

Meeting Type:	SPECIAL SESSION OF THE RENO CITY COUNCIL	Date:	FEB. 2, 2012
Item:	A.5		

Discussion, review, direction and possible approval of Agreement Permitting Construction of South East Connector on Rosewood Lakes Golf Course.

Zadra Present - 12:25

Moved	Seconded	Council Member	Yes	No	Motion:
<input type="checkbox"/>	<input type="checkbox"/>	Cashell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved
<input type="checkbox"/>	<input type="checkbox"/>	Gustin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Zadra	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Sferrazza MAY	<input type="checkbox"/>	<input type="checkbox"/>	Final Amendments Made @ table
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Dortch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Aiazzi Absent	<input type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Hascheff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	COUNT	<input type="checkbox"/>	<input type="checkbox"/>	
			CARRIED?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

STAFF REPORT

To: Mayor and City Council

Agenda Item: A5
Date: 02-02-2012

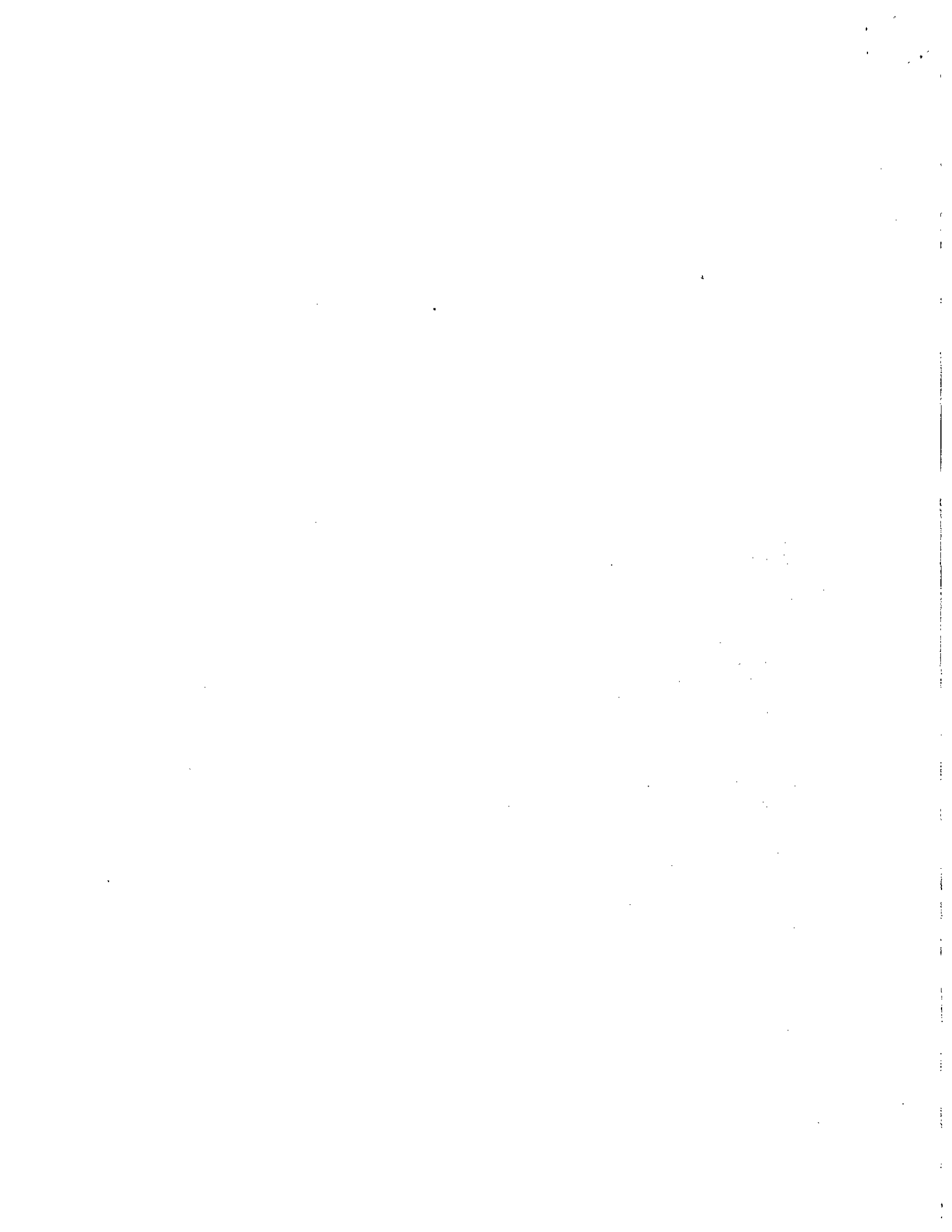
Thru: Andrew Clinger, City Manager

Subject:

Staff Report (For Possible Action): Discussion, review, direction and possible approval of Agreement Permitting Construction of SouthEast Connector on Rosewood Lakes Golf Course.

From: Jonathan Shipman, Deputy City Attorney

Summary: Please see attached.





Reno City Attorney

MEMORANDUM

Date: January 27, 2012
To: Mayor, City Council Members and City Manager
John J. Kadlic, City Attorney
Tracy Chase, Chief Deputy City Attorney
From: Jonathan D. Shipman, Deputy City Attorney
Subject: SE Connector Project Settlement Agreement

Pursuant to City Council's direction, attached are the **APPROVED** minutes to item J.13 on December 14, 2011, City Council agenda, and a **SECOND** revised Agreement Permitting Construction of Southeast Connector on Rosewood Lakes Golf Course.

The City Council approved motion was:

It was moved by Councilperson Dortch, seconded by Councilperson Hascheff to amend the motion and approve the agreement pending amendments relating to the scope of the release and the indemnity, and to amend section (ii) on page 4 of the agreement to read as follows: "RTC costs incurred as a result of environmental mitigation measures imposed by federal, [and/or] state, or local agencies designed to reduce the adverse environmental effects of the Southeast Connector project..."

The key item for City Council consideration is the proposed language in Section 9; specifically:

9. Reno will work cooperatively with RTC to assist in coordinating the expeditious processing and consideration of all necessary permits, entitlements and approvals, if any are required. RTC acknowledges that the execution of this Agreement by Reno does not limit in any manner the discretion of Reno in the approval process, and does not relieve the RTC from the obligation to obtain all necessary permits, entitlements and approvals for the construction of the SouthEast Connector project. If Reno disapproves the SouthEast Connector for any reason, however, or refuses to issue the RTC a permit or entitlement for, or an approval of, the SouthEast Connector, including but not limited to failing or refusing to approve an interlocal agreement for RTC's program of projects because it contains the SouthEast Connector or approves the interlocal agreement on the condition that the SouthEast Connector be removed, then Reno shall repay the RTC, within thirty (30) days thereafter, all sums the RTC has paid Reno pursuant to Section 2(a) above (the \$7,500,000).

The second sentence of this section affirms that the City Council retains legislative discretion to

issue permits and discretionary approvals on the Project. The next sentence, however, provides that the City will have to repay the \$7.5 million to the RTC in the event that the City Council withdraws its approval of the Project, or refuses to issue a permit or entitlement in the future. The reasoning is clear. The RTC cannot pay \$7.5 million to the City and not have a Project at the end of the day.

If you have any questions about this memo, or need additional information, I can be reached at x2057.

**AGENDA
ITEM
NO.**

- J.12 Update, discussion and potential direction relating to Interlocal Agreement for Fire Consolidation and future fire services, including items such as employees, real properties, fire suppression and prevention services, potential regionalization, mutual and automatic aid, service contracts, fiscal issues, communications and possible scheduling of joint meeting between the government entities which are parties to the Interlocal Agreement.

M.0 UPDATES ON ITEMS IDENTIFIED BY MAYOR AND COUNCIL

- M.2 Discussion and potential direction to staff regarding Future Fire Protection Services in the Truckee Meadows, including Mutual Aid, Automatic Aid and related Financial Issues. D. Aiazzi

ITEMS J.12 AND M.2 WERE CONSIDERED TOGETHER.

Michael Hernandez, Fire Chief, discussed recent actions taken by the Washoe County Board of Commissioners acting as the Truckee Meadows Fire Protection District (TMFPD).

Discussion ensued regarding Mayor Cashell's recent news conference regarding these issues.

It was moved by Councilperson Aiazzi, seconded by Councilperson Hascheff to accept the report for items J.12 and M.2.

Motion carried.

- J.13 Staff Report: Discussion and potential approval of the Interlocal Cooperative Agreement regarding the Southeast Connector Impact on Rosewood Lakes Golf Course.**

This item was continued from the November 16, 2011 and December 7, 2011 City-Council meeting.

Mayor Cashell discussed the most recent negotiations with the Regional Transportation Commission (RTC), and RTC's agreement to relocate the clubhouse, if necessary, and build three tunnels, two under the Southeast Connector and one under Pembroke Drive.

Councilperson Dortch and Jeff Hale, Director of Engineering for RTC, discussed the City's responsibility for maintaining the roadway after RTC dedicates it to the City, and RTC's responsibility for stream and wetlands restoration for a period of ten (10) years.

**AGENDA
ITEM
NO.**

- J.13 Discussion ... approval of the Interlocal Cooperative Agreement regarding the Southeast Connector Impact on Rosewood Lakes Golf Course – continued

John Flansberg, Director of Public Works, estimated the annual cost of maintaining the roadway at \$100,000.

Councilperson Gustin discussed his support for the proposed agreement.

Councilperson Hascheff and Jonathan Shipman, Deputy City Attorney, discussed revising language in the agreement to make it clear that if there are design defects or construction problems with the Southeast Connector after the City takes title to the project, RTC would still be responsible for any property damage that would occur, not only in the right-of-way (i.e., the 20 feet on each side of the roadway), but also on City property leading to the roadway. They also agreed that if the City were assessed, for instance, some environmental mitigation claim, RTC would not be released from that responsibility (i.e., the City would be compensated for that as well). Mr. Shipman added that the City would not take financial responsibility for any conditions placed on the project by the U.S. Army Corps of Engineers or other federal agencies.

Councilperson Hascheff said that the agreement could be interpreted to say that the City is releasing RTC from any expenses Reno may incur in connection with RTC's use of the Southeast Connector right-of-way during construction.

Councilperson Gustin and Mr. Hale discussed what event(s) would trigger reconstruction of the gold course clubhouse.

Councilperson Sferrazza and Mr. Hale discussed the proposal for the City to manage and administer construction of the replacement holes of golf. Mr. Hale said that RTC would pay for construction of the tunnels and the design study for the replacement holes of golf.

Councilperson Sferrazza and Julee Conway, Parks, Recreation and Community Services Manager, discussed the possibility of getting a property appraisal, and the costs of relocating the nine (9) holes of golf displaced by the Southeast Connector Project and, if necessary, repairing the remaining nine (9) holes. Ms. Sferrazza stated that the appraisal and cost estimates should be provided before RTC's offer is accepted.

Mayor Cashell discussed cost estimates for relocating and repairing the holes of golf.

Councilperson Dortch suggested that the property would appraise for less than what RTC offered, and said that the goal is for the City to be "whole" at the end of the day.

AGENDA
ITEM
NO.

J.13 Discussion ... approval of the Interlocal Cooperative Agreement regarding the Southeast Connector Impact on Rosewood Lakes Golf Course – continued

Councilperson Dortch and Mayor Cashell agreed that they knew of two or three golf courses that could be purchased for \$2 million.

Councilperson Sferrazza questioned whether the City is actually being made “whole” by accepting RTC’s offer.

Councilperson Aiazzi and Mr. Hale discussed RTC’s purchase of 1.72 acres of Waste Management property for the Southeast Connector Project at a purchase price of \$225,000, and agreed that the property being purchased from the City is not as valuable because it does not have commercial access, and is in a floodplain.

Councilperson Aiazzi and Mr. Shipman discussed whether public hearings must be held before the City approves the roadway alignment, and whether any permits (such as for cuts and fills) are required.

Bill Thomas, Community Development Director, explained that this is a different type of roadway project because it is not part of a development project, and grading might require a Special Use Permit.

Lee Gibson, representing RTC, said that a number of actions have been taken by RTC with respect to the alignment and the Corps of Engineers’ permitting process, and a number of public hearings associated with those activities have been held.

Councilperson Aiazzi said that mitigating for cuts and fills to satisfy City ordinances might incur additional costs during golf course construction, and asked if the agreement should be amended to cover those mitigation costs.

Mr. Gibson referred to the paragraph beginning with “Notwithstanding the foregoing...” on page 4 of the proposed agreement, and said that he thought the intent of the paragraph was to stipulate that RTC would cover the costs if the Corps of Engineers requires mitigation as part of the permitting process.

Councilperson Aiazzi asked if RTC would reimburse the City to comply with City mitigation ordinances for all of the holes, and Mr. Gibson said that legal counsel would have to answer that question.

Councilperson Aiazzi suggested changing section (ii) of the paragraph to read, “RTC costs incurred as a result of environmental mitigation measures imposed by federal, [~~and/or~~] state, or local agencies designed to reduce the adverse environmental effects of the Southeast Connector project...”

**AGENDA
ITEM
NO.**

- J.13 Discussion ... approval of the Interlocal Cooperative Agreement regarding the Southeast Connector Impact on Rosewood Lakes Golf Course – continued

Councilperson Sferrazza suggested that it would be necessary to hold a public hearing to rezone the property, which is currently designated as Open Space.

Mr. Thomas replied that while he would have to research the issue, the only uses that are allowed in Open Spaces, other than recreational uses, are utilities and roadways. He said that whatever public process is required by City Code would be followed, and suggested adding some wording making it clear that any City-required discretionary approvals have not been predetermined.

Mayor Cashell asked if RTC met with the neighbors and other stakeholders, and Mr. Gibson replied in the affirmative. Mr. Gibson assured him that public involvement is a critical piece of all of RTC's plans.

Councilperson Hascheff said that he understood that a representation regarding discretionary approval was removed from an earlier version of the agreement because it was necessary to make it clear that the City of Reno would not give up its discretionary approvals on the Southeast Connector Project.

Mr. Shipman agreed that the representation was struck from the agreement, and said that section 9 was added to ensure that state laws and ordinances were not overlooked.

Councilperson Hascheff and Mr. Shipman agreed that any claims for environmental mitigation costs based on U.S. Army Corps of Engineers' requirements would be paid by RTC.

It was moved by Councilperson Dortch, seconded by Councilperson Hascheff to approve the agreement pending approval of the changes relating to the scope of the release and the indemnity.

Councilperson Hascheff requested that staff redistribute the redline copy of the agreement.

The Councilpersons and Mayor agreed that Councilperson Aiazzi's request to change section (ii) on page 4 of the agreement to read as follows: "RTC costs incurred as a result of environmental mitigation measures imposed by federal, [and/or] state, or local agencies designed to reduce the adverse environmental effects of the Southeast Connector project..." should also be included in the motion.

**AGENDA
ITEM
NO.**

- J.13 Discussion ... approval of the Interlocal Cooperative Agreement regarding the Southeast Connector Impact on Rosewood Lakes Golf Course – continued

Councilperson Aiazzi said that the appraiser probably was not aware of the City's mitigation ordinance, which could significantly add to the cost of the golf course construction project.

It was moved by Councilperson Dortch, seconded by Councilperson Hascheff to amend the motion and approve the agreement pending amendments relating to the scope of the release and the indemnity, and to amend section (ii) on page 4 of the agreement to read as follows: "RTC costs incurred as a result of environmental mitigation measures imposed by federal, [and/or] state, or local agencies designed to reduce the adverse environmental effects of the Southeast Connector project..."

Councilperson Hascheff discussed his support for the agreement.

Councilperson Sferrazza discussed her opposition to the agreement and the Southeast Connector Project.

The Councilpersons and Mayor agreed that staff should make the requested changes and move forward with the agreement.

Motion carried with Councilperson Sferrazza voting nay.

- J.14 Staff Report: Discussion and potential reconsideration of an Interlocal Cooperative Agreement among the City of Reno, City of Sparks, Washoe County, and the Regional Transportation Commission (RTC) for projects included in FY 2012/2013 Fuel Tax and Sales Tax Street and Highway Program of Projects and an amendment to the FY2012-2013 Program of Projects for Regional Road Impact Fee (RRIF), which will authorize RTC to proceed with the list of projects provided.

Recommendation: Staff recommends that the Council approve the agreement and authorize the Mayor to sign.

Jeff Hale, Director of Engineering for RTC, noted that, except for the Southeast Connector Project, the agreement was approved by the Council on December 7, 2011.

Councilperson Sferrazza agreed that all of the other projects were approved on December 7, 2011, and today's vote should be solely related to the Southeast Connector Project.

**AGREEMENT PERMITTING CONSTRUCTION OF
SOUTHEAST CONNECTOR
ON ROSEWOOD LAKES GOLF COURSE**

This Agreement Permitting Construction of SouthEast Connector on Rosewood Lakes Golf Course (the "Agreement") is made this ____ day of _____, 20__, by and between the Regional Transportation Commission of Washoe County ("RTC") and the City of Reno, Nevada ("Reno").

RECITALS

This Agreement is made with reference to the following facts:

i. The RTC has planned and will construct the SouthEast Connector, a high-access control arterial roadway to be constructed between the intersection of Veteran's Parkway and South Meadows Parkway to the south, north to the intersection of Greg Street and Sparks Boulevard.

ii. The SouthEast Connector is a part of the Regional Transportation Plan approved by the RTC Board on November 21, 2008, followed by a Federal Conformity Determination on July 21, 2009, and approval by the Regional Planning Commission on September 14, 2009.

iii. The SouthEast Connector Project has been approved by the RTC, the City of Sparks ("Sparks"), Reno and Washoe County as part of the RTC's sales tax street and highway program of projects, fuel tax street and highway program of projects and the program of projects for the Regional Road Impact Fee by reason of two Interlocal Agreements, one executed on 13 November, 2007, and one executed on 10 November, 2009 (the "POP Agreements"), each of which authorizes the RTC to proceed with those projects and to pay project costs from the Regional Street and Highway Fund, the Regional Road Impact Fee Fund or the Transportation Sales Tax Fund.

iv. In the POP Agreements, Reno, Sparks and Washoe County agreed to accept and maintain each project described in the POP Agreements upon completion of construction.

v. The Rosewood Lakes Golf Course ("Rosewood Lakes") is a public 18-hole golf course in Reno, with clubhouse, driving range, parking area and maintenance facility located on 219.33 acres of land, a description of which is attached hereto as Exhibit "A" (the "Rosewood Parcel"). Rosewood Lakes is owned and operated by Reno.

vi. The SouthEast Connector right-of-way will bisect Rosewood Lakes, will take approximately 31 acres of land of the Rosewood Parcel more particularly described in Exhibit A attached hereto, plus an easement for construction on 20 feet on both sides of that

right of way (said 31 acres of lands and the 20-foot construction easement to be referred to as the "SEC Right of Way" described on Exhibit "B" attached hereto) and will require the relocation of certain holes of Rosewood Lakes.

vii. The currently proposed alignment of the SouthEast Connector depicted in Exhibit B will eliminate certain holes of Rosewood Lakes, leaving remainder holes (the "Remainder Holes") to be altered and, in some cases, renumbered.

viii. The construction of the SouthEast Connector may require the construction of new holes for Rosewood Lakes (the "Replacement Holes") to replace the eliminated holes. These new holes may be located on three parcels of land owned by Reno Sewer Fund on Pembroke Drive across the street from Rosewood Lakes, being Assessor's Parcel Numbers 020-050-01, 020-050-02 and 020-050-03 (the "Replacement Holes Property"), shown on Exhibit "C" attached hereto.

ix. The RTC wishes to obtain the right, which will be an interest in real property, to perform testing for and construct the SouthEast Connector and conduct all other activities necessary or desirable for the SouthEast Connector, on the SEC Right of Way and Reno wishes to grant the RTC that right.

x. In consideration for that right, the RTC shall pay to Reno the sums described in this Agreement.

xi. By this Agreement, the RTC acquires all rights to construct the SouthEast Connector on the SEC Right of Way from Reno; this Agreement does not allocate to Reno any responsibilities for letting construction or other necessary contracts, contract administration, supervision or the inspection or the performance of any work on the SouthEast Connector but all work to construct the SouthEast Connector shall be contracted for, administered, supervised, inspected and performed by the RTC or its contractors and subcontractors.

xii. Fee title to the Rosewood Parcel, including the SEC Right of Way, shall remain with Reno.

NOW, THEREFORE, it is hereby agreed as follows:

1. The parties agree that all facts described in the Recitals above are true and correct. The parties hereto approve and authorize the RTC to, immediately upon payment of the consideration described herein to Reno, proceed with the design and construction of the SouthEast Connector on the SEC Right of Way. The RTC shall have access to the SEC Right of Way for any and all purposes and work necessary or desirable to test the SEC Right of Way for any purpose, surveying, preconstruction activities of every nature and designing and constructing the SouthEast Connector. In connection with the foregoing activities, RTC, its employees, agents and contractors shall:

(a) coordinate with Reno officials and use commercially reasonable efforts to minimize any and all disturbance disruption, interference or inconvenience

to Reno, its employees, agents, contractors, invitees, and users of Rosewood lakes;
and

(b) make adequate provision for the safety and access of all persons
affected thereby.

2. Effective on the execution and delivery of this Agreement by the RTC and
Reno:

(a) the RTC shall pay to Reno the sum of \$7,500,000; and

(b) the RTC shall be obligated to:

(i) pay for and construct one or two tunnels beneath the SouthEast
Connector and one tunnel beneath Pembroke Drive connecting the Remainder
Holes. The tunnels shall be of sufficient size and quality to permit the transit
of golf carts and golfers between the Remainder Holes;

(ii) pay Reno all the costs of a design study by a recognized golf
course design firm engaged by Reno for the reconfiguration of the Remainder
Holes. The RTC shall pay for the study within 30 days after presentation to
the RTC of invoices in the proper form presented to Reno from the architect
design firm; and

(iii) pay Reno all the costs of a design study by a recognized golf
course design firm engaged by Reno for the design of Replacement Holes on
the Replacement Holes Property so that the Remainder Holes and the
Replacement Holes together constitute an 18-hole golf course of like kind and
quality as the existing Rosewood Lakes. The RTC shall pay for the study
within 30 days after presentation to the RTC of invoices in the proper form
presented to Reno from the architect design firm; provided, however, the RTC
shall have no obligation to pay any sums to Reno pursuant to this Section
2(b)(iii) unless, on or before December 31, 2014, Reno has entered into a
binding contract with the recognized golf course design firm to perform the
design work described in this subsection (iii). Reno must begin construction
on the Replacement Holes with six months after completion of the design of
the Replacement Holes or Reno must reimburse RTC for all costs of the
design study paid by the RTC.

~~(iv) if required by any applicable law or regulation, or the golf
course design study described in subsection (iii), pay Reno all the costs of
acquiring and installing any dirt, gravel or other appropriate fill necessary to
construct the Replacement Holes on the Replacement Holes Property.~~

3. Reno may expend the \$7,500,000 at its sole discretion for any purpose.

4. By entering into this Agreement, the RTC shall be deemed to have fully compensated Reno, and Reno shall have no further claim for any of the following, collectively referred to as "Costs and Damages":

- (a) for the use of SEC Right of Way depicted in Exhibit B, and any related lost income claims, or claims for severance or relocation damages;
- (b) for the impact on Reno's ability to pay any bonds or other obligations;
- (c) for the use of the Replacement Holes Property for the Replacement Holes;
- (d) for the costs to construct or reconstruct the Remainder Holes and all other facilities, amenities and improvements; and
- (e) the cost of a groundskeeper required during the grow-in period of the Replacement Holes.

Notwithstanding the foregoing, Costs and Damages do not include: (i) RTC costs to acquire additional City-owned real property or right-of-way not depicted on Exhibit B; (ii) RTC costs incurred as a result of environmental mitigation measures imposed by federal ~~and/or~~ state or local agencies designed to reduce the adverse environmental effects of the SouthEast Connector project; or (iii) any costs required to mitigate impacts to the clubhouse and entryways caused by the construction or environmental mitigation required for the SouthEast Connector.

5. RTC's right to test the SEC Right of Way, design the SouthEast Connector and construct the SouthEast Connector on the SEC Right of Way, shall be deemed an interest in real property which the RTC is acquiring from Reno by entering into this Agreement and being obligated to pay to Reno the consideration described herein. RTC's right to access the SEC Right of Way shall terminate upon Reno's acceptance of the dedication of the SouthEast Connector. Reno shall own the SouthEast Connector on the SEC Right of Way and shall accept and thereafter maintain it.

6. Reno hereby releases the RTC and its commissioners, employees, agents and assigns for any claims, action or damages relating to or in connection with the Costs and Damages.

7. All notices required by this Agreement must be given to each of the parties in care of the following people and at the following addresses, by email or U.S. Mail:

RTC:

Jeffrey D. Hale, P.E., Engineering Director
Regional Transportation Commission
1105 Terminal Way, Suite 108
Reno, NV 89502
Email: _____

Tel: 775/348-0171

Reno:

Email: _____

Tel: 775/

8. Subject to the limitations of NRS Chapter 41, each of the RTC and Reno agrees to indemnify, defend and hold harmless the other from and against any liability, including, but not limited to, property damage and personal injury or death, proximately caused by the negligent acts or omissions of its officers, employees, contractors and agents arising out of the performance of this Agreement, including the design and construction of the SouthEast Connector. In no event shall Reno or the RTC be obligated to indemnify the other party for the negligence of the other party's officers, employees, contractors or agents.

9. Reno will work cooperatively with RTC to assist in coordinating the expeditious processing and consideration of all necessary permits, entitlements and discretionary approvals, if any are required. RTC acknowledges that the execution of this Agreement by Reno does not limit in any manner the discretion of Reno in the approval process, and does not relieve the RTC from the obligation to obtain all necessary permits, entitlements and approvals for the construction of the SouthEast Connector project. If Reno disapproves the SouthEast Connector for any reason, however, or refuses to issue the RTC a permit or entitlement for, or an approval of, the SouthEast Connector, including but not limited to failing or refusing to approve an interlocal agreement for RTC's program of projects because it contains the SouthEast Connector or approves the interlocal agreement on the condition that the SouthEast Connector be removed, then Reno shall repay the RTC, within thirty (30) days thereafter, all sums the RTC has paid Reno pursuant to Section 2(a) above (the \$7,500,000).

10. This Agreement shall be governed by the laws of the State of Nevada. The legality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement and that remainder shall be deemed in full force and effect.

11. This Agreement constitutes the entire contract between the parties with respect to the subject matter of this Agreement and it shall not be modified unless the modification is in writing and signed by all of the parties.

12. This Agreement shall not be construed to provide any person or entity who or which is not a party to this Agreement with any benefits or causes of action or obligate the parties to this Agreement to that entity or person who is not a party to this Agreement.

APPROVED AS TO LEGALITY AND FORM:

By: _____
RTC LEGAL COUNSEL

Dated: _____

**REGIONAL TRANSPORTATION
COMMISSION OF WASHOE COUNTY**

By: _____
LEE G. GIBSON, Executive Director

Dated: _____

CITY COUNCIL OF RENO, NEVADA

By: _____
MAYOR

ATTEST:

APPROVED AS TO FORM:

By: _____
RENO CITY CLERK

By: _____
CITY ATTORNEY'S OFFICE

Final Amendments - 2/2/12

Proposed Settlement Agreement Amendments

- **Add:** "Reno has the right to request the RTC to pay for, and negotiate with the RTC regarding, the cost of acquiring and installing any dirt, gravel or other appropriate fill necessary to construct the Replacement Holes on the Replacement Holes Property."

- **Modify Section 9:** Reno will work cooperatively with RTC to assist in coordinating the expeditious processing and consideration of all necessary permits, entitlements and approvals, if any are required by Reno. RTC acknowledges that the execution of this Agreement by Reno does not limit in any manner the discretion of Reno in [the] its approval process, and does not relieve the RTC from the obligation to obtain all necessary permits, entitlements and approvals for the construction of the SouthEast Connector project. If Reno denies ^{OR} [disapproves the SouthEast Connector for any reason, however] or refuses to issue the RTC a permit or entitlement for, or an approval of, the SouthEast Connector, ~~including but not limited to failing or refusing to approve an interlocal agreement for RTC's program of projects because it contains the SouthEast Connector or approves the interlocal agreement on the condition that the SouthEast Connector be removed~~ ^{OR} ~~which prohibits and denies the construction of the SouthEast~~

which prohibits and denies the construction of the SouthEast Connector

Connector ("Reno Disapproval"), then Reno shall repay the RTC, within ninety [thirty] ([3]90) days thereafter, all sums the RTC has paid Reno pursuant to Section 2(a) above (the \$7,500,000). Notwithstanding anything herein to the contrary, Reno shall have no obligation to refund the \$7,500,000 in the event RTC is unable or does not construct the SouthEast Connector for any reason—including without limitation, failing to obtain any permits, entitlements, or approvals other than a Reno Disapproval—by 5 p.m. PST on the seventh (7th) anniversary of the Effective Date of this Agreement.

ON OR BEFORE

begin construction of

RENO CITY COUNCIL
Request to Speak/Public Comment Form
(ALL FORMS MUST BE FILLED OUT COMPLETELY)

DATE: Feb 8, 2012 AGENDA ITEM: A5

DO YOU WISH TO SPEAK? Yes No

IN FAVOR: IN OPPOSITION:

NAME: Michael R. Snell

ADDRESS: 2805 Fairwood Dr. Reno

IF YOU ARE REPRESENTING SOMEONE OTHER THAN YOURSELF PLEASE INDICATE WHOM:

COMMENTS: _____

Do you live within the Reno City Limits? Yes No

Do you own property in the City of Reno? Yes No

SIGNATURE: _____

WE ARE CONDUCTING AN INTERNAL SURVEY - HOW DID YOU HEAR ABOUT THIS ITEM?

TELEVISION _____ NEIGHBORS _____ NEWSPAPER _____
RADIO _____ MAILED NOTICE _____ OTHER E-Mail

THE MAYOR AND CITY COUNCIL WOULD LIKE TO REQUEST THAT ALL CONCERNS ARE EXPRESSED IN A COURTEOUS MANNER, AND THANK YOU FOR YOUR COOPERATION AND PARTICIPATION.

PLEASE LIMIT COMMENTS TO 3 MINUTES OR LESS. 15 MINUTES PER SIDE ON ISSUES WITH OPPOSITION WILL BE ALLOWED. PLEASE AVOID REPETITIVE REMARKS.

THANK YOU

RENO CITY COUNCIL
Request to Speak/Public Comment Form
(ALL FORMS MUST BE FILLED OUT COMPLETELY)

DATE: 2/2/12 AGENDA ITEM: A.5.

DO YOU WISH TO SPEAK? Yes No

IN FAVOR: _____ IN OPPOSITION:

NAME: Dimitri Hallerbach

ADDRESS: 5449 Hidden Valley Ct., Reno NV 89502

IF YOU ARE REPRESENTING SOMEONE OTHER THAN YOURSELF PLEASE INDICATE WHOM:

COMMENTS: (I'm speaking)

Do you live within the Reno City Limits? Yes No

Do you own property in the City of Reno? Yes No

SIGNATURE: [Signature]

WE ARE CONDUCTING AN INTERNAL SURVEY - HOW DID YOU HEAR ABOUT THIS ITEM?

TELEVISION _____ NEIGHBORS NEWSPAPER _____
RADIO _____ MAILED NOTICE _____ OTHER _____

THE MAYOR AND CITY COUNCIL WOULD LIKE TO REQUEST THAT ALL CONCERNS ARE EXPRESSED IN A COURTEOUS MANNER, AND THANK YOU FOR YOUR COOPERATION AND PARTICIPATION.

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THANK YOU



RENO CITY COUNCIL
Request to Speak/Public Comment Form
(ALL FORMS MUST BE FILLED OUT COMPLETELY)

DATE: 2/2/2012 AGENDA ITEM: A5

DO YOU WISH TO SPEAK? Yes No

IN FAVOR: _____ IN OPPOSITION:

NAME: Vera Schulze

ADDRESS: 3139 Creekwood Dr, Reno, NV 89502

IF YOU ARE REPRESENTING SOMEONE OTHER THAN YOURSELF PLEASE INDICATE WHOM:

COMMENTS: _____

Do you live within the Reno City Limits? Yes No

Do you own property in the City of Reno? Yes No

SIGNATURE: Vera Schulze

WE ARE CONDUCTING AN INTERNAL SURVEY - HOW DID YOU HEAR ABOUT THIS ITEM?

TELEVISION _____ NEIGHBORS _____ NEWSPAPER _____
RADIO _____ MAILED NOTICE _____ OTHER

THE MAYOR AND CITY COUNCIL WOULD LIKE TO REQUEST THAT ALL CONCERNS ARE EXPRESSED IN A COURTEOUS MANNER, AND THANK YOU FOR YOUR COOPERATION AND PARTICIPATION.

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THANK YOU



Feb 2, 2012

Comments to City Council
By Vernon R. Schulze
3139 Creekwood Dr.
Reno, NV 89502

provided @ meeting -
2/2/2012

Good Morning:

My name is Vern Schulze and I am a resident of the Rosewood Lakes Homeowner's association and serve as Treasurer on our Board of Directors. Due to the short notice given for this meeting, I am not speaking on behalf of the Assn. I am here to present a concern about the Council's upcoming action on the SEC connector and the Rosewood Lakes Golf Course.

First, I would like to present some facts about the route which the RTC has selected through the golf course. The RTC permit application states that they will be destroying around 8 acres of designated wetland. I recently received a research study funded by the National Science Foundation. This study which I have attached to my written comments was designed to show the impacts of mitigation attempts where wetlands have been destroyed. This study looked at offsite restoration efforts such as those proposed by the RTC. Their conclusions are applicable to the wetlands in the Golf Course. The following are excerpts from this study. "Analysis of restoration projects shows that restored wetlands seldom reach the quality of natural wetlands. Once you degrade a wetland, it doesn't recover the normal assemblage of plants or its rich stores of organic soil carbon, which both affect natural cycles of water and nutrients, for many years. Even after a 100 years, the restored wetland is still different from what was there before, and it may never recover." The author, a PHD from the Univ. of California at Berkeley concluded "To preserve the wetland, don't degrade the wetland".

With this as one of many impacts that will be caused by the SEC, I request that the Council ask the Army Corps of Engineers, who have the permit authority, to prepare an Environmental Impact Statement prior to issuance of the permit. With the loss of population over the past 3 years and reduced population growth projections the urgency for building this road is greatly diminished. Therefore, there is adequate time to study all of the impacts of this project. After all, if the project is built now, and bonds have to be issued, we will be paying interest on a \$200 million project many years before it is needed. In addition, the city will be obligated to pay an estimated \$100,000 annually for maintenance of the road. This makes no financial sense and is fiscally irresponsible.

Lastly, based on testimony provided at a previous Council meeting which mentioned both a financial and family relationship to individuals that would benefit from this project, I would ask that Mayor Cashell recuse himself from all votes that bear directly or indirectly on construction of the SEC connector. In addition, all past votes that occurred after establishment of this conflict, should be removed from the record and where that might result in a change in the action taken, a new vote should be required.

Thank you for your attention and the opportunity to present my remarks.

Restored Wetlands Rarely Equal Condition of Original Wetlands

ScienceDaily (Jan. 24, 2012) — Wetland restoration is a billion-dollar-a-year industry in the United States that aims to create ecosystems similar to those that disappeared over the past century. But a new analysis of restoration projects shows that restored wetlands seldom reach the quality of a natural wetland.

"Once you degrade a wetland, it doesn't recover its normal assemblage of plants or its rich stores of organic soil carbon, which both affect natural cycles of water and nutrients, for many years," said David Moreno-Mateos, a University of California, Berkeley, postdoctoral fellow. "Even after 100 years, the restored wetland is still different from what was there before, and it may never recover."

Moreno-Mateos's analysis calls into question a common mitigation strategy exploited by land developers: create a new wetland to replace a wetland that will be destroyed and the land put to other uses. At a time of accelerated climate change caused by increased carbon entering the atmosphere, carbon storage in wetlands is increasingly important, he said.

"Wetlands accumulate a lot of carbon, so when you dry up a wetland for agricultural use or to build houses, you are just pouring this carbon into the atmosphere," he said. "If we keep degrading or destroying wetlands, for example through the use of mitigation banks, it is going to take centuries to recover the carbon we are losing."

The study showed that wetlands tend to recover most slowly if they are in cold regions, if they are small -- less than 100 contiguous hectares, or 250 acres, in area -- or if they are disconnected from the ebb and flood of tides or river flows.

"These context dependencies aren't necessarily surprising, but this paper quantifies them in ways that could guide decisions about restoration, or about whether to damage wetlands in the first place," said coauthor Mary Power, UC Berkeley professor of integrative biology.

Moreno-Mateos, Power and their colleagues will publish their analysis in the Jan. 24 issue of *PLoS (Public Library of Science) Biology*.

Wetlands provide many societal benefits, Moreno-Mateos noted, such as biodiversity conservation, fish production, water purification, erosion control and carbon storage.

He found, however, that restored wetlands contained about 23 percent less carbon than untouched wetlands, while the variety of native plants was 26 percent lower, on average, after 50 to 100 years of restoration. While restored wetlands may look superficially similar -- and the animal and insect populations may be similar, too -- the plants take much longer to return to normal and establish the carbon resources in the soil that make for a healthy ecosystem.

Moreno-Mateos noted that numerous studies have shown that specific wetlands recover slowly, but his meta-analysis "might be a proof that this is happening in most wetlands."

"To prevent this, preserve the wetland, don't degrade the wetland," he said.

Moreno-Mateos, who obtained his Ph.D. while studying wetland restoration in Spain, conducted a meta-analysis of 124 wetland studies monitoring work at 621 wetlands around the world and comparing them with natural wetlands. Nearly 80 percent were in the United States and some were restored more than 100 years ago, reflecting of a long-standing American interest in restoration and a common belief that it's possible to essentially recreate destroyed wetlands. Half of all wetlands in North America, Europe, China and Australia were lost during the 20th century, he said.

Though Moreno-Mateos found that, on average, restored wetlands are 25 percent less productive than natural wetlands, there was much variation. For example, wetlands in boreal and cold temperate forests tend to recover more slowly than do warm wetlands. One review of wetland restoration projects in New York state, for example, found that "after 55 years, barely 50 percent of the organic matter had accumulated on average in all these wetlands" compared to what was there before, he said.

"Current thinking holds that many ecosystems just reach an alternative state that is different, and you never will recover the original," he said.

In future studies, he will explore whether the slower carbon accumulation is due to a slow recovery of the native plant community or invasion by non-native plants.

Coauthors with Moreno-Mateos and Power are Francisco A. Comín of the Department of Conservation of Biodiversity and Ecosystem Restoration at the Pyrenean Institute of Ecology in Zaragoza, Spain; and Roxana Yockteng of the National Museum of Natural History in Paris, France. Moreno-Mateos recently accepted a position as the restoration fellow at Stanford University's Jasper Ridge Biological Preserve.

The work was supported by the Spanish Ministry for Innovation and Science, the Spanish Foundation for Science and Technology and the National Center for Earth Surface Dynamics of the U.S. National Science Foundation Science and Technology Center.

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Journal Reference:

David Moreno-Mateos, Mary E. Power, Francisco A. Comín, Roxana Yockteng. **Structural and Functional Loss in Restored Wetland Ecosystems.** *PLoS Biology*, 2012; 10 (1): e1001247
DOI: [10.1371/journal.pbio.1001247](https://doi.org/10.1371/journal.pbio.1001247)

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Restored wetlands like this pond converted from agricultural use in Aragon, Spain, may look natural, but a new study shows that it can take hundreds of years for restored wetlands to accumulate the plant assemblages and carbon resources of a natural, undamaged wetland. (Credit: David Moreno-Mateos/UC Berkeley)

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RENO CITY COUNCIL
Request to Speak/Public Comment Form
(ALL FORMS MUST BE FILLED OUT COMPLETELY)

DATE: 2/2/12 AGENDA ITEM: A5

DO YOU WISH TO SPEAK? Yes No

IN FAVOR: _____ IN OPPOSITION: _____

NAME: Kim Rhodemyre

ADDRESS: 4313 Leeward Ln

IF YOU ARE REPRESENTING SOMEONE OTHER THAN YOURSELF PLEASE INDICATE WHOM:

no

COMMENTS: This should be tabled until

Corps permits are acquired

Do you live within the Reno City Limits? Yes No

Do you own property in the City of Reno? Yes No

SIGNATURE: Kimberly Rhodemyre

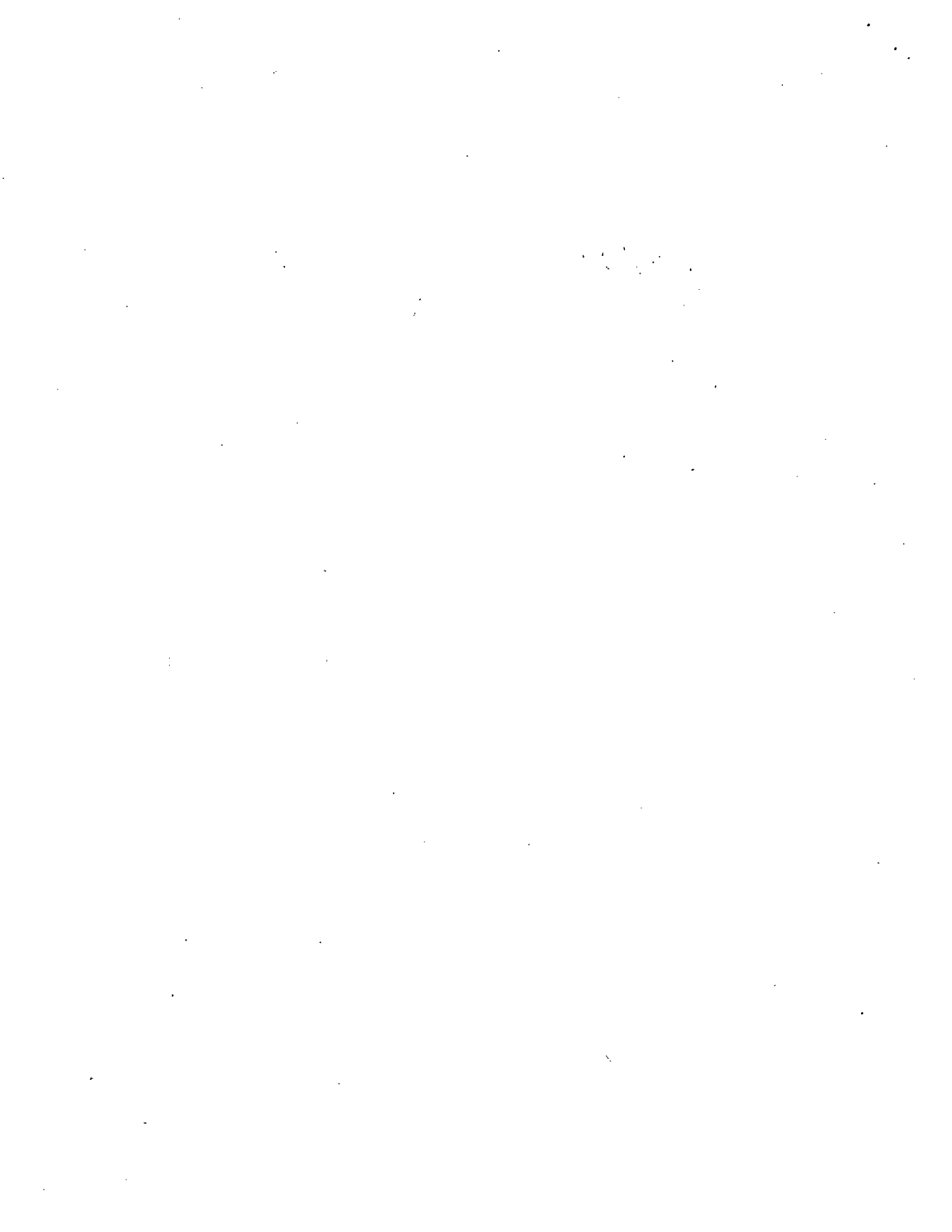
WE ARE CONDUCTING AN INTERNAL SURVEY - HOW DID YOU HEAR ABOUT THIS ITEM?

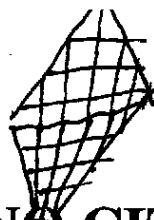
TELEVISION _____ NEIGHBORS _____ NEWSPAPER _____
RADIO _____ MAILED NOTICE _____ OTHER _____

THE MAYOR AND CITY COUNCIL WOULD LIKE TO REQUEST THAT ALL CONCERNS ARE EXPRESSED IN A COURTEOUS MANNER, AND THANK YOU FOR YOUR COOPERATION AND PARTICIPATION.

PLEASE LIMIT COMMENTS TO 3 MINUTES OR LESS. 15 MINUTES PER SIDE ON ISSUES WITH OPPOSITION WILL BE ALLOWED. PLEASE AVOID REPETITIVE REMARKS.

THANK YOU





RENO CITY COUNCIL

Request to Speak/Public Comment Form

(ALL FORMS MUST BE FILLED OUT COMPLETELY)

DATE: Feb 2, 2012

AGENDA ITEM: A5

DO YOU WISH TO SPEAK? Yes No

IN FAVOR: _____ IN OPPOSITION: _____

NAME: Terri Thomas

ADDRESS: 4885 Sineho Dr. Reno NV 89502

IF YOU ARE REPRESENTING SOMEONE OTHER THAN YOURSELF PLEASE INDICATE WHOM:

Eastside Subdivision No 2

COMMENTS: _____

Do you live within the Reno City Limits? _____ Yes No

Do you own property in the City of Reno? _____ Yes No

SIGNATURE: Terri Thomas

WE ARE CONDUCTING AN INTERNAL SURVEY - HOW DID YOU HEAR ABOUT THIS ITEM?

TELEVISION _____ NEIGHBORS _____ NEWSPAPER _____
RADIO _____ MAILED NOTICE _____ OTHER _____

THE MAYOR AND CITY COUNCIL WOULD LIKE TO REQUEST THAT ALL CONCERNS ARE EXPRESSED IN A COURTEOUS MANNER, AND THANK YOU FOR YOUR COOPERATION AND PARTICIPATION.

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THANK YOU

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RENO CITY COUNCIL

Request to Speak/Public Comment Form

(ALL FORMS MUST BE FILLED OUT COMPLETELY)

DATE: 2.2.2012 AGENDA ITEM: A-5

DO YOU WISH TO SPEAK? Yes No

IN FAVOR: IN OPPOSITION:

NAME: Mike Trudell

ADDRESS: 4390 San Gabriel Dr.

IF YOU ARE REPRESENTING SOMEONE OTHER THAN YOURSELF PLEASE INDICATE WHOM:

COMMENTS: _____

Do you live within the Reno City Limits? Yes No

Do you own property in the City of Reno? Yes No

SIGNATURE: Michael Trudell

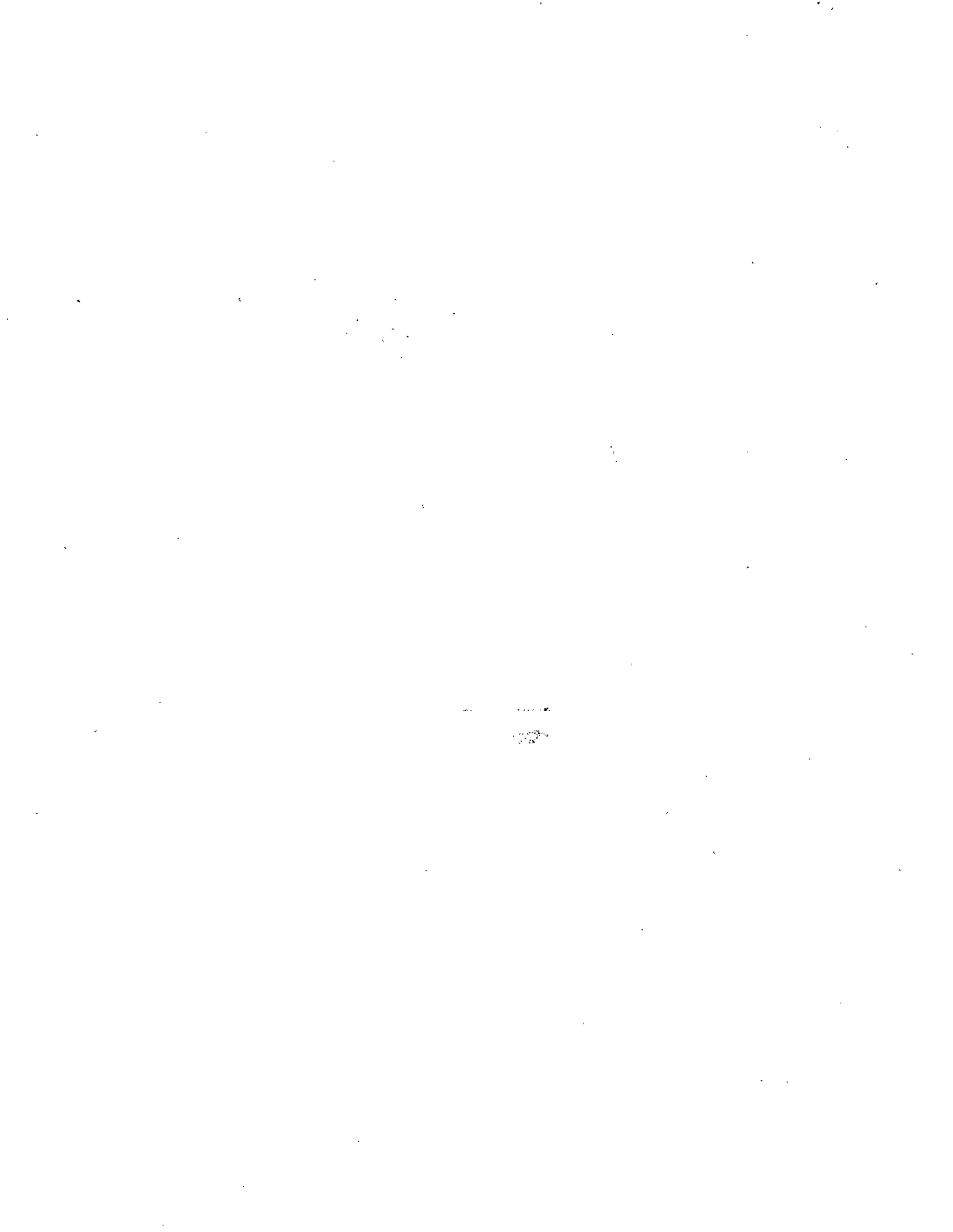
WE ARE CONDUCTING AN INTERNAL SURVEY - HOW DID YOU HEAR ABOUT THIS ITEM?

TELEVISION _____ NEIGHBORS _____ NEWSPAPER _____
RADIO _____ MAILED NOTICE _____ OTHER _____

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THANK YOU



**SPECIAL SESSION
RENO CITY COUNCIL
BRIEF OF MINUTES
February 2, 2012**

The Reno City Council held a special meeting at 11:00 a.m. on Thursday, February 2, 2012 in the Council Chambers in City Hall.

PRESENT: Councilpersons Gustin, Sferrazza, Dortch and Hascheff and Mayor Cashell.

ABSENT: Councilpersons Zadra and Aiazzi.

ALSO PRESENT: City Manager Clinger, City Attorney Kadlic, Chief Deputy City Attorney Chase and City Clerk Jones.

A.3 PUBLIC COMMENT

NO ACTION WAS TAKEN ON THIS ITEM.

A.4 APPROVAL OF THE AGENDA – February 2, 2012.

It was moved by Councilperson Dortch, seconded by Councilperson Sferrazza to approve the agenda.

Motion carried with Councilpersons Zadra and Aiazzi absent.

A.5 Staff Report: Discussion, review, direction and possible approval of an Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course.

Mayor Cashell made the following disclosure: “My son, Robert A. Cashell, Jr., has an interest in Northpointe Sierra Inc., which is a tenant of Petro Shopping Centers Ltd. Partnership and TA Operating LLC, which operates the Alamo Truck Stop located in Sparks, Nevada. The recorded owner of the property is HPT PSC Properties Trust. Northpointe operates the gaming, bar, restaurant and Super 8 Motel. TA Operating LLC operates the gas islands, diesel islands, store and truck repair facilities. Neither Northpointe nor I have any interest in the real property, fuel or other operations of TA Operating LLC. Northpointe does pay me on a promissory note dated 2008 relating to stock redemption from the sale of my interest in the company. The note is at a fixed rate and there is no fluctuation in note payments based upon gross receipts or revenues of Northpointe. The matter before the City Council relates to an agreement permitting construction of

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ITEM
NO.

A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

the Southeast Connector on the Rosewood Lakes Golf Course, located in the City of Reno. The agreement does not speak to nor does it relate to the alignment of the Southeast Connector through the City of Sparks, which is a different jurisdiction. My son, Northpointe or I have any financial interest in the transaction being considered by the City Council, which would allow the Regional Transportation Commission to enter Rosewood Lakes Golf Course to construct the Southeast Connector. Additionally, I have no facts or reason to believe that the Council's consideration and voting on this matter provides any benefit or detriment to Northpointe that is greater than that accruing to any other member of the general business, profession, occupation or group that is affected by the matter.”

Tracy Chase, Chief Deputy City Attorney, stated that Mayor Cashell need not abstain from voting on this item.

Michael R. Snell, 2805 Fairwood Drive, stated that local government is spending money the citizens do not have on a road they do not want or need based on current population and traffic statistics.

Dimitri Hallerbach, 5449 Hidden Valley Court, discussed his opposition to the Southeast Connector project.

Vern Schulze, 3139 Creekwood Drive, discussed his opposition to the Southeast Connector project, particularly with regard to disturbance of the wetlands.

Kim Rhodemyre, 4313 Leeward Lane, discussed her opposition to the Southeast Connector Project.

Terri Thomas, 4885 Sinelio Drive, representing the Eastside Subdivision No. 2, discussed her concerns about the Southeast Connector Project.

Mike Trudell, 4390 San Gabriel Drive, discussed the need for additional traffic studies.

Jonathan Shipman, Deputy City Attorney, provided an overview of the Staff Report, and outlined the changes that have been proposed since the Council approved the Interlocal Cooperative Agreement regarding the Southeast Connector Impact on Rosewood Lakes Golf Course on December 14, 2011.

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A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Councilperson Sferrazza said that this discussion should have been held in the evening when more citizens could be available to testify, and should go through the public hearing process because it requires a Master Plan amendment.

Mr. Shipman said that the agreement ensures that the Council retains the authority to exercise its legislative discretion if a Master Plan amendment is required in the future, and that RTC would be required to obtain that Master Plan approval before moving forward with the project. He said that the agreement also stipulates that if the City does something to prevent the project from moving forward within the seven (7) year timeframe, the City would have to reimburse RTC the \$7.5 million.

Councilperson Sferrazza stated that a case could be made that the City Council could not hold an objective public hearing on a Master Plan amendment after they accept \$7.5 million from RTC, and asked what approvals would be necessary for approving the alignment of the Southeast Connector.

Mr. Shipman said that the City would never be in the position of approving a roadway alignment because that falls under the purview of RTC, but what the City does do, along with the other entities, is approve a Program of Projects (POP) agreement, which authorizes the expenditure of fuel tax revenue for a particular project. Mr. Shipman said that this agreement is akin to a property acquisition agreement since RTC is essentially purchasing a piece of property it needs for a roadway.

Councilperson Sferrazza asked if Rosewood Lakes Golf Course was master planned by the City Council in 1996 to include the roadway alignment, and said that the Council should examine permits, entitlements and other issues before accepting the \$7.5 million.

Mr. Shipman replied that it is a policy decision that the Council would need to make, but this agreement still requires RTC to file for a Master Plan amendment if it is determined that one is necessary.

Councilperson Sferrazza suggested that the process seems contradictory to any other land use cases the City has heard. She said that the Council typically goes through a lengthy public process before determining whether to approve a Master Plan amendment or zone change, the process usually includes findings the Council must make, and sometimes the process includes placing conditions and mitigation requirements on a project. She asked the City Attorney to comment.

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- A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

John Kadlic, City Attorney, stated that he stood by everything Mr. Shipman said at today's meeting.

Councilperson Hascheff and Mr. Shipman discussed the provision that triggers reimbursement of the \$7.5 million if a permit were denied arbitrarily and capriciously for whatever reason and the denial made it impossible for them to proceed with construction of the project.

Councilperson Hascheff and Mr. Shipman agreed that, under this agreement, this or a future City Council would retain the right to hold public hearings and deny any permit, Master Plan, zone change, or other entitlement with respect to this roadway, and that RTC would still be required to bring these types of changes before the Council.

COUNCILPERSON ZADRA PRESENT AT 11:34 P.M.

Councilperson Hascheff asked if, for instance, the entitlements for the road included a Master or Regional Plan amendment, zone change, and series of Special Use Permits (SUPs), including cuts and fills, and a future City Council agreed to all of those changes except for the cuts and fills SUP, which would make the project more expensive for RTC but still allow the project to move forward, if removing the language in the agreement that defines Reno disapproval would be prudent. He said that it needs to be made clear that the only way that the refund mechanism would be triggered is if the Council took action that prevented construction of the project.

Mr. Shipman said that RTC's concern with the way in which the agreement is currently worded is that if the City does not approve the POP agreement, fuel tax revenue could not be used for the project, and RTC is requesting that the City agree not to change the POP agreement in a way that would make the Southeast Connector Project ineligible for fuel tax revenue.

John Fowler, General Counsel for RTC, said that the intent of eliminating the language "which prohibits and denies the construction of the Southeast Connector..." was to ensure that RTC does not lose the ability to use fuel tax monies on the Southeast Connector Project.

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A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Councilperson Hascheff said that it is not fair to include within the agreement a provision stipulating that if the Council did not approve, for instance, an SUP for cuts and fills that it would somehow be deemed as a disapproval and would trigger the reimbursement agreement because, in fact, the project could still go forward. He reiterated that it must be very clear that this or any future City Council retains all of their discretionary rights and can take any action whatsoever and, if there is a denial of a permit within seven years that does not allow RTC to construct the project, or there are changes to the POP agreement which were defined as Reno disapproval, then the refund mechanism would be triggered.

Councilperson Hascheff and Mr. Fowler agreed that there are two aspects of approval included in the agreement: 1) the POP agreement, and 2) the entitlement process, which is outside the POP agreement.

Councilperson Hascheff said that when you are outside of the POP agreement, it would have to be denial of a permit that prohibits construction of the Southeast Connector.

Mr. Fowler said that if a denial of a permit stops the project within the seven-year period, the refund requirement would be triggered, and Councilperson Hascheff reiterated that he did not agree with that provision.

Mayor Cashell suggested calling a recess while the attorneys discuss the proposed language of the agreement, and said that denial of a permit for cuts and fills should not be considered a denial that would trigger a refund, even though it might increase the cost of the project.

Councilperson Sferrazza asked if, as an example, the Council did not approve the Master Plan amendment needed for the roadway, it would constitute a denial and trigger the refund of the \$7.5 million.

Mr. Fowler said that if denial of the Master Plan amendment stopped the project, the refund requirement would be triggered.

Mr. Shipman agreed with that assessment.

Councilperson Gustin asked the status of RTC's Section 404 application to the U.S. Army Corps of Engineers.

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A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Lee Gibson, Executive Director of RTC, said that in May 2011 RTC submitted the 404-permit application to the Corps of Engineers' regulatory division, and a decision is expected to be rendered in 120-180 days.

Councilperson Gustin asked Mr. Gibson to discuss the source of funding for the Southeast Connector Project, and Mr. Gibson said that funding for the Southeast Connector is coming from RTC motor fuel taxes and bonds that are pledged to be paid back by those motor fuel taxes. Mr. Gibson then explained that by Statute RTC is required to get approval of the fuel tax projects from all of the appropriate entities, and stated that no federal funds or sales tax revenues are included in the funding plan for the project.

Councilperson Gustin asked Mr. Gibson to discuss the construction timeline, and Mr. Gibson replied that if RTC receives their permit within the next 120-180 days, the road could be under construction sometime in summer 2012. Mr. Gibson said that RTC is looking for a way to expedite both the design and construction processes to create jobs as quickly as possible, and explained that the fuel tax was approved by the voters in 2008.

Mr. Gibson said that if RTC does not get the U.S. Army Corps of Engineers' permit, they will go into an environmental impact statement process, which does not look at the alignment but rather at hydrologic issues, and would take approximately one to one and a half years to complete. After that, he said, construction would begin.

Councilperson Gustin asked what needed to be done to restore the health of the wetlands.

Garth Oksol, RTC Project Manager, said that the Southeast Connector Project would impact less than two acres of established wetlands and several acres of streams and ponds that would be bridged over or relocated as part of the Steamboat Creek Restoration. Mr. Oksol said that the U.S. Army Corps of Engineers' permitting process would condition RTC on a number of criteria of what constitutes a successful wetland (hydrology, diverse and healthy vegetation, wildlife establishment, etc.).

Councilperson Gustin asked Mr. Oksol to explain why both the McCarran Boulevard improvements and Southeast Connector are needed.

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A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Mr. Oksol noted that all of RTC's documents and studies, including traffic analyses and the latest population data, have been placed on their website. He explained that McCarran Boulevard only parallels the Southeast Connector for approximately two miles, and the Southeast Connector is the last five and one-half miles of an entire corridor stretching from the Pyramid Highway to Mount Rose Highway. Mr. Oksol said that McCarran Boulevard is being widened to help alleviate traffic congestion for the short-term, but the Southeast Connector is designed to accommodate the volume of traffic projected to occur 20 years out, and explained that the only way to move the volume of traffic this area will see in the future, short of converting McCarran Boulevard to an Interstate Highway, is to build the Southeast Connector.

Councilperson Gustin requested that RTC explain why the Council should vote today rather than 120-180 days from now.

Mr. Gibson said that it is always preferable to resolve right-of-way and property acquisition issues as soon as possible because they are often the most contentious issues, but RTC would, if necessary, be willing to wait 120-180 days for the City Council's decision.

Councilperson Sferrazza asked if it would constitute a denial under this agreement if during the Master Plan hearing the Council approved the Southeast Connector but limited or prohibited truck traffic, or cut off access to Mira Loma. She said that without holding a public hearing to answer the outstanding questions, it would be premature to approve the \$7.5 million agreement.

Mr. Gibson said that RTC builds regional roads using fuel taxes that are paid for by motorists who operate passenger vehicles, as well as truck drivers and freight operators. He said that he would want legal counsel to examine whether denying access to trucks would constitute a right-to-access issue.

Councilperson Sferrazza reiterated her objection to getting locked into the agreement before obtaining a thorough analysis of what constitutes denial. She said that the neighbors may have brought forward other pertinent issues had they been given more notice of today's meeting, issues that might under this agreement constitute some type of denial and therefore trigger repayment of the \$7.5 million. She said that staff is being put on the hook to determine what this agreement actually means.

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A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Mr. Fowler said that the City of Reno could pass an ordinance to regulate or forbid truck traffic on the Southeast Connector because it would be owned by the City and lie within the City limits.

Councilperson Hascheff reiterated that the agreement would allow the Council to go through the public hearing process and deny the project, but would require that they refund the money to RTC if they did so. He said that in the meantime the City gets to use the \$7.5 million interest free.

Councilperson Hascheff suggested ways of amending the settlement agreement to address his and RTC's concerns, noting that the only two things that could trigger a refund would be denying the construction of the Southeast Connector or removing/denying the Southeast Connector in the POP agreement, all of which would have to be done within the seven-year period. He said that the last thing he wanted to do was hamstringing a future City Council when they had to make that decision.

Mayor Cashell suggested a recess while legal counsel perused the proposed amendments to the settlement agreement.

A RECESS WAS CALLED AT 12:03 P.M. AND UPON RECONVENING AT 12:10 P.M. COUNCILPERSON AIAZZI WAS ABSENT.

Councilperson Hascheff and Mr. Shipman agreed that the amendments proposed by Councilperson Hascheff were acceptable, and Mr. Fowler concurred.

It was moved by Councilperson Hascheff, seconded by Councilperson Dortch to approve the Agreement Permitting Construction of the Southeast Connector of Rosewood Lakes Golf Course with the changes proposed at today's meeting, and incorporating by reference the issues and concerns reflected in the minutes attached to the Staff Report regarding who pays what costs because those provisions have not been changed in the agreement, and adding the right to request that RTC pay for the fill (i.e. not entirely deleting that section).

Councilperson Sferrazza said that the City Council previously went through a public hearing process and denied the request for Master Plan amendment to allow a road to go through this area, and is now entering into a \$7.5 million agreement that would require a future City Council to come up with a \$7.5 million refund if they chose to deny the project. She said that the Council should instead proceed with the public hearing process to decide whether a Master Plan and/or Regional Plan amendment is needed.

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A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Councilperson Hascheff and Mr. Shipman agreed that this or any future Council retains 100% discretionary right and approval, no public hearing process is going to be compromised, and they will have to go through the public hearing process to the extent that any permits, entitlements, etc. are required.

Mayor Cashell asked how many opportunities for comment RTC has offered to the public.

Mr. Gibson said that the Southeast Connector Project is part of RTC's valid Regional Transportation Plan, the alignment is stipulated there, RTC went through an extensive public process with respect to adopting that Plan, and approximately 18 months ago (at the request of Councilperson Aiazzi) staff conducted a sensitivity analysis of all of the major projects, the results of which showed that, even with the economic slowdown, all of the projects still meet their purpose and need requirements and did, in fact, not require any change in the decision concept and scope of those projects. Mr. Gibson also said that RTC presented those findings and received public comment on them in a number of public meetings.

Mr. Gibson said that it was his understanding that the City's Master Plan incorporates RTC's Regional Transportation Plan, which went to the (Truckee Meadows Regional Planning Agency (TMRPA) for a conformance finding, and the appropriate approvals were made by TMRPA. Mr. Gibson said in summary that RTC's Regional Transportation Plan conforms to all local requirements and federal requirements with respect to its composition.

Councilperson Sferrazza said that there have been no public hearings held since 1996 on an actual Master Plan amendment or design of the road.

Mr. Oksol said that he was unaware that RTC had the ability to request the cities or county to adjust their Master Plans.

Councilperson Zadra asked staff to confirm that the action taken today would put no constraints or restrictions whatsoever on any future Council, or require that they vote in accordance with today's vote.

Mr. Shipman said that under this agreement, the City Council retains complete legislative discretion, and there is nothing by way of the contract that would tie their hands in any way. With that said, he continued, there is a \$7.5 million reimbursement requirement if certain actions are taken (i.e., if a permit is denied and the denial of that permit stops the project, the \$7.5 million must be refunded).

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- A.5 Discussion ... Agreement permitting construction of the South East Connector on Rosewood Lakes Golf Course – continued

Councilperson Dortch asked how long it would be before RTC knew what additional approvals they needed from the City of Reno.

Mr. Gibson replied that after RTC awards a construction contract, they typically let the contractor deal with such things as cuts and fills permits.

Mr. Oksol said that within six months RTC should be moving through the final design process and will have refinement on the quantities and issues that would potentially require cut and fill permits.

Motion carried with Councilperson Aiazzi absent and Councilperson Sferrazza voting nay.

A.6 PUBLIC COMMENT

NO ACTION WAS TAKEN ON THIS ITEM.

MEETING ADJOURNED AT 12:24 P.M.