

July 16, 2007

Storey County Planning Commission
PO Box 526
Virginia City, NV 89440

Re: Cordevista Impact Staff Report

Honorable Planning Commissioners:

Background

During the May 3, 2007 Planning Commission Meeting conducted in Lockwood, you requested input from staff of the School District, Sheriff's Office, Fire Department, Public Works and other departments as to what their concerns and issues might be regarding the Master Plan Amendment and Zone Change applications pending before you. Subsequent to your request, a focus group of key department heads met to determine how best to collect and present their initial thoughts to you. The result is this report, authored by the entire focus group.

First and foremost, we wish to emphasize that this report should only be considered as a preliminary overview. At best it may establish a baseline to identify future areas of follow-up investigation and analysis. Trying to perform an in-depth analysis of a project of this scope is similar to looking at the tip of an iceberg. There are undoubtedly a huge amount of unknowns that can only be determined thru a detailed process that is guided by professional planner(s) working in cooperation with the work group, applicant, Commission(s) and countless others. This analysis is further complicated by the already demanding work loads and staff size of the work group. Our findings and thoughts are by no means complete and it should be expected that they will grow in scope, detail and magnitude as the planning process may proceed.

Also, we are unclear as to what point of the process this analysis should truly take place. The applicant has stated it is more a part of the PUD negotiation that would follow a possible Master Plan Amendment and Zone Change which has driven this investigative analysis. While we acknowledge this would seem to be where fine details must be worked out, it seems logical the Commission would want to have some sense of what this may entail before any decision to enter that phase.

Staff also believes that, even though we are all taxpaying citizens within our own County, politics and emotions have no place in this type of report. To have meaning and value, it must be as objective as is possible at this point of the process.

After determining our objectives, the focus group met in two sessions with the applicant to gain insight into the project as is currently being proposed. The developer provided an overview similar in nature to what you have heard at your meetings, but more compressed with greater opportunity for detailed questions and answers. Session one was directed toward County Government Services with the following individuals participating:

- Blake Smith – Project Developer and Applicant
- Michelle Attaway – Applicant Support Staff
- Jim Miller – Storey County Sheriff
- Kathy Weeks – Storey County Assessor
- Gary Hames – Storey County Fire Chief
- Mike Nevin – Storey County Public Works Director (Roads/Water & Sewer/Parks)
- Dean Haymore – Storey County Building & Planning Director
- Donna Giboney – Storey County Planning Staff
- Marilou Walling – Storey County Administrative Officer
- Pat Whitten – Storey County Manager

Storey County School Superintendent, Dr. Robert Slaby also attended the majority of the morning session to gain insight into the overall process.

The second session was focused on school issues and concerns with the following people attending:

- Blake Smith – Project Developer and Applicant
- Pam Smith – Storey County School Board President
- Esther Schouten – Storey County School Board Trustee
- Dr. Robert Slaby – Storey County School District Superintendent

Dean Haymore and Pat Whitten also attended to help facilitate the process from the County perspective.

Several follow-up meetings were subsequently conducted without the applicant to collect our thoughts and develop this document.

General Considerations

A major concern of the focus group is the possibility the developer has raised regarding alternative uses of his property if his application is not approved. Terming this the “Alternate Use Theory”, we are at a loss to determine the true impact of providing services under this scenario. This is especially significant within the Public Safety arena, if the project site were to truly develop into 130,000,000 square feet of special industrial buildings containing hazardous waste, chemical and ammunition manufacturing, treatment, storage and open air testing as is detailed in a recent Cordevista mailing (Attachment 1). This document also states that “Storey County will be required to provide all Sheriff & Fire services without the assistance of the developer”. Recent events in both Washoe and Lyon Counties, as well as in the past in Storey County, creates significant cause for concern regarding our inability to provide for general public safety in many of these extremely volatile industries. At the very least, significant impact and/or permitting fees and conditions similar to what we currently require in TRI are essential to provide for the specialized equipment necessary. We have requested a legal opinion as to the accuracy of the developer’s statement as well as the ease and automatic ability the applicant may have to develop in this manner. We would hope that reasonable control options exist, including EPA permitting, parcel approvals and licensing, but have excluded any consideration of this matter beyond this statement although we remain very concerned about its potential impact and safety aspects.

Another significant unknown is the impact of a City Government structure as opposed to the County Government we currently have. The applicant has stated a projected density of 1.5 to 2 homes per acre over the total land holdings of 8600 acres. Given a potential build out in excess of 17,000 homes equating to somewhere between 34,000 and 51,000 new residents plus accompanying retail and other "mixed use", it seems highly likely this project would become the County's first city since the demise of Virginia City. The true fiscal impact of this would need to be closely analyzed by outside professionals under multiple financial models during the planning process. However, for simplicity sake at this point, we believe that City Governments seem to prosper at County Government's expense under current Nevada Tax Statutes. Our case studies leading to this belief are; Ely, which seems fiscally healthy while White Pine County remains in virtual receivership and Fernley, which does not seem to be experiencing the fiscal constraints and difficulties of Lyon County. Again, this is a multi-faceted issue requiring extensive analysis and we have elected to only mention it here for future consideration.

The applicant discussed, and was questioned extensively, about the possibilities of phasing this project. Within these phases there would be specific growth triggers to limit impacts, establish increased infrastructure requirements and potentially control rampant growth. At any point you might choose to approve this application, this concept deserves serious consideration and analysis and has our strong recommendation. Even our long established TRI agreement provides for partial zone changes with substantial future opportunity for review and approval.

Findings

The applicant has publicly stated that he does not wish or need to have roads interconnecting from the project site to the County Seat as well as to other areas of the County. While we acknowledge the political sensitivity to this position, staff is unanimous in opposing this isolation approach as it defies the very definition of proper modern planning. In fact, we believe all access roads must be fully completed before the internal project development actually begins. Government services, especially in the Public Safety sectors of Sheriff and Fire/Medical must have quick and redundant access to all areas of our County. This need is equally great from the School Transportation perspective as well as the Public Works and General Government sectors. Simple development and dedication of a "fire road" is not considered anywhere near sufficient to meet increased need with a project of this magnitude. The question that must be considered if approved is where such roads will be constructed, not if they should be built. While interconnect roads are desired regardless of whether or not this project is approved, Cordevista would greatly accelerate the need and the developer should be reasonably expected to fund the preponderance of infrastructure costs.

Public Safety concerns and issues are of a most immediate and pressing nature. Learning from growth patterns experienced at the Tahoe-Reno Industrial Center, both Sheriff and Fire/Medical must have an initial and immediate presence beginning with first turn of the earth. The isolated locale, coupled with the scope of the proposed project, makes it essential that we are staffed and equipped to respond to emergency incidents and non-emergency types of service calls long before the first resident ever moves in. The applicant has offered existing buildings to station equipment and personnel. This may be a viable option for providing the short term staffing and response capabilities. However, specialized design needs, location of structure within the proposed

development and safety issues will necessitate significant remodeling of any building that currently exists on the property. Chief Hames and his Command Staff have developed an excellent initial impact statement that is included in this report (Attachment 2). Please keep in mind, as detailed as this may seem, it is still only a preliminary document that is highly dependant on numerous variables including actual housing growth (projected at 300 per year), inflation, rising labor, fuel and materials costs, etc. Final and firm projections can only be generated as part of a detailed planning process with professional consultants providing additional guidance. As Public Safety services constitute the vast majority of our present budgets, the overall numbers, while staggering, can only be expected for a project of this magnitude. Please keep in mind that all fire/medical functions are funded thru dedicated tax rate funds which must be balanced for budget purposes. Even though the applicant has indicated a willingness to "negotiate" impacts such as buildings and equipment, a projected first year shortfall of almost \$1.5 million (excluding critical road infrastructure of \$5 million) and five year shortfall of almost \$8.5 million are of major concern and must be fully mitigated if this project is approved.

Sheriff services would be similarly impacted and while equipment and housing costs may be considerably less initially, labor needs and costs are virtually identical. As with Fire/Medical services, experiences such as construction site thefts and other problems at the Industrial Park demonstrate the necessity of having an established presence and operations base at project inception. Additionally, a project of this size will conceivably shift the entire center of operation or at least force construction and maintenance of expensive satellite facilities for detention, courts, animal shelters, etc. As calls for service escalate, the residual impact on support services such as administration, training, etc will grow as well. Communications/Dispatch staffing will also grow dramatically with call volume in both Sheriff and Fire/Medical service calls and will undoubtedly force us to construct and relocate to a larger facility. Sheriff Miller and his Command Staff have requested additional staff and cost modeling information from the Reno Police Department. In the interim, they have provided a preliminary overview and assessment (Attachment #3).

Public Works services which currently include Roads, Water & Sewer (in Virginia City/Gold Hill only), Parks and Buildings & Grounds will also be significantly impacted. Public Works Director Mike Nevin has prepared a concise preliminary Impact Statement (Attachment #4). The extent of impact may be somewhat mitigated thru various delivery structures including General Improvement Districts (GID) and Special Assessment Districts (SAD). Storey County does not currently have any Special Assessment Districts but does have two GID's. Canyon GID is responsible for a variety of services including water & sewer as well as road management including repair and maintenance. Although this GID is composed of a small subscriber base, the County has experienced a very satisfactory relationship. There has only been one period of time where water sources generated concern. The Canyon GID operates on a fee basis and is not a component in the overall County tax rate. The TRI GID is responsible for delivery, operation and maintenance of a water treatment facility and sewer services with the Industrial Park. Services are provided on a fee basis and are not part of the overall County tax rate. Our experience with this developer originated organization is extremely satisfactory and there is no burden on general government funds or services. However, our developer agreement and the TRI-GID scope of services do not include road maintenance and repair and we are obligated to repay the original construction costs and provide for ongoing maintenance. Maintenance, repair costs and logistics have proved to be problematic thus far into our TRI relationship. Without a base location to work from coupled with

very limited funding sources of fuel tax, due to the lack of gas stations and the current road miles funding formula used by the Department of Taxation, the County's General Fund must be used to support revenue shortfalls. There is a concept that water and delivery systems can become a source of surplus revenue and profit. However, at least with the limited subscriber base in the Virginia City/Gold Hill system; our experience seems to contradict this. This issue must be thoroughly analyzed during the planning process to mitigate any impact and determine which model may provide optimum fiscal and service efficiencies. Park projects pose a similar concern, particularly with respect to ongoing maintenance. We estimate the existing impact fee of \$250 per new home will not adequately cover the initial construction of facilities dependent on the quality and quantity demanded. Additionally, those funds cannot be used for maintenance and operation under State statutes. Our understanding is that any increase in the present impact fee would have to be borne County-wide which would increase the burden to areas outside the proposed development. As with all others, this impact needs to be thoroughly analyzed to consider all options and revenue/expense scenarios. Buildings & Grounds may possibly have the least impact, but even this is an unknown based on potential demand for services. The TRI developer and ultimately the County thru its payback requirement have committed to a major investment in planned construction of a government services complex within the Industrial Park. This complex, planned well in advance of the application before you, was intended to function as our North County focal point and delivery of general services. While we are already anticipating additional Fire Stations and possibly Sheriff Sub-Stations as TRI expands and the Painted Rock project may further materialize, the TRI project was clearly planned as our anchor facility. A project of this size would seem to undoubtedly demand closer general services which increase both facilities and staffing/overhead costs.

Other General Government would likely grow at a steadily rising rate commensurate with project development. Most immediately impacted would be our Building & Planning Departments, followed by the Assessor and Recorder functions as the project may progress. Every department and function will be impacted by growth of this magnitude from Clerk/Treasurer (Voter Registration & Elections, District Court caseloads, Property Tax billings and processing, etc.) to District Attorney to Justice Court (potentially a second court district) to Libraries and beyond. As all departments grow to meet demand, payroll, staffing and other financial processing costs will grow as well. Even the County Commissioners will most likely cross that historic threshold and move from three to five Commissioners with some support staff increases inevitable. In essence, every County function and department will experience growth and cost increases as we expand from our current population of 4110 to well beyond. Of equal concern in this aspect is the need of office space for increased staff. In addition to the Public Safety facilities previously mentioned, we must provide for Public Works, General Government and Public Safety Administrative Support staff that will naturally increase. Current building inventory is virtually at, or in most cases beyond maximum utilization and we must plan and provide for staff office work space. Prior to this application we have already begun the planning process to resolve employee overcrowding in our Virginia City facilities. Given potential growth projections, this plan would need a major expansion even before construction begins. The need for funding sources that have not yet been identified to cover construction would greatly increase.

Demand for community support services, traditionally outsourced to non-profit groups, such as Community Chest, would also greatly increase. It is essential we correctly identify those needs, such as day care, youth programs, counseling, job placement, health services and other vital

services and then provide for them either thru increased funding to Community Chest, or other avenues including the establishment of our own County based programs. Community Chest has provided an excellent summary (Attachment #4) of the minimum project impacts in this area.

School District impact is of equal and high concern. Perhaps the most insightful comment was made by Dr. Slaby who said that a project of this magnitude would grow our enrollment to a size exceeding that of Carson City schools. A preliminary number based on far less than the 17,000+ plus potential homes projects increased school enrollment of:

High School	1400 New Students
Middle School	700 New Students
Elementary School	2450 New Students
TOTAL	4450 New Students

A development of this magnitude will definitely forever change the small school feeling we currently enjoy. Developer commitment and timing are keys to insure our schools will be able to cope with and afford the impact, if approved. Raising the current school impact fee on new residential construction beyond the current \$500/unit would adversely impact ongoing construction outside the proposed project and should not be considered for that reason. Bonding Capital Projects against the ad valorem tax valuations would have the same impact and again should not be considered for the same reasons. The development project must bear the fiscal burden of school related facilities it creates thru self funded construction, donation and dedication. Facilities could be placed adjacent to parks to maximize efficiencies. The applicant has also offered existing buildings to meet short term needs. Long term facilities planning and construction as well as ongoing operations can best be addressed thru phased growth with specific performance triggers. Growing too fast without appropriate facilities and staff will erode the high quality of education our district provides and prides itself in. Fiscal models must be developed thru a detailed planning process to provide a road map for success. As previously stated, a County-wide road interlink is also essential to successful school expansion.

Initial Actions

This early in the process, we have already determined that the issue of large-scale residential growth inclusive and outside of the Cordevista proposal is becoming a rising expense burden for the County. Planning Commission needs including transcribers and copy services, staff time and outside legal consultation costs have already increased significantly. As part of the 2007/2008 budgeting process, we have provided for increases in as many areas as could be anticipated. While we would require that applicants, again both Cordevista and others of a similar nature, bear the burden of these costs thru impact recapture, we do not want to tie any part of this process directly to developer payment. It must be absolutely independent to avoid even the possible perception of "developer bought and paid for". If, and only if, applications such as this are to proceed further in any manner, we should endeavor to recapture our expenses. Accordingly, we have implemented cost accounting tracking similar to that utilized under our TRI developer agreement by assigning an object code of 300 to all Cordevista related expenses. Other proposals both current and future will be assigned similar tracking numbers.

It has become apparent that we lack sufficient staff dedicated to performing the critical tasks needed to analyze and structure this or any other application of a similar nature. Simply said, we need a professional planning staff that is focused on insuring the County acts responsively and responsibly to all issues and concerns. During the 2007/2008 final budgeting process, staff recommended increasing existing Building/Planning Department staff by one full time planning position to provide for this function. The County Commissioner's had the foresight to increase this funding to allow for up to 1.5 FTE.

Recommended Actions

Without any doubt, our unanimous priority recommendation would be to establish, recruit and hire the Planning Staff position(s) as have been funded. The scope of duties would include but not be limited to:

- Review Master Plan for currency and applicability to County based desires and make any update recommendations thru the established processes.
- Review pending applications for appropriate actions necessary to proceed in compliance with the Master Plan, Zoning Ordinance and Commission direction. These actions would include:
 - Review PUD agreements from other jurisdictions to establish an optimum agreement designed to insure successful results in the County's best interests.
 - Obtain economic modeling thru outside consultants to ascertain financial impacts in all areas including Public Safety, General Government and Schools.
 - Establish recommended financial participation agreement provisions including possible phase controls and growth triggers.
 - Monitor to insure performance compliance of controls and triggers (if approved).
- Monitor and facilitate existing agreements such as our TRI developer agreement for compliance and protection of County interests.
- Primary focal point of any future applications to insure consistency and conformity with Master Plan, Zoning Policy and Commission direction.

Done properly, this needs to be a thoroughly detailed process that cannot be compromised by time constraints or undue pressure from any part of the process. As with all else, while we may hope to eventually recapture expenses from the applicants, at this point they must be borne by the County and not directly reliant on any applicant(s). We strongly recommend staff planners as opposed to independent contractors as this is seen as a long term process involving multiple projects that must be dealt with consistently and in the County's best interests.

Other recommendations that we suggest you consider, for this or any other application, would be to provide for project phasing and triggers. This process would hopefully allow for protection mechanisms to insure delivery of agreed upon infrastructure and other requirements as well as conceivably control growth at rates acceptable to the County based upon historic patterns and our ability to provide service. Professional planning staff can further research and recommend appropriate action.

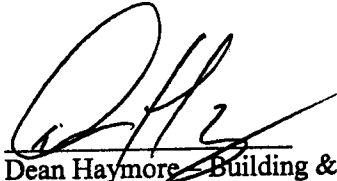
Summary Comments

Again, we stress that this staff report is only preliminary in nature. There is much, much more to be determined thru research and analysis. We hope this report at least begins that process at both the staff and Commission levels. We appreciate your interests in our concerns and remain available to answer questions, now and in the future to the best of our ability.

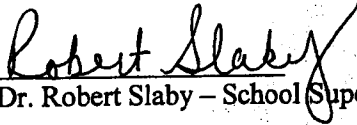
Respectfully Submitted:



Pat Whitten – County Manager



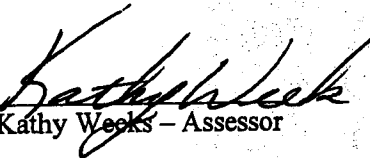
Dean Haymore – Building & Planning Director



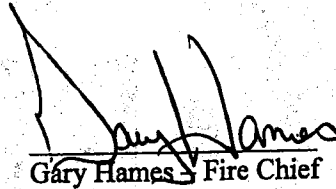
Dr. Robert Slaby – School Superintendent



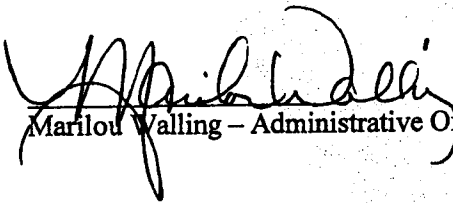
James Miller - Sheriff



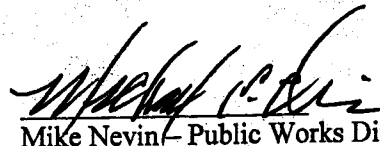
Kathy Weeks – Assessor



Gary Hames – Fire Chief



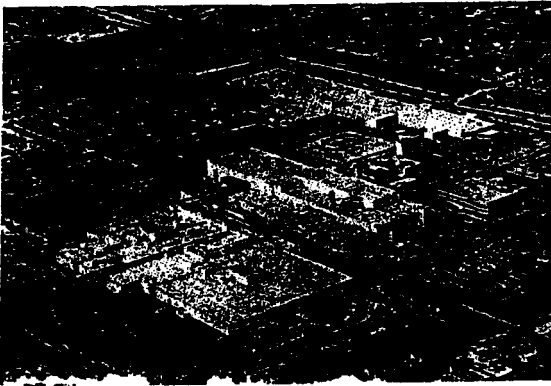
Marilou Walling – Administrative Officer



Mike Nevin – Public Works Director

Cc: Storey County Commissioners
Blake Smith – Cordevista Development Team

Current Zoning vs Proposed Zoning



Current Special Industrial Zoning



Proposed Mixed Use Zoning

Special Industrial/Heavy Industrial
5,394 ac

Mixed Use - Planned Unit Development
5,394 ac

Allowed uses include hazardous waste, chemical and ammunition - manufacturing, treatment, storage, and open air testing

Retail/Commercial, Office, Housing,
Parks, Trails, and Amenities

130,000,000 +/- sf of Industrial Buildings

1 - 2 Housing units per acre

NO management or support of open space areas

40% - 45% of the land will remain open space and will be managed by Cordevista Home Owners Association (CHOA)

WELL/GROUND WATER may be used (as in the past) to service the 130,000,000 +/- sf of Industrial buildings

NO WELL/GROUND WATER will be used to support the development of Cordevista. All water for Cordevista shall be imported

Virginia City Highlands and Storey County may have to fund and develop its own water importation system

Importation of a water system that Virginia City Highlands residents may have access to

Possible continued vandalism of petroglyphs

Protection and preservation of petroglyphs with CHOA assistance

NO association to manage or maintain a wildlife plan

Wildlife Management Plan managed by CHOA

Storey County will be required to provide all Sheriff and Fire services without the assistance of the developer. Land is currently zoned without a development agreement

Cordevista will assist Sheriff and Fire department with public facilities and shortfall funding services for this area

NO Community Foundation

Funding for a beneficial Community Foundation to help all of Storey County and its Residents

Continued flooding in Lockwood

Infrastructure replacement and repair to control flooding in Lockwood

NO new schools. Continued long bus commutes for school children

New schools with safer and shorter bus commutes for school children

Ignore sound planning practices to balance retail, office, and housing with the potential 600,000,000 +/- sf of approved Industrial in the Tahoe Reno Industrial Park

Use sound planning practices that will assist in providing the needed balance of retail, office, and housing for the approved Tahoe Reno Industrial Park which may employ 180,000 +/- people

NOTE: The current zoning of the Cordevista property allows for 130,000,000 +/- sf of Industrial buildings. This combined with TRI's 600,000,000 +/- sf of Industrial buildings brings the total to 730,000,000 +/- sf (this equates to 26 +/- sq miles of buildings) of Industrial buildings in Storey County.

Cordevista

A Master Planned Mixed Use Community



Cordevista Impacts

Assuming 300 homes being constructed in the first year and every year after, at 3 people per home, equates to 900 new customers per year. This is separate from commercial structures which will be constructed at an unknown rate and/or pace. This overview of concerns and issues is based upon an additional 1,000 new customers per year. It seems to make sense to develop this project in phases so as to provide truer needs assessment and planning. It would also be a cleaner way of developing "benchmarks" or "triggers" for services.

While these recommendations seem specific in nature they are really very fluid. There are too many variables regarding total number of new customers, structures, commercial construction, clinics being built that may alleviate ambulance calls (or in some cases increase ambulance calls), etc.

Immediate Issues:

1. Current Ad Valorem revenue versus operations cost and deficit. The deficit must be paid for by the developer for staffing. Three person staffing minimum. This will allow for transports with one person left in the district.
Current Assessed Valuation: \$2,582,020 (8,589.91 Acres)
Current Fire Tax Rate: .4346
Revenue Generated: \$11,221.46
2. An Engine and Ambulance will be necessary from the start of the project. The engine can be a used apparatus if it meets our approval, standards and specifications. The ambulance needs to be purchased new. The ambulance will take 6-9 months from order date to delivery date. The reason a used engine is acceptable is due to the construction time of said apparatus. It will take between 12 to 18 months to be built and delivered. Used engine cost would be \$250,000 and new ambulance cost is approximately \$144,000.
Cost: \$395,000
3. Three person staffing per shift for a total of three Fire Captains, three Fire Fighter/EMT Intermediated and three Fire Fighter Paramedics.
Cost: \$677,367
4. Need a Fire Station. We are okay with converting an existing building to a short-term fire station as suggested by the developer. This will need to be in writing and utilities, desks, general office supplies, kitchen supplies, beds, etc. will all need to be funded. Required items will be approximately \$50,000. Operating Costs, derived by current budget for five fire stations at \$584,500 divided by five is equal to \$116,900. Unknown which building would be converted to a fire station? Figuring \$150,000 for renovations may be a shot at what the potential costs would be.
Cost: \$316,900
5. There must be a road structure in place to allow movement between the Highlands and Lockwood to "back-up" the Cordevista station. This is absolutely essential. As multiple

calls occur or first alarm fires, we must send more than the three on duty personnel (assuming that there are three and they are not out of district on a transport – leaving only one person in the area). On structure fires we need at least six personnel on scene to make entry into a fire. Without a road access into the area our response times would not be reasonable. To respond the Lockwood station to that area takes 15 to 20 minutes. A structure would be completely destroyed by the time sufficient staff was assembled to make entry.

Cost: \$5,000,000

6. Dependant upon the quantity of commercial buildings we may need an additional plans examiner and will definitely require a fire inspector.

Cost: \$112,000

Total Revenue from Property Taxes: \$11,221.46

Total Expenses First Year (-Road): \$1,501,267

Deficit First Year: -\$1,490,045.54

Two to Five Year Impacts:

Assuming there would be 5,000 new customers with an unknown quantity of commercial structures.

Second Year Revenue: Derived from 300 homes per year at assessed value of \$100,000 per home plus base land revenue, is equal to (600 homes), base at 2,582,020 plus 60,000,000 for a total second year base assessed valuation of 62,582,020. At the current fire tax rate of .4346 it will generate \$271,981

Second Year Revenue: Using same formula above the assessed value should be 122,582,020 for revenue generation of \$532,741

Third Year Revenue: Using same formula above the assessed value should be 182,582,020 for revenue generation of \$793,501

Fourth Year Revenue: Using same formula above the assessed value should be 242,582,020 for revenue generation of \$1,054,261

Fifth Year Revenue: Using same formula above the assessed value should be 302,582,020 for revenue generation of \$1,315,021

1. Beginning fund deficit at -\$1,490,045.54
2. A new station will be required in year three for two years of costs.
Cost: \$4,000,000
3. Staffing to four per apparatus and two on an ambulance in the end of year two beginning of year three for a total of two years of costs.

Cost: \$4,846,835 (5-Year Total Cost)

4. A second station will be required and will be under construction during this time frame.
Cost: \$200,000 (Dirt Work, Underground and Plans)
5. Rolling stock requirements. Another ambulance for a total of two ambulances (\$160,000), two additional ambulance staff individuals (\$0 Added at end of year five), one additional new engine being ordered for delivery in year six (\$500,000) (\$0 for four individuals added at end of year five/beginning of year six), and a ladder-company will need to be purchased (\$950,000 ordered for delivery in year six) and staffed (\$0 for four individuals at end of year five beginning year six) in addition to the Plans Examiner and Fire Inspector (\$320,000)
Cost: \$1,930,000
6. Snap Shot; 14 person staffing, one new engine, one reserve engine, original ambulance, new ambulance, ladder truck, Plans Examiner and Fire Inspector.

Total Expenses First Five Years: \$12,466,880.54
Total Revenue First Five Years: \$3,967,505
Total Five Year Deficit: -\$8,499,375

NOTE: It is important to note that these revenue projections are based solely from Ad Valorem property taxes and does NOT take into account any plan review fees, ambulance fees or increases in SCCRT with further Retail Commercial taxes.

Additionally it does not account for donations by the developer, such as the \$4,000,000 for a new fire station, the apparatus costs and what the developer will donate towards these expenses.

Five to Ten Year Impacts:

Assuming there would be at least 10,000 new customers and significant retail commercial structures.

1. The second station completed and third station under construction.
2. Total of two new stations at this point and the third under construction.
3. In addition to the above rolling stock we will need to add another engine company (four individuals), a Fire Inspector and a Division Chief.
4. Snap Shot:
 - a. 20 Staff
 - b. Two Engines
 - c. One Reserve Engine (not staffed)
 - d. Two Ambulances
 - e. Ladder Truck
 - f. 2 - Fire Inspector's
 - g. Plans Examiner
 - h. Division Chief

Ten to Fifteen Year Impacts:

Assuming between 10,000 to 15,000 total customers plus a significant quantity of retail commercial structures will require a minimum of the following staff, equipment and facilities.

1. 3rd Engine (four individuals)
2. 3rd Station completed
3. Adding a Reserve Ambulance
4. Snap Shot:
 - a. 24 Staff
 - b. Three Engines
 - c. One Reserve Engine (not staffed)
 - d. Two Ambulances
 - e. Ladder Truck
 - f. 2 - Fire Inspector's
 - g. Plans Examiner
 - h. Division Chief

All of this information is conditional upon a means of ingress and egress for emergency response into the Cordevista project. If there are not means for emergency response from existing stations then this entire overview is completely flawed. It is absolutely essential that a road system be included to provide for responses to this area.

Pat Whitten

From: James G. Miller [jamesgmiller@highlandswireless.net]
Sent: Wednesday, June 20, 2007 9:06 AM
To: Pat Whitten
Subject: Cordevista Document w/ additions

Storey County and the Sheriff's Office are currently faced with tremendous growth issues not only with the development proposed by Cortevista but also with all other industrial and residential projects within the county. It is imperative that we implement appropriate planning to provide the necessary manpower and to develop the infrastructure needed to meet the demands of future growth. We need to be proactive in order to address these requirements appropriately and not simply react to increased demands. The inevitability of increased law enforcement/emergency services begins as soon as new developments break ground not two to five years out when the businesses and residences are completed.

With the current construction in TRI, we are already facing huge increases in demands on our department. Our stats indicate that the number of incidents handled to date this year is already 80% more than the total in all of 2006. Arrests are already over 200% higher, reports 61% higher and even citations 300% higher than the 2006 total. Our manpower levels are stretched to the limit and require significant overtime costs just to meet the current needs. We routinely rely on outside agencies for backup on all serious calls in the northern area of the county. We are in critical need just in the TRI area alone of additional facilities in the form of an emergency services complex and drastically increased manpower, training and equipment.

The entire Highway 80 corridor presents unique law enforcement challenges as it includes two power plants that service all of this area and part of Northern California, the railroad and freeway which are major transportation thoroughfares, two high-pressure natural gas lines, and a jet fuel line that supplies the military in Fallon. All are potential targets which create additional issues.

Our department is already impacted by such significant growth. The Cordevista project will have an even greater effect. Increased growth leads to increased crime, more calls for service, and additional emergency responses, accidents, public service, backup for other county agencies and all other aspects of law enforcement. We will need to build facilities in that area (substation, holding facility, dispatch, animal shelter, courts) and increase personnel with more shift deputies, administration, detention, investigators, dispatchers, animal control, and supervisors with all the associated expenses including vehicles, training, equipment, salaries, etc. etc. etc.

Finding solutions to the problems caused by such substantial growth is going to be both challenging and interesting. It will require a tremendous amount of hard work, long term planning, and committed teamwork.

6/26/2007

VH1017

Cordevista Impacts on Storey County Public Works

The proposed Master Plan revision that would allow a change from the existing Special Industrial zoning to mixed use. The 8,600 acres in the Cordevista property (5,400 acres of useable space) would definitely have an impact on the county Public Works department as currently structured. Any Planned Unit Development would almost certainly have an impact both in staffing and responsibility increases. Staffing for any future developments (regardless of location) in Storey County would require additional positions in the Public Works departments as responsibilities change. Currently we have a staff of two full-time employees, two-seasonal employees and borrow staff from the Virginia City Water System on a regular basis. All total including all Public Works departments we have total staffing of 10 employees, which includes the director. Budgets would need to be increased to accommodate the growth in related Public Works departments. It is not only staff that would be needed but facilities and additional vehicles and equipment would also be necessary. If Public Works presence is to be required with the PUD a facility would need to be constructed that would house staff and equipment.

As proposed the developer for Cordevista indicates that there would be no impacts to other populated areas / existing communities of the county. I would disagree, as all county taxpayers share the burden for necessary services, some more than others. With proper restrictions placed on such a proposed PUD the impacts can certainly be minimized but nevertheless are still present. This type of PUD would require that Storey County hire and/or contact with an independent planner to properly guide the development process.

Because the location is somewhat remote just by the nature of the lay of the land in Storey County, I believe it only makes sense to have the developer construct a connector (totally at the expense of the developer) road from Virginia City to the project. This access for ingress and egress needs to be built to specifications that are acceptable to Storey County. This route would provide a link from the south but other ingress/egress routes need to be constructed to the northeast linking the Tahoe Industrial Park and to the northwest linking the project to the Lockwood/Rainbow Bend areas. The construction of all routes needs to be at the developer's expense with no expectation of pay-back for this infrastructure from Storey County. If these routes and/or any other roadway systems within the PUD are to eventually be deed to Storey County, funds to proper maintenance must be taken into consideration. With the current structure of the Roads Fund budget with Public Works there are not currently sufficient revenues to accomplish existing maintenance of the current county responsibilities for streets and roads, so something would have to be changed in the budgeting process that would provide for the needed revenues to accomplish on-going maintenance.

What impact this proposed PUD would have on increasing flooding concerns for the northern portion of the county would have to be taken into consideration. I know the developer has indicated a verbal commitment to assist with the mitigation of flooding

from the upper Long Valley Creek area. This is an excellent commitment and with proper engineering flooding concerns in the Lockwood / Rainbow Bend areas could finally be mitigated.

The developer has indicated that water for the project will be imported from other sources outside of Storey County. Without doubt, water is probably the most important part of any development. The construction of underground delivery systems for water and sewer is a critical component. With this is the construction of plant facilities to treat the water for consumption and treating sewage before discharge of effluent. This requires a huge commitment of funding for mandated requirements to meet federal and state requirements. It may be prudent for the PUD to form a GID to operate the water and sewer systems. This would certainly require additional study and discussions with planners more familiar with impacts that this infrastructure presents and how to best handle on-going operations and maintenance.

It is almost certain that the proposed PUD would include set aside areas for open space and I would certainly hope that parks and other recreation sites are to be included. With the current assessment of \$250.00 per dwelling for parks and the restriction that the funds can only be utilized for improvements, the issue of on-going maintenance cost is of concern. Will a homeowners association be put into place for the maintenance of parks, pools and other recreation sites?

The above mentioned are preliminary areas of concern and if the project is approved there are likely to be other considerations and impacts that need to properly addressed. I believe it is crucial for Storey County to seek the assistance of professional planners that can work with the Public Works Department for addressing concerns and findings solutions that best address the impacts that the proposed Cordevista community will present.

COMMUNITY CHEST, INCORPORATED
P.O. BOX 980, VIRGINIA CITY, NV 89440 775-847-9311 FAX 847-9335

7 June 2007

Pat Whitten
Storey County Manager
Commissioner's Office
P.O. Drawer D
Virginia City, NV 89440

Dear Pat,

What follows is a summary of the *minimum* impacts on health and human services should the Cordevista project go forward. Of course, this is not a permanent list— it is, at best, an approximation of future need, a projected picture that could change.

Health care: assuming the population of Storey County would be roughly 77% of Lyon County (about 42,000 versus 54,000), there would need to be two full time public health nurses. We currently have a nurse for the County six days per month.

Youth programs— elementary: assuming there were two new elementary schools, we would need before-and-after-school programs at the two elementary schools, requiring 4 additional full time staff. We currently have two full time staff in these positions.

Youth programs— middle and high school: we currently have one full time person offering at-risk youth programs. We would need two additional full time staff in this role.

Counseling: we currently have two full time counselors. There would need to be two (minimum) additional counselors for the region. This (potentially) could include domestic violence, drug/alcohol, personal, and family counseling.

Food closet: we currently have one part-time person to operate the food closet. This region will necessitate a much larger food closet and hence at least 1.5 persons (using the Food Bank as the primary source of low-cost food).

Early childhood education: we currently have two classrooms on wheels serving Storey and Western/Central Lyon Counties. They both have waiting lists. This region would require at least two additional full time staff and buses for that purpose or a childcare center with appropriate staffing (3-plus full time personnel).

Prevention: we currently have a part-time person working on substance/poverty prevention. This region would require a full time person to implement these programs.

Impact Statement/2

Site of services: we currently have a facility for the provision of some of the above services. There will need to be a facility built to house these services and/or a community center to provide the larger community with recreation/gathering space. As is planned for in Virginia City, the nurse and childcare center could be located in the facility.

Coordination of services: we currently have one director of services. There would need to be a staff of at least two to implement all of the foregoing programs and to do so in conjunction with the current service provision at Community Chest. Community Chest could subcontract to provide these services if it was in the best interests of the County and CCI.

This does not address staffing of aging/WIC/TANF/and/or other federal programs— and recreation which are required of counties this size.

This proposal does not address any cultural or arts criteria, which will be required of a population base that size. That is, the Arts Council will be looked to for programs and coordination (along with other arts and culture organizations in the County). This will necessitate building in a budget for this purpose in the County (there are currently two arts organizations in Lyon County).

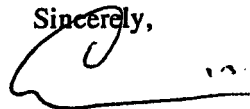
Thus, at minimum, it would require 18.5 additional staff, a facility to house the services, and a clear delineation of service coordination by CCI and the County.

Approximate cost: \$925,000 to \$1,150,000 for personnel (depending on qualifications) and a facility (current community center costs are \$2,016,500) for 6,000 square feet of space. Note: the state budget for health and human services is 30% of the general fund or 5.5 million in Lyon— or \$4,235,000 at 77% of their population in Storey County.

If the project should go forward, these health and human service requirements should be part of the proposed "Storey County Community Foundation." I would also recommend the ongoing operational costs of the Virginia City Community Center be included in this revenue stream (and the "hidden" costs of programs by Community Chest— as they will be impacted by the growth of the County).

Thank you for your consideration of these potential impacts.

Sincerely,



Shaun Griffin, Executive Director
Community Chest, Inc.