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MEETING OF THE
STOREY COUNTY COMMISSION

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VIRGINIA HIGHLANDS, LLC

TUESDAY, AUGUST 21, 2007

District Courtroom
26 South B, 2nd Floor
Virginia City, Nevada

Reported by: Marcia L. Ferr NV CCR #797

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APPEARANCES

STOREY COUNTY COMMISSION:

JOHN FLANAGAN, CHAIRMAN
GREG "BUM" HESS, COMMISSIONER
BOB KERSHAW, COMMISSIONER

STOREY COUNTY STAFF:

WENDY BACUS, CLERK
HAROLD SWAFFORD, DISTRICT ATTORNEY
MARILOU WALLING, ADMINISTRATIVE OFFICER
PAT WHITTEN, COUNTY MANAGER
DEAN HAYMORE, BUILDING OFFICIAL/BUILDING &
PLANNING ADMINISTRATOR

FOR STOREY COUNTY:

MARK H. GUNDERSON
ATTORNEY AT LAW
5345 Kietzke Lane
Reno, Nevada 89511

FOR APPLICANT VIRGINA HIGHLANDS, LLC:

STEPHEN C. MOLLATH
Prezant & Mollath
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Reno, Nevada 89509

MARK E. AMODEI
Kummer, Kaempfer, Bonner,
Renshaw & Ferrario
5585 Kietzke Lane
Reno, Nevada 89511

G. BLAKE SMITH, SOMERSETT

GREG HAWS, THE PLANNING CENTER

1 VIRGINIA CITY, NEVADA

2 THURSDAY, JULY 19, 2007, 6:00 P.M.

3 --o0o--

4 CHAIRMAN FLANAGAN: Okay.

5 MR. MOLLATH: Mr. Chairman, members of the
6 commission. My name is Stephen Mollath, I'm the attorney
7 for the applicant. With me here tonight is the applicant's
8 representative, Blake Smith, managing member of Virginia
9 Highlands LLC, Cordevista project. I also have with me here
10 tonight Mark Amodei, attorney for the project, and our
11 consultant, our main consultant Greg Haws, who will address
12 the planning issues that we're going to discuss tonight.

13 I've provided at the planning commission, and
14 which you also have -- I've talked to Mr. Gunderson, the
15 special counsel -- what we refer to as the record. And the
16 record is two binders Bates stamped and numbered Exhibits 1
17 through 133, starting with Bates stamp VH 0001, and they're
18 in chronological order. They contain all the transcripts of
19 the prior hearings, they contain all the submittals to the
20 planning commission and staff, and they contain all the
21 letters that were sent to -- for and against the project, to
22 staff and the planning commission and the county
23 commissioners.

24 We have agreed that Exhibits 1 through 133
25 constitute the record, except for a couple of items. The

1 first item was Exhibit No. 127, which is the Hi-Shear
2 stipulation that was in 1989, the Delta V special use permit
3 for the Hi-Shear property, which is the same property that
4 we're talking about here tonight. Hi-Shear was the
5 predecessor in interest to Virginia City Highlands, which we
6 think -- well, it was referred to at the planning commission
7 hearing relative to what the status of the property was, and
8 we feel that should be as part of the record, since it's
9 also a public record. And I know counsel had some concerns
10 about whether that's relevant to this proceeding or not, but
11 we submit that as part of the record.

12 And also Exhibit 133, which is a letter from Mr. Mark
13 Amodei concerning some recusal issues regarding county
14 commissioners. With those two things as an exception, I
15 think the special counsel for the county and I agree that
16 the two binders, Exhibits 1 through 133, constitute the
17 record, except for what's going to be presented here
18 tonight. That will be a supplement to the record.

19 And if I have stated that correctly,
20 Mr. Gunderson, please advise.

21 MR. GUNDERSON: We have agreed that the
22 agreed-upon record will include Exhibits 1 through 133, with
23 the exception of 127 and 133.

24 MR. MOLLATH: And without waiving our right to ask
25 that those records to be considered by the district court,

1 we understand the objections of Mr. Gunderson.

2 In regards to Exhibit 133, I'm going to ask
3 Mr. Amodei, before I get into the presentation of the issues
4 on the master plan and the zone change, I'd ask Mr. Amodei
5 to address Exhibit 133 for a moment, if I may.

6 MR. AMODEI: Thank you, Mr. Chairman. For your
7 record, Mark Amodei of the law firm of Kummer, Kaempfer,
8 Bonner and Renshaw. I think the correspondence speaks for
9 itself. I think the citation to the statute speaks for
10 itself. So if there are any questions from the
11 commissioners regarding the request, or counsel regarding
12 the request on the record, I'd be happy to respond to those
13 at this time.

14 MR. GUNDERSON: Well, thank you, Mr. Amodei.
15 Since the letter was addressed to me, I'll respond to your
16 request. I want to make sure that everyone understands that
17 the documents and the letter you delivered was received by
18 my office on Friday the 17th. There's a request in that
19 letter for a substantial amount of investigation and due
20 diligence on our part, and respectfully, we cannot and could
21 not in the time frame necessary prepare a written response,
22 which we fully intend to do. And we'll take that up at the
23 appropriate time.

24 My only question to you is, are you taking the
25 position that Commissioner Hess, in prospectively voting on

1 the Cordevista property, has actual bias?

2 MR. AMODEI: My answer to your question is an
3 understanding of NRS 281 indicates that it is a two-step
4 process. Before you can form an opinion on whether or not
5 there is a bias, you must have a disclosure. And to quote
6 the statute, that says, "You shall not act without
7 disclosing --" and I'm quoting from 281 right now --
8 "without disclosing sufficient information concerning the
9 commitment or the interest to inform the public of the
10 potential effect."

11 That is step one. So the position of the letter
12 is with the conflicting statements reported in the media,
13 compared with documents that are from the recorder's office,
14 compared with documents that are in the secretary of state's
15 office, it is impossible, with those conflicts, to form an
16 opinion as to whether or not there is a bias.

17 And therefore, in order to form that opinion
18 responsibly, the disclosure needs to be cleared up, in the
19 context of is there an interest in a managerial sense; is
20 there an interest in an ownership sense; are there documents
21 that are unrecorded that followed; were there changes in the
22 ownership of Civaletto. So the answer to your question
23 directly is without an appropriate disclosure, it is not
24 possible to form an opinion as to whether or not there is a
25 bias.

1 MR. GUNDERSON: So the answer, the answer
2 apparently is no.

3 MR. AMODEI: The answer is therefore, until a
4 disclosure in accordance with the statute is provided, it is
5 not possible to form an informed opinion about whether or
6 not there is a bias.

7 MR. GUNDERSON: And so at this point, based on
8 that information that you have, you are not making a claim
9 of bias. Correct?

10 MR. Amodei: We are making a claim that there is a
11 problem with the disclosure, and we are requesting that it
12 be pursued.

13 MR. GUNDERSON: That's fine. Now, can you tell me
14 why, Mr. Amodei, since this Cordevista project has been
15 pending for the amount of time that it has, that it was only
16 at the eleventh hour that this issue was raised?

17 MR. AMODEI: Well, actually, because the most
18 contradictory statement that happened in the whole context
19 of the letter is the one that was reported after the
20 planning commission meeting, which indicates that people who
21 thought that there was an interest, those were referred to
22 in the article, if Mr. Hess was quoted correctly, as just
23 allegations, and not true.

24 MR. GUNDERSON: Okay.

25 MR. AMODEI: So that was a complete repudiation of

1 the documents that are on file with the secretary of state,
2 the documents that are on file with the Storey County
3 recorder, and, to some extent, the document that you
4 provided for the October disclosure regarding the previous
5 project.

6 MR. GUNDERSON: Thank you, Mr. Amodei.

7 MR. AMODEI: Thank you. Any other questions
8 regarding the correspondence? Thank you, Mr. Chairman.

9 MR. GUNDERSON: For the commission's edification,
10 the letter, in my opinion, came too late to prepare an
11 adequate and substantive response. And I think it
12 manifestly unfair to place Commissioner Hess in the position
13 that he is without having a chance to respond to these. He
14 will be responding in an appropriate fashion at the point in
15 time that it is appropriate to do so.

16 But at least at this point, there is just a first
17 step of a two step process, and there is not an expressed
18 claim of bias at this point as to Commissioner Hess
19 participating in these proceedings. And I think it would be
20 an untimely request if it were, in any event, so that would
21 be my observations for the commission.

22 MR. MOLLATH: By that comment, Mr. Gunderson, is
23 that -- am I to assume that there will be no disclosure at
24 this hearing as to any involvement of Commissioner Hess?

25 MR. GUNDERSON: Just so you're clear, Mr. Mollath,

1 and so the record is clear, the breadth, depth, and extent
2 of the materials submitted by Mr. Amodei was not capable of
3 being researched in less than a one business day time frame.
4 And therefore, we'll make the appropriate response to the
5 request for disclosure once our due diligence has been
6 completed in a reasonable period of time.

7 We are not in a position and could not be in a
8 position, with the lack of timely application of the
9 presentation of these facts, to make a response that would
10 be responsible or responsive. So there will be no response
11 tonight.

12 MR. MOLLATH: Okay, and that means no disclosure
13 tonight of any fact or information concerning this matter?

14 MR. GUNDERSON: I don't know how many ways I can
15 say it. There will be no disclosures tonight because of the
16 lack of timely notice and the depth, breadth and complexity
17 of the issues that have been raised by Mr. Amodei. We will,
18 in the time frame that's provided for by statute, make the
19 appropriate response.

20 MR. MOLLATH: With that, I'm going to go into the
21 issues that are presented on the planning and zoning matters
22 for this evening. As I indicated, I have Mr. Greg Haws here
23 from The Planning Group, who will address the two issues
24 that I believe are the issues before you tonight.

25 The first issue, which is a threshold issue, is

1 the appropriateness of an application for master plan
2 amendment requested by staff to have this applicant process.

3 As I indicated in my letter of 7/13/07, Exhibit 47
4 in the record, to Pat Whitten, I believe that the request to
5 file and thereafter process an application for a master plan
6 amendment is inappropriate because we believe that the zone
7 change to mixed use is consistent with the master plan. And
8 if the zone change that is being requested is consistent
9 with the master plan, then there's no need for a master plan
10 amendment.

11 We have provided in the record, I believe at
12 Exhibit 30, tab 20, a conformance table which Mr. Haws will
13 get into with you and explain, which indicates that the
14 mixed use zone change application is consistent with the
15 master plan.

16 He will go over the master plan with you, and
17 explain why we believe as an applicant that a master plan
18 amendment is not necessary to be processed. But you
19 requested that it be processed, and we have to go through
20 that procedure.

21 But in no way do we construe or say that we waive
22 any of our right to the master plan amendment application or
23 the claim that the master plan amendment application is
24 appropriate, because we believe that the master plan
25 amendment is not necessary.

1 The second issue deals with the zone change. And
2 of course in that regard we have Exhibit 110, which is the
3 Cordevista impact staff report, which we agree with the
4 conclusions of that report, I think it's a very good report
5 that was prepared by staff. But these issues come into play
6 after a zone change is made by way of a detailed and
7 comprehensive review process. Mr. Haws will go through that
8 process with you.

9 The key to any zone change is that the zone change
10 has to be consistent with the master plan. And that gets
11 back to the threshold issue, we believe that the zone change
12 requested is consistent with the master plan.

13 Now, the State of Nevada has certain rules
14 relative to master plans, which I don't think Mr. Gunderson
15 would disagree with me, and those basic rules or principles
16 are that the master plan can't be utilized as a legislative
17 straitjacket within which to confine a public body in voting
18 or determining or administering a master plan.

19 It has to be, secondly, read as a whole and looked
20 at as a whole, not individual parts. So you can't pick a
21 little part out of a master plan and say it's inconsistent
22 with this section, but it's -- therefore it's inconsistent
23 with the whole master plan. Mr. Haws will get through that
24 with you when he does an analysis of the master plan.

25 So those are the basic legal principles that you

1 have to look at a master plan. You can't look at individual
2 lines and words, you have to look at the whole plan, the
3 scope and intent of the plan, how it's adopted, and whether
4 that plan is something that is universal in nature, not
5 specific in nature.

6 We've gone through a number of exhibits I'd like
7 to kind of point out to you that I think are important.
8 Mr. Haws will go over those with you.

9 We have the justification statement for the zone
10 change, which is contained at VH 0058. And thereafter, we
11 have a number of supplemental documents that have been
12 provided in the record to staff, which is the Exhibit 9, the
13 supplemental information tabs 1 through 7. Exhibits 13, 15,
14 and 16, which are the expert reports on drainage and other
15 technical matters. We have provided responses to the April
16 23rd, 2000 letter from Mr. Prater, and asking certain
17 questions, that's Exhibit 20. And our responses to that are
18 contained in Exhibits 26, 27, 28, 29, and 30 tabs 1 to 20
19 that talk about all the questions that were brought up by
20 Mr. Prater on April 23rd, 2007.

21 Exhibit 37 was the traffic study. Exhibit 40 is
22 the facts and rumors, the comparison of special industrial
23 to mixed use, which I believe is the current zoning, versus
24 the proposed zoning on the table on the right. Exhibit 43
25 is the housing study. And Exhibit 46 is the phasing letter.

1 Obviously a project of this side is going to be phased, and
2 that process is done in the planning process after the zone
3 change.

4 And clearly, in zone changes, you can't condition
5 zone changes, you can make a zone change or deny a zone
6 change. The conditions that are attached to projects are
7 attached in a context of a special use permit, planning a
8 new development, tentative map, and the like. So at this
9 point in time we're just talking about a zone change, and
10 you can't condition that.

11 But a couple things I guess I want to, you know,
12 make you aware of is the process by which the master plan
13 had included within it the property that is the subject
14 matter of this case's -- or this evening's case, has a long
15 history to it.

16 Usually, a planning process on a master plan is
17 undertaken in a manner by which the governing body's
18 planning commission, public input, and county commissioners
19 go through a reasoned process to determine what's going to
20 be included in the master plan, what should be part of the
21 master plan, and how a community should thereafter thrive,
22 expand, grow, the like.

23 In 1989 I represented Hi-Shear, which was the
24 owner of the property that is the subject matter of the
25 application today. Hi-Shear was the predecessor in interest

1 to Virginia Highlands. And at that time, because of certain
2 things that occurred on the property, Storey County sought
3 to revoke the special use permit for the use of that
4 property as an explosives testing, manufacture, rocket
5 testing plant. And there was a stipulation entered into,
6 which is Exhibit 127 to the record, whereby the county,
7 after the lawsuit that I filed against it, agreed that we
8 would comply with certain conditions in the operation of
9 that property as a rocket explosive and testing plant, and
10 that property was carved out.

11 Bear in mind that prior to that stipulation we had
12 a permit to operate that plant with no conditions on it.
13 And by virtue of the stipulation, the county got certain
14 conditions on it. Bear in mind, however, the county did not
15 want to see that rocket plant and explosives facility
16 continue.

17 Today, we're hearing kind of the opposite, that
18 now we have a master plan that includes this rocket and
19 testing plant, and therefore this applicant, even though it
20 owns the same property, there's an inconsistency with the
21 master plan, therefore there has to be an amendment.

22 Therein lies the issue. Because you have to look
23 at a master plan on an overall basis and as a whole, and you
24 can't just look at -- and I'm speaking from a legal
25 standpoint now, you'll hear from a planning technical

1 standpoint from Mr. Haws.

2 But you just can't look at the fact that on the
3 master plan there contained an element that said the
4 Hi-Shear property is a rocket testing and explosives
5 facility, therefore it's part of the master plan. It's
6 inserted in the master plan by virtue of a judicial decree,
7 not by virtue of a reasoned process in adopting a master
8 plan by the county, which ordinarily would have been done.

9 And also there is nothing contained in the master
10 plan which would indicate, separate and apart from its sole
11 inclusion, that would indicate that this type of facility
12 should be a part of this community in the master plan and
13 the overall conduct of the development and growth of this
14 community.

15 So with that said, I would like to turn it over to
16 Mr. Greg Haws, who will go through with you first of all the
17 threshold issue of the appropriateness of the application
18 for master plan amendment, and thereafter go through with
19 you the reasons from a planning standpoint why a zone change
20 from special industrial to mixed use is appropriate, given
21 all the circumstances. And we're here to thereafter answer
22 any questions that you may have, and we appreciate the
23 opportunity that you've given us to present this this
24 evening. Thank you.

25 CHAIRMAN FLANAGAN: Mr. Haws?

1 MR. HAWS: Mr. Chairman, commissioners. As
2 Mr. Mollath stated, my name is Greg Haws, I am the senior --
3 I'm a senior designer and director of the Utah office of The
4 Planning Center of Draper, Utah.

5 The Planning Center is a large planning firm that
6 specializes large scale planning issues. I've been with The
7 Planning Center nearly 10 years, and as a professional
8 planner, and I've personally been manager, project manager,
9 for four very large projects around the country that are
10 similar in size and complexity to the entire county of
11 Storey County.

12 I managed the Kennecott master plan. Kennecott is
13 transitioning from a mining operation in Salt Lake City,
14 that's 93,000 acres. I managed the Centennial project,
15 which is a 273,000 acre master plan transitioning to home
16 ranch, to residential development, and recent managed the
17 Estrella Mountain Ranch project just outside of Phoenix,
18 Arizona. And in the process of working on that project, it
19 evolved into not just a small master plan, but an analysis
20 of an entire region of approximately 240,000 acres.

21 As Mr. Mollath described, I will be discussing two
22 things. I will discuss compliance with the master plan, and
23 discuss the zone change.

24 As a professional planner, I painstakingly
25 reviewed your master plan. And as a result of that

1 investigation, I personally prepared this compliance
2 analysis that's found in the record, as Mr. Mollath
3 indicated. Based upon that thorough review, as a
4 professional planner, my opinion is that a master plan
5 amendment is not required for the Cordevista project. I'd
6 like to go through with you the master plan, and cite some
7 of the key references that support my conclusion.

8 Chapter 1, Introduction. Says the purpose of the
9 master plan is to provide goals and objectives for the
10 development of Storey County.

11 On the next page, in Section 1.2, Land Use Master
12 Plan Development, it states, "A further goal of this master
13 plan is derived essentially from the desire to preserve and
14 improve the present quality of life in Storey County, to
15 resist change -- changes detrimental to the historic
16 integrity of the Virginia City area, and to define
17 geographic growth areas, and to direct growth in all parts
18 of the county."

19 There's an assumption here that's very important.
20 The assumption is that change will occur, and growth will
21 occur in Storey County.

22 One of the key purposes of looking at a master
23 plan is to identify the goals and objectives. Let me just
24 go through this analysis. Section 1.4. It says Chapter 2,
25 Population. Goal number one, "Anticipate population changes

1 and the level of county provided services needed to
2 accommodate that change." Change will occur.

3 Chapter 3, Economy. Goal number one, "Enhance
4 diversification of economic opportunities within the
5 county." That when this document was created, Storey County
6 had a problem. They relied solely on tourism in Virginia
7 City to support the county. Someone had the vision and
8 foresight to put in here that we need to diversify the
9 economic base for the county.

10 There's a recommendation right underneath there.
11 "Contact the Economic Development Authority of Western
12 Nevada regarding membership and the coordinated development
13 of prime industrial land in the River District." Referring
14 to the area where TRI has now been approved and is up in
15 development.

16 Chapter 4, Housing. Goal number one, "Encourage
17 that adequate housing is provided all residents of the
18 county through zoning and planning." There's a nexus
19 between economic development and the responsibility to
20 provide housing for people who work and live in Storey
21 County.

22 Goal number three of Chapter 7 -- of Chapter 8,
23 Cultural Resources. "Protect the petroglyphs from
24 vandalism." As stated earlier this evening, you had an
25 incident there where vandals had come in and desecrated a

1 national treasure. Cordevista has pledged to protect the
2 petroglyphs, in compliance with the master plan.

3 Chapter 9, Land Use. Goal number three, "Provide
4 for the orderly development of the largest undeveloped area
5 in the county, north and east of Virginia City and south of
6 the Truckee River." The area that is indicated is exactly
7 where the Cordevista project is.

8 Objective 3.1, right under goal number 3, "Working
9 with regional economic development authorities, private
10 landowners, and state government agencies, initiate a study
11 of the resources in this area -- of this area and its
12 potential for residential, industrial, recreational, or
13 other types of development. Such a study would lead to
14 orderly and desirable development, enhance the natural
15 amenities of the area and increase the county's tax
16 revenues."

17 Cordevista accomplishes objective 3.1 of your own
18 master plan.

19 Section 4.3, Growth Prospects. This refers
20 specifically to what might happen if a large industrial
21 project like TRI was implemented. "Currently no future
22 growth prospects have been identified in Storey County that
23 would accelerate the county's population growth beyond the
24 expected rate. Industrial growth along Highway 50 and
25 Interstate 80 and in-migration from Washoe County, Carson

1 City and the State of California could increase the rate of
2 population growth over the forecasts prepared by the state
3 demographer."

4 There's an assumption in this document stating
5 that if there's a successful industrial project in the
6 county, there's a necessary population increase that needs
7 to be accounted for.

8 Section 4.5, Land Inventory. "Storey County land
9 inventory suggests there are enough parcels of land to
10 support growth through the year 2000." Seven years ago.
11 "Much of the vacant land is intended for residential use."

12 Let me go back up above, one paragraph up, there's
13 a definition of vacant unknown. "Under current Storey
14 County Code, these parcels are zoned forestry." The time
15 this document was adopted, the exact property recorded this
16 is, was zoned forestry. It wasn't until 1999 that the zone
17 for this project, this property, was changed to special
18 industrial.

19 "Converting parcels of land from vacant unknown to
20 vacant single family will depend upon access to the land,
21 water availability, suitability of the land for development,
22 and required services. Future consideration should be made
23 for households who earn relatively low wages by designing
24 additional parcels of land for the development of
25 multi-family housing units. Based upon the availability of

1 vacant land and accessibility, future growth can be expected
2 to be limited to the four communities. However, there is a
3 large amount of land in the north-central section of the
4 county which is in private ownership and has considerable
5 development potential."

6 Storey County Management Plan is identifying the
7 Cordevista property as an area that has considerable
8 development potential. And states in that same paragraph
9 residential, industrial, and so forth.

10 You know, I searched at great depths to find in
11 the goals and objectives one item that suggested that the
12 Cordevista project, property, should be a rocket testing
13 plant. There are no goals and objectives in your master
14 plan that suggests this land use. There's one citation in
15 section 9.1.5, The Great Interior, that speaks directly to
16 the Aerojet facility.

17 Why was that included in the master plan? As
18 Mr. Mollath has explained, back in 1989 Storey County wanted
19 to revoke the existing specific use permit for Hi-Shear.
20 Hi-Shear won that, and were able to keep their special use
21 permit intact. That inclusion in the zoning code in 1999
22 was based upon a judicial decree to protect the preexisting
23 nonconforming use of a -- that's very nice. Feels like an
24 oldtime dance.

25 The judicial decree was to protect a preexisting

1 nonconforming use by an existing landowner. That landowner
2 has changed, and is now requesting a zone change from
3 special industrial to mixed use development.

4 Finally, in summary, in terms of the master plan
5 analysis. The master plan is very clear. It calls for
6 economic development. The TRI is the embodiment of that
7 economic development. It was a great concept to diversify
8 the economic base of the county, the TRI satisfied the
9 needs. The master plan also identified key growth areas.
10 There are very limited growth areas where development can be
11 accommodated. Mr. Smith in other meetings previous to this
12 showed exhibits where there's only a limited amount of area
13 in the central part and northern part of the county that can
14 accept development.

15 Based upon my thorough examination of this
16 document, I find that the Cordevista project is in
17 compliance with the Storey County Master Plan.

18 MR. HAYMORE: Mr. Commissioners, can I respond to
19 some of the comments?

20 CHAIRMAN FLANAGAN: Go ahead.

21 MR. HAYMORE: Commissioners, my name is Dean
22 Haymore, I'm the Storey County Building Official and
23 Planning Administrator. I took this office on June 8th,
24 1987. My first day on the job I was in court all day
25 defending Boardwalk, the second day I red-tagged Hi-Shear

1 and closed them down. Because of noncompliance, and
2 everything that was going on up there.

3 With that, I implemented the -- was the one that
4 asked the county commissioners to have a show cause hearing
5 to pull their special use permit to run a rocket fuels plant
6 up there, because of numerous complaints, numerous
7 noncompliances, and numerous explosions. Typically, three
8 explosions that exploded many of the buildings 100 feet
9 away.

10 So with that, the county commissioners did have a
11 show cause hearing. I said in this meeting Hi-Shear at that
12 time said they wanted to be good neighbors, and Mr. Mollath
13 was correct, the next day we were sued. We hired outside
14 counsel to work with us, and then we came up with -- there
15 was some stipulations in the special use permit that was
16 enforceable on the original special use, that was approved
17 and in place before I took office.

18 Some of those were unreasonable and unsafe. Some
19 of those we negotiated with compliance, and came out with an
20 understanding -- and it wasn't anybody won, it was an
21 understanding of what their special use meant, and what they
22 could do in that operation up there at that facility.

23 With that, I was the one that implemented and
24 asked the county commissioners, when we saw the potential of
25 the land of TRI, took the county commissioner out there and

1 showed him, and he told me, the county commissioner said put
2 a planning commission together, and we started with the
3 master plan.

4 Some of this master plan referred in there -- and
5 I want to refer back to some of the things that Greg said,
6 excuse me. "The further goals of this master plan is
7 derived essentially from a desire to preserve and improve
8 the present quality of life in Storey County."

9 I take that very serious as my responsibility to
10 all the residents of Storey County, to preserve and enhance
11 the quality of life of everybody that lives in Storey
12 County.

13 With that, he is correct that it was reactionary
14 that we put in the master plan, under that time -- Hi-Shear
15 changed their name to Defense Systems. Hi-Shear -- I spent
16 two weeks in Reno with the EPA and the FBI, and we stung and
17 hit Hi-Shear and found numerous violations which related
18 into \$1.3 million worth of fines and two gentlemen put in
19 jail for five years.

20 So with that, Defense System then sold, and that's
21 why you see the word Aerojet. And Aerojet bought the
22 facility, worked with us, and worked with us on making sure
23 we had the proper buffer zones, because of what it was
24 permitted to do out there; they were making rocket motors,
25 they were making explosives that would leave the ground,

1 that needed to be tested in the area, that were very unsafe.
2 So we are -- Mr. Haws is correct, we did, reactionary, put
3 that in the master plan that we needed to put a proper
4 zoning out there for the protection of the owners and the
5 protection of the surrounding residents.

6 What is not correct is Storey County does not
7 believe that's a good zoning. We don't, and I'll say that,
8 because it's a nasty zoning. And we're concerned about
9 that, and we need to address that zoning out there
10 currently.

11 Mr. Blake Smith says if he cannot get his change,
12 that he can go in there, and he is correct, he can go in
13 there and bring those kind of companies in. We've
14 experienced that with our neighbor in Lyon County, where
15 they put one down right by a school, and with an explosion
16 or a disaster it can poison all the people around, and we're
17 concerned about that. And that is my job, to protect and
18 preserve the quality of life of every taxpayer and every
19 worker and everyone in Storey County.

20 So I just wanted to let you know there's a lot of
21 history behind what happened there. Why we did it, and
22 where we went.

23 Mr. Mollath is correct. If this was approved,
24 this is so big that every part of the master plan needs to
25 be changed. Every part of the master plan completely

1 changes in Storey County. Where we don't have busing, we
2 can't afford to get busing out there to the employees now.
3 Every part of the environmental, every part of the
4 recreational, every part of the fauna, every part of the
5 master plan has to change.

6 And so I firmly still believe that an amendment is
7 required so we know the impacts on our current master plan.
8 And this project would cause those impacts. Thank you.

9 CHAIRMAN FLANAGAN: Thank you. Just one moment.
10 Pat?

11 MR. WHITTEN: Mr. Chairman, for your record, Pat
12 Whitten, Storey County Manager. First off, I commend the
13 three of you, all three of you, for specifically taking this
14 process and letting it run its course through our planning
15 commission. I am exceptionally proud, I've attended I
16 believe every hearing, every county held hearing on this
17 matter, and I think they have done an extremely thorough
18 job.

19 I want to make sure that as you consider their
20 decision that you base your decision on the facts. And I'm
21 a little worried about that, because quite honestly, this
22 has been an extremely thorough process. We've provided you
23 copies of every transcript, although I apologize the most
24 recent transcript of the Virginia City hearing wasn't
25 delivered until yesterday, due to delays.

1 What I want to tell you, what I've learned in this
2 process, is -- and no disrespect to Greg or others, we've
3 worked with him throughout this process and others -- is we
4 can bring up other plans that can give you the other side of
5 that story. Staff's job isn't to try to sway your opinion.
6 Staff's job, quite honestly, is to hit the ball straight
7 down the middle. And as I think I heard Dean say, follow
8 through on whatever the decisions are.

9 But taking a couple of those statements that I
10 heard, and going through the process that I've watched our
11 planning commission go through, I take some pretty strong
12 exception. You know, A, you can hear the statement and take
13 it at face value one of the requirements of our master
14 plan -- which is a good document by almost everybody's
15 standards -- is to ensure that adequate housing is provided.

16 Well, I have to tell you, you know, we've got a
17 lot of houses on the books. You guys have approved, through
18 both the planning commission process, a master plan
19 amendment, went through the same process as we have
20 requested this developer and this applicant to go through.
21 You've already approved the master plan amendment and the
22 zone change under the very same circumstances at the Painted
23 Rock development. Is that a level of adequate housing?
24 That's really for you to determine.

25 We provide for orderly development. This probably

1 is my biggest concern, I have made several speeches trying
2 to stay as independent as I can. We have 4,110 people in
3 our county right now. With 22, 2500 acres in Painted Rock,
4 another 3500 homes anticipated, just the Painted Rock
5 development, that is going to take our county up, using 2.7
6 residents per housing, that's going to take our county
7 residents up over 12,000.

8 I question the staff, and we tried to question in
9 the staff report, which has already been recognized as a
10 good document that needs to be addressed somewhat down the
11 road, how orderly can a development be with 17,500
12 additional homes.

13 The master plan calls for economic development.
14 And again, a statement that I do agree with, is TRI
15 satisfies that.

16 The last issue that I really have, and again I
17 want to be sure that you focus on as you consider this, is
18 the fact that if we are going to preserve and enhance --
19 which is the overall theme of that master plan -- you have
20 to take a look, I believe, at the appropriateness of this
21 project as it has been submitted and as it has been heard,
22 and not necessarily as it may be adapted tonight or in the
23 future. Thank you.

24 MR. HAWS: I respectfully disagree with you, Dean.
25 And I think the master plan does not need to be completely

1 overhauled if things will change, however. That growth is
2 foreseen in your own master plan.

3 The issue here is whether we are compliant with
4 what it states in the master plan. I do respectfully submit
5 as a professional planner that we do comply with the goals
6 and objectives as stated in the plan.

7 I want to speak now about zone change. My
8 experience, working with very large scale planning efforts,
9 they tend to be very complex. There are a lot of issues
10 surrounding a plan of large pieces, large contiguous pieces.
11 But going through all those complexities, there's a simple
12 formula. We're going to give you a little planning 101,
13 here. There are three main ingredients for a sound large
14 scale plan.

15 You need to identify first the vision. What is
16 the vision for this place. Well, you have a vision. It's
17 stated clearly in your master plan. It identifies what this
18 place wants to be. One of the critical objectives was to
19 increase the diversification of economic development. That
20 has resulted in establishment of TRI. That changes things
21 significantly.

22 The second thing a large scale plan needs to have
23 is it needs to identify structure. What are the
24 infrastructure requirements to support that vision? What is
25 the circulation plan required to support that vision? What

1 are the critical public amenities that will be required to
2 support that vision? A lot of time is dedicated to crafting
3 what that structure is.

4 UNIDENTIFIED SPEAKER: I'd like a point of order,
5 please. On the agenda here it says that this requested zone
6 change will only be heard when and if the master plan
7 amendment has been approved as requested.

8 CHAIRMAN FLANAGAN: Our attorney advises that he's
9 right.

10 MR. MOLLATH: Counsel, am I to interpret that as
11 we are precluded from presenting the testimony of our expert
12 concerning the propriety of the zone change as it relates to
13 the master plan amendment and all issues related thereto?

14 MR. GUNDERSON: No. What I said was what's on the
15 agenda tonight is to vote up or down on the planning
16 commission's decision related to the master plan amendment.
17 Because they did not reach the zone change request.

18 To the extent that you're addressing the comments
19 to the master plan, Mr. Mollath, you certainly have free
20 rein to do that. But I think the concern is that we're
21 going to wander far afield and talk about zone changes, when
22 in fact what's really on the agenda tonight is the master
23 plan amendment.

24 We're not going to cut you off, you may make your
25 presentation.

1 MR. MOLLATH: Because I don't -- I disagree,
2 counsel, that the only issue tonight is the master plan
3 amendment. I don't really care what the planning commission
4 did or didn't do in their wisdom. What I care about is the
5 application that we filed was for a master plan amendment,
6 the request of staff, and a zoning change application. We
7 are entitled to have both the planning commission consider
8 that in any way, shape or form that they desire to consider
9 it, and we are entitled to have the county commissioners
10 consider that in any shape, manner or way they're entitled
11 to. But we're entitled to have our evidence presented and a
12 decision made.

13 MR. GUNDERSON: Did I not just say that,
14 Mr. Mollath?

15 MR. MOLLATH: I think you did, but I just want to
16 make this clear.

17 MR. GUNDERSON: You need to listen to me and not
18 make a speech. What I said was you may make your
19 presentation. I told you this two days ago, and you may.
20 You use the time however you wish. We both agreed that you
21 would take no more than an hour to do so, and according to
22 my calculations you're about 35 or 40 minutes into it. Use
23 your time however, make your presentation, but what the
24 planning commission did is what the primary issue is for
25 this commission to address. So make your case and make your

1 presentation.

2 MR. MOLLATH: And I'll again turn it over to
3 Mr. Haws, and we'll discuss the zone change issues as it
4 relates to the master plan.

5 MR. GUNDERSON: And I said that was fine.

6 MR. MOLLATH: Okay.

7 MR. HAWS: Again, reiterating. First thing is to
8 identify a vision, which you've done in the master plan.
9 The second is to identify structure. The third thing, third
10 and final critical issue with large scale planning is to
11 define the economic engine. How can we sustain the vision.
12 How can we sustain a community. Your master plan does that.

13 You know, economic development is like planning
14 for retirement. And your own master plan states it best, it
15 says in Chapter 3.1, the goal number one, "Enhance
16 diversification of economic opportunities within the
17 county."

18 In other words, it says don't put all of your eggs
19 in one basket. We learned a lot of lessons on September
20 11th about that very thing. Don't put all of your eggs in
21 one basket. Our request to change the existing zone from
22 special industrial 2 to mixed use development will help the
23 county accomplish this goal.

24 Cordevista complements TRI, as it diversifies the
25 economic opportunities for the county. It also provides

1 housing to ensure the long-term success of what you've
2 already done.

3 It is my belief that existing zoning on this
4 property is unnecessary and redundant in the shadow of the
5 country's largest industrial park. In my professional
6 opinion, a few more of the same eggs in the same basket is
7 not a wise thing to do.

8 I applaud you as a commission for implementing
9 your master plan. It's a good plan, it's a great document.
10 It's visionary, it's forward-thinking.

11 You did the right thing with TRI. TRI changes
12 everything. It changes the context, it changes the
13 rationale for adjacent land uses. It impacts the county
14 severely. A lot of those things have already been done.

15 You did the right thing with TRI, it's a great
16 economic engine and a diverse economic base for this county.
17 You did the right thing with Painted Rock. Painted Rock is
18 the first response and step in making sure that TRI is a
19 success. But it's not the final step, it's only the first
20 step.

21 You did the right thing. I implore you to stay
22 the course. Make the very difficult decisions that you have
23 before you to make sure that the plan, the master plan for
24 Storey County, is a success. Cordevista is the next step,
25 the next very difficult decision to make sure that the

1 master plan is a success.

2 My final statement is I believe that the zone
3 change from mixed use development -- from special industrial
4 to mixed use development is sound planning. Those are my
5 comments.

6 Do you have any questions?

7 CHAIRMAN FLANAGAN: Thank you.

8 MR. HAWS: Thank you very much.

9 MR. MOLLATH: I believe we probably have about 15
10 or 20 minutes left, and I reserve that for rebuttal.

11 CHAIRMAN FLANAGAN: We'll move on to the speakers.
12 I'll remind you again it will be three minutes each. The
13 first one is Rusty Aldrich.

14 MS. ALDRICH: Rusty Aldrich, Virginia City. Is
15 this working?

16 MS. WALLING: Pull it down a little bit.

17 MS. ALDRICH: Is that better?

18 MR. HAYMORE: Speak in the little one.

19 MS. ALDRICH: Okay, Joanne Aldrich, Virginia City.
20 I'm here to present the petitions that were circulated on
21 the Cordevista issue, although Cordevista was not mentioned
22 by name, and the attempt was in the language of the petition
23 to address the long-term planning issues. So I'll read my
24 statement, if I may.

25 I wrote the petition, and I hereby submit the

1 original master plan petition to Storey County
2 Commissioners.

3 Included are 35 sheets signed by 617 Storey County
4 residents between March 25th and April 13th. We actually
5 got more signatures, but they kind of fell by the wayside
6 after I presented this to the commission, so I'm giving you
7 an exact copy of what the planning commission got.

8 On behalf of the hundreds of Storey County
9 residents who signed the petitions, spoke out, wrote
10 letters, attended meetings, and consistently expressed a
11 widespread grassroots consensus against Cordevista and
12 similar developments over the last year, we hereby make a
13 formal request that Storey County Commissioners take a stand
14 on the following three issues outlined in the petition
15 language.

16 I'd like to clarify the language a little bit, I'm
17 not going to repeat what the plan says -- or what the
18 petition says, because you have copies in front of you. But
19 I'll give my comments.

20 We ask that you bring this issue to a vote of the
21 people by the way of including language on the Nevada state
22 ballot that would henceforth make it illegal for any
23 developer or group of developers to circumvent the
24 intentions stated in the current Storey County Master Plan
25 without going through a formal master plan update process

1 first that includes public hearings.

2 We ask that you commit to completion of the master
3 plan update process within the next two or three years. As
4 part of the update process, please commit to conducting open
5 and honest public hearings for the purpose of presenting
6 research, discussing options, and soliciting public input
7 prior to the preparation of a final draft document.

8 We ask that you implement a moratorium on
9 applications for large scale residential developments by
10 instructing the planning commission not to consider any such
11 amendments, rezones or changes to the master plan until
12 Storey County residents speak on the issue by casting their
13 votes in a county-wide election.

14 We expect you to reject Cordevista tonight as
15 recommended by the courageous planning commission, and to
16 stand with us against those who do not have our best
17 interests at heart.

18 And I thank every one of you. Commissioners,
19 county staff, and all the wonderful people of Storey County.
20 It was a community effort, and I believe we will prevail
21 here tonight. Thank you very much.

22 CHAIRMAN FLANAGAN: Second speaker will be David
23 Abel.

24 MR. ABEL: My name is Dave Abel, A-b-e-l. I've
25 been a Highland resident for 27 years, also Storey County

1 resident. And with the assertion by Mr. Amodei over here as
2 far as Bum's causing us all to be here in unison to vote
3 against this and not support this travesty in our county,
4 I'd like to rebut that. Because I myself am a columnist for
5 a local paper up here, and since this whole project started
6 I have pounded this gentleman here constantly without any
7 rebuttal in the paper as far as the accusations that I've
8 made against him.

9 He's promised this county, and he's hit up certain
10 areas of this county basically with smoke and mirror
11 propaganda. One of them is that he would supply the
12 Highlands with water. Well, he might supply it with water,
13 but to get it to the whole populace in the Highlands it
14 probably would be estimated at a couple hundred million
15 dollars.

16 Secondly, he promised Lockwood he would quit --
17 stop the flooding down there and supply new schools. I
18 don't believe it's up to him to stop flooding in Lockwood,
19 it's up to the county to do something about that. And as
20 far as the schools go, Painted Rock is going to have schools
21 that are long before a proposed subdivision, new city I'd
22 like to call it, in the middle of -- on the zone map up
23 there you can see that this area is right in the middle of
24 TRI. What's wrong with it being a part of TRI, rather than
25 a bunch of homes in there?

1 The developer of TRI at the planning commission
2 meeting said that they didn't really need the housing from
3 Cordevista. They have plenty of people out there to work.
4 Also, he said that -- and one of Mr. Smith's presentations
5 out on the Highlands, they showed basically an access
6 through TRI to Cordevista. Well, he denied that, too, he
7 said that that isn't at the time been approved, either.

8 Excuse me. And the other thing about Mr. Amodei
9 over here, he's asking Mr. Hess to probably recuse himself
10 from this vote when -- what are you, our elected official?
11 Senator? Or are you a high bucks lawyer for Mr. Smith over
12 here? What are you? You're claiming --

13 MR. AMODEI: That was in the transcript.

14 MR. ABEL: You're claiming Bum has organized all
15 of us in this county to petition against Mr. Smith. There's
16 got to be something else going on, because actually, we
17 don't want that there. We want the commission to basically
18 follow our master plan, no matter what the expert on master
19 plans said that you sit in front of us. You can get a
20 lawyer to decide anything, to fight any side of anything.
21 That's what's happening here, and all that's happening with
22 this gentleman here.

23 All I can say is I just -- I plead with you guys,
24 John, Bob, and Bum, follow our master plan, and deny this
25 project. That's all I have to say, thank you very much.

1 CHAIRMAN FLANAGAN: The next speaker is Bill
2 Sjovangen.

3 MR. SJOVANGEN: Thank you, Mr. Chairman. I'll try
4 to be as brief as Dave. I want to say first of all I'm
5 amazed at how the residents of Storey County have on their
6 own pulled together on this project and many others in the
7 past. I think this Cordevista project in particular has
8 really galvanized this county. They've acted as individuals
9 and small groups, they've written letters, they've collected
10 signatures on petitions, they've put up a number of websites
11 about Cordevista, they've passed out fliers, they've nailed
12 up signs, and all this has been done with their own
13 volition.

14 And all, for the most part, in opposition of
15 Cordevista. The residents have come together in unity many
16 times in the past before this commission, before the
17 planning commission, and in fact before the state
18 legislature. And I think that it says a great deal for the
19 people in this county. They know what's going on, and they
20 know what's best for them.

21 The Cordevista project, as far as I'm concerned,
22 is totally counter to the county master plan. That area was
23 zoned for special industrial, slash, forestry for very good
24 reason. The area was never designated and never intended to
25 become residential area. We've got too many problems up

1 there, you cannot mix residential and industrial. We're
2 going to have some problems down the road with TRI if we put
3 residential up there. There are going to be residents
4 running into big trucks, all sorts of problems.

5 And in closing, I would encourage you to approve
6 the minutes of the planning commission meeting. Thank you.

7 CHAIRMAN FLANAGAN: The next speaker would be
8 James Reeves.

9 MR. REEVES: My name is James Reeves, and
10 hopefully I'll be able to speak loud enough so all of you
11 can hear. This is the second meeting I've been to where I
12 can't hear anything.

13 I've been a resident here for four years, five
14 years in Clark County. And I have a question. Has there
15 been an environmental impact report requested and done? I
16 don't think there has been, but I can tell you this, we live
17 in a desert. If you want to see what happens if you don't
18 look out for your environment, go to Clark County, take a
19 look at Lake Mead. This is what happens when people develop
20 in a place that's a desert.

21 We live in a desert. Take a drive over a desert,
22 just two wheels, and see how long it takes for that to
23 redevelop. It takes years.

24 This thing is a monster. And it's a mistake. I
25 spoke with Mr. Smith over the phone after having driven out

1 to take a look at where he's going to get his water. I had
2 a nice discussion with him. He wouldn't divulge to me where
3 he's going to get his water. But I can tell you people, if
4 we don't have water -- and our table is going down every
5 year, the static level is going down, down, down. And
6 any -- if you people don't know it, you're deep, your well
7 is really deep. We have run out of water. We have a lot of
8 friends who are running out of water. We live in a desert.
9 So kill this thing. Please.

10 CHAIRMAN FLANAGAN: Cathy Lee James.

11 MS. JAMES: Thank you for the opportunity to
12 speak. Contrary to my customary wont I've written it down,
13 because I'd like it to become part of the record.

14 I'm Cathy Lee James, and I'm a proud resident of
15 Virginia City and even prouder resident of Storey County,
16 and I'll tell you the two reasons why. In times where it
17 seems there's a dearth of honesty and openness in
18 governments we often feel our voices fall on ears of
19 politicians who act heedless of those they represent. It's
20 an absolute joy to live in a county where the opposite is
21 true.

22 And our neighbors in this 4,000 strong county are
23 an equal joy. We are an eclectic lot, but we know how to
24 work together to protect the good life we've found here in
25 Storey County. The best example of those two things played

1 out in the last several months since Blake Smith came to
2 town. The root is this textbook case of how good, honest
3 government and determined citizen activism should work.

4 From the inception of the Cordevista proposal,
5 Blake Smith and Mark Amodei have been given every possible
6 opportunity to make their case for the massive development
7 they hope to impose on the heart of this rural county. They
8 have offered town hall meetings, we've attended them in
9 droves. They've contacted residents through The Post, we
10 dutifully read everything they purported to say as truth.
11 They utilized AT&T in their attempts at persuasion in untold
12 numbers of phone calls.

13 And finally, they've been extended the gift of
14 fine locations by our open, honest and deliberate body of
15 planning commissioners. No less than four planning
16 commission meetings were held in all quarters of the county
17 so that no residents could avoid the impact of the
18 Cordevista proposal's 27 three-by-six colored glossy
19 placards with the circles and arrows and paragraphs in the
20 back of each one.

21 We've listened, we've deliberated, and we, the
22 citizens -- residents of Storey County came to the
23 conclusion that Cordevista is not right for our county. And
24 we came together as citizens of this county to say no, and
25 we said no resoundingly. Over 600 residents signed their

1 names to that resounding no.

2 That 600 is especially notable considering it's
3 over half of Storey County residents who voted in the last
4 election. Notably, this is in stark contrast to the Painted
5 Rock development proposal, which garnered not a single voice
6 raised in opposition.

7 Concurrently, our local government deliberated
8 over months of meetings. They came to the same resounding
9 conclusion, Cordevista is not right for our county. And
10 they voted it down.

11 Today we await the commissioners' approval or
12 denial of that decision. We hope fervently that the
13 commissioners will concur with our planning commissioners.
14 That they, all three of our Storey County commissioners,
15 have conducted themselves with honor and dignity throughout
16 the process, eschewing any involvement in either the
17 planning commission meetings and deliberative process or the
18 grassroots movement of the citizens of Storey County.

19 As I said at the outset, a textbook case of how
20 good, honest government and determined citizen activism
21 should work. I could say a shining example in a weary
22 world, but I won't. Let us hope that it remains that way.
23 Let us hope that our good names and our good government and
24 our good county are not dragged into court if the purveyors
25 of massive developments are not given their way. Let us

1 hope that doing things the right way from beginning to end
2 is given the respect and honor it deserves.

3 CHAIRMAN FLANAGAN: Let's see, I'm having a little
4 trouble reading this next one. Jim Work?

5 MR. WATSON: Jim Watson.

6 CHAIRMAN FLANAGAN: Jim Watson.

7 MR. WATSON: Jim Watson, I live on Geiger Road in
8 the Highlands. You're a hard act to follow.

9 There's a couple things that I want to bring up in
10 particular. I sat at every meeting, and there were several
11 questions that I never got answers to. I got a lot of
12 evasive answers. There's one, for instance, when I said
13 your definition of open space, I never found that out. The
14 other thing that has come up recently, what this community
15 needs is a change in the zip code before any of this
16 happens. That's got to be changed before any of this
17 happens.

18 If you won't pay attention to history, you're
19 going to repeat it. The petroglyphs represent history.
20 That type of area, that type of historical area, needs to be
21 preserved. Not by a developer. I think it needs to be
22 preserved by the county or some organization that's capable
23 of doing it correctly.

24 The first thing I want to do is thank the planning
25 commission for all their work. I cannot believe the hours

1 and the time and their attention to detail. It's really
2 appreciated by me, and I know by everybody I know.

3 The other thing is when you talk about the
4 industrial special use area, and it shouldn't happen because
5 it's nasty. I'm an explosive engineer, I worked with
6 explosives for most of my life. Believe me, that's
7 something safer than driving on Cordevista streets. There
8 are so many federal regulations, state and federal,
9 governing explosives, governing chemicals, that you're going
10 to have a lot of support handling that. It won't be between
11 the residential developers and the county, you'll have all
12 the other organizations involved. It's not a bad deal.

13 Again, thank you very much. Thank you,
14 commissioners.

15 CHAIRMAN FLANAGAN: The next speaker is Thomas
16 Purkey.

17 MR. PURKEY: Thank You, Mr. Chairman. My name is
18 Tom Purkey, I'm a resident of Virginia City. I'm also a
19 professional planner, I've been a certified professional
20 city planner for over 25 years. And I'm very confused about
21 the argument that Mr. Mollath and company there seem to be
22 presenting, that this master plan doesn't need to be amended
23 in order to approve their proposed zoning ordinance. It's
24 very clear to me, reading this, that this master plan does
25 present a clear vision for Storey County.

1 For instance, Section 1.2 Paragraph 2 states,
2 "Since 90 percent of the county land is in private hands,
3 the potential threat of change is perceived to come from
4 large scale land subdivisions. This type of development
5 could destroy the historic land use patterns, unique social
6 and architectural environment of Virginia City and Gold Hill
7 area, and other values which residents want to protect."

8 I don't see how you can possibly approve a zoning
9 change that has -- that comes behind this type of a clause
10 in the master plan. The zoning ordinance has to conform to
11 the master plan. As long as this clause is in the master
12 plan, I don't see how you can approve the zoning ordinance.
13 And I don't see how you -- why you would want to change that
14 clause in the master plan.

15 There's been talk about the master plan presenting
16 a vision for the county, and I think this master plan does
17 present a vision for the county. If you want that vision to
18 change, then change the master plan. But I think that the
19 people here, and myself included, don't want to see that
20 vision changed.

21 And I moved here for a reason, and I would like to
22 see this community, this county, adhere to what -- the
23 vision that has already been presented and written up in the
24 master plan that has been in effect for a number of years
25 now. I don't think the community wants to change that

1 vision.

2 So it's -- you know, I've been to the planning
3 commission hearings on this issue, and I just want to say in
4 my professional career I have never seen the planning
5 commission do such a great job in looking at a proposal,
6 coming up with questions that addressed the issues, and
7 making a sound decision based on questions and on the issues
8 that are being presented to them.

9 So you know, I think you've got to, for the vision
10 of this community, you've got to hold to this master plan.
11 This master plan governs what the zoning ordinance may
12 eventually be. But, you know, I don't think the community
13 wants the master plan changed, and I think that the planning
14 commission has done such a stellar job in these hearings,
15 and looking at this issue, that you're not going to have
16 much chance of losing a lawsuit that may or may not come.

17 So it's -- I would like to thank the planning
18 commission, I just hope that you will uphold their
19 recommendation.

20 CHAIRMAN FLANAGAN: That is the last speaker.

21 MR. MARGOLIN: Excuse me, I didn't get to fill out
22 one of those forms. Could I have a few minutes?

23 CHAIRMAN FLANAGAN: Okay.

24 MR. MARGOLIN: My name is Jed Margolin, I live in
25 Virginia City Highlands. Blake Smith has a history of

1 providing important documents to the commission and this
2 board at the last minute. He provided his white binder to
3 the planning commission two days, I believe, before that
4 meeting. His master plan. The transcript for the planning
5 commission meeting was provided to the county I believe
6 Friday afternoon. It was provided in a format that requires
7 special software to read it.

8 I received that on Monday, and was able to convert
9 it to PDF and post it on my website that evening, which is
10 way too late for the majority of people to have read it.
11 And that is an extremely important document. I believe that
12 shows disrespect for the process.

13 In speaking to that -- I'm just roaming on, I'm
14 sorry. I urge this board to accept the recommendations of
15 the planning commission. It's my understanding that Blake
16 would have a year, and then he could file a new application.
17 Is that correct? Does anybody know?

18 MR. HAYMORE: I think so.

19 MR. MARGOLIN: And I would recommend that during
20 that year, Blake and his family move up here, and -- and
21 live among us, and then you'll understand this county. And
22 hopefully, you will love it as much as we do. And maybe
23 you'll make some changes in your plan.

24 CHAIRMAN FLANAGAN: You can go ahead with your
25 rebuttal.

1 MR. MOLLATH: Thank you, Mr. Chairman. I'm going
2 to have Mr. Haws come up and address the issues that the
3 public has brought up concerning the master plan. But what
4 kind of disturbs me is what I'm hearing from the audience
5 and citizens here is we need to change this master plan and
6 the rules mid-stream, and words like moratorium. The issue
7 that's really before you is whether this master plan allows
8 and treats as consistent a mixed use development. If the
9 master plan allows that, then the zoning change has to go
10 forward. And then the issue becomes is the zoning change
11 appropriate from special industrial to mixed use.

12 Now, all the process of how that development
13 unfolds, how big it's going to be, the infrastructure,
14 that's for another day. That's not for what we are here for
15 today. But what I'm hearing is we don't need any more
16 bunches of housing. Follow the master plan and deny the
17 project.

18 It is our opinion that the master plan allows for
19 this project. And it was intended to be residential in this
20 particular area along with a mixed use.

21 So I'm going to have our consultant, Mr. Haws,
22 address those issues relative to the consistency with the
23 master plan. How much time -- Madam Clerk, how much time do
24 we have? Roughly.

25 MR. GUNDERSON: 8 minutes 33 seconds. About.

1 MR. HAWS: In the comments that were made, I heard
2 the topics of six different issues brought up. Water.
3 Storey County has a massive water problem. What is the
4 county going to do to solve the water problem of the
5 Highlands?

6 Mr. Smith has proposed a potential solution. It's
7 not the only solution, it's a potential solution. I haven't
8 heard any other recommendations from anyone on how to solve
9 that problem. There's a big problem.

10 Housing. You know, Painted Rock would satisfy the
11 short-term generation needs for TRI. I'm not disputing
12 that, that is the right short-term solution. But we're
13 talking about job generation of 180,000 jobs.

14 UNIDENTIFIED SPEAKER: Bullshit.

15 MR. HAWS: Potential -- the potential is there
16 for --

17 CHAIRMAN FLANAGAN: Let's have order.

18 MR. HAWS: It's not -- it's not just a Storey
19 County problem. The satisfaction, satisfying that job --
20 that housing need is a regional problem. Storey County
21 shares part of the responsibility. A great share of that
22 responsibility.

23 You're not going to just solve it with one
24 project, you're not going to solve it with two. You're not
25 going to solve all that demand in Storey County. I'm just

1 saying there's a housing problem coming your way that needs
2 to be addressed.

3 Cordevista will not happen overnight. Everybody
4 is -- I think there's a paranoia that with an approval we're
5 going to run out and build this thing next week. It's not
6 going to happen that way. You can't build a project of this
7 size and scale overnight. But that doesn't mean you
8 shouldn't start thinking about it today.

9 You should start thinking about it today, because
10 sound and orderly development doesn't occur on a last-minute
11 approval. It occurs with well-thought-out planning. That
12 starts today. It may be unpopular, but that's the reality
13 of it. Storey County embarked on a direction several years
14 ago, that's the reality.

15 History. Somebody brought up the history of
16 Storey County. Interesting. Storey County has one of the
17 most colorful histories of any place I've ever read about.
18 It's a long history of boom towns and busts. But why did
19 those -- there was 25,000 people living here in Virginia
20 City at one point. Why did those places fail? The economic
21 engine went away.

22 Do not -- don't fool yourself in thinking -- don't
23 make the same mistake twice. You have a great potential
24 economic driver for this county that needs to be carefully
25 supported and sustained in order for it to be sustainable.

1 Storey County needs sustainable economic development. You
2 set a great course for that, achieving that goal.

3 A gentleman just referred to a statement in the
4 master plan that says that 90 percent of the area is
5 privately owned, and you should be aware of large
6 developers. That statement actually refers to the Gold Hill
7 and Virginia City area, it does not apply -- does not
8 apply -- it's not crafted, that language is not directed
9 toward the greater interior. It is specifically for
10 Virginia City and Gold Hill area.

11 And finally, Cordevista is downzoning. The
12 application for a master -- for a mixed use is downzoning
13 from a special industrial to mixed use development. Painted
14 Rock was an upzone from forestry to mixed use.

15 Those are my comments. Within 8 minutes and 33
16 seconds.

17 MR. GUNDERSON: Mr. Mollath, is there anything
18 further you wish to present or any other arguments that you
19 would like to make with regard to the current matters before
20 the commission?

21 MR. MOLLATH: How much time do I have left?

22 MR. GUNDERSON: As I said, it was an estimate of
23 around an hour that you would have, and that you would be
24 able to make your case and make your statements and make
25 whatever presentations you thought were necessary and

1 appropriate in the best representation of your client. So
2 understand, Mr. Mollath, you're not being cut off. These
3 are all just planning guidelines and estimates for you to
4 assist you in your presentation.

5 So if you have anything further, make sure that we
6 all understand and the record is absolutely clear, you're
7 not being cut off artificially under any stretch of the
8 imagination. So if there's anything further that you would
9 like to add or arguments you would like to make, you have
10 the floor.

11 MR. MOLLATH: Thank you. And I'll be quick on
12 what I have to say.

13 What we attempted in this case is to present to
14 the planning commission, present to staff, present to the
15 board of county commissioners, a body of documentary
16 evidence based upon sound engineering, planning, zoning
17 principles, so as to allow the county to make a reasoned
18 decision on these matters.

19 And that record consisted of 133 exhibits and two
20 binders, which I was severely chastised for by the planning
21 commission for bringing forth at the time of the planning
22 commission here. But they contain a volume of documents
23 that analyze and look to explain to this body what the
24 master plan is, what the master plan should be in the
25 future, and how it should be looked at, and how the zoning

1 and planning ordinances operate in the context of the
2 technical matters that are presented in these Exhibits 1 to
3 133.

4 I had Mr. Greg Haws here, who was one of the
5 principal authors of all the documents that were presented
6 in 133 prepared by Planning Group, that sets forth before
7 you the technical issues that have to be looked at. Because
8 these are technical issues, not emotional issues. And I get
9 back to the -- what I heard tonight, is we need to change
10 this master plan because this community doesn't want any
11 more housing. We need to change this master plan because we
12 don't want this development to occur, this massive project.

13 That is not the issue, that's something for the
14 future. If they want to -- if this county wants to change
15 the master plan, they have the absolute perfect legal right
16 to change this master plan any way they want. But we have
17 the perfect absolute legal right to submit an application
18 for a zone change based upon the four corners of the master
19 plan as it is presently written. And we believe that what
20 we have submitted firmly establishes that the master plan is
21 consistent with the mixed use zoning that we have requested,
22 and the master plan is inconsistent with the present zoning
23 that exists on the property, albeit technically it is
24 consistent by virtue of the Hi-Shear litigation.

25 And that's what I think this board needs to look

1 at. It needs to look at the entire picture of this region.
2 Virginia City, Storey County, is just not a -- an element
3 that keeps the rest of the surrounding counties, Lyon County
4 and Washoe County, Carson City, at bay, and they're separate
5 and apart from all that. They have to recognize that the
6 economic engine that is starting on the north side of this
7 county has to be followed through with.

8 Now, they might not like what's occurring in
9 development in Storey County, but that's what the master
10 plan provides for, and that's what we are entitled to
11 process through this board of county commissioners. And
12 that's what we are entitled to have looked at in a logical,
13 reasoned, factual based analysis.

14 And it's unpopular; that's just the way it is.
15 It's unpopular. But you have to look at whether the master
16 plan allows for this particular use.

17 And if you decide no, well then, then we have to
18 deal with that. But you have to look at it and say is the
19 special industrial use, the rocket plant, the explosives,
20 that we had there before, is that part of the vision of the
21 county because it's contained in the master plan? And
22 because that exists there, we have to get a master plan
23 amendment to change it? I don't think so. You've got to
24 look at the master plan as a whole, and that's what I think
25 the Supreme Court has said in many cases.

1 So with that, I would request the board of county
2 commissioners to approve the zone change from special
3 industrial to mixed use, to determine that the master plan
4 amendment is not necessary because the mixed use development
5 requested zoning is consistent with the master plan for all
6 the reasons set forth in the 1 to 131 exhibits, and the
7 testimony of Mr. Greg Haws.

8 I haven't heard one thing tonight that tells me or
9 tells this record why this mixed use development is
10 inconsistent with the master plan. All I've heard is we
11 don't like it, and we don't want it. But that doesn't mean
12 it's inconsistent with the master plan. That's the critical
13 decision you have to make. Thank you for your time.

14 UNIDENTIFIED SPEAKER: Bullshit.

15 MR. MOLLATH: And I don't like comments on the
16 record continually with -- starting out with bullshit and
17 bullshit. I don't think that's appropriate for this county,
18 and that just lets everybody know the context and the
19 background within which we are operating today.

20 MR. WHITTEN: Mr. Chairman, just very briefly for
21 the record. Again, what the record should reflect is you
22 should acknowledge that you have been provided with copies
23 of all the documentation that has been referenced, with the
24 exception of the transcript from the -- July 21st meeting?
25 Or July 19th?

1 MS. WALLING: July 19th.

2 MR. WHITTEN: July 19th, that was provided for you
3 last night, that all documentation was provided for you well
4 in advance for your information and your work and prior to
5 hearing the case.

6 CHAIRMAN FLANAGAN: Does the commission have a
7 motion?

8 COMMISSIONER KERSHAW: You're going to hate me for
9 this, but I'd like to ask a five minute recess while I
10 consult with counsel.

11 CHAIRMAN FLANAGAN: We'll take a five minute
12 recess.

13 (Break.)

14 CHAIRMAN FLANAGAN: I'd like to call the August
15 21st meeting of the Storey County Commission back to order.
16 What is the desire of the commission?

17 COMMISSIONER KERSHAW: Well, I'd like to say that
18 back a couple years ago now, seems like, and I've been at
19 this for I think about 15 years since holding public office,
20 and one thing I've learned is that you listen to all sides,
21 and you give it time to make a decision. And I find myself
22 in a unique position between commissioner districts in this
23 county. Mine is more of a split-up district than some of
24 the other two fields. I've had a lot of people favor this,
25 and people strongly against it. And there are people in the

1 middle that, you know, try to say, well, growth is
2 inevitable.

3 But the bottom line is, is the people that favor,
4 one thing they've told me is why bother -- you know, make a
5 decision based on smart growth. Responsible growth.

6 And the other thing I have to consider, the board
7 has to consider, is I've been on here for about seven years
8 now, and I've seen -- I've appointed five of the seven
9 planning commissions, and I have to really think back to how
10 this board relies on the planning commission to sometimes do
11 our dirty work. For the big money they make, they've got to
12 put a lot of time in. And I know they went through a roller
13 coaster on this, motions back and forth.

14 So with that, I think at the same time, this
15 county taking a step also to looking to the future, the
16 actions we took not long ago to approve for a planner, our
17 own planner of this county, because I believe that -- and
18 I've said it before, it's here, the pressures of growth are
19 going to be here, they're not going away anytime soon.

20 So on that, I move to uphold the planning
21 commission's recommendation denying the application of the
22 master plan amendment, because the proposed amendment is not
23 in substantial compliance with the policies and goals and
24 objectives of the master plan.

25 We are just talking of the master plan. And if we

1 need more to look at, you know, I have to look at land uses,
2 you look at, with zoning -- land uses which is inconsistent
3 or incompatible with adjacent land uses. Transportation is
4 amendment would not create an immediate need for access --
5 would create an immediate need for access roads, or
6 government services which would adversely -- would adversely
7 affect the county's ability to meet those needs.

8 The conservation of natural resources. This
9 amendment would jeopardize ensuring that present and future
10 county residents have adequate water supply meeting safe
11 drinking standards. This amendment would not protect the
12 present or future water resources, which I'm well aware of
13 what's going on in the Highlands, and I'm well aware of
14 what's gone through in the River District, that we're lucky
15 to have what we have there. And I'm a little concerned,
16 too, also hearing the latest actions from Washoe County, the
17 water graph right now, I don't know how the Washoe County
18 commission is keeping water to their district.

19 And so with that, that's my motion.

20 COMMISSIONER HESS: As I said all along, I never
21 have felt that I've been in conflict just because of the
22 Painted Rock project because I have people I ancillary deal
23 with. But due to the advice of our counsel in order to
24 remove any conflict, I abstain voting Cordevista at this
25 meeting.

1 CHAIRMAN FLANAGAN: Given the first part of this
2 hearing regarding Commissioner Hess, I think it best that I
3 second Commissioner Kershaw's motion. I support the
4 thoroughness of the planning commission.

5 How do you vote, Commissioner Hess?

6 COMMISSIONER HESS: I abstain.

7 CHAIRMAN FLANAGAN: Abstain. How do you vote,
8 Commissioner Kershaw?

9 COMMISSIONER KERSHAW: Aye.

10 CHAIRMAN FLANAGAN: The chair votes aye.

11 Is there any board comment? Harold, do you have
12 any comment?

13 MR. SWAFFORD: No, I'm not part of the process. I
14 don't have to vote.

15 CHAIRMAN FLANAGAN: We're adjourned.

16 (Meeting adjourned 7:10 p.m.)

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1 STATE OF NEVADA)

2) ss.

3 COUNTY OF LYON)

4 I, MARCIA L. FERRELL, a Certified Court Reporter in and
5 for the State of Nevada, do hereby certify:

6 that I was present at the above-entitled hearing on
7 August 21, 2007, and took verbatim stenotype notes of the
8 proceedings in the above-entitled matter and thereafter
9 transcribed them into typewriting as herein appears;

10 That the foregoing transcript is a full, true, and correct
11 transcription of my stenotype notes of said hearing.

12

13

14 DATED at Fernley, Nevada, the 28th day of
15 August, 2007.

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Marcia L. Ferrell

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MARCIA FERRELL

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Nevada CCR No. 797

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