

TUESDAY 9:00 A.M. MAY 28, 1999

SPECIAL MEETING

PRESENT:

- Jim Galloway, Chairman
- Ted Short, Vice Chairman
- Pete Sferrazza, Commissioner
- Jim Shaw, Commissioner
- Amy Harvey, County Clerk
- Katy Simon, County Manager
- Madelyn Shipman, Legal Counsel

ABSENT:

- Joanne Bond, Commissioner

The Board met in special session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the pledge of allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Shaw, seconded by Commissioner Short, which motion duly carried, Chairman Galloway ordered that the agenda for the May 28, 1999, meeting be approved.

PUBLIC COMMENTS

Sam Dehne reported that he has filed complaints with the Attorney General against the Commissioners alleging that the Board violated the Open Meeting Law at their last meeting when he was not allowed to speak concerning the airport matter. He further stated that individuals appointed to the Airport Authority serve at the pleasure of the appointing authority, which means that the County Commissioners do have control over their appointees.

99-520 SUBMITTAL OF SEALED BID - ACQUISITION OF WILDCREEK AND/OR NORTHGATE GOLF COURSES

Katy Simon, County Manager, reviewed prior staff direction given by the Board concerning the Reno-Sparks Convention and Visitor's Authority's (RSCVA) solicitation for proposals on Wildcreek and Northgate golf courses. She also recognized staff, in particular Rosemarie Entsminger of Parks and Brian Mirch of Finance, for putting forth a tremendous effort on this issue and stated that because this is a "sealed" bid process, the audience will not be told a number.

Rosemarie Entsminger, Administrative Assistant, Parks and Recreation Department, stated that staff has concentrated on the financial status of the operations, the land ownership issues and the water rights ownership issues; that the land ownership issues need to be resolved no matter what the RSCVA decides to do; and that during the 1980's, 219 acre feet of water rights were allocated to the RSCVA by Washoe County, which are being utilized on Northgate, and which is another matter that needs to be discussed and resolved. She acknowledged the assistance of RSCVA staff and Kafoury, Armstrong and Company in reviewing the financial reports of the golf courses.

Ms. Entsminger then discussed different methodologies for determining the value of the golf courses and a bid price, stating that for Wildcreek the income approach utilizing net revenues and considering deferred maintenance and necessary capital improvements appears to be the most appropriate approach. Ms. Entsminger stated that Northgate has carried a loss since it opened and staff's recommendation is that the County not take on Northgate in a funding package.

Ms. Simon stated that General Obligation backed revenue bonds would be used to finance a purchase, if the County were the successful bidder, and the Board would have to be able to make the finding that the revenue from the course(s) would pay off the bonds.

Chairman Galloway noted that any proposal submitted by the County would have to contain some kind of disclaimer concerning these unresolved land and water ownership issues. Staff agreed and Ms. Simon then reviewed the assumptions and conditions of sale outlined in the staff report.

Vahid Behmaram, Water Rights Technician, discussed the water rights, emphasizing that any purchase of Wildcreek should also be conditioned upon the County getting the title back to the 448.88 acre feet of water from Truckee River Claim 313, which is the water currently being used by the City of Sparks for instream flow purposes to replace the treated effluent used at Wildcreek.

Ms. Simon stated that staff reviewed the deeds and researched the funding sources for the title to Wildcreek and did determine that the equity interest does lie with the RSCVA; that the purchase was funded by room taxes; and that there was no equity support by Washoe County.

Madelyn Shipman, Assistant District Attorney, distributed copies of and reviewed Nevada Revised Statutes pertaining to whether a fair and recreation board can own property.

Commissioner Sferrazza stated that any bid the County submits should take into account that Washoe County has a claim to the land at Wildcreek and RSCVA should recognize that the value of that claim should be deducted from competing proposals.

Chairman Galloway stated that a member of the public has requested to speak.

Sam Dehne stated that selling public property to another entity, using taxpayer dollars to pay for property that the taxpayers already paid for, is the most ludicrous thing he has ever heard of.

Ms. Simon stated that staff does need Board direction on Northgate; that staff does not believe Northgate can be self-sustaining and therefore is recommending the County not bid on it; and that the issue of the County's water rights being used at Northgate has to be resolved before someone else takes over that course.

Following further discussion, Commissioner Sferrazza moved that staff be directed to not offer a bid on Northgate and that RSCVA be noticed that the County reserves all rights under NRS 244A.627, specifically the authority to approve/disapprove the sale or transfer of property by the RSCVA. The motion was seconded by Commissioner Shaw and, upon call for the vote, carried unanimously. Chairman Galloway stated that he would like the following added to the list of conditions of sale:

1. Submittal of a bid does not imply any release in respect to this offer or any other offer to RSCVA by the County of any equity, approval authority, or non-equity interest of the County in the land, water, golf course or appurtenances.
2. The Board affirms that if the County's offer is accepted, the RSCVA will transfer to Washoe County any and all interest they have in the land and the appurtenances, including water.
3. There must be either an agreement from the City of Sparks affirming their obligation to maintain the in-stream flows, or some other resolution such as transfer of the title to the 448.88 acre feet of water rights to Washoe County.
4. There will be no transfer or payment until the funding has been accomplished.

5. In addition to any money offered, the County believes it may have substantial claims to land equity and this should also be taken into account by RSCVA by subtracting potential claims from all other bids received.

Commissioner Sferrazza moved that staff be directed to prepare a bid to acquire Wildcreek Golf Course based upon the assumptions and conditions of a potential sale listed in the recommendation memorandum as well as the specific items the Chairman listed, with the understanding that staff would assign a proposed value to any land claim the County has and that the water rights associated with the effluent agreement would also be assigned a value, to be offered in addition to any cash offered for the income stream.

Commissioner Short asked if there was an appraisal done on the land. Ms. Entsminger responded that an MAI appraisal was done in May, 1998. Ms. Shipman stated that the appraisal does fulfill the intent of the statute, but staff may need to review some of the assumptions with the appraiser.

Following further discussion, the motion was seconded by Commissioner Shaw. Upon call for the vote, the motion carried unanimously and staff was so directed.

* * * * *

There being no further business to come before the Board, the meeting adjourned at 10:10 a.m.

JIM GALLOWAY, Chairman
Washoe County Commission

ATTEST: AMY HARVEY, County Clerk