

APPROVED APRIL 2, 2020

The Regular Meeting of the Douglas County Board of County Commissioners was held on February 27, 2020 in the meeting room of the Tahoe Transportation Center, 169 Highway 50, Stateline, NV, beginning at 1:30 PM. **When applicable, the minutes below have been transcribed.**

Call to Order

The meeting was called to order at 1:30 PM.

Commissioners Present:

Barry Penzel, Chairman
Larry Walsh, Vice Chairman
Dave Nelson, Commissioner
Wesley A. Rice, Commissioner
John Engels, Commissioner

Staff Present:

Kathy Lewis, Clerk-Treasurer
Dan Coverley, Sheriff
Patrick Cates, County Manager
Doug Ritchie, Chief Civil Deputy District Attorney
Michelle Pablo, Deputy Clerk

INVOCATION

Led by Pastor Darlene Franks of Crossroads Nazarene Church.

PLEDGE OF ALLEGIANCE

Led by Commissioner Rice.

PUBLIC COMMENT

Roger Adam speaks:

Thank you, Commissioners Nelson and Engels for representing your constituents by voting no on RDA2. My perception is a confluence of Commissioners Penzel, Walsh, Rice plus former Commissioners, election loser Thaler and term limited McDermid stuck Douglas citizens with RDA2. Doesn't RDA2 divert over \$100 million generated by tax increases within RDA2 boundaries over 30 years so that it cannot be used for Douglas citizens outside RDA2 including Tahoe residents for road maintenance, Sheriff's, fire protection, EMT and other County services? Isn't this especially important in the future because of so many developments such as 2,500 more homes approved by Penzel, Walsh and Rice for Park despite heavy opposition from citizens as well as Commissioners Nelson and Engels? Haven't developments already been approved that includes 6,510 homes yet to be built? Weren't these developments typically approved with little or no financial burden on developers for increased crime, traffic congestion, road maintenance, school enrollments, water pollution, depletion, and many more highly combustible flaming foam insulated dwellings not subject to more fire resistive WUI building codes? Who you think must pay for additional County resources needed to address the terribly adverse impacts of at least 6,510 more homes combined with the theft by RDA2 from Douglas citizens of over 100 million tax dollars? Won't

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multiple tax rates increase? Is there a new, not widely known, tax? County property tax bills may include a new event center ad valorem tax because of the Tahoe Douglas Visitors Authority Act, Chapter 496, statutes of Nevada, 1997. Doesn't section 27.5 include "with the consent of the governing body to provide for the levy by the governing body of ad valorem taxes, the proceeds thereof to be used in connection with the multiuse event and convention center." Isn't the governing body the BOCC? Well the same Commissioners who voted for RDA2 and oppose putting it on the ballot be reluctant to add the event center tax to property tax bills? Of course election selections for Commissioners are of great importance. Who are more likely to represent citizens? Casino centered Commissioners who may also reward Stateline business interests Caesars, George Soros, Park, Hard Rock, Montbleu, Edgewood with their votes or those opposed to RDA2, Commissioners Nelson and Engels plus candidates Nowosad and Gardner?

Lynn Muzzy speaks:

These are excerpts and comments from today's Record Courier Chamber Editorial, California redevelopment revitalized the economy. Newsflash, California has permanently discontinued redevelopment. Douglas County Commissioners made the findings of economic blight establishing Redevelopment Area 2, we think, fraudulently. Existing conditions are costing an annual revenue loss to Douglas County of more than \$1.2 million in property tax alone. No, the RDA is confiscating property taxes, which doubles that. Some reader responses from Lake residents to the Tahoe Tribune version of the same article, what happened to the previous attempt to build an event center that also promised to bring a new transit system and economic benefits to our casino core? A proposed frequent and fun micro-transit system with no budget from an organization that is struggling to keep the existing bus system afloat. An event center that can hold 5,000 people and removes parking will push parking to the casinos and California parking lots. This project violates TRPAs own building regulations. The TRPA also noted it will likely increase of VMTs and when it does the TRPA will require reducing the number and size of events allowed. How does shrinking the event center's operations pay for itself by limiting parking operations and attendance? Another hotel welfare project at taxpayer expense. Edgewood donated the land. Well, if it's such a great business idea why didn't Edgewood build it themselves? With the passing of Senate Bill 461 in July 2019, a \$5.00 tourism surcharge is bringing to the Lake approximately \$4.4 million per year. But these tourist paid funds are not enough for the grasping Lake establishment and their political friends. RDA money from Douglas County taxpayers should be used to pay for real needs, law enforcement, fire protection, and infrastructure. But no, they want both. I understand that Mr. Lew Feldman said that event centers do not make money, which begs the question, why should taxpayers throw good money at bad investments? The Lake establishment can pay for their event center without fleecing the taxpayer. Now, I've attached to this a whole list of event centers all around the country that are soaking up tax dollars because they failed. The one in Sacramento is really a standout. It's been taking about \$15 million per year and this year it'll take in \$19 million just to keep it propped up. Thank you.

Chairman Penzel speaks:

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While we're calling for additional Public Comment, if a speaker has proposed something that you agree with and you would just agree with that, you can say ditto or I agree with the previous speaker and we can get through this. Alright, next.

Jeanne Shizuru speaks:

I am David Nelson's spouse as everybody can see over there. I would ask the Commissioners to consider having the meeting on the event center when you have it next month to put it in the Valley. As you know, we've been gathering signatures on our referendum petition and we have close to 3,000 signatures. So clearly there is a deep interest in the Valley about this issue. All the other meetings have been held at the Lake. I don't think it's asking that much to bring it down to the Valley to make it easier for Valley residents to attend. The key points that I want to say came from Ellie Waller's letter to you yesterday February 26th. Number one, the TRPA must not exceed the maximum vehicle miles traveled in the Tahoe basin, this is set at 2,067,600. The TRPA legal counsel has stated that it is assumed that TRPA's VMT threshold standard is no longer in attainment. Therefore, any increase in VMT in the Tahoe basin is expected to contribute to violation of the TRPA threshold. They may not know which project has put them over the threshold but this violation is a foregone conclusion. This would explain why the event center proponents are trying to present a net zero increase in VMT from the event center. Number two, the existing EA, Environmental Assessment, did not sufficiently analyze the cumulative traffic impacts. It needs a real-time cumulative impact of existing conditions today for the entire Tahoe basin. Therefore, an EA is not sufficient, and TRPA should insist on a comprehensive EIS, Environmental Impact Study, as required in their Chapter 3 for new developments environmental documentation. The TRPA must perform an environmental impact study for the event center because there is an absolute certainty that the project will have a significant effect on the environment by exceeding the vehicle miles traveled. How can any reasonable person estimate that there will be 130 events per year, many in the spring and fall, and an increase in room nights of 89,000 nights per year and not increase vehicle miles traveled in the Tahoe basin? For there to be a net zero increase in VMT the event center would have to be a complete failure, and therefore the taxpayers of Douglas County would be better off without its existence. The taxpayers of Douglas County are voicing their opposition through the referendum petition to be placed on the November General Election ballot. After the signature gathering is complete, the decisions will be made by TRPA and the BOCC in March. This lack of common sense that proposed mitigations of a \$20.00 daily parking fee, a casino parking fee, and the 2,500 cap do not make sense to the people.

Chairman Penzel speaks:

Next. Don't be shy, you can stand up here and we can have a little line and we can keep this going.

Mark Gardner speaks:

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Today, I'm isolating my comments today only to the issue of RDA2 and not the merits, pro or con of the event center. Last year when this issue came before you, I spoke on it and I asked that you put this issue before the voters of this county to speak and have a voice on this issue. Here we are a year later and while being an active walker in securing signatures on the petition to do just that, I have become even more convinced that the citizens of this county wish to weigh in on this issue and on this subject both pro and con. We have not tried to get the merits of the event center or redevelopment before them; we've just asked whether or not they wish for this issue to come before them and we are getting a very hearty yes, it should go before the county voters. I would again request that you direct staff to create the necessary paperwork to put this issue before the voters in November. You would then have the opportunity to make your case for the positives of keeping RDA2 and its benefits to the citizens of Douglas County or not. Thank you.

Meghan Burk speaks:

Hello, good afternoon. I am VP of Operations of Getaway Reno Tahoe, a local tourism company here in the area as well as President of the Board of Clean Up the Lake, a nonprofit dedicated to keeping this lake and community clean. I'd like to read my statement in favor of the new redevelopment plan. This will help create a more permanent community in the Tahoe basin, less transient, less turnover, more neighbors, more families, more permanent jobs, more opportunity. This redevelopment plan will create a community that has a more sustainable economy. An economy not solely focus on the peaks of the season, gaming and holidays. A community that will sustain entrepreneurs, like myself, who are invested in the success and the future of this community when individuals like yourself are no longer here. Today, every one of you on this Board should be voting for the future, for my future, for our future. Thank you. Anyone in favor I suggest you come up and say as well.

Chris Knight speaks:

I'm with Amador Stagelines, we have been operating the Airporter from the airport up here for about 15 years now and the numbers that we bring up, they have gone down over the past few years. That used to be closer to about 88,000 in 2019, 2018. The number of visitors we brought up was 65,000 each year. Nothing to sneeze at of course, but we would like to get those numbers back up and we are in favor of the event center so that we can bring more folks back up to the Lake. So far this year, even without very much snow we've already brought about 14,000 folks up from the airport. As part of Amador Stagelines, as a resident of Douglas County, I just want to go on record saying we do support the event center. Thank you.

Chairman Penzel speaks:

Sir, can you sign in? By the way, I like your haircut.

Sue Barton speaks:

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Good afternoon. I'm here to read a statement from Carol Chaplin. Commissioners, staff, and the audience today, I regret that I cannot be at today's meeting as a result of a family emergency. Even as I believe this event center is the most important project to be proposed in the region for some time, family comes first, especially when you're a mother, but I do nonetheless apologize to you and to those here of like mind. As for family, we are one here in Douglas County. We certainly are one in the Tahoe Township. And through this project there is also family in the Valley. There are a number of those members in the audience today believing in the future, in the health and in the life quality of the County and how this project can help make that happen. Listen to them. They are the residents, the employees, the voters. They have entrusted you to make decisions as to the best and highest use of our resources. The resources may be in part the tax increment in RDA2. The resources certainly include TDVA revenues which will assume all risk for the event center. The financial plan presented today, was constructed by a team of respected expert consultants who will show that the event center does not have to be just a vision, but can be a reality. The TDVA and all of its constituents have been good and committed partners in this effort. We all stand behind its potential for its success and its contributions to our county's stability. Thank you.

Amanda Gardner speaks:

I have lived in Lake Tahoe for three years now. I moved here with my family from Los Angeles because I believed in the potential of Lake Tahoe and I'm here to support the event center. I believe that we need a big change here if we are going to sustain and keep Tahoe a place that people want to come and want to live and can afford to work and live in. I know for myself I live here to spend time with my family, to enjoy Tahoe for what all of it can offer. I believe that we owe that to the rest of the world to experience as well and I believe without making changes and growing a little that we are not going to sustain the type of environment that will bring the people we want to come here. I believe that the midweek occupancy is a huge issue for us that we have to address with such aggression with things that might scare some people to bring more money to our town because frankly, we are in a crisis and we will continue to see one unless we make changes. The event center, I believe, undoubtedly will bring more money into town and allow us to sustain over the shoulder season. Allow the small businesses in our town to flourish because they will be able to cater full time employees, many that can't keep their employees on for the full year. Yes, there are hurdles but we can overcome them. Just like everything else, you have to take a chance in order to make a difference and I believe the event center is exactly the kind of project we need to fully invest in, in order to save our town. Thank you.

John McLaughlin speaks:

Good afternoon. I am the President and CEO of Edgewood Companies. Edgewood strongly supports the development of an event center as evidenced by our decision to donate approximately 5 acres of land to facilitate the construction of the proposed facility. The event center in conjunction with the Highway 50 redevelopment plan will provide a much-needed facelift to the casino corridor, which will greatly enhance the local and tourist experience. Over the last few years

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Edgewood Tahoe has invested over \$100 million to create a Forbes four-star resort. The Hard Rock invested over \$50 million in their hotel/casino. Harvey's has invested \$40 million in their property. The private capital investment, combined with the proposed event center, Highway 50 redevelopment and a new transit component will create a much more vibrant and exciting tourist destination with more diversified offerings throughout the year. I'm sure you will hear or have heard a lot of numbers and projections today and rather than repeat them, I can assure you that increased tourist visitation, especially geared to fill in the soft shoulder seasons will increase year-round jobs in Douglas County and will result in increased tourist spending, which will increase County revenues significantly. In summary, I would ask your support to realize increased county job opportunities, increased Douglas County revenue base as a result of a more vibrant and diversified business quarter created by your approval of the final piece of funding for the proposed event center. Thank you.

Todd Poth speaks:

I'm president and the owner of Getaway Reno Tahoe, local attractions and media company here in Douglas County. Also, I am a Douglas County resident and more importantly I am a father of three daughters, five, three and one. It's the reason I have this haircut, Barry. Here in Douglas County they're also going to be part of the school district. They're here, hopefully they can grow up here. The first thing I want to say is I don't envy your guys' job. I want to thank you for your service and despite what people might say against one or the other view, I know that none of you in your heart want to destroy the County or destroy life as we know it. That is not your goal. You're doing what you think is best for the county. There's a lot of things I've thought about, I don't want to repeat a lot of the numbers and things like that, you're going to hear a lot of that, so I'm going to talk a little more of a personal thing, myself, I believe in this full county. I believe in the county from the Valley up to here. I put my money where my mouth is. When I was President of the Rotary Club up here I made sure we made a donation to the senior center down in the Valley. My company made a donation to the senior center down in the Valley. I have not used that senior center yet, I'm hoping I will someday, I'll be down there, but I haven't been able to use it but I know it's important to the community, so I knew that we needed to do it to raise everyone up and do what's best. I want to talk about a couple of other things, the last time I was up here for a meeting about RDA2, I've got to say I was a little bit disappointed in a couple of the Commissioners. I know you probably didn't mean any insult by this, but I've seen several of you read prepared statements after Public Comment. That kind of told me that you'd already made up your mind before even hearing what we had to say pro or against and that bothered me. I'm taking time off from work, I could be doing so many other things. I've elected you guys to be my representative but I still have to be here to tell you what's important. If you're just going to ignore me and have prepared statements before you even listen to me, that's disappointing. Next, I want to talk about one last thing, I was thinking about this, what we could do to really try to help the Commissioners and one thing would be to take you somewhere where you could see the positives of redevelopment, right? I was trying to think of something that compared to this community. It was hard because all these different communities are different, Burlington, Vermont and Vail, they're all

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different. Well, I found a place. It's almost exactly like us and their redevelopment has been super impactful. I am so keen on this, I will pay for each of you to come to that place. So if you want to meet me for a beer, just across the state line, after this meeting, I'll pay. And you can see what's happened. Imagine Douglas County if that redevelopment had never happened.

Jessica Albee speaks:

I work for Live Violence Free. It is a nonprofit in South Lake Tahoe that has been here for over 40 years. We service domestic violence, sexual assault, child abuse and victims of those crimes. I am in favor of the event center as I have witnessed many hardships of our clients that are either seasonal workers or that are looking for work, trying to create a different path for their life to build and rebuild and I believe this event center will be providing year-round job opportunities in many, many fields for residents and our clients. So I just want to say I'm in favor and thank you so much.

Veronica Ariaga speaks:

I work with Caesars Entertainment and I sell conventions and meetings. I am in favor of the event center. I do think that there is a demand. I have traveled all over the U.S. and meeting planners would love to come to Tahoe and bring big groups, big trade shows and events to Tahoe and they can't because we don't have a facility large enough to house them. And I do think the event center would just be great for business for all and everyone in the Stateline area. It'll increase occupancy during the soft periods and bring those tax dollars in. So I'm strongly in favor and thank you for your time.

Bill Chernock speaks:

Mr. Chairman and Members of the Board, I'm representing Carson Valley Chamber of Commerce. I am here before you in that role for the last time as tomorrow is my last day at the Chamber and I could've easily made it through the week without a Commission meeting but this does give me one more opportunity to express a couple of ongoing themes, which is that decisions should be based on facts and that we are at the end of the day, one county and one financial entity. That being said, I'm here today to express the continued support of our organization for the RDA and the Tahoe Events Center. We strongly believe the potential financial benefits to the county surpass the costs overwhelmingly. During today's session you're going to get pretty deep in the weeds and the goal of looking at all aspects of the plans moving forward is commendable. We appreciate the County's efforts in creating the information area on your website. One item in particular our members appreciate is you're making it crystal clear that the structure of the financing proposed completely removes the County and its taxpayers from any financial liability associated with the project. We even enlisted a retired judge to confirm it. We would ask you to consider the following in today's session, you might have to add a few items to that RDA web area; one thing we would like to see is a little more financial context. When you look at the numbers, particularly, when projected over a 30 year period some of them, \$115 million seems huge because they lack context. We think citizens doing research would be well served if you are able to add the numbers around that. Something like the

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property tax payment amounts over the same 30 year period from the existing baseline of the RDA properties from Tahoe Township as a whole and from the County as a whole. There is another narrative we have heard in discussing this with our members that would be helpful to clarify; some believe that given the 30 year \$115 million figure that should the RDA not move forward, that would be \$115 million for the County to spend as it wishes on the Judicial Center, Muller Parkway or any of the number of other needs. It needs to be made clear that if the RDA is not continued those property tax dollars being paid in the future would be subject to the same distribution formula with percentages going to various line items with a bit less than 29 percent, or roughly \$33 million going to the County operating or General Fund. \$33 million is a big number, even over 30 years, but it's a long way from \$115 million. I could talk about comps, point you to the success of the California side efforts and the overwhelming success of the summer outdoor concert series. I could talk about the market and how South Shore has the ideal makeup to maximize the benefits of the event center with plenty of rooms existing to act as the fuel tank and the market position of the South Shore as one that has turned away meeting business for decades because of a lack of this type of facility but three minutes is three minutes. You know, back in the day when a dealer would leave the table they made a gesture. God speed, gentlemen.

Applause was heard.

Chairman Penzel speaks:

I think that applause is for you, Mr. Chernock, and the fact that you are still here and upright.

Laughter was heard.

Chairman Penzel speaks:

Thank you, sir.

Scott McCoubrey speaks:

And I've got to follow this. Commissioners, I am a homeowner and full-time resident of Stateline and I want to thank you for giving me the opportunity to share my thoughts. I've spoken at the TRPA twice about South Lake Tahoe's strive to thrive. Defending the voices of those who refuse to allow Tahoe just to survive but to heartily accept and drive change and I'm here today to continue sharing my support of those views and for the project. You've already heard time and time again how the project is going to benefit the economy, the workforce and the community by providing jobs during the shoulder and midweek periods of the year, much needed tax revenue for our infrastructure and provide services that are necessary to allow our community to thrive. We've been surviving too long by relying on the gaming community or the gaming industry as a primary driver of our economy. Times have changed and we need to change along with it. Change doesn't come easy but our community deserves the opportunity to evolve and develop a thriving, stable and sustainable recreation and events based economy. The event center is going to benefit our ski areas, restaurants, shops, galleries, hotels, grocery stores and bakeries. As a dreamer and a thinker I'm always

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hopeful that this project will lead to a transportation system that supports not only the casino core with the micro-transit system, but eventually one that expands and supports the entire southern portion of the basin, all free of cost. Like I said, I'm a dreamer. Douglas County and our Tahoe community cannot maintain the status quo and fervently believe that things should remain the same. As spoken by a famous writer, the only way that we can live is if we grow; the only way that we can grow is if we change, the only way that we can change is if we learn, the only way we can learn is if we're exposed, and the only way that we can become exposed is if we throw ourselves out into the open. Today I'm asking you to throw yourselves out into the open. Help Tahoe thrive and make this project happen. Thank you.

Kirk Walder speaks:

These are my personal views and not as a member of the Planning Commission. History teaches us many valuable lessons. I hope we will learn from the message of Margaret Chase Smith in her Declaration of Conscience speech delivered to the United States Senate in 1950. Senator Smith warned against those who would attempt victory by writing the four horses of calumny; fear, ignorance, bigotry, and smear. The recent Record Courier ad continued a behavior by some who oppose RDA2, use fear to promote opposition to the event center, make arguments based on ignorance of the facts and smear our elected officials with name-calling and inflamed rhetoric, saying don't let them steal our right to vote is simply fanning the flames of fear. RDA was first approved in 2016. A vote could've come in 2016 or 2018 and nothing is currently being proposed that would prevent any vote in 2020. The ad says Commissioners Penzel, Walsh and Rice aligned themselves with casino owners and special interests to create RDA2. Check the record, Commissioners Walsh and Rice were not even elected to the Board until after RDA2 was created. And are the casino owners evil? Or do they constitute the largest employer of people in Douglas County? And the other special interests? Would that be the entertainment and recreation industry or hotels and motels and restaurants that would benefit from RDA2? Calling the industries that are the lifeblood of our economy special interests shows a glaring lack of knowledge about the economics of Douglas County. Opponents of RDA2 claim that tax dollars will be diverted from countywide urgent needs. Again, a scare tactic that ignores the fundamental truth that government, like business, should constantly reinvest in projects that increase future revenues. An event center in Tahoe will create hundreds of construction jobs with all the related spending. When built, it will employ hundreds more primarily during the shoulder seasons which will benefit the economy and increase revenue to Douglas County. Our County Commissioners should not be smeared with the allegation that they are doing anything other than attempting to improve Douglas County. Let me add that I also find objectionable the ads that attacked Commissioners Nelson and Engels as well as other involved citizens that were placed in the Record Courier last year. We can disagree on the issues of the day, but I hope everyone will conduct themselves in a respectable manner. Let me conclude by restating Senator Margaret Chase Smith's words in the context of Douglas County, I do not believe the people of Douglas County will uphold any group that puts political exploitation above County interest. Surely, they are not that desperate for victory. While it might be a

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fleeting victory, it would be a more lasting defeat for the totality of Douglas County. Everyone has the responsibility of rendering constructive criticism, of clarifying issues, and of allaying fears by acting as responsible citizens.

James McKalip speaks:

I won't repeat everything that's been said. The promises of event centers have gone on all over the country. Many, many communities have built event centers with promises of millions of dollars flowing, it just doesn't happen. They're just not that successful. They're overbuilt. But I really want to speak on the TRPA. I think it's important to delay any decision on this until after you know what they're saying so we get the facts and some, at least facts on traffic and impacts, especially for the residents who live up here who the shoulder season is the only time they can drive anywhere. So I would hope you would just delay it and let's get the facts and see what the TRPA says and at least go from there. Thank you.

Ralph Miller speaks:

I'm going to write first because I hate the ruler across the wrist. I have a more middle of the road thought about this. I am hopeful but skeptical about the event center and that big old hole across the street still rattles me every time I see it. So I have some uncertainty. On the other hand, there's one thing I have no uncertainty whatsoever about, gambling on gambling is stupid. It ain't gonna pull us out of the hole. So I would rather hear discussion here, not about why this is a terrible idea, but what is a better idea because something's got to happen. And I hope that we have the best minds looking at the event center, constructing it in a way that it can be successful. And if someone else has a more brilliant idea, they're the people I'd like to see in this seat talking about it. But sitting still ain't an option.

Robert (Bob) Andersen speaks:

I am the chair elect of the Tahoe Chamber, the Lake Tahoe South Shore Chamber of Commerce. As you probably know if you read the letter in the Courier this morning I think we made a pretty convincing argument of the need for the center and I'm not going to go back because you're going to get a lot of good information from the folks behind me. What I wanted to speak to you about this morning is the fact that in addition to being on the Chamber board, I'm also a small business owner. I've been in this community for 42 years and I think about the time I got here, the need for an off shoulder meeting facility was already well known. I spent many decades in the tourism business before my current occupation, actually in cities all over this country promoting this destination and one of the most singular questions was always can I bring a group? What can I do with a group? I think more importantly too, I'm a small guy, I do have skin in the game; I've got six employees who rely on my business to be successful and as importantly, I've got about 2,500 clients who depend on me being successful as I am of them. The most important thing I think I can pass on to you is that the first thing I think of when I wake up in the morning is my responsibility to those six employees and making sure their paychecks come through. And I think you as Commissioners, and I'm a voter in the county, Mr. Engels is in my district, I think it's just as important you think about the well-being of the entire county and its financial future. I have

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kids, I've got grandkids and I want them to have the same community that all of us have been able to enjoy for all these years. So I would encourage my support. Again, you're going to get the numbers from a lot of other people, but thank you. Thank you for your time.

Jan Vandermade speaks:

Does my time start when I sign in?

Chairman Penzel speaks:

Right now, you're speaking.

Mr. Vandermade speaks:

Oh jeez, then you won't be able to read my name.

Chairman Penzel speaks:

That's okay, we know you.

Mr. Vandermade speaks:

Well thank you. I'm the Executive Director for the Carson Valley Visitors Authority, and I've been in that role for three and a half years and I am here on behalf of the tourism community of the Valley today. I'm also a 34 year resident of Douglas County. Many of those years were spent working in and around other parts of our community, including for Marriott for over 10 years and so I'm well aware of the redevelopment project that occurred there from vision to execution and its success. Four points here real quickly. The timeline, there's been a fervent pursuit of this project and equally so inside multiple County meetings and updates since 2015, 16, and earlier back to 2011 when an event center was identified as central to a new vision. It's also been my pleasure to attend several of the more recent TRPA meetings, so I've had the benefit of hearing what is said here as well as there. Consistent steps have been made all along the way towards the recognition and value of an event center and overall improvement of the casino core area. From those earlier days, neither of the two projects, Edgewood and Tahoe Beach have been improved to their current state. Can't we agree both developments gain greater ground and commitment by the promise of an improved community around them? The County must forge ahead, recognizing the same persistent need identified well over five years ago. The idea, at every turn the TDVA and many others have mitigated key concerns for this project, funding, transportation, sustainability, seasonality, and much more. Can we all agree a great deal of effort has been applied to make this what is proposed now far better than earlier concepts? One county. I've said this before, the point is worth repeating. We live and work in a diverse beautiful county. We can say from lake to lake from mountains to valley, all part of Douglas County. While located at the Lake, this project is vital to key economic drivers in our entire community. The support of our visitors bureau, the TDVA has developed a sound plan for funding the event center with no additional liability of the County as well as a multitude of other well-thought-out strategies for its success; increased sales tax, improved TOT, new job growth, and the positive restoration of property values at the casino core will result and extend well beyond the life of RDA2. The end results from a

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successful private and public plan will benefit businesses and economic health countywide. Our local Carson Valley lodging properties and accompanying tourism partners see impacts from the activity at the Lake, especially at peak times of events or parts of the year. We gain traffic with visitors wishing to base themselves outside the Lake. In short, our community benefits. Am I done? Alright, so it took me a long time to sign in, but thank you very much. I won't be Joe Biden. But on behalf of the Visitors Authority I'd ask that you continue to move forward with the event project.

David King speaks:

I've only been a resident here for 10 years. I'm retired so I have, really, no dog in this fight, but I do support the new event center and I also support that we give everybody in the county a voice by taking it to vote. Thank you.

Tim Tretton speaks:

Good afternoon, Mr. Chair, County Commissioners, Sheriff and staff. I am the General Manager of Montbleu Casino and currently Chair of the TDVA. I want to speak in favor obviously of the event center and I have about five reasons why I think it's important. One, we have to diversify our economy. People don't have to come here to this market to gamble anymore. They want something that's different. This provides something that's different and it will improve our shoulder season where we know that between April and the middle of June and then October to the middle of December it's very, very slow. We turn away, at our place, large sales groups because we are unable to house them. That is revenue that goes over the hill. So we need to think about that. The private sector, we are putting significant capital, John McClaughlin said the Harrah's, Harvey's, Edgewood, Hard Rock, Montbleu also has put over \$35 million into our property to improve the quality of the experience for our guests. So there is significant capital being put in the casino core to make our properties a much, much better place for guests and a much, much better experience. We think it's a win-win for both the Lake and the Valley. I live in the Valley; I've lived in the Valley for over 35 years. So I'm well aware of how I think it will help all of us. Then, the cost of doing nothing far outweighs the cost of building this event center. So I just ask all of you to make the decision based on facts and not what people think are the facts. So, I appreciate the time. Thank you.

Mike Bradford speaks:

Mr. Chair, our Commissioners, staff, I am CEO and one of the owners of Lakeside Inn and Casino, so I'm clearly an interested party. I've lived in Douglas County now for 34 years. I brought my family up here and have been a proponent of the concept of one county all along. I believe that the proposal we're talking about is something that's important for you to look at in the big picture. The County has supported a vision of where we're headed and that has to do with the transformation from what was historically a gaming driven economy to one that we'll be in the future, an outdoor recreational tourism economy. I've lived through the cycle in these more than three decades that I've lived here to watch gaming going into decline, to see the decrease in the relative support that the Lake is able to give to the County and I've watch that happen with great distress. The proposal

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that we're talking about here with the RDA and ultimately to have the event center is something that will create the economic vitality here to begin to bring back the level of support that gaming was once able to provide for this County. It is not about gaming, it is about the overall recreational activities that we will be able to build in order to support this valuable tourism asset. There's a key saying that I think is important for all of us to remember and that is the most important aspect of economic vitality, it's infrastructural investment; if we do not invest in the infrastructure, we will not get the benefit that we need of an outdoor recreational tourism economy here. So what I'm asking you for is to continue to stay focused on the big picture. We need to transform this economy from gaming to outdoor recreation and having an event center that allows us to draw people here throughout the year in the shoulder seasons and to provide greater activities for them when they are here, other than gaming, is important. That's what we're trying to do. Please keep your eye on the ball and don't embrace your fears. Let's move forward as one county. Thank you.

Brad Bellhouse speaks:

Good afternoon. I am the Regional President with Caesars Entertainment over Northern Nevada and Laughlin and I'm here today to voice my support for the event center project. I've been with the company 18 years and I've seen pretty much every market that Caesars operates in and I can say, really without any exaggeration, the potential of Lake Tahoe to grow as a tourist destination, I think, is unlike any market that we operate in. The friendly people, the unique gorgeous setting, the range of recreational activities, really, is second to none. But to fully realize that potential, in my view, I think we need to diversify our offerings and diversify our customer base. As you've heard from others, casino revenues have been declining. It's the same thing at Harrah's and Harvey's going back ten to 15 years. Gaming has reduced and the number of jobs have reduced. To drive meaningful tourism and recover that and create new jobs, get new visitors here, we need to bring leading hospitality and recreational assets to the market. That's why you heard John say that our two properties we're investing \$40 million. We have a Gordon Ramsey Hell's Kitchen Restaurant that we just opened. That's performed ahead of expectations, it's brought a lot of new visitors to the market. We're also renovating our Lake Tower, 520 room tower that is going to allow us to attract new groups and new independent travelers and new family vacationers. And it's the same thing with the event center, in my view, it's going to be a unique asset that's going to bring new people to the market, help diversify and help grow and I'm very much in favor of it and ask for your support going forward. Thank you.

Nick Bruerfujit speaks:

I am the Regional Vice President of Marketing for Caesar's Entertainment representing Harrah's and Harvey's Lake Tahoe. As you've heard the meetings in business does frequently turn away opportunities for groups that come looking for space that we just don't have at the Lake. So that is a piece of the business that we currently don't capture that we would with this facility. From an entertainment standpoint, one of my main responsibilities is producing the Lake Tahoe Summer Concert Series at Harvey's. As many of you know whenever we have a concert, all

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boats rise in the tide, every room in the city is booked and for a rate that we don't see at any other time; every restaurant is full and everyone from the business owners to the very kind servers make more money because there is quite frankly just more people in the market spending. We only can operate the Summer Concert Series at Harvey's anywhere from ten to 12 weeks and that is not a magical number, it's simply when the weather allows us to do outdoor concerts where the risk is not such that we could lose a show based on weather on either end of that. We, just like the meetings and business side of the business, we do turn away multiple artists who are touring through our parts of the country in the wintertime because they know we have a venue in the summer, they don't realize we don't have a venue in the winter. So a venue like this on an entertainment side would get used by people like us and our competitors and friends and neighbors because none of us have indoor facilities that can accommodate the types of acts that would be required and the size of the stage and the size of the audience required. So when the commentary is that it will never get used, we are turning away the business that would use this facility in its current state. Thank you very much.

Douglas Williams speaks:

Good afternoon. I am the Vice President of the South Lake Tahoe Lodging Association. Our membership is hotels, motels, across the whole South Shore, both on the California side and the Nevada side representing boat rentals from Zephyr Cove to ski resorts. One of our main concerns, issues, has been for decades is during the period from April 1st through mid-June and then October through mid-December we really, really hate having to talk to our employees and saying I'm sorry we don't have the hours for you, we're going to have to cut your hours or lay people off. With the event center it's going to give us the ability to not lay our people off. Many of our people also work down in the Valley in Douglas County, I mean not work, but they live in the Valley and they commute up here. You have to remember, we have to think about this as something about employment for all of our citizens. So I hope you consider them when you're making your vote and enriching their lives with better steady income. Thank you.

Tom Fortune speaks:

Good afternoon. I am the Vice President and General Manager of Heavenly Ski Resort and I strongly support this project. Kind of piling on the shoulder season bit here but it is a huge deal for us. We have thousands of employees, we have a big winter business as I know you know and we have a growing summer business. So we've been able to take the winter employees and retain a bunch of them for the summer opportunity, but our company and our resort will never be able to operate in the shoulders. We have to do maintenance on our lifts; maintenance on our buildings in the spring, we have to wait for the snow to melt before we can open for summer business. So those periods of open time for our seasonal staff that we're able to keep in the winter is vital for them to be able to keep a couple hundred good opportunity jobs for those seasonal employees. It's going to be a game changer for us in our community and the service level of these employees who we can retain year after year for customer service is going to skyrocket and we will become known as a customer service expert destination. Prior to moving to

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South Lake Tahoe I lived in Jackson Hole, Wyoming, and they have an event center and it was vitally successful. And I remember the shoulder seasons, the events and the arts and the music and everything that came during those periods was the time for everybody to come together in that community and enjoy those performing arts, and I think that's missing here and it would be really well received. Thank you.

Sheilah Boothby speaks:

Good afternoon. I'm actually an employee at Heavenly myself. As you can see I enjoy my free ski pass.

Laughter was heard.

Chairman Penzel speaks:

Or at least you did.

Ms. Boothby speaks:

Yes, I did. It's kind of tough. I am lucky to be retired from the Oakland Police Department. So I do have some little funds coming in so I can work part time seasonal but working with the other people who, I'm so lucky, it's tough juggling three jobs just to be able to pay their rent. Aside from that hat, I'm the coordinator of the Tahoe Art Walk. So when I moved here a few years ago I noticed that the arts community here was just exploding. I volunteer with just about everything I can find, Tahoe Arts Alliance, Tahoe Art League, Bring Art to School. I'm there trying to help and noticed that this seemed to be the only place I've seen that didn't have an art walk. So, since there wasn't any entity coming forward to coordinate that I just went around and asked businesses if they wanted to be on this art walk and I started promoting it. That goes all the way from Stateline to Meyers. There is so much happening with the music too, so I'm actually starting some pop up record store and at the one existing record store that we have here in town. I just want to say that just to let you know that I really feel like you will miss the boat if you don't jump on this opportunity to create the event center now. I think you'll be regretting it as time goes on and we will be left in the dust with artists going to other venues elsewhere and not coming through Tahoe as well. Obviously there's so many other uses for that event center that have been brought up for the conventions, and sports and all that so it just really seems like a no-brainer. So, thank you. I just wanted to show my support.

John Sheer speaks:

I am a longtime local and business person. We do fishing charters, ski rentals, every other activity that is up here. The snow park across the street from where the event center is going to be, that's me also. The shoulder season is the most difficult period. Captains in the fall and in the spring, they're down to fish only. There is no rice and beans. So it's really, really tough. So it would help the corporate groups and Lake Tahoe is for the visitors and it would definitely help my businesses and the whole community. Thank you.

Darin Haworth speaks:

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As someone that's been using outdoor recreation I come here a little underdressed apparently. I'm a chiropractor here in South Lake and I just wanted to basically ditto what everyone's been saying about the event center and the diversification is huge. This town is built off of tourism and if we push away tourists, events and things like that, it just doesn't make a lot of sense in my head. But, again, diversification is huge and I think that's my biggest factor that goes by of why I support the event center and the purpose of it for here.

Kathleen Mason speaks:

Good afternoon. I am the General Manager of Holiday Inn Express in South Lake Tahoe. I'm also a member of the South Lake Tahoe Lodging Association. Having this come into town dittos, I ditto everything that has been said when it comes to the hotels because our hotels do have that shoulder season. Being able to employ our employees with 40 hours a week, that's a plus for everybody that has to be here and has to live here. I don't live in Douglas County, I apologize, but I live in the Valley. So having more things to do with our guests, it's hard to tell someone that comes up here that doesn't ski, well is there anything else to do? Well it's wintertime, boats don't run. It would be nice to have something going on in a convention center. Having the opportunity to say hey it's going to be February and we have Craig Morgan coming. Anyway, that would be nice for a convention center. So I would like to see this convention center go through because I think it helps everyone. Thank you very much for your time.

Stacy Noyes speaks:

Mike was here earlier, he's Lakeside, so you just get me, the Douglas County resident this time around. First, my main point is thank you for the time and effort that you put on this project and it's been a long time. The amount of time and energy that is in place in this project, I don't even know the number, 15, 17, I might be exaggerating when I say 20; but it feels like 100 years with thoughtful planning, well established rules of how to get it done. Those rules have been followed and now we're getting close to the end of the path and what scares me, literally keeps me up at night, what if? What if this doesn't go? Who has the next idea that they started working on 15, 17, 20 years ago and spent their own individual energies and monies in they've got the entire business community, the residents involved, the government involved to follow the agreed-upon path? Or, is there no other idea that's going to be this game changer? Or if they don't have it or they just came up with it, is it 17 years away? And what is going to happen by that time? It truly keeps me up at night when I look at my children and plan for their future, potential grandchildren in a little while, and our employees who struggle without big change. So I'm obviously in support of the event center and thank you for all you've been doing to get us this far.

Katherine Baumrock speaks:

Hi, good afternoon. I go by Katie. I am the Corporate Sales Manager at the Ridge Tahoe, which was recently acquired by the Holiday Inn. It's one of the largest employers in Douglas County here at the Lake level. I'm not going to repeat a lot of the information that was previously said as I agree with it. The reason why I did decide to speak today though is that I have a unique perspective as I'm a born and

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raised Douglas County resident. As a young child, I remember playing over here. My dad is a retired Douglas County Sheriff; he ran the jail. I remember visiting and seeing that. And I just really want to reiterate what some other people have said today that I do not envy any of you guys and your decisions that you have to make with this event center. I'm strongly in favor of it and I ask you to invest in the future of the entire county because we are one county. The event center here at Lake Tahoe will bring prosperity to all. Thank you.

Tom Davis speaks:

Top of the afternoon. I am a 40 year resident of South Lake Tahoe, 20 year member of the South Lake Tahoe City Council, former Mayor and Chair of the Redevelopment Agency and for 21 years I was Executive Director of Sales and Marketing at the old Sahara Tahoe, High Sierra and Horizon. It looks like I worked for three properties; I only worked for one but never moved. We did conventions at the Sahara in my days, we did the Pacific Oil conference, Associated General Contractors, California Association of Water Agency, all moved to Reno or other destinations as we did not have the space. We did these conventions in September, October, November and April, May and June when we all know this is the slow period in time. This center is vital to our economy. We are positioning ourselves, like we did with our redevelopment. I was challenged by you Commissioners years ago to clean up California. We did. And I think if you look at Heavenly Village, it's fantastic with a gondola and all the shops there. Mr. Casteel has done a wonderful job of promoting that center and making it a vital part of our community. So I really encourage you to take a hard look at this. By the way, we had a lot of negativity. It took us 12 years to build that one. When I started, I said I was taller, I had hair and I was thinner but that's what it takes. It takes a lot of foresight and vision on your part to look down the road and see what we want to be in five or ten years. This peak in tourism is not going to last forever. So you've got to position yourself with great facilities and that's what I encourage you to do. And thanks for your time.

Chris Garton speaks:

I'm a 16 year resident of Gardnerville. Although I work up here in Stateline and have for the majority of those years, I enjoy the many offerings of both Valley and Lake that both have to offer and I intend to remain a Douglas County resident for many years to come. I'm here today to simply say that I'm in support of the event center. I view the event center as a critical piece to the economic vitality of our County and I personally look forward to many nights of entertainment there. Thank you so much.

Joelle Shear speaks:

Good afternoon. I'm the General Manager of Hard Rock Casino. My question, I guess for all of us is really, is there an opportunity for all of us to win? All of us to benefit? As the GM and on behalf of the management team and all the employees, that's our goal and what we do everyday in terms of making decisions so that everybody benefits from that. I've been here only a year, so not at all the terms that you guys have all been here but in that year though, my family has been really happy. I've got a young family. My husband and daughter went to the

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Daddy Daughter Dance at the rec center, the senior center, a couple of weeks ago. My son plays basketball at that same rec center. Ironically, it's been open for five years. Right about the same timeline that Hard Rock opened and that was a project done by the County. As a result there's a lot of citizens that benefit from things like that. So with this event center, isn't there an opportunity to drive an increase in visitation and revenues which automatically result in taxes, whether that's a gaming tax or a TOT, there is a number of ways that sales tax, things that all come back to the County that allows the County still to do a lot of phenomenal projects that benefits the citizens which I think is what we are all here to do. It's not only about the businesses, it really is about the people. With more revenue comes not only revenues for the business but also the employees see higher compensation. Obviously, there's stability year-round and we've said that, not so much with the shoulder season, but also you draw more people from outside the community to reinvest, which automatically puts more money in their pockets. Whether that's through the increase in compensation that the employers pay or through their tips and tokes. A lot of our employees are toked from a lot of the visitors and tipped out. So you're drawing outside influence and they have more money to put back into the community. So it starts to be full cycle and a lot of those, even the small; it's not only the big businesses that benefit from all that, even your smaller businesses with employees that have the funds they can go out and spend that money at the local pizza shop and the drugstore and the breweries that are coming into town. All of that is very beneficial to cultivate and recycle a lot of things. That would be my big ask and my big question. I would love to see all of that come back to the County, to the coffers. We can do more to benefit all of us as citizens. Thanks,

Leon Abravanel speaks:

Hi everyone. Thank you for being here. I'm actually a barn baby, born and raised in South Lake Tahoe. I am also the CEO of Tahoe Event Company and a Business Professor at Sierra Nevada College. I just want to say that I'm in deep support of the event center and I think I speak on behalf of the majority of stakeholders on this side of the hill that we're for pretty much anything that helps us even out our shoulder seasons. Since I'm in the event space and industry I have done a lot of research and the fact is that conventions and events and a multibillion-dollar a year industry and the trickle-down effect from those funds is enormous. I heard a couple of people talk earlier about if you build a convention center it may or may not be successful and I have done research on that as well and I'm happy to share it with you guys. The truth is the reason why convention centers are either failing or failed is because of the location. He mentioned Sacramento, I don't think a lot of people want to do a convention in beautiful Sacramento, no offense to Sacramento, or the management. So these convention centers are actually mismanaged. So my recommendation is to make this convention center happen. We have, obviously, the location that people want to do their events here in Tahoe and then just make sure it's managed properly. Thank you for your time. I appreciate it.

Allegra Boyel speaks:

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Good afternoon. I'm a transplant to Tahoe. I've been here for almost 10 years and I recently bought a home three years ago on the Nevada side in Douglas County. I'm getting married here in a few months and we hope to thrive and have a family here in Douglas County and I just wanted to say I agree with everyone else that has been in support of the event center and that I am also in support.

Ryan Smith speaks:

Good afternoon. Parking and Transportation Manager for Heavenly. Not sure if you've noticed, regardless of what side of the Lake you're on or around but there may be somewhat of a parking and transportation dilemma. There's not enough spaces and sometimes public transportation leaves us lacking. I believe this is an important partnership opportunity for us at Heavenly as well as for other areas in the Lake and around the Lake. To be able to kind of spur on that, a micro transit side of it, the parking strategies and I think to lose this would lose that catalyst for growth in those ways.

Chairman Penzel speaks:

Thank you, next. There's some people back there that haven't gotten up to speak.

Chris Eckert speaks:

Good afternoon. Thank you guys for your time. I'm a 25 year resident and I agree with everybody in support of this event center. I just want to share a personal story. Everybody has said about the employees, I was that employee. I was that guy 25 years ago who came to Tahoe with a pair of skis over my shoulder because it had snowfall. And I was scrappy and scraped in the summertime, scraped in the wintertime and was able to afford a house in the Valley because I couldn't afford one in Tahoe. I continued to be scrappy in the seasonal game at a golf course on the Lake back to the mountains and finally was able to afford a house here in Tahoe, which is my dream. So I totally agree with everybody with employees. That's the most important, that sustainability, it just creates a stronger community. So I fully support the event center. Thank you.

Rebekah Havard speaks:

I'm the owner of the Chicken in a Barrel Restaurant and also The Baked Bear in the Village. So I've seen both sides of the community on the Y side and on the village side and I just want to second what everybody's been saying about our employees. Having more hours available for them and being able to have this event center will allow some of our employees to be able to have both daytime and nighttime opportunities. I also want you to realize as I sit here and look at some of you folks not in a negative way, but as, you guys are a little bit on the older side...

Chairman Penzel speaks:

What?

Ms. Havard speaks:

Not all, I'm just saying and I didn't mean that in a negative way, but what I'm trying to say is that the way that people are starting to vacation is different. When they schedule their vacations, they are looking for things to have their entire week

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planned. Having an event center will allow those opportunities to be planned well in advance so that the generations can come in and figure out what they want to do and be able to have those days planned already in their calendar of where they're going to put their kids or what they're going to do or whether they are going to go here or they're going to go there. As I hear the different stories from both the Y side and the touristy side, they're all looking for something to do, something to keep them busy, something that's affordable, something that just makes their family whole, and I think this event center will allow the city to have that opportunity. I have only been here for three years. I love being here. I came here because it's a touristy town. I left Orange County, California just near Disneyland and I'm telling you that I love it here and I think this event center will bring more people to our community and help support all of our local businesses and all of our local residents as well. Thank you.

Robin DeSoto speaks:

Good afternoon. I am a business owner for over 20 years here in Douglas County. I'm a resident. I own commercial and residential real estate here in Douglas County, so I'm a stakeholder. My daughter has been through the Douglas County school system as well. I would want to express my enthusiastic support of the event center. It will help revitalize the casino core. We know where that's going if we don't act. It will bring economic vitality back to the casino core. It will provide a facility for a diverse multitude of events. It will provide an essential step in becoming the path towards becoming a world-class destination and a world-class place to live. So, simply put, I would kindly ask you to support and have the courage to have the optimism that this event center allows. Thank you very much for your time.

Jon Martinez speaks:

How are you doing guys? Thank you for your time. I am a General Manager and partner at a restaurant, Ten Crows BBQ. We are a big fan of the arts at a lot of my restaurants. In fact another restaurant that I'm a partner at, we support live music. The gentleman that spoke on the music scene that would come here that we have to push away because we don't have the space, I think that it's definitely a disadvantage to our community and what we can bring to the table. So for that I do support the event center.

Erin Frederick speaks:

I work for John and Shannon Shear at Tahoe Sport Fishing and Tahoe Snowmobiles. They've already alluded to the business aspect of why they support this. I'm here as a Douglas County resident. I support it because I believe in my future here and I believe in this community.

Chase Janvrin speaks:

Good afternoon, Douglas County Board. Thank you for your time today. I am the Program Manager for Tahoe Prosperity Center. The Tahoe Prosperity Center is the regional community and economic development organization for Lake Tahoe. We focus on positive economic building projects that also have positive environmental and community benefits. We feel the event center meets this triple bottom line

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analysis and we'd like to express our support for the event center for the following reasons; a recent study commissioned by the Tahoe Prosperity Center provided much-needed insight into the fragility of the Tahoe economy and its impact on local families. A lack of investment and dramatic decrease in gaming has resulted in the loss of thousands of service and tourist jobs over the last two decades. Job insecurity and high housing costs mean the local businesses cannot attract a dedicated and reliable workforce. Many of the jobs that are available in the South Shore are not full-time jobs. The combination of low wage seasonal jobs with a thriving second-home market has created an environment where less than half of all Douglas County homes are full-time local residents. In fact, only ten percent of East Shore residents can now qualify to purchase a median priced home. It is projected that the Tahoe Douglas Event Center will create up to 400 full-time jobs. The ability to attract large events and conventions in the fall and spring by offering indoor facilities that operate independent of weather conditions will provide more reliable employment to the local community. This seasons weather conditions are not only an environmental warning but an economic one. Imaging if this is the beginning of another drought cycle. What is that going to do for the local businesses? This event center is an opportunity for us to add some much needed diversification to our local economy. The event center has community benefits with jobs, economic benefits, revenue to the County and environmental benefits with improved transit and reduced parking lot runoff. And frankly, it's going to look a whole lot better than a giant parking lot. The Tahoe Prosperity Center supports this project. Thank you again for your time today.

Steve Teshara speaks:

Good afternoon, Mr. Chairman and Members.

Chairman Penzel speaks:

If you have a comment come on up.

Mr. Teshara speaks:

That's right, I'm going. I'm a Douglas County resident. I've been here at Tahoe for 47 years, 21 of those in Douglas County. I've enjoyed a very good career here and I want to make sure that those coming after me have that same opportunity and you've heard from a number of them today. I think that the comparison between the event center and the senior center in the County is quite appropriate. There's a lot of us at the Lake that were among the many who supported that and that was a controversial decision the County made to spend the money to build that event center. This is the same situation, a bit of a controversial decision but you, County Commission, made the right decision. A lot of people including a lot of those who opposed the project now enjoy its benefits. The same thing here, people will enjoy the benefits. They may be opposed for a certain reason but once it's here and open it's going to be a benefit to all. I have the honor of serving as the CEO of the Lake Tahoe South Shore Chamber of Commerce. You saw our position was made clear in the Record Courier and so I don't need to repeat that. I can give copies of it to the Clerk for the record, but again we support RDA2 and keeping that in place and we support the event center. I support them as well as a citizen. Thank you.

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Ted Moorehead speaks:

Hello. I represent Power House Ski and Snowboard Shops and Tahoe Sports, watersports rentals here in South Lake Tahoe. Basically, as a proprietor of the recreational pursuits here in the area and as a participant, I think basically what we can see and what a lot of people have alluded to is a showcase of Lake Tahoe as a backdrop for what would be national and international events and it's hard not to encapsulate the beauty and uniqueness of our area. I think these would actually enlighten those that have not seen our area to the sensitive ecological concerns we have and only augment those and make the long-term aspect of the reason why we live out here and the reason why we love it that much longer and maybe cement it into the future. The aforementioned financial reasons and community reasons in addition to that is why we voice strong support for this event center. Thank you.

Chairman Penzel speaks:

Anybody else that wants to make a comment? Who's going to be last?

Natalie Shue speaks:

Hi. I am with Barton Health, a healthcare facility that has facilities here at Stateline and with plans to expand. I won't be long. I'm just going to say that we're here in support and I appreciate your time and the opportunity to voice our votes. Thank you.

Phil Weidinger speaks:

Good afternoon, Commissioners. I appreciate the opportunity today. I'm the owner of Weidinger Public Relations. We've been in business here in Douglas County for 35 years, a few years back. Anyway, I'm in strong support of the event center as it represents the diversification and intellectual long-term planning we all need here. This is something we've all been talking about as far as we move further away from gaming to outdoor recreation and the other amenities, including entertainment, sporting events and the arts. In addition to area tourism, this project will also help small businesses like mine, quite frankly. My firm employs five people, all who live and work here, who spend their paychecks here, who invest in this community and who can stay here and raise their kids and send them to school here. From a business standpoint, the RDA and event center represents a major benefit for both Tahoe Township and the Carson Valley. It will help secure our livelihood and our future for all of the county and it's seminal to the success of our future. We saw what the Heavenly Village project did many years ago and we anticipate something similar with the event center. So thank you very much for your attention and time. Good luck.

Gary Casteel speaks:

Good afternoon. A 44 year resident of Gardnerville and our company owns and operates the shops at Heavenly Village. I just want to reiterate, we have groups we can't accommodate at the Village. We get called all the time. We're space limited. I'm confident the convention center would get filled if it was built. Additionally, my experience in the gaming industry, we've lost 7,000 jobs in the casino core since I

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worked there back in 2000. Those are jobs that can come back to Douglas County. Those are people that we all knew that used to work with us. I knew many of them personally that don't work here any longer. If we can even get back half that much it would be huge for our community. I'm in full support of it and I think it will be a successful project. Thanks.

Josh Merkow speaks:

I'm a full-time resident of Douglas County. I live in Gardnerville and work full-time up here at the Lake in Stateline and have for the past 13 years. I was actually part of the original construction team on the convention center at Château which unfortunately was not built, but a great opportunity is still there for this to happen. I am actually part of the current preconstruction team with Sierra Con and Core and I can tell you this is being handled extremely professionally, responsibly and very transparent, and for those reasons I am in full support and would like to see this get built. Thank you very much.

Chairman Penzel speaks:

Next? Okay, the item that you are all commenting on is for presentation only. So if you have a comment on it now, you can either make it now or you can make it at the end of the meeting when I call for Final Public Comment. This item will be coming up again in March. I think the paper has already said the date, just failed to talk to us about that date. So, if you have a comment we would love to hear it. Otherwise, I will close Public Comment and we will get on with the meeting. Alright, I will close Public Comment.

APPROVAL OF AGENDA

MOTION to approve the agenda; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dave Nelson, Commissioner
SECONDER:	Larry Walsh, Vice Chairman
AYES:	Rice, Engels, Penzel, Walsh, Nelson

APPROVAL OF PREVIOUS MINUTES

For possible action. Discussion to approve the draft minutes of the January 7, 2020, regular meeting of the Board of County Commissioners.

Board of County Commissioners - Regular - Jan 7, 2020 1:00 PM

MOTION to approve the minutes from the January 7, 2020 regular meeting; carried.

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RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dave Nelson, Commissioner
SECONDER:	Larry Walsh, Vice Chairman
AYES:	Rice, Engels, Penzel, Walsh, Nelson

CONSENT CALENDAR

MOTION to approve the Consent Calendar; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Walsh, Vice Chairman
SECONDER:	Dave Nelson, Commissioner
AYES:	Rice, Engels, Penzel, Walsh, Nelson

ALTERNATIVE SENTENCING

A. For possible action. Discussion to accept the 2019 Statistical Report for the Department of Alternative Sentencing. (Yvette Doan)

CLERK-TREASURER

B. For possible action. Discussion to accept the cumulative voucher sheets required under NRS 244.210 for checks issued for the 1/31/20 Payroll, 1/24/20 Payables, 1/31/20 Payables, and 2/7/20 Payables. (Kathy Lewis)

C. For possible action. Discussion on the Outdoor Festival Permit application submitted by Harveys Resort Hotel for the twenty-four (24) 2020 Outdoor Summer Entertainment Events to be held on June 13, 18, 20, & 27; July 2, 3, 4, 10, 14, 15, 17, 18, 24 & 25; August 1, 8, 15, 22, 23, 28 & 29; and September 5, 6, & 12, 2020, from 6:00 p.m. to 11:00 p.m. each night, at the Harveys Outdoor Amphitheater, 18 Highway 50, Stateline, Nevada. (Kathy Lewis)

COMMUNITY DEVELOPMENT

D. For possible action. Discussion to approve Amendment No. 3 to Cooperative Agreement Number P656-15-063 between the Nevada Department of Transportation (NDOT) and Douglas County for the Martin Slough multi-model trail and authorize the transfer of \$101,307 from "Construction Costs" to "County Right-of-Way Cost." Amendment No. 3 extends the Agreement until June 30, 2022, adds right-of-ways costs and updates contact information. (Tom Dallaire)

FINANCE

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E. For possible action. Discussion to accept the auditor's report on Douglas County's general ledger balances through February 4, 2020 per Nevada Revised Statutes 251.030. (Terri Willoughby)

PUBLIC WORKS

F. For possible action. Discussion to approve the use of \$411,696.34 in previously budgeted funds for the motor pool vehicle purchase of 14 new county vehicles to replace 10 year old county vehicles and to allow upgrades to a new court vehicle using court funds. (Glen Radtke)

G. For possible action. Discussion to ratify the purchase of an Isuzu truck from a different vendor, Ry-Den Truck Center, Inc., after the original vendor would not deliver the truck. The updated purchase price is \$58,185 which represents a cost savings of \$78 from the originally approved purchase order. (Jon Erb)

SHERIFF

H. For possible action. Discussion to approve budget transfers for salaries and benefits for position changes in the Douglas County Sheriff's Office from the Sheriff Administrative Services Department (212) to SRO Department (222) in the amount of \$49,871; from the Patrol Department (226) to Sheriff Administrative Services (212) in the amount of \$52,359; and \$11,000 of overtime allocations from the Patrol Department (226) to Administrative Services Department (212). Services Department to accommodate special tasks and duties by the administrative deputy. (Undersheriff Elges)

SOCIAL SERVICES

I. For possible action. Discussion to approve Resolution 2020R-021 for \$10,750 to increase both revenue and expenditure budgets in the grant amount from Partnership Douglas County for expansion of the Mobile Outreach Safety Team (MOST) and accept the grant. This action further authorizes the Social Services Manager to sign grant related documents and any minor modifications. (Karen Beckerbauer)

TECHNOLOGY SERVICES

J. For possible action. Discussion to approve the one-time use of \$200,000 in Technology Gaming funds to start the transition from leasing computers to purchasing computers. (Tammy James)

ADMINISTRATIVE AGENDA

Chairman Penzel speaks:

I will tell you that I'm going to move item 4 up, as soon as Community Services is heard. Item 3, excuse me.

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION- none

COMMUNITY SERVICES

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1. For possible action. Presentation by the Tahoe Conservation District regarding a Federal Lands Access Program (FLAP) Grant for the Tahoe South Gateway Recreation Access Improvement Project in the Stateline portion of Douglas County and discussion on the approval of Resolution 2020R-025 supporting the grant application as a key stakeholder, Douglas County accepting maintenance responsibility for the paved multi-use paths, and authorizing the Community Services Director to sign and submit the required grant applications and related documents throughout this project, including the endorsement form. (Scott Morgan)

Chairman Penzel read the agenda item into the record.

Scott Morgan, Community Services Director, speaks:

Mr. Chair, Members of the Board, with your indulgence, we would like to suspend the presentation. It is contained in the packet. If you have any questions, we do have Megan Kelly here to answer them for you and are simply asking your support of the resolution that is requested supporting the grant that will be submitted by the conservation district and if the grant is awarded, obligating Douglas County to maintain the bike path system that is a part of the grant application. We are available for any questions if you have them.

To review Mr. Morgan's full presentation please see the Agenda Packet materials.

Chairman Penzel speaks:

Okay fine. Commissioner Engels.

Commissioner Engels speaks:

What is the cost going to be annually for this maintenance? Do you have any kind of an idea?

Mr. Morgan speaks:

Yes. We estimated it in your packet. Annually, if the grant is awarded and those paths are constructed, we estimated approximately \$6,000 annually for sweeping and inspection. We currently maintain all the passes in the Great Meadow, we were fortunate enough to pass a one cent Transient Lodgers License tax, which was specifically set aside to promote these types of projects within the Tahoe basins and we would be using those dedicated funds for that purpose.

Chairman Penzel speaks:

I would point out that Ms. Kelly is the Executive Director of NTCD and she's also a registered engineer. Commissioner Nelson, did you want to make any comments?

Commissioner Nelson speaks:

Well actually, anything that Megan is behind I would probably support. I've gotten to know her very well over the years and she's a great asset to the Tahoe basin.

Chairman Penzel speaks:

Not to mention a great engineer. Alright, any other questions from the Board? Seeing none, then I will open this up for Public Comment. Any Public Comment?

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PUBLIC COMMENT

Steve Teshara speaks:

Good afternoon again, Mr. Chairman, Members the County Commission, staff, ladies, and gentlemen. I'm here on behalf of the Lake Tahoe South Shore Chamber of Commerce. Both the Chamber of Commerce and the South Shore Transportation Management Association have been very involved in the evolution of this project as well as many other people, state agencies, organizations, individuals who live in the neighborhood and businesses who are in the neighborhood. This is an outstanding opportunity to try to get some significant dollars to do a lot of the pieces of the project that you see in your packet that are part of this application. It's a discretionary application. We really need your support to try to secure \$11 million to really make this happen in this part of the county, a benefit for all in the county. So we really appreciate your support and we will continue on and do our very best with the application process. Thank you.

Chairman Penzel speaks:

Thank you, sir. Any further Public Comment? Seeing none, I'll bring it back to the Board. Further discussion and or a motion?

Vice Chairman Walsh speaks:

Mr. Chair, absent further discussion, I would move to adopt Resolution 2020R-025 as presented, supporting the grant application and authorize the County Community Services Director to sign and submit the required grant applications and related documents throughout this project, including the endorsement form.

Commissioner Nelson speaks:

Second.

Chairman Penzel speaks:

So we have a motion by Vice Chairman Walsh, a second by Commissioner Nelson. All those in favor signify by saying aye. Any nays? No nays, the motion carries. Thank you.

MOTION to adopt Resolution 2020R-025 as presented, supporting the grant application and authorize the County Community Services Director to sign and submit the required grant applications and related documents throughout this project, including the endorsement form; carried.

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RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Walsh, Vice Chairman
SECONDER:	Dave Nelson, Commissioner
AYES:	Rice, Engels, Penzel, Walsh, Nelson

Chairman Penzel speaks:

Alright, we will take a short break. We will take a ten minute break and then we'll come back.

A break was held.

Chairman Penzel speaks:

We will bring this Douglas County Board of Commissioners meeting back to order if you will all help us out. We're going to go to item 3 now.

Agenda Item 3 was heard before Agenda Item 2.

PUBLIC WORKS

2. For possible action. Discussion to approve a contract with HDR Engineering, Inc. for engineering services for the Cave Rock Water System Improvements, in the amount of \$1,349,270, authorize the Public Works Director or County Manger to sign the contract and amendments to modify the terms and contract cost up to 10% of the contract amount, and direct staff to proceed with selection of a Construction Manager at Risk. (Ron Roman).

Agenda Item 2 was heard after Agenda Item 3.

Chairman Penzel read the agenda item into the record.

Chairman Penzel speaks:

You don't look like Mr. Roman.

Phil Ritger, Public Works Director, speaks:

That is correct. I allowed Mr. Roman to stay at work today. I guess I can start with do you have any questions?

Chairman Penzel speaks:

Yes. Do you want them now?

Mr. Ritger speaks:

No, I will walk you through a quick presentation on this. The item before you today is dealing with the Cave Rock Water System Improvements. In particular, it is the upfront engineering portions which will ultimately lead to a CMAR, a

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Construction Management at Risk program to be brought forward over the next couple, which would span, I think, about a four year time period here. The system improvements itself right now includes a Cave Rock Drive water line project which is, and I'll go through the update on that, that's an immediate project that was approved back in 2018 and is moving forward this year. In addition, it is an HDR Engineering contract for the design work for the balance of the entire Cave Rock Improvement Project and then also, I will have a brief discussion on the Construction Management at Risk projects. The Cave Rock Drive line project which is funded right now is from Highway 50 to Gull Court. It is going to span roughly 3,400 lineal feet of pipe line along that main drive section. Again, that was in October of 2018, this Board directed staff to proceed with that and the preliminary estimates at that time were about \$1.56 million. That is being augmented to \$1.9 to cover the final costs of that portion of the project. December 5th 2018, the contract was executed with HDR and the project design was completed, it went out for bid, and the bids were open a couple weeks, about a week or so ago. The contract will be awarded to the apparent lowest responsive bidder which was Reno-Tahoe Construction. Their bid came in at just a little over \$1.4 million and that will be brought before this Board on the March 19th meeting for that contract award. Questions in terms of the project budget up to date, as I said the original HDR Engineering project design for that was about \$147,000. As I said, on March 19th the Consent Agenda will have the Reno-Tahoe Construction contract for the construction itself of that portion of the driveline from \$1.406 million. There's also the construction administration and testing, that contract will be brought forward for another \$215,000 and then with contingencies, the total estimate on this project is \$1.91 million.

The HDR contract that we're speaking about today is for all of the preliminary engineering work on the balance of the Cave Rock projects and that is the engineering design for what will ultimately be a CMAR type project. That deals with the water treatment plant and redundant treatment skid to be input there. It also deals with the Lake intake power supply, the intake submersible pumps, the balance of the water line replacement, which is an additional 15,000 feet of piping, the various pressure reducing stations and also a booster station at the lower Cave Rock facility. The Construction Management Risk Programs and the HDR contract will bring forward the design work that will allow us to go out and work with a contractor, an engineering firm, on the design and review of these projects with the goal to be a guaranteed maximum price when this phase of the project is completed. So we will have a construction project Program Manager involved in the project along the way to guarantee us a maximum price on the balance of these construction projects. It's broken right now into two, we're proposing it come forward as two CMAR projects. The first one being the construction cycle 2021 to 2022 and that would be the treatment plan redundant skid, the intakes, as well as the Cave Rock power supply and then the balance moving forward from that would be the construction project number two which would span 2021 through 2023 with the waterline replacements in three different phases as well as the balancing infrastructure from pressure reducing stations and the lower Cave Rock booster station. So essentially, if you look at it that way, the two CMAR projects will run somewhat concurrently, one being the installation of the distribution

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system, the other being upgrades to the treatment system. And with that I will take some questions.

To review Mr. Ritger's full presentation please see the Supplemental Meeting Materials.

Chairman Penzel speaks:

Questions on the Board? I've got a couple. It would've been helpful, as a comment on the sheets that you provided, it just said critical and most critical. It didn't say what those projects were until you just put them up on the slide. I'd like to know what's critical and what's most critical. I think people that live there would like to know what projects you are going to be working on instead of just critical, most critical and they don't have that slide and nor do we. The other part of this is, if I get what you're saying correctly, we're going to spend \$1.3 or \$1.9 for HDR to go out and select a Construction Manager at Risk who will then come back and tell us another engineering firm and they'll come back and tell us what they can do in terms of those projects; is that correct?

Mr. Ritger speaks:

Not exactly, no. The way this Construction Manager at Risk Program would work and the contract here with HDR is HDR will do all the design work so the actual engineering work and design work for what the new alignment of the pipeline is and what all the infrastructure needs are. What we're hiring under Construction Management at Risk is you're not hiring another engineering firm, you're rehiring the actual construction firm. You're soliciting and bringing in a construction firm early on in the project so that as these designs are being formulated and worked out the construction company itself is going to be providing the input in terms of the cost and timelines etc. to do that work. So a traditional construction project is an engineering firm would do all the engineering work, hand that to you as a fully designed project and then you can go out for bid.

Chairman Penzel speaks:

Or you can have design build where you design it, they design it and build it.

Mr. Ritger speaks:

No, under the NRS, under the Public Works projects, the engineering firm that does the design work cannot be involved in the construction. It's a conflict of interest.

Chairman Penzel speaks:

It's cheaper, that's it.

Mr. Ritger speaks:

Actually, unlike traditional, it's not so much that it's cheaper, it's a question of maintaining integrity in terms of the materials and product that's built into the system. So there is, in the NRS, a requirement to have those as separate entities.

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So in this case, what you're doing with the engineering firm through is you're allowing the engineering firm to get information from the contractors on a real-time basis to formulate your total cost on the projects and work through details as opposed to dealing with change orders and other things going forward in a traditional sense. The CMAR project has been very successful. The State uses it. And an entity like the County, I think we'd use it more often but we're only allowed, again, under the NRS, two Public Works projects at any given time under CMAR project.

Chairman Penzel speaks:

Okay, we will go on to the second question, or third question which is you talk about an augmentation here. Are you talking about an augmentation from the \$7.9 million that was referenced as available for reprogramming? Where are you getting it augmented from? Let's put it that way.

Mr. Ritger speaks:

Oh, you're talking about the preliminary estimate of \$1.56 back in 2018 and it's augmented to \$1.9 at this point?

Chairman Penzel speaks:

Yeah.

Mr. Ritger speaks:

That's coming from the construction reserves and funds we have existing in the system for that.

Chairman Penzel speaks:

In the utility.

Mr. Ritger speaks:

Yeah. It's all utility funding.

Chairman Penzel speaks:

Let me ask you another question; if out of the \$7.9 we were able to allocate maybe \$3 million, would that speed up the process?

Mr. Ritger speaks:

Not necessarily. I think we will look at the funding and how that impacts us, but the difficulty with any project here at the Lake is the construction season is based on TRPA. We have a construction window and one of the things we're going to learn this construction season with this first drive line project is what kind of soil conditions, what kind of dig conditions we're really dealing with in this Cave Rock area.

Chairman Penzel speaks:

What kind of granite?

Mr. Ritger speaks:

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Yes. What kind of granite, how quick or slow the installation will be. A lot of that information will be fed going forward into the next few phases in terms of what we believe we can then accomplish.

Chairman Penzel speaks:

In your background information, you talk about getting this approved by the Assistant County Manager in 2018. Is that a misprint, 2018 or did you in fact get the first 3,000 feet approved then?

Mr. Ritger speaks:

So I had the same question actually when I looked at this. I wasn't here at the time. Yeah, this actually came before the Board back in October of 2018 with the assumption to move forward with this project and actually approved by this Board at the December 5th meeting in 2018.

Chairman Penzel speaks:

So why didn't it get done this year?

Mr. Ritger speaks:

So in December, when it was awarded in December of 2018 what was awarded or what the contract with HDR to do the engineering design work, traditional engineering design and build work was initiated. So that was initiated and the work continued through 2019, was completed and went out for bid at the end of, I would say sort of, December of 2019. The bid package was completed and submitted to the contractors and those bids came back and the bid was closed in early February and the bids were opened on the 13th. So it's just part of the construction cycle. Again, when you award the engineering contract in December the duration of the engineering and design work went beyond the construction season so we were well into the construction season before the design work was completed and it basically had to be held until this next construction season.

Chairman Penzel speaks:

And last, in here you mentioned the PER and the costs that were announced in the PER, so is the bidding firm going to have the benefit of the PER and their estimates of the cost and therefore already have numbers in mind that are acceptable?

Mr. Ritger speaks:

Yes. That's part of all of the bid package and the notes provided as engineering announcements that come out of the those PERs. I can give you an example on this project right now; the contract that was just awarded, I think the engineering estimate, the engineer's estimate for that first 3,400 feet of a pipeline was around \$1.6 million and our lowest responsive bid came in at \$1.4. So we're in a good position, I think, compared to where we thought we would be.

Chairman Penzel speaks:

Okay. Thank you for your presentation. Any other questions from the Board? Comments? Since this is for action, I will open it up for Public Comment. Any Public Comment?

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PUBLIC COMMENT

Ralph Miller speaks:

I just have a couple of comments. This is going to be a three year nightmare in our neighborhood with streets tied up. They are very narrow streets, there is only a single entrance and exit from everywhere. The Public Works department has been just great in working with our leadership team in Cave Rock and keeping us reprised. We feel like we're a real partner in this. We're trying to make it easier for our folks, the County is only going to go up to the property line and then the individual homeowners are responsible. We're trying, as a GID, to better organize that so everybody doesn't just have to go out and get their own plumber. We're trying to bid a package and really work with the County in making it go as smoothly as possible. They are giving us the opportunity to really keep people informed and that's going to be really important as to when closures are going to be there and so forth. So we are intensely grateful to Public Works and we think this is really going to run smoothly. Just to answer your question, one of the reasons that we didn't start in this construction season was heavy snow fall last year, that was before Phil was here, but HDR actually could not do the survey because of the depth of the snow. So it got pushed off by one construction season. So again, thanks to all of you, and we're really looking forward to having a modern-day water system in Cave Rock.

Chairman Penzel speaks:
I kept waiting for the but.

Mr. Miller speaks:
No but.

Chairman Penzel speaks:
I have a question for you though, this is going to dig up the roads.

Mr. Miller speaks:
Yes.

Chairman Penzel speaks:
What are you going to do?

Mr. Miller speaks:
That's a very difficult question and it comes back to what Phil said, our roads are deeply potholed and that is a direct result of all of the leaks that we've had and running down, the pipelines collapsing the roads, and we're looking for the same thing that Phil is looking for, better information as to what the substructure is and what it's going to take to make the road serviceable for the next generation. So we don't have an answer right now.

Chairman Penzel speaks:

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Okay, thank you. Any further Public Comment? Seeing none, I will bring it back to the Board. What is the pleasure of the Board?

Vice Chairman Walsh speaks:

Mr. Chair, I would move to approve \$1,349,270 contract with HDR Engineering Inc. for engineering services for the Cave Rock Water System Improvements project, authorize the Public Works Director or County Manager to sign the contract and amendments to modify the terms and contract cost up to ten percent of the contract amount and direct staff to proceed with the selection of a Construction Manager at Risk.

Commissioner Rice speaks:

Second.

Chairman Penzel speaks:

So we have a motion by Vice Chairman Walsh, a second by Commissioner Rice, is that right? All those in favor signify by saying aye. Any nays? No nays, the motion carries 5-0. Thank you Mr. Ritger.

MOTION to approve the \$1,349,270 contract with HDR Engineering Inc. for engineering services for the Cave Rock Water System Improvements project, authorize the Public Works Director or County Manager to sign the contract and amendments to modify the terms and contract cost up to ten percent of the contract amount and direct staff to proceed with the selection of a Construction Manager at Risk, carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Walsh, Vice Chairman
SECONDER:	Wesley A. Rice, Commissioner
AYES:	Rice, Engels, Penzel, Walsh, Nelson

COUNTY MANAGER

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3. For presentation only. Presentation by the Tahoe Douglas Visitors Authority (TDVA) on the Tahoe South Event center Project, including updates on the Project status and all Project related studies, the Tahoe Regional Planning Agency (TRPA) approval process and transportation funding requirements for the Project, the proposed Project financing package from all funding sources, and the proposed pledge by the Douglas County Redevelopment Agency of current and future redevelopment tax increment funds for the Project financing in accordance with the requirements of NRS Chapter 279. (Lew Feldman representing TDVA and Mark Northcross of NHA Advisors)

Agenda Item 3 was heard before Agenda Item 2.

Chairman Penzel read the agenda item into the record.

Lew Feldman, representing TDVA, speaks:

Mr. Chair, Commissioners, I'm here on behalf of the Tahoe Douglas Visitors Authority and as you noted Mark Northcross is sitting next to me from NHA Advisors. We also have Scott Shaver from Stradling Yocca, bond counsel for TDVA just to my right. I just have to say it's the first time I have ever presented when Public Comment has preceded my presentation but I really think we were fortunate to have such a really, I thought, extraordinary quality of public speakers. So we have a lot to talk about. It's been already somewhat of a long day, so we're going to try and keep this as brief as we can. This is our table of contents and the history behind the project. It is well known to many of you, I won't go through it in enormous detail but it has been referenced, the idea of meeting space as a supplement to our declining market is not a new topic and in fact was a component of a redevelopment project that have been referenced earlier on the California side. There are pros and cons to the political position of Jerry Brown, but Jerry Brown ended redevelopment in California and that foreclosed the opportunity to construct a facility in California that had been approved in the mid-2000s and has sometimes been referenced as the hole in the ground, although that project is moving forward.

By 2011, the South Shore Addition Plan, which was a 45 member stakeholder group including Douglas County, the City of South Lake Tahoe, the TRPA, Chamber, property owners and others formulated what was ultimately then adopted by Douglas County and TRPA as the area plan for the Stateline area, which included an event center. So for the last 10 years we have been trying to advance the idea of an event center as a catalyst to change behavior in this part of the world because as we know, we have lost an assessed value, 40 percent of our value in the core and it's no mystery as to why that has happened. I mean, we all know that tribal gaming has forever irrevocably reversed the opportunity for us to reclaim that market share. That is gone forever. So people say how can you guarantee this is going to happen or that's going to happen? What we can guarantee is if we do nothing, this spiral of decline is going to continue and so the cost of doing nothing is continued loss to all of us, the County, \$1.2 million ad

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valorem property taxes and as many people have noted the pretty dramatic job decline. We have participants in our market that have testified today that have said, we are turning away business that would fill an event center because we don't have the space. We knew that in the 2000s, we know that now, and now we're trying to bring this long-term vision to reality. I think it's noteworthy to perhaps, while we're talking about this update, this process has been ongoing with the County since the formation at least of the redevelopment district in 2016 and the studies that preceded that in 2015 and for the last two years TRPA has been processing this project through an environmental assessment and is scheduled to approve this project in March. For those of you that have attended, I know Commissioner Rice has attended these meetings at TRPA, we have had public meetings in the last couple of months, which have been also very well attended and the Public Comment has been as robust and positive as the Public Comment you have had the opportunity to observe today. We are working closely with TRPA staff and the stakeholders, and the usual suspects, which include the California Attorney General's office and others to broker a deal that is going to at least result in a favorable disposition we expect in March at TRPA. As also has been observed, you don't have to go very far to see what public-private partnership has done to reverse the decline in an adjoining area; Heavenly Village has certainly been a turnaround project, a model project. And by the way the City of South Lake Tahoe with the time just over 20,000 residents incurred \$100 million in debt so their debt service were multiples of that to help facilitate the redevelopment projects in California and you could only imagine what would've happened had that not occurred.

The project itself, thanks to the community participation of Edgewood, we have a 5 acre site on the corner of US 50 and Lake Parkway where 138,000 square-foot facility will be constructed. This facility includes completely reconstructing the parking areas and I'll point out, will include an event lawn which will operate year-round, tented and heated in the winter months, but will complement the indoor facility as well. Then all of this area will be brought up to current best management practice standards. Stormwater management will be enhanced and I think when you look at the existing condition, as has been noted, we have a parking lot view of a parking structure and we are proposing to replace that if we are fortunate enough to move forward with the loop road with a landscaped roundabout and a world-class architectural masterpiece, I think, at the entry to our tourist core. We're fortunate to have Perkins as well as the architects that have done these projects and several other venues. They are experts in this area and you'll see a couple of slides, some of the interiors, but obviously as has been noted, we want to construct a facility and have designed a facility that has the maximum degree of flexibility. The bulk of the business is not going to be giant business. The bulk of the business is going to be corporate and association groups, but it's important for us to be able to have sports tournaments, community events, performing arts, tradeshow. We will have ice, we will have the opportunity to have not only exhibition ice tournaments. We have an ice rink in the City of South Lake Tahoe that already sponsors tournaments, but a second sheet to enhance that opportunity, which by the way, is a tremendous room night generator as another potential benefit of the facility.

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This is kind of early in the computer-generated image, but this is when you come in that entry area, this next floorplan shows you how we created kind of a lounge area and an elevation. You can see this is a very contemporary mountain experience. We're going to have two fireplaces. There is going to be the kind of place where people can gather and you can meet your friends before you go to see the event or the convention that you are invited to. This is the typical section of what's called the concourse or the walkway to where you walk down the stairs to your seats. In this elevation you can see, I'm sorry that our lighting has somewhat diminished, this is pretty stunning actually but the concession facility is on the right. It's not those old concession facilities with the roll-down metal cover. This is pretty state-of-the-art with an LED display and you can see how you can identify if you're in row 102 you know where to enter. It's a very upscale presentation.

The facility itself has got the bowl. The bowl can be used for the array of sports, concerts, theater in the round, but you're looking on the right-hand side of the slide in this, there is an array of meeting rooms. These meeting rooms are divisible and will accommodate about a thousand people for sit-down type events and also available for banquet events and that's the heart and soul. Most of the business is going to be smaller business and that's an important steady business, particularly, these corporate and association groups that are predominantly spring and fall attendees are the slowest periods. So this is a floor plan that would be for seating for banquet style events and again in an elevation, this is what it would be like for banquet style events with a view out the back to the mountains and as I've mentioned in the past, someday perhaps the Douglas County Board of County Commissioners might avail itself of an opportunity to convene in the new Tahoe South Event center.

There is an array of other benefits attributable to this and an important component is micro-transit. For those of you that are not familiar with that, micro-transit are smaller vehicles that are based on an app on your phone and you can call the vehicle that will pick you up from where you are and take you to your destination within a service area. This type of facility is in operation in Squaw Valley and has generated tremendous ridership and reduced demands on parking considerably, reduced congestion. It is also in place in Park City and in Aspen with similar results. The goal here is to change behavior, because that's what we want to do. We want to get people to be less reliant on the private automobile. We want them to come here, park their car once and then get on a micro-transit facility to take them to the gondola or take them to the event center and that's free to the consumer. How do we propose to pay? Because nothing is free, it has to be paid for, but if you want to generate ridership you will generate ridership; you'll generate more ridership if it's free. I believe you are aware, under the Tahoe Douglas Visitors Authority Act, one percent of the TOT that is generated in the Township must be spent through the Tahoe Douglas Transportation District for transportation at the Lake. And the County has been utilizing one half of one percent of that revenue stream to retire the bond debt on the parking facility that is just across the parking lot here which is paid off this year. So we have proposed that the Commissioners allocate that one half of one percent when it is liberated

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from the current obligation to support the micro-transit component which is an essential component to, again, change behavior and be a complement to the facility, reduce greenhouse gases, reduce congestion. We are also involved in the US 50 Revitalization Plan, the Loop Road as it is also known, and that has a component called the Main Street Management Plan. The Main Street Management Plan has a component which involves parking management. We are collaborating with the Main Street Management Plan stakeholders and we will have a coordinated parking management plan that will also complement and help motivate people to avail themselves of shuttle services, reducing reliance on the private automobile. Water quality will also be improved as a result of eliminating 5 acres of surface parking, which as you can imagine, has contaminants that come off of cars that ultimately flow, although we treat it, flows to the Lake. We will have clean roof runoff that will be a much better impact to lake clarity, another TRPA environmental deliverable. We measure, because we measure everything at Lake Tahoe, we measure scenic quality. And the scenic inequality in the core is not yet in attainment under the TRPA Scenic Quality Improvement Program Standards and this will help move us towards attainment because the man-made features that will be screened are superior to the existing condition.

I have already, I think, covered this Tahoe Douglas Transportation District funding source and the need for a micro-transit complement to our system. I think it's important to, and you've already heard some of this testimony, but the amount of money that has been spent in the core by the stakeholders and adjacent to the core is actually at about half a billion dollars independent of this facility. With that in mind, I'd like to reintroduce Mark Northcross who is a financial consultant that has worked on other projects; the Heavenly Village project, he represented the public entity in that instance, he represents TDVA in this instance. As Mark noted earlier in an earlier conversation in those days we were across the desk, here we're at the same desk. With that I will turn it over to Mark.

To review Mr. Feldman's full presentation please see the Supplemental Meeting Materials.

Mark Northcross, NHA Advisors, speaks:

We're the advisor to the Tahoe Douglas Visitors Authority. Lew is right, we've said a lot of things that are on this slide but I want to point you to this lower left-hand corner. I'm going to jump ahead, what are we asking for in tax increment? The agreement that we are proposing has an annual cap on it of \$1.3 million a year. There are 25 years, more or less, left on the project area number two. So what is 25 times 1.3, it's \$34.25 million. So that is the ask that is on the table. I'm jumping ahead a bit since we've had some different questions about how much is being sought. That's the ask, \$34.25 million subject to a cap. That's a legal cap in the agreement that we're asking for.

So let's move on through the rest of this presentation. Let's talk about the revenue sources that are really about public-private partnership here, as we already know the casinos and I call it the Airbnb community and I know there's a different term

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of ours, I'm looking for Patrick or Kathy or Lew to give me the term, but it's all the other lodging properties that are not casinos and others people's homes...

Mr. Feldman speaks:
VHRs.

Mr. Northcross speaks:

VHRs, thank you. I knew there was a better term for that. That money is being pledged, the TOT, LLF, to a certain extent, not all of it, is being pledged to the bond issue proposed to fund the event center. In addition, the State Legislature authorized Douglas County through TDVA with the assistance of Douglas County to levy a \$5.00 a night surcharge on occupied rooms, netted comp rooms in the Tahoe Township and that includes the VHR area as well as the casino core. So that money is also being pledged. That is a tax, yes that's the new tax, that is the only new tax involved in the financing plan. There is no increase in property taxes, sales taxes, TOT, LLF. There is a new tax, the \$5.00 a night room charge, that is primarily going to land on the casinos and secondarily on the VHR community just in the Tahoe Township, not in the Valley, and that money is being pledged to pay debt service on the event center. So what are the revenue sources that we're looking for this partnership? The \$5.00 a night surcharge, that's the tax increase, the only one, a portion of the existing TOT and LLF paid by the Tahoe Township and then I'll call it the \$34 million and change tax increment commitment by Douglas County. Those are the three things that we want to see on the table. I'm going to walk you through in more detail how that works.

So, a little introduction. I am a bond person, admissible bond person and selling bonds is for good reason a very demanding task because you have to make sure that the information you give investors is as accurate as you know how to make it and you need to, as we call it, expertize it by independent third parties. What you see on this slide and it's a list of independent third parties that have been brought in to expertize this information and the expertization, the information that's really the core is how many room nights will the presence of the event center increase, occupied room nights in the Tahoe Township? So we had some people take a look at that. Another key metric that we need to know and we can talk about this afternoon is what is the fiscal impact, the direct fiscal impact on the County from the event center? What that means by direct fiscal impact, what is the cost for increased public services? I see our Sheriff probably had to go to something more important than the meeting, and we have the Fire Chief there. What's the increase in cost from having the event center on public safety? That's the primary impact. And what's the increase in direct revenues from just the event center itself? Not counting the property taxes, that's the increment we're talking about, but on things like TOT, sales tax, other revenues that the County gets? We had EPS, Economic and Planning Systems which is a firm with a regional reputation, regional meaning California and Nevada, do that. On the tax increment side the property tax had to be vetted big time. We had MuniCap, a firm with a national practice, come in and do that. I want to pause right now and look over at Kathy Lewis and pass on something; you had a firm of national reputation and practice that what Kathy is doing in managing property tax and property tax increment

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and guess what, she's doing a really good job. I'm saying that in front of your boss, so I just want to pass that on. There is an independent third party that said yes. So just take that in. Whatever you do to tax increment, that came out good. We had SMG working also with CSL, I'm going to use the initials, to look at, essentially, what's the long-term impact? What's the long-term prognostication for the casino core if we do nothing? So we have some of that information presented. NHA Advisors, that's me, we're bond people. Stifel Nicolaus is our bond underwriter. Stradling Yocca is our lawyer there. Saddle Peak Hotels Advisory is a very important firm; a guy Chris Krause who specializes in vetting TOT, LLF for bond deals in the inner mountain west in the, basically the skiing and outdoor recreation areas of the greater inner mountain west. He's taken a good look at the TOT, LLF once again vetting what Kathy and her team are doing, doing good, but also making sure our numbers are right and accurate and we're doing the right thing there. So we've spent a lot of money vetting numbers here.

Key findings, we believe that the room nights will go up by 57,000 to 71,000 per year. That is, we hope is what this community that spoke earlier, is looking for as a benefit. Extra room nights means more people in the basin spending money in the shoulder season. The direct employment from the event center, that's not counting the fact that the event center will improve life of the casinos and other businesses and they might hire more people, that's out of it. This is just people who are working at the event center or in direct support of it; it's 380 to 470 new jobs. That is to break down, it's very hard to read, it is my understanding this is on the County's website, this slide deck. Patrick is nodding his head, that's good. Okay, so you can get those numbers and read them. The estimate is that the actual hotel revenues, the money taken in by the hotels will increase by \$7 to \$9 million per year.

So let's move to the next slide. There it is, the event center impact. Let's go to the very bottom here, that graph here because I have a feeling this is of great interest to people in the room. This is the fiscal impact on the County of Douglas here, Douglas County. Our estimates are that the annual revenue to Douglas County will decline by about something less than \$400,000 a year on the do nothing. That basically means the decline in assessed valuation, you saw that slide for \$140 million down to \$80 million, I'm rounding numbers; that kind of decline is going to continue because for all the reasons I think everybody in the room knows about. In addition, part in parcel has a decline in sales tax, TOT, other revenues. The do something, the event center scenarios is that the direct financial benefit to Douglas County, not counting the property tax, leaving that out, is about \$600,000 a year. So that's net of the extra cost for public safety. That's the net revenue to the County, it's about \$600,000 a year. I believe the County has the background studies on that and in the interest of time if you want to come back in March we can go into the weeds on that, but this is just the summary. So, bottom line, the project has a positive fiscal impact on the County. I'm talking just direct, not the side benefits that have been discussed here, just the direct benefits.

So with that, I am going to move to the next slide. I mentioned the cost, this is a broader cost-benefit analysis. We did look at the overall combined spending for everything. This is the macro, you know, you hire more people, all kinds of good

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things happen. So to be honest, why it's a positive number, we like the number, we're here to advocate the number. It's a more speculative number than figuring out what your Sheriff and Fire Chief are spending and how much direct money will come to the County coffers directly from the event center, but it's \$30 to \$40 million a year. So hold that thought and let's go back to our \$1.3 million a year tax increment ask; that's what we're here to do, we're asking for that. What's the ratio if you divide 30,000,000 by 1.3 million? It's approximately 20 plus to one. So we believe from a classic economic development analysis standpoint the total economic benefit to Douglas County from the event center is way greater than what the ask we're making for the property tax increment. So that is the key point of this; there is a graph there on the slide that demonstrates that.

Next slide, summary of what's on the table. What are we really doing here? There are legally four different revenue streams going into this. We are looking at approximately \$100 million bond issue. So for the sake of discussion, I know there's from time to time, there's competition between the Nevada side South Shore and the California side, by doing \$100 million bond issue you can catch up with the California side. But that's about where it's going to have to be. We have TOT and LLF, which legally are different revenue sources even though they look, act and feel the same; there's two of the boxes up there. We have unrestricted TOT revenues. We have restricted lodging and license fee revenues that are collected by TDVA. We have our tax increase; we admit to a tax increase the \$5.00 a night room surcharge and we had the property tax increment that we are asking for. Debt service, our target right now is about \$7 million a year. And so, what's 1.3 as a percent of \$7 million? Well it's slightly less than 20 percent. Lew said it was 19; I will just round up and say 20, that's the number. It's one out of \$5.00 to cover debt service is what we're asking for here.

Basic elements of the proposed agreement. I'm not a lawyer, but I can say that Scott and your District Attorney, Zach Wadle has some dialogue in this. I'll just do a quick summary here. The original proposal was \$45 million, off the table, it's \$34 million. Another key factor that is net of the school district. We are not asking for any of the money that would go to the school district. They are held revenue neutral. So it's the other taxing entities money, but it is not school district and obviously if the tax increment goes over \$1.3 million, the net of school district, which we believe it will, primarily because of Tahoe Beach Club, that money goes to the other taxing entities. The pledge is through the final year Project Area 2 which is 25 years, so 2045 more or less depending on how the fiscal years play out. And again, the annual tax increment remaining at the TDVA transfer is available for other RDA2 priorities and there is a number of things as you all know you can do with tax increment.

So why is it needed? This is a really important slide because if you look at the amount of revenue pledged and you look at the current, I'll call it boom economy, you would say \$7 million is what you need. There's more TOT, LLF and \$5.00 a night surcharge pledged than 7 million bucks. That's more money coming in right now. Why do you need the tax increment? This chart is about why you need it. I mentioned bond investors, you have to be really accurate and conservative of the

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information you give them and they also tend to look at the worst possible case. So what's the worst possible case? Well, we had this thing called the great recession and really, that Indian gaming really hammered the casino core. So their way of looking at the worst case, and I've been in the bond business since 1981 so I can speak with some experience, is that they look at the amount of, they want us to essentially reverse engineer what the TOT, LLF and \$5.00 a night room charge would've brought in during the worst years of the great recession. Well, we did that. And guess what? That number is under \$6 million, it's \$5.8 million or something like that. Well that number is less than \$7 million. From a standpoint of selling bonds for the event center, that's not good because we're saying gee if something like the great recession repeated there isn't enough money to pay debt service. So the tax increment at the \$1.3 million cap you can see brings us up under our worst case scenario that we have to disclose to bond investors to about \$7 million. So what are we saying? With the commitment from Douglas County, we have enough money under a worst case scenario to cover the \$7 million net that we have for annual debt service. That's what's behind this. So if you want to blame somebody, blame me. I'm the bond person and I've told my client, TDVA, this is what we need.

These next two slides are really lawyer slides, I'm going to play lawyer for a second. What the bullet charts here are about is that for the County to make the tax increment commitment you have to meet certain public-policy criteria laid out in the Nevada statutes. To make a long story short, and this is public information, you guys can read through it, we bulleted all the aspects in the Nevada statutes that you've got to meet and the public-policy piece and we believe we need them, and you've got Scott here and Zach here who can address that in more detail. I am going to punt on that but we've got two slides that go through all that in great detail and we're very happy to have that discussion in depth. So I'm going to move on to another slide; I'm getting near the end of the presentation. Why does this tax increment pledge matter both to Carson Valley and the State of Nevada? You've already heard the answers from people who went up there. It benefits people in the Valley; it benefits people in the Lake. It's one county. It's really an integrated economy. The event center benefits the whole region. In the long-term economic vitality, really, the South Shore is a matter of statewide concern. Again, the Nevada Legislature passed overwhelmingly, the \$5.00 a night authorization. The tax increment pledge, the ask we are making hedges the volatility of lodging revenue. To cut to the chase, notwithstanding the long-term decline of property taxes from the casino core, property tax revenue is considered by bond investors a lot more stable source of revenue than overnight lodging revenue and we need that stable base to go sell some bonds. That's the bottom line. So what's the schedule look like? Hoping to get the financing agreement, that's the ask, the draft agreement that this Board would be approving at your March meeting worked out between our legal team and your legal team in March. Bring it to your Board in March. TRPA approving the event center in March. The TDVA team getting a firm price construction contract executed by approximately the end of April. So not only, I'm sure, the electives in the community want to see a firm price construction contract for the event center executed, bond investors like that too. We really like that. It's an important thing to selling bonds. With that we can go

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sell some bonds, fund the event center. Construction begins in May, completed in the spring of 2022. That completes the presentation. So Lew and Scott and I are available for questions. Thank you.

To review Mr. Northcross' full presentation please see the Supplemental Meeting Materials.

Chairman Penzel speaks:

Thank you, Mr. Northcross. So I will bring this back to the Board for discussion. Commissioner Engels.

Commissioner Engels speaks:

How much of this bond, how much would the underwriting fees be?

Mr. Northcross speaks:

That's a great question, the underwriting fees in my career have dropped dramatically to the point where I really wonder how they're doing the business; it would be between a half a percent and one percent, in that range. The one percent would be if this is considered a more risky bond. It really just depends on how the bond investors view the TOT pledge and the volatility historically in the Tahoe Township. If it's down to a half percent that means we've got the better credit rating and the bonds are easier to sell. Sir, does that answer your question?

Commissioner Engels speaks:

This is the second time I've been through one of these meetings, not specifically in regard to the bond, but listening to the enthusiasm for the event center. I've always been of the persuasion that the event center is a good project. My objection has been how it's being financed. As Commissioners we can't just look at the convention center, we have to look at the County in its entirety and we are in desperate need of facilities for the County as our County has grown down in the Valley. So the dilemma is who's going to get what and where are we going to put it. So we could go on with this discussion but that's where I'm coming from. Thank you.

Chairman Penzel speaks:

Please, go ahead.

Commissioner Engels speaks:

This is from the County, correct? Item 4, it says are my taxes going to go up because of RDA2? And the response is no, they stay the same. The Board of Commissioners is not considering a tax increase at this time. What does that mean? So, if this does not achieve the level of financial success that is anticipated by everybody, there are specific things in the NRS that take it back to the County; is that correct?

Mr. Northcross speaks:

Let me answer this question, it's a great question Commissioner. I'm going to speak from just a bond person. We are selling the bonds and our disclosure

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document which is under federal regulations and I want to stay out of jail and I'm at a point in my career that I don't want to deal with that. That means we have to tell them the truth and the truth is we will be telling them that if this doesn't work there is no going back to anybody else to increase revenue. What you see in pledge revenue is what you get and that is all you'll ever get. So that's what we're telling the bond investors. So the bond investors will have no recourse to come back to this Board and say you promised us a tax increase; that is not available to them at all and that will be disclosed to them that is not available. Beyond that, no comment.

Commissioner Engels speaks:

But regardless of the success or failure of the project financially, the County will be obligated to fulfill the obligations in regard to the bond.

Mr. Northcross speaks:

No. Your obligation is solely to transfer, with our ask should you choose to grant that ask, to transfer up to \$1.3 million a year in tax increment for Project Area 2 over to TDVA. Nothing beyond that. So if the bonds go into default, God forbid, whatever happens, your obligation is limited to \$1.3 million a year in tax increment if it's available, okay.

Commissioner Engels speaks:

Why does this say, this is kind of vague. Why does it say this? Can somebody answer that?

Chairman Penzel speaks:

Mr. County Manager.

Patrick Cates speaks:

My understanding is consistent with what was just described. We kept it vague because we can't bind future Commissions and what they may do with taxes. But there's no intent that taxes will be raised as a part of this. The exposure to the County is limited to the amount of money that is being requested and that will all be defined in the agreement.

Commissioner Engels speaks:

Okay, it comes back to the dilemma that we have administering the County in general, not just the event center, but we're in desperate need of new facilities. We're running out of space, we don't have the money to go off and do something and this obligation is going to really hogtie us so that we can't just go off and do a lot of other things that we would like to do. That's been the dilemma from the beginning. I'm not opposed to the event center. The other thing that I don't understand is that the primary beneficiaries are going to be the casinos. I remember the last time when Edgewood was here and he was talking about it and they spent like \$100 million to expand their operation etc. and they worked with U.S. Bank, that's what I understood. That's private capital doing what private capital does, and this is different. This is putting the burden on the County to provide a facility that the beneficiaries are going to be the casinos. Now the

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casinos have people that could pay for this thing next week and I don't understand why this insistence on having the County pick up the tab. But that's another issue. Thank you.

Chairman Penzel speaks:
Commissioner Rice.

Commissioner Rice speaks:

Fortunately, or not fortunately, I've been intimately involved in this process ever since I've been elected. I've looked at this upside down and sideways and in my opinion the County is not being left on the hook. Safeguards have been put in place so that if it fails it falls on the Tahoe Douglas Visitors Authority, not on the taxpayers living in the Valley. I am for this project; I have been for this project. This is one of the things that I campaigned on about how badly we need this project and I thank you very much for your presentation and I hope that you will allay some of the fears that we are getting into a tax quagmire that's going to affect the people in the Valley.

Chairman Penzel speaks:
Commissioner Nelson.

Commissioner Nelson speaks:

This is going to be more of a philosophical discussion from me because I have been against redevelopment areas for very long time. They do divert taxes from where they're supposed to go. No one can debate that, it does, it is a fact. It diverts money from where it's supposed to go into a specific area and it primarily ends up being crony capitalism. That is what redevelopment is. I saw it in California when I lived there constantly. It was a matter of everybody knows that taxes have shot up tremendously in California over the years, redevelopment was one of the reasons. Schools got cut short because it diverts money from schools. The General Funds get shorted and eventually taxes have to be raised to make up for it. That is just the fact that I've witnessed. So when I ran for Commissioner in 2016, one of my main points was I would fight against the redevelopment areas which I have done. We have succeeded in getting rid of Redevelopment Area Number One, down in the Valley; that money is now flowing to where it's supposed to flow, not into just specialized projects for specific people in the county. Taxes should be collected for the county and spent entirely for the county, not for specific groups, not to create slush funds and that's what these inevitably do. I've seen it over and over again including RDA1, ended up being sort of a slush fund. We used the money for a lot of various things that should have been done through the, actually, the other raising of money through enterprise funds, etc., but money was used from redevelopment for those things. Like I said, I ran against it. We got some Commissioners changed in 2016. The people that voted for those people thought we might be able to do something; it didn't happen so nothing happened then. Last year we voted on this, it was a 3-2 vote to go ahead with it and because of that the citizens decided they needed to do a referendum and that was started and begun. To stop the citizens from having a voice at this point, the whole thing

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would be totally wrong in my opinion. And so that's where I stand on this and will continue to stand.

Chairman Penzel speaks:
Vice Chairman Walsh.

Vice Chairman Walsh speaks:

Thank you, Mr. Chair. Yes, in 2016 I supported RDA2, not as a Commissioner but as a candidate and I was elected. I've heard that there is a need for new facilities, the Sheriff is going to need more deputies, the schools are going to need more expansion and whatever. We just heard from the Sheriff on Tuesday that he's fully staffed; he doesn't need any deputies right now. We also know that the school district is losing enrollment, so there's not a real need for those funds to be diverted to use. RDA1, I think, was a tremendous success. Some of the residents, we had a small amount of residents back then in 2000 and whatever it was 2007 or 2006 against it. Since that time it's doubled sales tax, excuse me sales revenue, it's contributed probably \$30 million to various projects around the County that were needed that probably wouldn't have gotten done. So I fully support this redevelopment agency. I'm excited that there were so many experts that were called in to analyze the project sideways and upside down and what have you. So I have a lot of comfort in that and I think many of the citizens after hearing this presentation are possibly going to change their minds. In fact I've already had some citizens who have signed that petition tell me I shouldn't have signed it. So I fully support this as it's presented right now. Thank you.

Chairman Penzel speaks:

Thank you. I ran in 2016 and went before the Douglas County Republican Central Committee at their annual meeting and I said that I support this then. I support the idea that we have this. If the numbers come out, which is what I've always said, if the numbers produce a good decision then I think I can support this through the process. Each time we get a little closer on what the numbers are. I believe that one of the big linchpins was public-private. You've shown this is public and private together. I think the other linchpin is what Mr. Engels was talking about in terms of what's the liability of the County? Once again you've dispelled the liability of the County is limited. It's limited to what we even thought the project was going to be in the first place. I owned the General Country Store during the discussion of whether it was going to become in the RDA and it was a struggle. I took it from 800 square feet to 4,000 square feet and I was struggling all the time. In fact, I would advise anybody that is buying a store that you're buying a job, but I was able to sell it. The thing that was a big problem then was water and sewer through the Town of Genoa. That cost was way above what the Town of Genoa could afford and all the merchants. They wanted to put lights in and around and then they came up with some kind of a program to have boardwalks which would've made it more old Western for those that support that. But none of that was possible unless the community got support and that support came through the RDA1. I was on this Board when we discussed has the RDA reached its limit of what it can do and all of us concluded, yes it has. And so we ended it early. There's no stricture that says you can't end it early. So I think the

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liability aspect and the ability for us to end it when we think it needs to be ended are good safeguards for the County's funds.

Then I'd like to point out a couple things. Last, well it seems like it, two days ago we had our presentation on our annual comprehensive annual financial report and it had some really interesting statistics in it that I think bear repetition. One of the concerns voiced by some of the Commissioners is we're not going to be able to support all the things that we want to support. I don't think that's necessarily true. We have a need for a new JLEC facility which is often touted. We have a bonding capacity of \$300 million. We currently bond at seven and one half percent, which is in this, of that bonding capacity. Very low bonding on the part of the County and that's because we're basically fiscally conservative about what we do. If we wanted to bond for \$35 million for the JLEC then let's put before the folks and let's see if they want to bond for that. This particular bond in 2016 when it was presented as an idea for us to vote on a redevelopment, there was no hue and cry to put it before the voters. They held several of us responsible and when the November elections came around, and they could've voted us out but they didn't do that because for some reason at that point it was an acceptable idea. What I think we're missing, if we say no to this, is what's the alternative? Just saying no doesn't cut it. You've got to have something that is a viable alternative. They have listened, in my view, TDVA and the bond counsel have listened to a lot of our rhetoric which is unusual because even for me to listen back I went (*snore*), it become tough. And what I think, our interest has been protected by the negotiations between the District Attorney's office and bond counsels and the TDVA and I think we are well protected. In reading what they have additionally put on here, I think, it's really important. I would question two things. The first thing is the C tax. In our CAFR, it's easier to say, it shows that we, Douglas County, has received \$12 million and I verified these numbers with Ms. Lewis but I think it would be appropriate for you all to look at these numbers again because it showed that \$11 million basically went to all of the general improvement districts, the school district, all the rest of the districts. And \$12 million of the C tax came to Douglas County. Why is that important? Because that money goes into our General Fund and we use that money to fund our local roads. Right, Mr. County Manager? I say that because it goes into the General Fund and from that, then we can fund whatever we need to fund. That's important because that C tax is our sales tax money, our cigarette tax money, our liquor tax money, our real estate transfer fee money and one other amount. Now when you talk about real estate transfer monies, a lot of that money comes from up here. That's not touched in the RDA. That money still flows, that \$12 million. Where we're going to run into problems is when or if we become a giving County instead of a receiving County. That's going to be a problem. Could that happen? If the TOT went up would that happen? I don't know. I don't think we know the answer to that question, but our TOT has already gone up and we've been able to fund a lot of the parks and specifically trails that we have not been able to fund before. And are we on the verge of a particular problem? I think it was passed over very quickly in the CAFR presentation, but we have \$7.9 million that is unallocated. I know the County Manager thinks it's all allocated but we haven't approved the allocation. So some of that money is going to be augmented for different things. In fact, the

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next project that we're going to talk about with the water system is going to receive some of that money. And that's important. We don't want to lose that ability. But what that also says is that we have people that are managing our budget correctly when we end up with \$7.9 million additional dollars. It also means that we're accounting for it correctly. Even more, it means that our revenues have gone up. And that's true. Our revenues have gone up every year and why is that? Because of abatement and it is going to continue to go. What we've got to guard against is when it doesn't. And as Mr. Brady pointed out, that's an optimistic point of view, and what we need to do is come up with a realistic number that we're going to have to work with through the budget process that won't affect this at all, but it is another budget issue that we need to consider.

I think this as streamlined and as good an outcome as I've seen in the whole iteration of this and I've been through this whole process. I've heard every Commissioner and I've heard all of your presentations. I remember when you came in first, Mr. Northcross, you were a little tentative about some of these things. I liked your presentation this time because you are much more in charge and in control of exactly where all these funds were and where they're going. I think that bodes well for selling these bonds. In terms of one criticism I've heard that just boggles my mind is that we're doing this at light speed. Who in their possible right mind could think four years is light speed? I guess for government, maybe it is, but it's a snail's process. The other part that also bothers me is that people are saying that we're forcing the issue, we're not forcing the issue. If you go back to the time before we even came up with this, it's been in the works for a long time. We're the ones that are going to take advantage of a situation and that's important. This bond market right now is low, it's probably as low as it's ever going to be. So are we going to take advantage of a low bond price, which allows us then to put less money into this and or pay it off earlier, which is important? I remember and I hope you'll indulge me here, but when I returned to the States in 1983 I was looking to buy a house. I had come back from Germany and I was able to find a house at Fort Lewis and I was told I was going to have a great rate; it was really going to be good, 18 and a half percent, and I gobbled it up. I needed a place for my family, but at that point I really learned an important economic lesson about what an interest rate does in terms of what goes to the interest and what goes to the principal and we're looking at an opportunity here to really capitalize on a good bond market. The more we delay, the worse it gets. The other part of this is well why don't you delay the decision until after the TRPA meets? Well I'm not sure exactly when the TRPA is meeting; but I believe that we can condition an approval based on whether or not the TRPA approves this, which to me, is a good way to go. I think that our bond counsel can write that so we make sure that we're not shortchanged in it. And what does that do? That allows us to work in the very short window that the TRPA allows for construction. They allow from the 1st of May to the 1st of October, right?

Mr. Feldman speaks:

October 15th.

Chairman Penzel speaks:

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October 15th, of course; you wouldn't have the first to the first. So there's a very short construction window and I for one would like to see them do as much as they can as soon as they can if we approve the payment of this. So far I haven't seen anything financially that I could pick apart and say I can't support. I have questions like the C tax question which I hope you'll get answered and I don't know who did the follow-on presentation that's in here; but I assume you had some SGM or SMG did it?

Mr. Northcross speaks:
EPS, yeah.

Chairman Penzel speaks:

In that, they put in there a figure of \$30 million for the C tax. I think you need to kind of look at that and make sure that's the correct number because the numbers I have don't jive with it. But that's just a question I have on the finance aspect of it. I think your presentation so far to date has been open and forthright and believable. So for that reason I would join my colleagues Vice Chairman Walsh and Commissioner Rice for which of course I will be named later. I do take issue with the fact that people are saying or feeling that we're not trying to involve electorate. The electorate is always involved. I have no interest, have had no interest in any casino here. In fact, I have been told they're a special interest group, for me and I want to say right now that I was not supported by the casinos when I went up and interviewed for them. My opponent was. I've only been in two casinos that I knew who the owner or the manager was. If I walk into a casino I'm just like anybody else; they don't know me from Adam. I don't owe them anything and they don't owe me anything. I am supportive of this for another reason which is a personal reason; I know from personal experience how addicting gambling can be and how hurtful it can be to family members and I'm not decrying gaming but I am really pleased that we take the emphasis off of gaming. I'm pleased that we would have an emphasis on getting out and getting in shape and being able to hike and run and keep people out of senior homes and in their own home, and that's what we have in this wonderful asset we have up here.

Lastly, if you look at this asset and you try to compare with anyone else, there's only one Lake Tahoe and that's where we've chosen to put an event center. If Lake Tahoe fails, then I suppose the event center would fail. But we know from hundreds of years of experience that Lake Tahoe has done nothing but become more and more important in everybody else's lives. And the younger generation sees it as a place to come and there was a lady that talked about they come as a family and by taking the emphasis off of this we might even build it up to the point where the gaming is kind of like Monte Carlo, where it's exclusive and small in area. And the reason that people would come here is for all of the other advantages, the mountain climbing, the event center, the people that would come and play in it. So I think that we are on track of doing something very important, not for us, because we're too old. I can say that because I'm as old or older than most of them. But we're doing this for our children and our grandchildren, and those same people that are out there working for their children and their grandchildren. And if we're doing it just right this second because we're doing it

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for ourselves because we think we can't do something, I really object to that because we're Americans. If there's something that we want to do and we put our minds to it, we can get it done. I don't understand the defeatist attitude that says hey, it's not a good thing. It is a good thing. Moving forward is always a good thing and that's what we're supposed to be doing is moving the County forward for all the residents. I believe that's what this will do, so thank you very much. Any other comments or questions? Commissioner Engels.

Commissioner Engels speaks:

Here again, I hear what you are saying and nobody's objected to the event center. I'd like to put forth the motion if I may, for the Board to consider.

Chairman Penzel speaks:

This is not for motions.

Commissioner Engels speaks:

I understand that, but something that we need to have in the very near future.

Chairman Penzel speaks:

Okay, are you talking about another project?

Commissioner Engels speaks:

Just for consideration, I'd like to move that we have a second hearing on this down at the County seat because this is all-encompassing for the County in its entirety, not just up here at the Lake and there has been minimal participation from folks down in the Valley. So I would like to move that we have this presentation and a second hearing at the County seat.

Chairman Penzel speaks:

You can't move but you can say suggest it. So we can certainly entertain that. I would tell you that when we, here's a real irony, when we were considering the funding of the senior center, we only did it in the Valley. We didn't bring it up here. And oddly enough, several of the folks that are on the petition drive said they would never step foot in that senior center and that's where they're collecting their signatures for the petition. Go ahead, please.

Commissioner Engels speaks:

This is a completely different endeavor than the senior center and this is a commercial endeavor and it's being involved with private enterprise and public entities. And here again it comes back to the same thing, if the casinos want to do this, more power to them. They could do it tomorrow and they wouldn't have to go through all this. But I'd like to see a second hearing down in the Valley because this affects everybody in the County.

Chairman Penzel speaks:

We can bring it up for a vote in the 1st of March meeting. I don't want to take action on this, but I think we can talk to the County Manager about that and see

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what the schedule is and see if that would pass the muster. I am going to say that I don't think we need to have a second hearing on it.

Commissioner Engels speaks:
I beg to differ with you.

Chairman Penzel speaks:
Well, that's fine. Please do. Obviously, you and I don't agree on a lot but that is not the issue. The issue is whether or not to bring up what you want done and that's we are going to try and do, but I think you know you'd be wise to consider that because we work on a majority basis and right now I don't see that you would have a majority of people that would support that. But certainly we'll bring it up for discussion.

Commissioner Nelson speaks:
Let's give it a chance anyway.

Chairman Penzel speaks:
Okay. You know, I would point out that we had to have an overflow crowd which I'm sure is what you're trying to point to, for the hearing on the slaughterhouse. And it took just about six hours for everybody to get through. And if you want to sit through another meeting like something like that, if that's really what appeals to you then I'm all for it.

Commissioner Engels speaks:
I'd like to bring up another point. You know, you're talking about you got elected and you're in favor of this and everything, well when I campaigned, I went up against a sitting Commissioner who was the President of the Board of County Commissioners. When people started to find out exactly how this is going to be financed, guess who's here and not who's here. So I got elected based on that, and I think the people that I represent need to have an opportunity to see what's going on and it's always been up here at the Lake but it affects them down there. So all this happy talk and everything, it's not right. Just to give them the opportunity to express themselves is just fair.

Chairman Penzel speaks:
How have we not given them a chance to express themselves? Have I ever, ever in your experience with me, have I ever shut anybody down from talking?

Commissioner Engels speaks:
Do you want to step in that room?

Chairman Penzel speaks:
I'll ignore that remark.

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Vice Chairman Walsh speaks:

Mr. Chair, I have a comment. We're talking about giving people in the Valley an opportunity, I'd like to point out that there was about 45 people here in favor of this particular project and the majority of them live in the Valley.

Commissioner Nelson speaks:

I would like to point out that the referendum has nearly 3,000 signatures, at this point, to put this on the ballot. So I think the people that are signing that would like the opportunity to address this Board.

Chairman Penzel speaks:

I think what we'll do is continue the conversation and see if we can get it on the March 5th agenda. So it's duly noted. We can't take any action on it. Thank you for your presentation.

RESULT: FOR PRESENTATION ONLY.

4. For presentation only. Reports/updates from County Commission members concerning the various boards and/or commissions that they may be a member of or a liaison to or meetings/functions they have attended. (Barry Penzel)

Chairman Penzel read the agenda item into the record.

Commissioner Engels speaks:

We went to the NMDA meeting last week and one of the things that was most interesting is that, and we talked about this last week with you as well, is that NDOT is not going to be building any new highways in Nevada. They are going to focus their budget on repairs and maintenance.

Commissioner Rice speaks:

I went to the Lake Tahoe Regional Parking Symposium on Monday which was an all-day symposium regarding parking and what they're doing in other jurisdictions. The second half of the day was the old magic wand scenario where if you had the magic wand and you could do anything you wanted, what would you see happen? We had probably 30 people in the room and came up with some very interesting ideas all centering around the building of the event center.

Commissioner Nelson speaks:

The law library is making some progress. With the help of Mr. Richie, he kind of coordinated things between the library, the regular library and us on the law library and they've come to the memorandum of understanding, an MOU to actually set the law library up in the County Library building. So it will have more space and I think it will be a good deal for both libraries actually. So thank you Doug, on that. And it will be coming before this Board probably, this agreement, when do you think?

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Doug Ritchie, Chief Civil Deputy District Attorney, speaks:
March.

Commissioner Nelson speaks:
March. Okay, good. So there it is.

Vice Chairman Walsh speaks:
As you are, I'm a member of the Carson Water Sub-Conservancy Board. Not the last meeting, but the meeting before we awarded Andy Aldax award, and I just learned yesterday that Mr. Aldax passed away. I just want to recognize him; he was a true gentleman, a pioneer, and has really helped Douglas County with their water issues in the past. That's it.

Chairman Penzel speaks:
County Manager? Do you want to make a report on attendance at NWRA?

Patrick Cates, County Manager, speaks:
I'm not a Commissioner. I did attend the NWRA Water Conference in Las Vegas with a couple of the Commissioners. It was very interesting; I learned a lot. I learned more about chemistry of effluent than I ever thought one could know and I got some basic and advanced water rights certification, so that was good. That was good experience.

Chairman Penzel speaks:
I'm glad you went. Final Public Comment?

CLOSING PUBLIC COMMENT

Kirk Walder speaks:
I live in Zephyr Cove and these are my personal views, not as a member of the Planning Commission. I'll be brief. I just want to make a couple comments and then read you some Winston Churchill quotations, which I think might be appropriate and enlightening. First of all, I think we had a good cross-section of people speaking in Public Comment; by my count there was about 50 people and they were about ten to one in favor of RDA2 and the event center. I'd like to also say that I do appreciate Commissioner Nelson's comments that there were about 3,000 signatures gathered so far and I think I would commend the people who are doing their good civic duty and their participation in that. It's a very valuable part of the process but I would point out that that's only about seven percent of the 40,000 registered voters in Douglas County. So Winston Churchill quotations, some of these are attributed to him but may not be his exact quotation as I've researched. "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." "Courage is what it takes to stand up and speak; it's also what it takes to sit down and listen." "I never worry about action, but only about inaction." "Let our advanced worrying become advanced thinking and planning." "You will never reach your destination if you stop and throw stones at every dog that barks." "The price of greatness is responsibility." "Every man should ask himself each day whether or not he is too readily accepting of negative

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solutions.” “For myself I'm an optimist; it does not seem to be much use to be anything else.” “If we open a quarrel between the past and the present, we shall find that we have lost the future.” And finally, “fear is a reaction, courage is a decision.” Thank you.

Chairman Penzel speaks:
Thank you, sir. Commissioner.

Commissioner Engels speaks:
“Whatever deceives men, seems to produce a magical enhanced,” Plato.

James McKalip speaks:
I like the idea of doing a presentation on the event center and the RDA down in the Valley. It's a chance to let people express what they feel about it. It's also a chance for people to learn about it and I wouldn't assume one side or the other would benefit from it. I think the whole idea of what you're doing is something people should, one, see the presentation, if they get their chance present views on it. So I like the idea of doing that and I hope you'll consider that. Thank you.

Barbara Jones speaks:
Do I sign in here? I didn't know I was going to do this. Listen, I came to listen. I'm part of an original family up here since the 80s, 28, 1928 and I've listened and it's a very good presentation but at this point I still don't believe that people will necessarily change their mind on the presentation. I'm for an event center. I grew up watching the greatest at Harrah's. You know, I love entertainment, but as has already been said, I'm for an event center but not the way it's funded with private taxes is the issue and the problem. I just want to second your having another hearing in the Valley and thank you for your comments on the redevelopment. I watched the redevelopment district in Reno and thought what's going on. So anyway, thank you for your work and a little more input on the funding part of it, I would hope you would do. So, thank you. And that took courage.

Chairman Penzel speaks:
Thank you for your comments. I appreciate you doing that. Any further Public Comment? Alright, then I will close Public Comment.

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ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 5:07 PM.

Respectfully submitted:

Barry Penzel, Chairman
Douglas County Board of Commissioners

ATTEST:

Kathy Lewis, Clerk-Treasurer

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