

**MINUTES OF THE
FERNLEY CAPITAL IMPROVEMENTS ADVISORY COMMITTEE**

August 27, 2008

Chairman Tica Looper called the meeting to order at 6:02 p.m. at Fernley City Hall, 595 Silver Lace Blvd., Fernley, NV. Those present included: Planning Commissioners Bill Clegg, Bert McCoy, and Robert Smith, and Committee Members Ray Lacy and Michael Vegas. Also present were Mayor Todd Cutler, City Manager Gary Bacock, City Attorney Jeff McGowan, Public Works Director Lowell Patton, and Recording Secretary Lisa Farmer. Committee Member Ray Lowrey was absent.

1. APPROVAL OF MINUTES FROM JULY 30, 2008.

Committee Member asked for a correction to the minutes. Committee Member Clegg MOVED TO APPROVE THE MINUTES FOR JULY 30, 2008 AS CORRECTED. Committee Member Smith seconded the motion. The motion carried as follows: Approved 6-0-1 Lowrey absent.

2. PUBLIC INPUT. Items not agendized for the meeting cannot be acted upon other than to place them on future agendas.

Mr. Greg Evangelatos, Professional Planner, said he and Mr. Karl Matzel, Professional Engineer, had done some research regarding the plans being reviewed by the Committee. He read from a memorandum addressed to Chairman Looper (Attachment 1) expressing some concerns from the private sector. Their concerns included: they felt the proposed projects did not logically show how they would benefit the community and fee payers, and address traffic; "regionalization" of the City by creating two benefit districts; the major projects were Nevada Department of Transportation (NDOT) right-of-ways; the West Fernley Bypass had not been shown to reduce in town traffic and it would have to cross several jurisdictions; dedicated right-of-way acquisitions were being included in the cost estimates; and dramatic changes in land use assumptions and the calculated vehicle miles traveled since inception of the analysis. In closing his comments Mr. Evangelatos, asked that Staff follow the Committee's previous direction to meet with representatives of the development community.

3. REPORTS. This item is for various public entity representatives to provide general information to the Committee and public. No action will be taken.

Public Works Director Lowell Patton said the City would be performing their annual night time drive to identify streetlights needing repair. Some discussion and movement was being made in the Logan Lane secondary access issues. The Surplus Committee voted to approve allowing the City an emergency fire access from Vine Street, along the Interstate 80 right-of-way, to Logan Lane. This would be a gated access that would have to be maintained by the City. Director Patton relayed that NDOT had received some complaints about the signal phasing at Main Street and Highway 95A. They would be looking at some possible striping and signage improvements in the intersection.

4. ADDRESS PRESENTATION BY JEFF HARDCASTLE, NEVADA STATE DEMOGRAPHER.

Public Works Director Lowell Patton introduced Mr. Jeff Hardcastle, Nevada State Demographer. Barring any action from the Committee at this meeting, Director Patton was planning a more interactive workshop where the Committee could receive input from the development community on alternative projects. He originally anticipated having Mr. Hardcastle present at that workshop (tentatively planned for September 23, 2008) but he was unavailable.

Mr. Hardcastle gave a PowerPoint presentation (Attachment 1) giving an overview of Nevada's population. He said Lyon County was nationally known in the US Census Bureau and Washington D.C. due to the rapid growth that had occurred in the last few years. Mr. Hardcastle said population was a dynamic process and explained the different types of population growths. Nevada had a history of boom and bust; there were years when Nevada lost population. For example, after the silver and mineral busts in the early days, gaming was introduced as a method to draw people back to the area. Mr. Hardcastle reviewed population trends in Nevada from 1920 to 2000. From 1990 to 1999, Nevada was #1 in growth rate at approximately (50.6% increase), and #11 in Absolute Growth. In Nevada, population estimates are partially driven by housing estimates. Mr. Hardcastle discussed the recent growth in the Las Vegas, Clark County areas.

Mr. Hardcastle said he would be sending out a revised set of projections soon. He explained that projecting growth for Nevada right now was difficult. The current model he was using was an econometric model that looked at the relationships between counties and the relationship between Nevada and the entire U.S. Mr. Hardcastle said the downfall was that the model only had five years of history tied to it and there had been significant changes in Nevada's and the U.S.'s economies in the last five years. He outlined some changing dynamics in the Nevada. The reasons people in the past moved to Nevada had changed: low cost of housing, available land, available resources, and a stable and strong economy. Now the price of housing was comparable to neighboring areas, the gaming industry had diversified (no longer a monopoly), there was increased competition for water and energy, and the economy was not as stable. There were limited fiscal and monetary options tied to uncertainty in the airline industry and international concerns. Nevada's revenue system was based on gaming and sales tax. If the gaming industry remained soft it would result in decreasing State general revenues for the counties. Thus it was hard for him to predict growth with any certainty. His current projection for Nevada's population in 2028 was 4,052,568.

Committee Member McCoy wanted to know what growth rate the projections were based on as the Committee was having a difficult time projecting growth and the improvements that would be needed for that growth. Mr. Hardcastle reiterated that he used a model that evaluated several things, including economics, demographics and the relationship with surrounding areas. He thought the problem with looking at a set growth rate, it was not sustainable. As the population grew, the denominator increased and should be taken into account. He thought using a growth rate was good when evaluating long histories, in other projections it would be imprecise. He acknowledged that there was real aggressive growth in Fernley because of a certain set of good conditions: location, water and land availability, job opportunities, and affordable housing prices. The Committee needed to consider whether that was sustainable and were the dynamics and conditions the same in trying to predict future increases.

Committee Member Vegas understood that gaming was a main driver for Nevada's population in Clark County, but inquired if the projected 200,000 population growth in Northern Nevada was based on the same. Mr. Hardcastle said the economic base for the northwest was a little bit different as the economy was more diversified, but gaming and tourism still were a large part of the equation. Committee Member Lacy asked what Fernley's population was predicted to be, based on Mr. Hardcastle's experience. Mr. Hardcastle said he didn't make projections below the county level. At the county level, he had projected Lyon County at about 110,000 by 2028. He would be sending updated projections to Director Patton and City Manager Gary Bacock soon and those could be forwarded to the Committee. Committee Member Vegas asked that the historical data be sent as well.

Committee Member McCoy said he was still looking for a number to help predict the growth for the next twenty years. He said it was nebulous for the Committee to look for a number. They were basing their estimates off of land use assumptions and were really throwing darts in the dark. The Committee was looking to the State Demographer and others to help them evaluate some firmer numbers. Mr. Hardcastle reiterated that he was reluctant to start a practice of making projections below the county level. Committee Member McCoy said if Mr. Hardcastle couldn't make projections, how was the Committee supposed to. Mr. Hardcastle said he could give some suggestions and tools to Director Patton to help develop a number. However he didn't want to make any projection because projections were tied to State revenue distributions. He had a strict statutory role and he could be used a resource, but would not set a specific number for Fernley. Doing so would put him in a position to perform work for competing jurisdictions.

Director Patton said the reason he asked the State Demographer to come out was to explain what was considered in his draft projections for Lyon County. So when those numbers were introduced as a tool to the Committee, the Committee would be aware of where those projections came from and take into consideration the long term growth patterns for Nevada. There was a long standing tradition in the State of Nevada of long

term positive growth, even when there appeared to be no growth. Director Patton wanted the Committee be advised of the foundation upon which the final projections were based.

Committee Member Vegas said using the projected increase for Lyon County from 55,903 in 2007 to 105,533 in 2028 would help the Committee determine whether their estimations were in line. Mr. Hardcastle said the high growth rate in that projection was 4.1%, it fluctuated and eventually dropped down to 2.3% at the low end, which was still a fairly high growth rate.

Mr. Hardcastle explained that the statutory requirement for the State Demographer to provide the Department of Taxation with population estimates for revenue distribution. The City/County relief tax was distributed back to cities and towns based on a distribution method called the Goldberg Device. He encouraged the Committee to invite someone from the Department of Taxation to discuss that process. The estimates looked at past administrative data and could be appealed by cities and towns. The estimates for July 1, 2008 had to be certified by the Governor by March 1st. Communities had until December 14th to appeal. The draft information is only available until November 14th. Chairman Looper thanked Mr. Hardcastle for his presentation and asked if the Committee would be privy to the final estimates. Director Patton said he would provide the Committee with the final estimate. Mr. Hardcastle added that all the information was also available at www.nsbdc.org. He was also available by phone or email.

5. ADDRESS QUESTIONS RAISED BY COMMITTEE MEMBER CLEGG THAT REQUIRE AFFIRMATION BEFORE THE COMMITTEE CAN GO FORWARD AS A VIABLE BODY.

Public Works Director Lowell Patton reported that at the August 6th City Council meeting, the Council did reaffirm the impact fee process without changes to the Committee. There were many apologies from the Council that there was a perception by the Committee that the Committee was not needed. The Council wanted the Committee to know that they appreciate the job the Committee was doing.

Director Patton asked to address the questions posed by Committee Member Clegg individually. He saw this as an opportunity to establish where the Committee stood in several areas and whether or not clarification was needed on some items.

Committee Member Clegg then reviewed the questions he posed to the Committee (Attachment 2). He wanted to be clear that he was not taking a position that the Committee was not viable and that it could not do the job of which they had been tasked. He said there seemed to be many misconceptions amongst the membership and that was what prompted him to ask the following eight questions.

The first few questions asked if the group had a desire to continue, did they accept their task as outlined in NRS 278B, and if the Committee felt comfortable with Orth Rodgers as their consultant. There was unanimous consent that the Committee accepted their task and wanted to continue. There was differing opinions whether the Committee had confidence in Orth Rodgers. Committee Members Lacy, McCoy, and Looper expressed concern about continuing to use Orth Rodgers. Committee Members Smith and Clegg were comfortable with the consultants and Committee Member Vegas thought there were areas they were weak on. Committee Member Lacy said Orth Rodgers kept comparing Fernley to Clark and Washoe Counties, not dealing with the area where Fernley was located. The impact fees proposed were similar to Washoe County and Fernley was not at that population. Committee Member McCoy agreed, he didn't think the consultant was looking at Fernley for what is was. He didn't know if there was any local area compatible to Fernley, but the numbers being used did not fit the City. He said anyone flying in on an airplane and renting a car to come to the area did not have a feel for the community. Chairman Looper felt there was a lack of confidence when giving presentations and thought someone with more local experience would be a better fit.

Director Patton said that Mr. Scott Thorson who often assisted Ms. Alyssa Reynolds (both of Orth Rodgers) was going to be assigned to the Committee's process. He was a resident of Carson City and retired NDOT employee. He would be working from the consultant's local Carson City office. Some of the local flavor being mentioned could change with the

move to Mr. Thorson. He thought there were some points brought up that didn't have anything to do with Orth Rodgers, those items could have been part of the input given and provided by Staff. He added that comparisons to Washoe County were made because the Committee asked to have those comparisons. The rates were not being established to be compatible to Washoe County, they were for comparison only. Committee Member Lacy was concerned that all of the information was about Clark County. At the current rate being provided, reasonable fees could not be established. This would take the City out of the running for new industry. He would like to see more comparisons to like counties.

Committee Member Vegas thought Orth Rodgers' model and mathematical approach was sound and provided a basis for the Committee to make decisions. His concern was that there was a willingness to hone in on large ticket items instead of breaking projects out in order to look at other options. He added that the estimates always included the whole cost of the project, no alternative funding was ever discussed.

Committee Member Clegg then asked if the Committee thought the land use assumptions being used for the estimates were correct. Committee Member McCoy thought the land use estimates were the City's best guess as to what growth would look like. However he was having a problem with an accurate growth rate. There may be a lot for a house, but when would the house be built, that was the problem with the using the information being presented. Chairman Looper said her challenge with the land use assumptions was that some of the information used was based on developments that may or may not ever be built. She understood that it had to be based on something and that the land use assumptions had been adopted and would be revisited, but still thought it was not solid information because of the changes the City had seen. Committee Member Smith agreed, at the time when the Committee started two and half years ago, he felt the land use assumptions were accurate. At this point and time, he would question them as the environment was different. Director Patton said the land use assumptions being used were the same as those adopted in the 2005 Comprehensive Plan. Once the CIP is recommended and adopted by the governing body, the Committee would be required to provide reports and updates no less frequently than three years. Committee Member

Clegg said he was involved with City planning since its inception. His vision of the City had changed drastically, mainly due to economic conditions. The way land was previously designated for use in Fernley had changed. He wanted to revisit the land use assumptions. With that revision and a revised growth rate, he thought the Committee would see a completely different picture. Director Patton asked for a clear consensus of comfort or discomfort. Committee Members Lacy and McCoy were comfortable while Committee Members Looper, Smith, Vegas and Clegg were not.

Committee Member Clegg's next question was whether the Committee was comfortable with the minimum Level of Service (LOS C) on City streets. Committee Member Lacy was not comfortable with LOS C. Committee Members McCoy, Smith, Vegas, and Clegg were alright with a LOS C. Chairman Looper said her opinion differed after hearing NDOT speak at a recent City Council meeting. She thought LOS D could be acceptable in some places during peak traffic hours.

Committee Member Clegg asked to withdraw the question about which population projections the Committee wanted to use for the land use assumptions in light of Mr. Hardcastle's presentation. He didn't think the Committee had enough information to answer that question. He then asked if the Committee accepted the Vehicle Miles Traveled (VMT) as the appropriate formula to calculate road impact fees. Committee Member Lacy did not think it was the right method. Committee Members McCoy, Smith, Vegas, Clegg, and Looper thought it was appropriate. Committee Member Vegas asked what other options were available. Director Patton said the Committee had to arrive at a service unit and the accepted practice was VMT conversion.

Committee Member Clegg's final question was whether or not the Committee accepted that they were advisory only and any final analysis numbers would be based on proven need and not supposition. As an advisory body, the Committee dealt with the finding of fact, something that could actually be documented. All Committee Members were in agreement that they accepted their position and based decisions on facts. Director Patton suggested a course of action as there was some discomfort with one of the foundational

elements of the process: the land use assumptions. He thought having a renewed presentation on the land use assumptions could confirm or ease that discomfort. The workshop was tentatively planned for the fourth Wednesday of September and Director Patton hoped to have the Director of NDOT available to partake in the discussion.

Chairman Looper opened the floor to public input. Mr. Greg Evangelatos said there was a huge historic blip in growth from 2003-2006, the growth rate previously was much closer to 3%. He cautioned about considering that phenomenon when looking at the assumptions.

Mayor Cutler appreciated that Committee Member Clegg asked the questions that had been posed earlier. He thanked the Committee for making a commitment and doing the work being done by the Committee. He appreciated the Committee moving forward toward the upcoming workshop and giving some direction to the process. He acknowledged that the work performed by the Committee to that point had raised a lot of contention and concern in the community. He encouraged everyone to continue working together to move forward in a positive direction. Chairman Looper closed public input and noted for the record that Committee Member Lowrey was absent.

6. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS

Committee Member Vegas asked to have a standing agenda item for the building community to relay reports and information. Public Works Director Lowell Patton said it would be inappropriate to hear items related to any item on the agenda. He did not have a problem with adding a standing item as long as the reports were on items distinctly different than those on the agenda. City Attorney Jeff McGowan suggested this item be considered for the next agenda, address issue of placing report of building community on agenda, in order for a determination to be made.

Committee Member Vegas asked if there was a resource to provide guidance into funding projects. He wanted to know how else projects could be funded sans impact fees. City Attorney McGowan suggested it be listed as address alternative funds for CIP roadway improvement projects for the next. Director Patton said he could have presentations

available. He relayed that the workshop date was contingent upon his ability to have information available in a timely manner and scheduling the other participants. Any changes would be relayed to the Committee.

7. ADJOURNMENT.

There being no further business to come before it, the meeting adjourned at 7:57 p.m.

Approved by the Fernley Capital Improvements Advisory Committee on _____,
by a vote of:

AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

Tica Looper, Chairman

ATTEST: