveniles in detention participate in.

We completed the full integration of child welfare, again a project that many legislators worked very hard on with us. Washoe County was chosen as the pilot for full integration of child welfare. We have successfully completed it and taken on 54 state employees. That effort has been a tremendous success. We have reduced the average length of stay in foster care by six months, and we have increased the number of adoptions by 30 from the previous year.

We also completed and adopted the twenty-year regional management plan in Washoe County. We have unique legislation in Washoe County, *Nevada Revised Statutes* 540A, which consolidates all water functions under Washoe County for Washoe County only. We are the regional water planning authority for our region. One of the other efforts that we undertook this year, in addition to adopting that twenty-year plan, was the implementation of a ground water resource data center. As the Legislature considers various water legislation, we are happy to provide you with the experiences that we have seen in our water resource planning. We successfully implemented our fully-interoperable 800 MHz [megahertz] radio system which did not require a tax increase. It was voter-approved using an existing tax rate. We currently have Washoe County, Reno, Sparks, our Washoe County School District, NDOT [Nevada Department of Transportation], Sierra Pacific Power, our Airport Authority, University of Nevada, Reno, Truckee Meadows Community College, several tribal governments, and others using this system now. It is truly the first statewide interoperable radio system in the state, and it is working beautifully.

This year, we established a citizen-led committee which set criteria for government spending priorities. We have received lots of interest nationwide in this project. We called it Charting Our Course. Our citizen-led committee included Carole Vilardo of the Nevada Taxpayers Association, as well as many other individuals who helped us identify criteria for where we should be

spending our money in government. We also successfully consolidated animal services under Washoe County with the cities of Reno and Sparks, as approved by our voters. As you heard, we are collaborating with the City of Reno on construction of a joint municipal court and district attorney building—the Mills B. Lane Justice Center.

[Katy Singlaub, continued.] We have been recognized twice by the State Legislature for the fairness and equity of our salary and compensation system in Washoe County. We are very proud of that. Some of the challenges that are on the Washoe County horizon are management of growth, which has been listed as the number one concern for Washoe County voters that were surveyed in a statistically significant random sample in 2004. This past year, the Board of County Commissioners encouraged the formation of a Growth Management Task Force, similar to what has been done in Clark County, and the Truckee Meadows Task Force has been appointed and is operating. Distinct from Clark County's effort, this is not a growth task force appointed by the county commission. It is a community growth task force. We are very anxious to support their consideration of issues in our region.

Citizens say that management of water and other natural resources is the most important service Washoe County provides. As I mentioned, our \$300 million flood control project, which is under the U.S. Army Corps of Engineers, is a critical part of that. It is also a challenge for us, as it is for every local government, that labor and other costs are increasing faster than CPI [Consumer Price Index] and population. In Washoe County that is an expanded challenge for us, because we have a limit. We cannot grow our expenditures or our budget greater than CPI and population. We will need a 256-bed jail expansion within the next 2 years. Last year, the County Commissioners implemented a 1.5 cent dedicated property tax rate to fund that construction in advance of the need for that facility, so that we could make sure that we were accumulating resources for that. That 1.5-cent property tax will not cover the increased operating costs.

We are looking forward to working with the Legislature on legislation for a mental health triage center, and we are the largest provider of mental health in northern Nevada through our Washoe County consolidated jail. The county is also participating in the Homeless Service Center that you heard about from the City of Reno. For the last 12 years, Washoe County has been the funding source for all of the operating costs for homeless services within our county. There is also a continuing effort to break off a separate government for Incline Village, and that is certainly a challenging initiative that we are working with them on. As is always the case, higher valuation areas will have a

disproportionate burden for those regional services like child welfare, health, and education, because of their higher property values.

[Katy Singlaub, continued.] On the facing page of the report ([Exhibit E](#)), we have a chart that shows you four of the Incline Village areas of Washoe County. These are the actual median sales price, median taxable values, and median assessed value history for Incline Village and Washoe County, from 1996 to 2004. As you can see, the median selling price for homes in Incline Village is beyond the range of most neighborhoods. \$857,000 was the median single-family home selling price in 2004. You will see the median assessed value has grown quite slowly. We continue to work with them on their concerns about property tax relief, but as long as our property tax basis is tied to market value, we will see these kinds of dramatic increases.

A companion issue with that is the price of housing for working families. I know that you have seen these charts in many areas of our state. The chart on the bottom of that page shows housing price appreciation in the Reno/Sparks area. The red-dashed line is the ten year average appreciation. The green dotted line is the five-year average appreciation. You can see what has happened in 2004. It is a great challenge. It is the same chart that you see in southern Nevada as well. We all want to work together to address the price of housing for working families.

We are assisting in efforts to find property tax relief solutions that address hardships, without hurting schools and needed services. Tomorrow in Washoe County, we are hosting a live town hall meeting that will be televised and will allow for email interaction from our county commission chambers from 1:00 to 3:00 p.m., Saturday, February 12. We are publicizing that in our area, so citizens can be part of this dialogue and debate about property tax relief solutions. We are not in agreement with Sparks on the fuel tax issue that they presented to you. As Chairman Parks mentioned, that issue was referred to the S.B. 557 Committee. The proposal was not supported as yet. The proposal that Sparks has put forward has not been supported by the S.B. 557 Committee. We continue to work on cooperative efforts in our region.

**David Humke, Appointed Legislative Representative and County Commissioner,
District 2, Washoe County, Nevada:**

[Introduced himself.] It is my understanding that this is a case of first impression where you have taken the lead to hold these kinds of presentations for local governments. I did serve in the Assembly, but sitting back here, learning from our sister cities in Washoe County, and this presentation, I learned a few things that I hadn't learned before. I am very happy that you are putting these on for the entire state. I think that it is going to serve this Committee very well.

Assemblyman McCleary:

Katy, you mentioned that by assessing properties at market value, it was detrimental to funding your government operations?

Katy Singlaub:

Not that it is detrimental, but as long as the basis of property tax system is on market value and we see these great escalations in market values, we will continue to have challenges in what the property tax burden is that some people pay.

Assemblyman McCleary:

If it wouldn't be based on market value, what would you suggest that we use to assess?

Katy Singlaub:

I certainly wouldn't propose an overhaul of the system to get away from market values. There are many proposals out there that I know the Legislature will consider. One of which is smoothing, which is to take a rolling average of the increases in assessed value. That might help the huge spikes that we are seeing. The Board of County Commissioners has not taken a position. We know that there will be many proposals that we will consider. That is one that would help with that problem.

Assemblyman McCleary:

The reason that I ask is that this is something that we are going to be considering. I want to get the input of as many local governments as possible. What are your suggestions? I am not getting a lot of suggestions, by the way. It is like people are saying, "This is your problem; figure it out. We don't think that this would be a good idea." Pardon me if I ask, as we interview these local governments, if they have any suggestions for that.

David Humke:

If I could comment on that line of questioning, realizing that this is not the Taxation Committee. We are doing our part by trying to educate our own voters with the presentation that will take place tomorrow between the hours of 1:00 and 3:00 p.m. Carole Vilardo and Guy Hobbs are going to give this town hall presentation, and then it is going to turn into question and answer. I cannot think of any better two persons to educate citizens on the very complicated nature of property assessments in the taxation system. I feel that we are doing our part so that we are going to have a very educated voter who can come to this Legislature.

Assemblyman Grady:

I would address this to any of the three people at the table. In my area of Storey County, they are very concerned with your flood control project. I compliment you on bringing flood control forward because it is desperately needed. Has the dialogue been open, not only with the County Commissioners in Storey County, but also with the people around Rainbow Bend? The emails that I am getting are saying that Washoe County is pushing this forward without talking to us. Could you touch on that?

Katy Singlaub:

We have actually held meetings in Rainbow Bend and have invited the citizens of Lockwood to participate. Storey County staff members and elected officials are noticed of all of our meetings and are invited to be a part of the process. In any flood control project, pursuant to federal law and common sense, we would be prohibited from merely pushing our problem downstream. We have to work very closely to respect the downstream interest. In fact, the first part of our flood control project was to do environmental restoration downstream from the Reno/Sparks area, so that we are working on restoring the river and enabling it to take more flood waters in the event of a flood. Yes, we are working with Storey County. I know that they are very worried. I think that until we actually get progress and construction going, they will continue to feel very nervous about the threat of our flood waters being pushed downstream. Please, be assured that we are very, very conscious of that and working hard to make sure that we don't do that.

David Humke:

I have a constituent, Marge Fransen, from Hidden Valley, which is the area that abuts up to Storey County—your district and my district as well. She told me that within the last few weeks, she has met with some of the folks at Rainbow Bend and has worked with them. She serves on this environmental group that is trying to implement the living river concept. We take the view that we have to pay attention to the river as it crosses the Nevada border to our west, in the Verdi area. We have to pay attention to it all the way to Pyramid Lake. If we can find the restored areas where the water can spread, that is going to lessen our problem in downtown Reno. It is not unlike the tax situation. It is big and it is complicated and we are going to take it on. I would be happy to give you her phone number for some of the folks.

Chairman Parks:

I had one question. Mr. McNeely made a comment earlier in his presentation about a joint venture on a courthouse. Could you discuss a little more on that project?

Katy Singlaub:

I would be happy to. Washoe County has done a 20-year master plan for our justice facilities downtown and found that we needed additional space to build a district attorney facility as well as additional courtrooms. We put an initiative on the ballot. It did not pass, so we formed a Justice Facility Working Committee, entirely citizen-led. We asked them to help us plan out what we should do. That committee came up with a recommendation that the best and most important priority for Washoe County was to tear down an existing building that we had and build a district attorney facility where that building was located. They decided that the best use of the property would be to colocate the Reno Municipal Court with that district attorney and adjoin it to our existing justice court.

This enables us to use one prisoner holding area, one court security area, and one access. We will be saving the taxpayers upwards of \$10,000,000 over the life of the building by colocating those facilities and putting the Reno Municipal Court colocated with the justice court. The District Attorney building and the Municipal Court will be an eight-story building. That is under construction right now.

Chairman Parks:

I hope you don't do what Clark County did. They built their justice center and they knew they were \$30 million shy when they started their project. Further questions? We enjoyed your presentation. The next presentation on our agenda is a presentation by Douglas County. We are going to have a presentation by Douglas and Lyon County, and by Carson City.

Kelly Kite, Chairman, Board of County Commissioners, Douglas County, Nevada:

[Introduced himself.] I would like to give you an overview. The reason that the three of us are up here together is to show our cooperation, the three entities, as opposed to what you might be reading in the newspapers about the daily, weekly, and monthly battles. There is a lot more cooperation going on here than you might read in the press.

[Mr. Kite referred to [Exhibit F.](#)] I will start with Douglas County. We are one of the first 9 counties established as a Nevada territory. We are 750 square miles. We are the third smallest county in the state. We are 70 percent government owned, which leaves us only 30 percent to grow with. Our population is just under 48,000, and our assessed valuation is just under \$2 billion, which is the third-highest in the state. The 2005 average overlapping tax rate is \$2.42, which is the second lowest in the state.

Our government structure is not unyielding, but definitely a challenge. We have 37 total government agencies in the county: 3 unincorporated towns,

4 fire/paramedic districts, 16 special/general improvement districts, 4 enterprise districts, 2 special districts, the TRPA [Tahoe Regional Planning Agency], state, school, county, BLM [U.S. Bureau of Land Management], USFS [United States Forest Service], BIA [Bureau of Indian Affairs], and the Washoe Tribe. Thirty-one of these have an allowed property tax rate and 26 of those receive CTX [consolidated tax] revenues.

[Kelly Kite, continued.] Our 2004 to 2005 county budget total is \$125 million. Of that, \$35.3 million is the general fund. We have a little more than 37.5 cents going to the general fund, 1 cent to cooperative extension, 1.5 cents to the state motor/vehicle accident for the indigent, 0.5 cents to medical services for the indigent and, almost 3.5 cents for social services. We have 0.25 cents going to China Springs Youth Camp, almost 0.05 cents to 911, 0.5 cents to ad valorem capital projects, and almost 2 cents to Western Nevada Regional Youth Center. Our Douglas County tax rate has been lowered by 7 cents 9 years ago. In the preceding 8 years we have grown the tax rate by less than a penny. We have maintained a level tax rate.

Our lowest overlapping tax rate in Douglas County is a county/Sierra forest fire protection district that is 2.1 cents, and our highest is the Indian Hills GID [General Improvement District] of 2.96, almost 2.97 cents. Our assessed valuation has grown by nearly a billion dollars in the last 10 years.

Our sales tax has grown by nearly 64 percent in the last 5 years. In 1997, the Legislature told us to quit relying on room tax from Lake Tahoe. They told us to go out and find a tax structure that could support our local government. It was very good advice. We did, and because of this we have grown our taxable sales in this county by 64 percent in the last 5 years. It has provided us a much more stable income. On the taxes received from Lake Tahoe, we thought that if we were lucky, they would remain flat. We weren't. It is beginning to show dropping off like it has in a lot of other areas. The foresight of the Legislature has gotten us out of that trap early. The citizens of Douglas County should thank the Legislature for giving us a path for getting us out of a downward trend.

On the issue of tourism, we took the additional monies as was required by the Legislature. We returned that room tax back to the Lake and they are doing promotions with it. I believe that they are working very hard. You should see the "Go Blue" advertisements for Lake Tahoe. I am sure that those have really helped the Douglas County economy.

We have done a lot of other things to diversify our economy, such as the Starbucks plant and our redevelopment at the north end of Douglas County.

Those things have pulled us out. Our biggest challenge right now is growth. How do we protect the ranch land that we need for flood control for some other things that makes Douglas County so desirable? It is one of the things that drives growth. There are differing opinions on how we need to go about that. That is probably our biggest struggle at this point: how do we diversify our economy, keep the county a beautiful place to live, and not let it be overgrown? The sheer fact that we are desirable is our growth problem.

[Kelly Kite, continued.] Lake Tahoe is protected with the TRPA [Tahoe Regional Planning Agency]; however, we are trying to protect Douglas County with our master plan. It is not necessarily trying to stop growth, but to manage growth, and put growth where it needs to be. We have to keep the growth out of our ranch and farm land. That is our recharge area for our aquifer that is our flood system. I don't know how many billions of dollars it would require to build a flood system to replace our ranch land.

In the 1997 flood, the ranch land and the open space in Douglas County is what saved us. We were able to spread flood water over 30,000 acres of ranch land. I am not saying that we didn't have our problems. We did, but I would hate to guess at how many homes we saved by having ranch land that we could dump the flood waters on. Replacing that, I am sure, would be in the billions because of the way that the valley sits. Douglas County is built on the edge of the mountains, and the water does like to come off of those peaks. Our ranch land is one of the things that we desperately need to protect.

Some of our problems coming up will be arsenic standards and the tax situation that everyone else is facing. I know that we are one of the three counties that are possibly creating the problem. The question was asked before of what would our solution be. There are probably several solutions that would help Douglas County and hurt some of the other rural counties. We are the third smallest county in the state, and we are going through that transition from rural to urban. We would like to keep it half and half. One of our problems is trying to keep our ranch lands open. We have done what we can so far by keeping our tax rate as low as possible. We vary from the second to the third lowest property tax rate in the state, vying with two counties that have gold mines. We don't have one. Our diversification for our economy has become our gold mine.

Keeping our tax rates low is, so far, all that we have been able to do to help you with the property tax problem. I do not envy you at all. It is a terrible problem to face. What can you do for two or three urban counties that could probably have several alternatives, without destroying some of the rural counties that are living on a day-to-day basis? I will reserve some time for questions, if you have any. I will be happy to respond in any way I can.

Assemblywoman Parnell:

Regarding the master plan in Douglas County, what can you tell me about the area north of Minden to about the Jacks Valley turnoff? What do you foresee happening to all that vast area that is now farm land and ranches? Do you see that all eventually being developed?

Kelly Kite:

I certainly hope not.

Assemblywoman Parnell:

I do, too.

Kelly Kite:

We have two methods within our master plan: purchase of development rights, where we hope to use some of the proceeds from the BLM sale on the north end to purchase the government rights and put it into agricultural or conservation easements for perpetuity; and the other is the transfer of development rights. If a developer wants to build homes on an area that is located within the reaches of our infrastructure, they will purchase development rights from a willing seller, at the ranch level. Those development rights are permanently retired. We are trying desperately to preserve all of that land. I live there. If you come down off of Indian Hill to Cradlebaugh Bridge, you can look either to the left or right and you can see mountains unobstructed in both directions. That is my goal.

Assemblywoman Parnell:

I am glad to hear that. I get concerned when I see all the building that is going on behind the Home Depot/Target area and across. I have a fear that one day we will lose all of that great land in between. I am glad that you are looking ahead and planning for that.

Kelly Kite:

Those particular areas are identified as receiving areas. The development rights that are bought off the ranches will be put into those specific areas. Those are planned growth; the others are planned for open space.

Assemblywoman Parnell:

Terrific.

Assemblyman McCleary:

You had joked about consolidation when you came up here, but I have really been considering this. We have 15 rural counties that are struggling to survive.

Could you very briefly touch on some of the problems that we would face trying to consolidate some of these counties together?

Kelly Kite:

I was joking. The three counties that you are looking at, I don't see us as having the same problems that some of the other rural counties do. I would be completely out of line if I was to comment on what should be done here.

Assemblyman McCleary:

I thought you were serious, and since I have been thinking about this, I was thinking that maybe it is time to consider consolidating some of these counties together to help them provide and bring their services together to help their people. But, if you were just kidding, never mind.

Kelly Kite:

We have done that on a regional basis. We are working together. I am very proud of what the three counties here do together. The first shining example of this would be the Carson Water Conservancy District and transportation. We are talking about, in the future, regional water supplies to solve the arsenic problem. I have a wonderful working relationship with the two gentlemen that I am sitting here with. We are doing a lot of what you are talking about, only we are doing it cooperatively, which may be easier than doing it legislatively.

Bob Milz, Chairman, Board of County Commissioners, Lyon County, Nevada:

[Introduced himself.] [Mr. Milz read directly from [Exhibit G](#).]

Lyon County is the fifteenth fastest growing county, per capita, in the United States. I want to share with the distinguished Committee, the many new initiatives that are under way in Lyon County, to make this another great place to work and live in Nevada. These development strategies are presented in no particular order or priority, but they do reflect the new enthusiasm and productivity that is permeating Lyon County. We are working to accomplish our desired future through good planning practices and principles.

Perhaps the most important thing to convey to you is that Lyon County has been discovered, and from this point forward, the county will continue to grow and transform. The challenge is to ensure that the values and traditions that are important to Lyon County residents remain intact as this maturing community expands.

[Bob Milz, continued.] For those of you on the committee who may not be familiar with Lyon County, it is immediately east of where we are seated. It is uniquely shaped: roughly 55 miles wide and 95 miles long. On the north, the county starts just north of Interstate Highway 80 and to the south, it is bounded by the California border. The county comprises five separate and distinct communities with traditions in agriculture and mining. There are two incorporated cities, Yerington and Fernley, and the robust unincorporated communities of Dayton and Mound House, the crossroads community of Silver Springs at U.S. Highway 95 Alternate and U.S. Highway 50, and the delightful historic community, Silver City.

People are moving here and establishing roots because of the quality of life that is found in Lyon County and the greater prospects of a good paying job without the high living costs. I think they are also coming here because there is a strong sense of family and community roots associated with Lyon County.

Thus, Lyon County is experiencing unprecedented growth. This is evidenced by a 28 percent increase in building permit activity this past year. On a percentage basis, we are the fastest growing area of the state. The growth has forced us to look more than 20 years into Lyon County's future so that we may properly plan and predict for its orderly growth and development. As part of this planning process, we observe that many of the county's roads are too narrow and not paved, areas of Lyon have not been adequately evaluated for potential flooding, water is in short supply, code enforcement is a problem in certain areas, and the county's Master Plan is outdated, but we're working on it.

At the same time we are planning, we are also implementing changes. The Board of County Commissioners has just approved our first Wastewater Master Plan, with great reviews from NDEP [Nevada Division of Environmental Protection]. We've adopted a new planned unit development ordinance and a landscape ordinance. We've passed a park tax—yes, I said "tax"—to build new facilities for our residents. Our voters approved a November ballot measure implementing a road tax ordinance, which we will adopt in the next 30 days. We have a new alternative roadway plan so we won't overwhelm U.S. Highway 50. I tell you these facts not only because I'm proud of the county, but also to let you know we are working to help ourselves and not just looking to the

State to solve our problems. We look to you, the State, as a partner, not Big Brother.

[Bob Milz, continued.] Among the efforts underway to improve this county's growth and development include:

- The county is in the early stages of updating its master plan to include a comprehensive transportation strategy intended to determine the sizing and placement of the county's road system for the next 25 years. This action should save the county millions of dollars by requiring the dedication of rights-of-way before development occurs and by keeping development out of these designated corridors; we've learned by viewing the mistakes of others. As part of that effort, the county will hire a demographer to analyze our growth and make projections and forecasts about how quickly we will need to build new roads and where, how much sewer capacity to provide for and where and the locations to install fire stations and parks. These estimates will serve as examples of what needs to be planned for in advance.
- The county is evaluating its method of tracking and resolving code enforcement complaints so they are attended to in a consistent and timely fashion.
- Lyon County is evaluating its method of tracking and resolving code enforcement complaints so they are attended to in a consistent and timely fashion.
- Lyon County will soon institute a sign ordinance intended to provide aesthetic predictability to the organization and placement of signage along our roadway system, with a mind for maintaining this county's natural beauty.
- A cell tower ordinance has been drafted and is now scheduled for public hearing. The purpose of this ordinance is to regulate wireless communication facilities by the introduction of guidelines for their construction and placement. The goal of this effort is to minimize all adverse impacts prompted by their presence by employing colocation, innovative design, location, and camouflaging techniques.

- [Bob Milz, continued.] The county is considering the institution of an airport overlay at Silver Springs to preserve the integrity of the airport operation as growth occurs in proximity to that public facility.
- The county is looking to institute impact fees to help pay the capital costs associated with new development. This revenue stream should improve the county's ability to install public infrastructure concurrent with growth in a fair and equitable apportioned manner.
- The county has increased its mapping capability by development of a geographic information system that, when implemented, increases development accuracy, cost efficiencies, and decreases the liabilities inherent in possessing poor quality map information. In just a very short period of time, the county has generated some excellent maps which have improved the efficiency and integrity of the county's operation and helped manage the county's systems.
- We are changing and expanding local ordinances to improve development standards.
- A new Lyon County satellite office is about to open in the Mark Twain area of Dayton to provide services, so the growing population does not need to drive one hour to Yerington to get business licenses, pay taxes, secure a building permit, or seek a zoning charge.
- A landscape ordinance has been implemented for the purpose of making tremendous improvements to the appearance of the county.
- The county is evaluating its storm water strategies with an eye toward decreasing the prospects of area-wide flooding potential.
- There is a conscientious effort underway to improve the county's land use permit issuing process so it is quicker, more consistent, and user friendly.

[Bob Milz, continued.] I hope that this list gives you a flavor of what we're doing, but we do need your help. We have several bill drafts that you will review and, we hope, pass. I've mentioned that drainage is a problem. We'd like you to consider enabling legislation to allow our voters to consider paying for a drainage utility.

We also ask that you consider a boundary shift between Washoe County and Lyon County. Currently, there is property within Washoe County that is isolated from the remainder of the county by the Pyramid Lake Paiute Indian Reservation. The property does not show up on the Washoe Master Plan maps. More importantly, it is immediately north and west of the City of Fernley. It would help Fernley and, hence, Lyon County, if the property could be in Lyon County and ultimately annexed into and served by the City of Fernley.

We also hope and pray that you will be very sensitive to the differing needs of the rural counties of our state as you address the tax issues. We recognize that you are under tremendous pressure to implement a property tax cap. At the same time, please recognize that there are tremendous differences between what is occurring in Clark County and the situation in rural counties. You hold our fate in your hands, and as a growth community, some of the solutions that are being floated have the potential of doing great harm to our developing future. We are anxious to work with you to secure a solution that works for all Nevadans, urban and rural, and those on the cusp.

We hope while you are here in Carson City you'll have some time to explore the area. It seems unlikely when I think about your agenda, but the invitation is open-ended. Still, a great lunch or dinner can be had in Dayton, which is only 15 minutes away. We invite you to see what Lyon County is all about and would welcome your inquiries.

I would like to mention that behind me we have our new County Manager, Donna Kristaponis, in the red coat. She has some expertise that Clark County really needed in the planning field and ordinance changes. She has greatly benefited the future of Lyon County. I would like to mention that these three counties that you see before you have a great working relationship on a regional basis. We look forward to working with them in the future, as well as you.

Assemblyman Grady:

Lyon is one of my counties, as well as sharing Carson City with Ms. Parnell. It is good to see both of you here, and it is nice to see the three counties working together. We have had some meetings with all our legislators with the three counties, and it has been a great help to all of us that serve the multiple counties. Welcome to Carson and to our meeting.

Assemblywoman Kirkpatrick:

My question is for all three of you. It sounds like Lyon County is well on their way to include all the proper things that you need to when you are growing, so that is very exciting. Serving on another committee, we learned that there were many counties within Nevada that did not actually have a building permit process to assess properties. I was wondering if you were doing a little straw poll here to figure out which ones don't have it. If you do have a building permit process, how often do you try to assess your properties? This question is for each one of you.

Kelly Kite:

We do have a very accurate building permit process. We have our GIS [geological information system] mapping system and we assess 1/5 of the county every year. The rest of the time the land valuation is estimated, but 1/5 is assessed every year.

Bob Milz:

Lyon County also has in place planning, and as far as the assessed value, that is set by state statute as to when we do that.

Marv Teixeira, Mayor, Carson City, Nevada:

[Introduced himself.] We have an awesome system that addresses those needs. Yes, we have a process in which we use the GIS. We do reassess by *Nevada Revised Statutes*. We have a complete reassessment within the five-year period, as designated.

Assemblywoman Parnell:

This is really just a statement, and congratulations to you on Lyon County. For my southern Nevada colleagues on this Committee, when Clark County started to grow, they could grow in all directions and you have seen that in the Summerlin area and the southwest area. In this area, being next to the mountains, the only place to grow is east—especially when the property values started increasing in Douglas County and Carson City. We found this dramatic move east, out U.S. Highway 50. Lyon County is now experiencing many of the same conditions that areas in Clark County started to face, especially with the growth of the student population. This is just to give you an idea of what they

are dealing with in this area and to compliment the citizens of Lyon County for understanding that the dramatic growth is demanding the need for additional school facilities. I believe that you just passed a bond so that you will be able to do that. Congratulations for your work on that.

Chairman Parks:

You referenced the airport overlay at Silver Springs. Is that a privately owned airport?

Bob Milz:

No, it isn't. It is owned by Lyon County.

Chairman Parks:

A few years back, we had dealt with an issue with regard to private airports and some of the stuff that they were trying to do. Are you looking at it being a major airport?

Bob Milz:

Yes, most definitely. It is the center of Lyon County. It only makes good sense to improve that facility.

Chairman Parks:

How long is the runway?

Bob Milz:

It can handle 737s. I am not sure of the length. I think it is about 6,000 feet, so it will handle most large planes.

Chairman Parks:

My only comment was possibly looking at an annexation from Washoe County to Lyon County. It sounds like it would be reasonable thing to do given the location. Have you spoken with or are you in discussion with Washoe County about this issue?

Bob Milz:

We have, and it will be ongoing. We need to have everyone on board with Washoe County and the City of Fernley. They have already approved this. Lyon County needs to be on board with this issue and I am hopeful that this will happen soon.

Assemblyman Grady:

In regards to the change of boundary lines, I do have a bill draft request for that, and we are waiting for letters from Lyon County and Washoe County that there is full agreement, before we bring that forward.

Marv Teixeira:

[Introduced himself and submitted a map-fold brochure, "A Tour of Historic Carson City ([Exhibit H](#)).] I am a newly elected, recycled mayor who was brought out of retirement to come back and serve again. That is a supreme compliment that I take very seriously. It isn't often that a person gets an opportunity to serve two terms, go into retirement and then say, "You know what, I think I can do that again." And the people say, "Come on back, old guy." I am very happy to be representing our community again.

Carson City is the only consolidated city/county in the state of Nevada. We are your capital and we are darn proud of it. We are rich in history, natural beauty—seeing those mountains in the morning, when the fog isn't in. We have many parks and great youth facilities. We have an exceptional quality of life and one of the lowest tax rates in Nevada at \$2.70. It is terrific having a consolidated city/county because you only have one government. Tag, you are it — there are no turf battles. If you screw up, there is nobody to blame, and it really works. We have one school district, one high school, one community college, and one of everything. If it can be done, Carson City can do it, because we work together.

I am going to give you two examples of that. Seventy-five percent of the land in Carson City is owned by the federal government. This community voted in a bill to tax themselves for open space. That is a community that wants to preserve their vistas, they don't want to see homes up on the hillsides and they want to be able to have land for the people to use in perpetuity. Second, I don't know how many of you have ever seen the flag up on C Hill? It was demolished and Supervisor Williamson started a program in which they put a little ad in the paper that said, "We need funds. Get a piece of the flag for \$75.00." Of course, my wife couldn't get to her checkbook fast enough. This community, in a matter of days, raised \$46,000 for that flag. This community takes care of itself and I am really proud to be a part of it.

Carson City is 58,000 people, with a build-out at 75,000. So, we don't have much room left. We are doing a master plan, because we want to finish out correctly and be able to have sustainability of revenue to keep our services up. Once you don't have growth, you start to lose your vitality. We are starting to plan for that now. When you look at my counterparts here, together, we represent over 150,000 people. It is the regional approach. We have a

philosophy that we erase those boundary lines between our counties and try to work in the important areas of water, transportation, commerce and work together. We are doing it. We have Tri-Net [Tri-Net Narcotics Task Force] drug enforcement, water conservancy areas, and there are other areas. We are going to improve on that and get down the road.

[Marv Teixeira, continued.] It is time for you people to have a break, so I am going to cut this real short and talk to you about one area, and it is regional. I may not get this opportunity to talk to you. If I have to do it individually, I will, but I will try to do this as a group.

The V & T [Virginia & Truckee] Railroad: We had a bill that passed about six to eight years ago and then it was taken away. All we are asking is to put it back in. It is a match. The state puts up \$5 million, we put up \$15 million. It will probably be Carson City paying that bill. Give us the opportunity to get that product going. We have finally, after all these years, let out the first bid. We are going to [construct railroad tracks] over the Overman Pit, a mile and a half.

It is the most historic regional project for Northern Nevada. It is the most famous short-line railroad in the world. Our website on that railroad gets hits from 30 different countries. So, it is something very special to Nevada. I hope that you will give us the opportunity to build that. If you put up the \$5 million, we can match the \$15 million and that equals \$20 million. We have spent \$9 million, of which Carson City contributed \$4 million to that. In two years, we could beat Highway 50 if we hustle. I will guarantee that it will get done. I think that it will be something very special for Nevada.

Chairman Parks:

I enjoyed looking at the track that was on the wall at the Carson Nugget the other evening. We do have the V & T [Virginia & Truckee Railroad] license plates. Don't they contribute money toward the program itself?

Marv Teixeira:

Yes, they do. It is kind of nickels and dimes. We have been trying to do this on bake sales and a number of different areas. We need a big shot. Back in Washington, we hope that when that transportation bill comes out, it will have significant monies for the V & T. If that happens and you give us the ability to go ahead and match the \$5 million from the State, you have got a railroad. You have got a railroad, ladies and gentlemen. Then, it will just be a matter of building it. It is about a million dollars a mile. For those of you from Clark County and for those of you from northern Nevada, who have never driven the route along the river, cross over Highway 50, go into Lyon County, then you drop down into American Flats—I will tell you that is special. It is so special,

and it is history. There is nothing like it anywhere from a famous short-line railroad. The most famous.

[Marv Teixeira, continued.] It terminates in Virginia City. So, you are talking history; you are talking about a venue that if you build it, they will come. Will it help Lyon? Yes. Will it help Douglas? Absolutely. You will have buses from Lake Tahoe and from the casinos that will drive their people, drop them off in Carson City, pick them up at after they have made the ride up to Virginia City, and then take them back home. They will be doing the same thing from Washoe County and from Reno. They will drive them, drop them off in Carson City, drive up the hill, pick up their people and go back down. It will be a terrific venue, and it will be something I hope I can see in my lifetime. I am getting pretty old, so we have to get moving.

Chairman Parks:

I do see a number of V & T Railroad license plates in Las Vegas, so I know we have a few enthusiasts.

Marv Teixeira:

I didn't realize that there was that big a following in Clark County for the train. Maybe I underestimated the knowledge of the Clark County contingents to this viable project, and I apologize for that.

Chairman Parks:

The receptions that we have had down at the Railroad Museum have always been among the better receptions that have been put on. To my colleagues, especially the freshman colleagues, don't pass up the opportunity to go to the Railroad Museum. Any further questions? As far as other business to come before this Committee, I do not see any other things today, but we do have public comment on our agenda, and welcome anyone who would care to come forward and make a public comment.

[Meeting adjourned at 10:08 a.m.]

RESPECTFULLY SUBMITTED:

Kiz Malin
Committee Attaché

APPROVED BY:

David Parks, Chairman

DATE: _____

EXHIBITS				
Committee Name: <u>Assembly Committee on Government Affairs</u>				
Date: <u>February 11, 2005</u> Time: <u>8:00 a.m.</u>				
Bill #	Exhibit ID	Witness	Dept.	Description
	A			Agenda
	B	Charles McNeely, City Manager, Reno, Nevada		Brochures
	C	Geno Martini, Mayor Pro Tempore, City of Sparks Shaun Carey, City Manager, City of Sparks, Nevada		Handout
	D	Geno Martini, Mayor Pro Tempore, City of Sparks Shaun Carey, City Manager, City of Sparks, Nevada		Calendar of Events
	E	Bonnie Weber, Chairman, Washoe County Board of County Commissioners David Humke, Commissioner, Washoe County Board of County Commissioners Katy Singlaub, County Manager, Washoe County, Nevada		Booklet
	F	Kelly Kite, Chairman, Board of County Commissioners, Douglas County, Nevada		Booklet
	G	Bob Milz, Chairman, Board of County Commissioners, Douglas County, Nevada		Written Statement
	H	Marv Teixeira, Mayor of Carson City		Brochure