

TRANSCRIPT OF PROCEEDINGS
TOWN HALL MEETING

Wednesday, July 11, 2007

Piper's Opera House
Virginia City, NevadaReported By: PEGGY B. HOOGS, CCR #160, RDR, CRR
CALIFORNIA CSR #5958PEGGY HOOGS & ASSOCIATES
(775) 327-4460

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1 Interactive Murder Mystery Dinner Theater event is going
2 on at 6:30, and that continues throughout the month of
3 July and into August.

4 So come see something at Piper's. And in
5 fact, there are a list of events, so if you want to pick
6 those up tonight, feel free.

7 Thank you.

8 MR. SMITH: Thank you, Bill.

9 I want to thank everyone for taking their
10 evening to come out here this evening. This is a
11 presentation. This will be our third Town Hall Meeting
12 in the political process that we're going through with a
13 project that we're introducing to the County here.

14 I want to thank everyone for taking the
15 evening. I know they're precious. They're precious to
16 myself, but I thank you for coming this evening.

17 And what I'd like to do, if I could, is: You
18 see a lot of boards up here, this being -- this would
19 actually be the seventh public-style meeting on it.
20 Every time we've gone to a meeting, we've had a different
21 comment or a different question. The graphics always
22 help with that. So what I was going to do this evening
23 was walk through -- I might try and -- not abbreviate it,
24 but hit on the high points.

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2 RENO, NEVADA, WEDNESDAY, JULY 11, 2007, 5:44 P.M.
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5 MR. SMITH: Good evening, everyone. If I
6 could introduce myself. I'm Blake Smith. I'm the
7 managing partner of the Cordevista project that we're
8 presenting to you. We're waiting a few minutes to see if
9 additional people will join us, but it's a quarter to
10 6:00 and I thought we'd get started.

11 And one of the things we wanted to do was
12 allow Bill to stand up and at least introduce Piper's,
13 also, and anything we might say with it, and then I'll
14 jump into the presentation.

15 I'd like to hand it off to you.

16 UNIDENTIFIED MALE SPEAKER: Thanks, and
17 welcome to Piper's. Good to see you all, and I would
18 like to welcome all of you to the events that are going
19 on at Piper's during the summer.

20 Tomorrow night we kick off the Bluegrass
21 Festival, Cool River Trio, at 7:30 here, and then that
22 festival goes on throughout the weekend in the park.

23 And on Tuesday and Thursday nights the
24

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1 If you'd allow me probably 45 minutes to go
2 through and introduce the project, I'd like to, at that
3 point, if we could hold our questions through that, is
4 I'd open it up to a forum at that point and allow anyone
5 to ask any questions or comments at that point. And we'd
6 love to introduce you and educate you on what we're
7 trying to accomplish here, so...

8 What I might start with is just -- as I
9 mentioned, we're in the political process here. And,
10 again, the spotlights aren't going to hit on all of this,
11 so I'm going to point and talk to this. And, again,
12 we'll leave these up afterwards if there's any questions,
13 but there's a large question on where we are in the
14 process.

15 If I can speak to -- actually, I'm going
16 to -- I'm going to bounce around on these boards, but
17 Cordevista is a large piece of property within the center
18 of Storey County. And I'm going to walk over and point
19 to it here, and I'll go back and forth.

20 But Cordevista, if you take a look at
21 Cordevista -- and this actually depicts Storey County
22 here, the outline of it. This mauve color here is the
23 Tahoe-Reno Industrial Park. Cordevista sits almost
24 exactly in the center of the county here.

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1 Other location points would be Virginia City
2 here. And I'm just going to call out these things
3 because not everyone can see them, but the distance from
4 our southwest corner to Virginia City, as the crow flies,
5 is nine miles away. So we're nine miles to the north
6 from here.

7 This is the Virginia City Highlands areas.
8 This depicts the 40s, the 10s and the 1-acre lines in
9 here.

10 Again, from the southwest corner to the
11 easiest location point that we picked was the fire
12 station within Lockwood -- excuse me -- Virginia City
13 Highlands. That's about 4.3 miles from the fire station
14 to our property boundary.

15 The other location point is Lockwood up here.
16 This northwest corner from it to Lockwood, as the crow
17 flies, is about 4.3 miles.

18 We are encompassed on three sides by the
19 Tahoe-Reno Industrial Park. The other reference point
20 would be Mark Twain, down in this area.

21 But what we are trying to do through the
22 political process and our applications, we have two
23 applications in, which is a Master Plan Amendment and a
24 zone change.

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1 And what we're seeing is that the real -- the
2 higher and best use for the property would be more -- not
3 additional industrial, let alone special industrial for
4 the property, but to do a mixed use and complement the
5 industrial and manufacturing that's already occurring in
6 the business park, that we would turn this into a planned
7 community or a mixed-use community within this area. So
8 that's kind of a macro of what we're doing.

9 I speak about the political process, and what
10 we have done today is file a Master Plan Amendment, which
11 I mentioned, and a zone change. And how that works is
12 that there's actually three steps in the political
13 process that we go through on this change.

14 We filed the Master Plan Amendment and the
15 zone change. We would go through public forums and
16 meeting processes. That's the state we're at right now.
17 We're in front of the planning commission, and we are
18 requesting a vote from the planning commission.

19 The planning commission is an appointed group
20 of citizens that vote a recommendation which goes on to
21 the county commission, and the county commissioners make
22 the ultimate vote and the binding vote at that point.

23 So we have made an application. We're in
24 front of the planning commission at this stage. We will

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1 Our current zoning within this property is
2 called special industrial, and I'll speak to that in a
3 little bit. And what our application is requesting is
4 going to a mixed use, and mixed use, to us, is a zoning
5 that would allow us to build office buildings, commercial
6 retail buildings, and housing. And all of that, or the
7 majority of that, would be targeted at the Tahoe-Reno
8 Industrial Park.

9 And I believe everyone -- I'll talk to it in
10 a little bit, but the Tahoe-Reno Industrial Park is the
11 largest industrial park in the world. It is a fabulous
12 asset to not only Northern -- to Storey County, but to
13 Northern Nevada. They had a front page ad on it on
14 Sunday. I don't know if everyone saw it in the Reno
15 paper, but it speaks of the fabulous growth that's
16 occurring in it, and it's beyond fabulous. It's really
17 astounding or incredible what they're building in there
18 just today, and I'll speak to that.

19 But our project is basically encompassed by
20 the industrial park. This industrial park being 102,000
21 acres in size, Cordevista is 8,600 acres in size. This
22 is zoned industrial manufacturing; ours is zoned special
23 industrial, which allows for even additional uses within
24 it.

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1 end up ultimately in front of the county commission,
2 which will be the ultimate vote at that point. That
3 would be step one.

4 Step two would come back -- and the reason I
5 want to note this is because there's a lot of questions
6 that come at us; you know, how many roads are you going
7 to have? Or, how many homes? Or, is there offices and
8 how many office buildings?

9 Those type of questions would come on the
10 step -- the second step, which would be we would develop
11 a detailed land plan of the property, show where roads
12 are, show where schools would end up, show where the
13 office buildings, the houses, everything would go in, and
14 we'd have detailed numbers of what we would do within
15 that.

16 So everything in our application today talks
17 about ranges or concepts of what we're doing in here,
18 because there's a lot of questions that are being
19 requested that we're saying, look, that's step two.

20 And this goes through the same political
21 process again. We would come back in with a PUD
22 application and the details of it. And I'm not
23 exaggerating, it could be a foot thick, the PUD document
24 itself, with all the details and all the things we work

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1 out with staff. We would come back and go into the
2 public forum. The planning commission would cast a vote
3 on that, recommendation vote, and the county commission
4 would either agree with it and vote yes or vote no, and
5 this is the second step to it as far as us going to --
6 even being able to build on the project.

7 The third scenario, upon the PUD, the third
8 step is that we would come back in with actually maps,
9 recording of maps, and this is where you would start the
10 construction phase of the project, and this is called a
11 tentative map/final map.

12 Again, you go back to the planning commission
13 for recommendations. If there are questions or comments,
14 it's reviewed at that point again. The county commission
15 votes on it again.

16 So it is a series of political, open-forum
17 meetings that we go through, educating and requesting
18 votes.

19 We are on the -- I'll call it the macro
20 concept one, which is basically we're asking the zoning
21 to come from special industrial to a mixed use. With
22 that, we would walk away and come back with a planned
23 unit development and begin the same process again,
24 gathering comments, questions or changes requested. This

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1 itself.

2 And speaking about Storey County as a whole,
3 what this board really depicts here is showing where
4 Storey County is the center of Northern Nevada. It sits
5 in between five different counties: Washoe County,
6 Churchill doesn't really abut, but Lyon County, Carson
7 City, and Douglas, Storey County being the center of
8 Northern Nevada here. And it's even depicted a little
9 bit more -- well, I've jumped over one item here.

10 What this says in here -- everyone can't read
11 it, so I'm going to just note it in concept. Storey
12 County has been growing, since 1960, at 4.9 percent a
13 year. The county has been growing at about five percent
14 a year for the past 47 years, and what we've looked at
15 and are saying, if it continues on with that, Storey
16 County will grow to 2050 to have approximately 42,000
17 people in it. Where does that growth -- with the
18 industrial park and all of this phenomenal growth and the
19 natural attrition or growth within the community, where
20 does that growth come from?

21 I'll show it to you where there's really only
22 a couple places left in the county due to topographic
23 areas, meaning that the county, as everyone is aware, is
24 very -- has lots of hills and other areas. There's only

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1 would go through a series of months of processing, and
2 then walking away again for a third time to come back for
3 this.

4 So I want you to know that because a lot of
5 people are asking questions that may -- that are reaching
6 all the way out to the third phase of which we have no
7 way of accomplishing those answers.

8 We can work with conditions of approval which
9 state that at this level you can condition us to say with
10 the approval of the zone change, that when you come back
11 at this level or this level (indicating), that you must
12 do certain things. And one of the most recent ones
13 that's come at us is phasing; could you take the project
14 and break it into pieces. And that's one of the things
15 we're working with staff right now and saying, yes, if
16 it's more digestible or appealing for the planning
17 commission or the county commissioners and the citizens,
18 yes, we could break this down into phases with that.

19 So those are kind of the comments, and this
20 process that we're in right here is looking for those
21 kind of comments so that we can add them to the
22 application or put them to conditions of ourselves in
23 there. But this being the political process, I'm not
24 going to go back into the presentation of the project

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1 basically two or three areas left within the county that
2 you could do any type of development left within the
3 county, ours being a large piece of that property.

4 But this is the census showing the history
5 and showing going forward that it would end up around
6 42,000 people if it continues with that growth.

7 We are -- in our application, have used a
8 range of one to two homes per acre, is what we're
9 requesting for. And, again, when we come back in, we'll
10 fine-tune that, but we would stay within that one- to
11 two-acre arrangement. So within the 8,000 acres, we
12 would end up with anywhere from 8 to probably 15,000
13 homes. It's probably going to settle in about the middle
14 area of that, but that would be -- at 2.7 people per
15 home, on average, that takes up -- still with Storey
16 County's growth at five percent, Cordevista would still
17 not fulfill all the housing needs or all the growth that
18 would occur within Storey County, and that's what this
19 lower area speaks about here.

20 This is another map that really plays into
21 that one, showing Storey County, Reno, Sparks, Carson
22 City, Silver Springs, Fernley. You have all these areas
23 within it, Storey County sitting in the middle of it,
24 dead in the middle of it, and then this huge growth job

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1 business park called Tahoe-Reno Industrial Park right
2 here, and Cordevista being adjacent to it here.

3 Stepping back, Storey County -- interesting
4 thing. Storey County is the largest privately owned
5 county in the state of Nevada. Over 90 percent of the
6 land in the county is owned by private citizens, and when
7 you look at -- or companies. And when you break it down,
8 what you have is you have basically three or four large
9 ownerships in the county. Tahoe-Reno Industrial Park
10 owns 51 percent of the county, and within that -- in
11 fact, I might just step over to that because I keep
12 speaking about it.

13 The Tahoe-Reno Industrial Park comprises 51
14 percent of the county. It is 102,000 acres in size. Of
15 that -- again, with the topography, the hills and the
16 valleys there, about 30,000 acres of that is developable.
17 They are in Phase I of six phases. The 30,000 acres is
18 broken into five phases.

19 Phase I has virtually been sold out, and
20 they're heading into Phase II of that, but the first
21 5,000 acres within that project is virtually sold out.
22 But if you take the total 30,000 acres and apply what
23 would be a reasonable development on it, that business
24 park could develop about 600 million square feet of

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1 about 9 million square feet of buildings in the park.
2 There's a potential of them -- if all the companies move
3 in on time with that, the park could go from 4,000 to
4 10,000 jobs by the end of the year.

5 And speaking with the developers, they're
6 seeing that in the next year, in 2008, that they would
7 probably go to 17 million square feet of buildings and
8 probably 15,000 jobs within the business park.

9 And this really, just those statistics and
10 looking at this is where our application comes in and
11 says, where do all these people live, work, where do they
12 commute to? Right now, for you to get a sandwich at the
13 business park, literally, you have to go to Fernley or
14 Reno, or you can stop in -- Lockwood has a market, but
15 you are commuting almost 20, 25 miles just to get your
16 lunch out there right now.

17 And so those are the kind of things we're
18 looking at. And good planning -- there's good planning
19 principles, as they call them. There's large groups that
20 go around the country and assist, and we've hired some of
21 these groups. The Planning Center is one of the leading
22 companies that's helping us with the plan on here. You
23 want to put the jobs as close as you can to the -- excuse
24 me -- you want to put the housing and retail as close as

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1 industrial and manufacturing buildings within the park.

2 Now, to give that some reference, in all of
3 Northern Nevada currently, if you went and looked at all
4 the manufacturing and all the industrial buildings in all
5 of Northern Nevada, there is about 66 million square
6 feet. So the business park could take all of what you
7 see today, wherever you drive around, and build ten times
8 that size. Because it is so large, it's hard to really
9 fathom unless you kind of put it in some kind of
10 comparison there.

11 That 600 million feet, on average, could
12 create up to 180,000 jobs inside the park, so it would be
13 the largest generator of any jobs in Northern Nevada.

14 Reno and Sparks, right now, if you took all
15 of Reno and Sparks, has about 220,000 jobs in all of that
16 area. The industrial park has the potential of going up
17 to 180,000 additional jobs on top of that.

18 So -- and currently, to date, as of a couple
19 months ago, they had about 4 million of the 600 million
20 square feet of buildings built, they had about 3,000 jobs
21 in the business park, and they have 5 million square feet
22 of buildings that are being built currently that are
23 under construction out there.

24 So by the end of this year they should have

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1 you can to the jobs, especially in today, with common
2 things about pollution and gas and cost and impact, you
3 want to try and bundle all of your jobs and your housing
4 and retail as close as you can.

5 And that's really what we're saying. We're
6 encompassed on three sides of the business park. We're
7 isolated. The closest development to us is over four
8 miles away, and we are trying to -- what we would do is
9 develop a road into the business park and keep those
10 impacts in this quadrant in here. They'd be isolated
11 into the Cordevista area.

12 There's been a lot of questions from here and
13 Virginia City Highlands about there will be a road
14 developed down here and all this traffic will come
15 through here. What we're asking the planning commission
16 to do is condition us that there would be not a road
17 coming to the south for those concerns. Obviously
18 Virginia City Highlands, there are some roads into here,
19 and there's currently some dirt roads that span out and
20 either touch us or go to the petroglyphs in there. It's
21 a valid concern of, "Hey, could those roads be developed
22 and could there be a lot of impact put onto us?" Our
23 answer is no, we'd be conditioning ourselves not to do
24 that so that those roads wouldn't come down into these

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1 areas in here.

2 But, yeah, let me finish up on that.

3 But, again, the industrial park is 51 percent
4 of the county, the Virginia City Highlands area comprises
5 15 percent of the county, Cordevista will comprise about
6 5 percent of the county, and the remaining areas are down
7 in Virginia City, Mark Twain, Lockwood. You have a
8 brand-new project that's just been approved in the past
9 six months called Painted Rock, and I'll speak about that
10 in a second.

11 This was approved. It is in between the
12 business park and Fernley. It's called Painted Rock.
13 It's 2,000 acres in size. And here, I'll just address
14 that real quick.

15 Painted Rock. Painted Rock requested six
16 months ago and was approved for the identical zone change
17 we're looking for. They were actually zoned forestry and
18 requested a mixed-use development which would allow
19 commercial and housing. The planning commission approved
20 that and the county commissioners approved that about six
21 months ago.

22 So this 2000 acres in here is approved and is
23 beginning -- they are starting to come back in with the
24 second phase over there, the PUD phase, but they're

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1 When I spoke about that there's only a few
2 remaining areas -- and I don't know if everyone can see
3 this, but it's a white map and it really has three
4 different colors on it. But what it shows on here, this
5 is a topography map of all of Storey County. We went and
6 showed all the topo in the county and said any lands that
7 are 18 percent in grade or less, which is developable.
8 Obviously you don't want to develop on a mountain hill or
9 anything else. So you go in, and it has identified all
10 the land within the county that are less than 18 percent
11 that you can develop on.

12 Those are the colored areas on the map. The
13 white areas would be mountains and greater than 18
14 percent that you wouldn't develop on.

15 So if you take the county and look at it, you
16 have the Virginia City Highlands, which has developable
17 areas and sporadic areas. That is already zoned and is
18 slated for housing currently. You come down, you can see
19 Virginia City in here is highlighted, but it's fully
20 developed down. This is down by the Gold Hill area.

21 Your other area that is partially developed
22 and could be developed still in the county is the Mark
23 Twain area. You can see some flat area down here next to
24 Lyon County. That could be developed.

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1 envisioning the same type of zoning we would have, which
2 is one to two homes per acre in there. If you took that,
3 that would be about 3,000 homes that are coming to the
4 county and about 8500 to 10,000 people residing at
5 Painted Rock when it's fully developed down there. So
6 this project is already approved and coming.

7 We're asking for the same thing on the other
8 side of the business park here at this point. But,
9 again, our zoning is the special industrial. Theirs is
10 forestry that was zoned up. They have asked for the same
11 type -- we are asking for the same type of things, yet
12 we're adding a couple other things -- and I'll go into
13 detail on these -- that makes us a little bit different.

14 We're trying to be more of an addition to the
15 county than just asking for zoning. There's some other
16 macroable impacts that the County has right now that
17 aren't being solved that our project can step in and help
18 with, and some of those -- I'll go to them -- are water
19 supplies in the Virginia City Highlands. There's major
20 flooding issues within Lockwood that this project can
21 help solve and some other benefits that I'll speak about,
22 but this previously approved one is the same one that
23 we're asking for over here at this point within our
24 request.

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1 And then if you go north, you can see there's
2 some area west of us that's developable. You have --
3 these areas up in here are the Lockwood area, along the
4 river, which are basically fully developed.

5 This large area in here is Waste Management's
6 landfill, which will never be developed, obviously, you
7 won't be developing on the landfill, but that's why it's
8 still flat on the picture. They're just filling up in
9 between the mountains out here.

10 This area in here is the Patrick or the
11 entrance to the USA Parkway. This is where the power
12 plants are, and a lot of industrial and other items that
13 are located out in this area, but fully developed again.

14 And then these areas in here, this is the
15 industrial park again, and this has all been zoned for
16 industrial and manufacturing. Strictly industrial and
17 manufacturing. There's no residential within the
18 business park here. So these areas have been zoned for
19 industrial.

20 We just spoke about Painted Rock. You can
21 see where there's developable area in here, and this has
22 just been zoned and is ready to start coming through.

23 And then you come down Cordevista and you can
24 see the developable area in here. It is surprisingly

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1 flat on the project, and we've extended tours. If anyone
2 would enjoy having a tour, I'd enjoy personally taking
3 you out if you'd like to grab me.

4 But there are, as you come into this area --
5 as everyone is aware of the mountains, as you come into
6 the property, you traverse through some of the hills, but
7 you end up and you end up on a very flat tabletop. And
8 it's hard to see it unless you're actually there, but
9 these are some of the pictures. We wanted to take some
10 pictures so people could understand you're coming through
11 and you end up with a very flat area.

12 This over here depicts the land mass itself.
13 This is the 8,600 acres.

14 The green areas are areas that we would not
15 develop in. Those are either steep areas or they have
16 drainageways, other areas that we would stay out of.

17 And so what we would end up developing is
18 about 50 percent of the property. About half the
19 property would stay in open space. Within those areas we
20 would take care of those within the homeowners
21 association. They'd be taken care of and managed by the
22 homeowners association that would come in here, and it
23 would also be used for the wildlife corridors and also
24 open space enjoyment within the community.

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1 Virginia City is nine miles, as the crow flies, north of
2 here, is where the project is.

3 I touched on the industrial park.
4 Let me continue on.

5 The zoning here, this is -- we purchased this
6 property three years ago. The zoning that was on it, the
7 county commissioners, about ten years ago, put this
8 zoning on top of this property, and it is called special
9 industrial.

10 I could tell you as a citizen or as a
11 developer, this is probably -- I'm going to say it's one
12 of the uglier or one of the dirtier zonings that I've
13 ever seen. It talks about and is allowed, the property
14 owner, because it's zoned that way, the property owner
15 has rights to come in and have certain things. Now,
16 there's different steps you go through in here, but this
17 is what the zoning is at this point.

18 And I'll just say, we do not think this
19 zoning is right for Storey County nor for this piece of
20 property. We think that mixed use and a balance to the
21 County is the better project, or the better use of it,
22 but I'm just going to list for you some of the things
23 that are currently allowed on this property: Ammunition
24 manufacturing, testing and storage; chemical

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1 But those are one of the conditions that
2 we're saying, that we would never build over 45 percent
3 or that we would leave at least 45 percent. When we come
4 back in, we can fine-tune that, but 45 percent of our
5 property would stay in open space.

6 And you can see the developable areas, the
7 white areas being the area we could develop, and you can
8 see it especially in the picture over here of what's
9 developable.

10 Continuing on, this is just another one.
11 People -- there have been a lot of comments, oh, this is
12 right next door, it's on top of us, other things. This
13 was just a graphic I've kind of gone through saying we
14 are four miles from Lockwood, we are 4.3 miles from the
15 fire station.

16 A different reference for people to
17 understand the distance of what four miles is: If you
18 started at the entrance of Virginia City Highlands on 431
19 and if you went as far as the crow flies, you would be at
20 4 -- about 4.9 miles would take you all the way down to
21 the bottom of the hill, take you to the new shopping
22 center. That's 4.9 miles, just to give you a visual of
23 how far 4 miles is from these other areas.

24 Again, Virginia City isn't shown on here, but

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1 manufacturing, testing and storage; explosives;
2 propellant; pyrotechnic manufacturing, testing and
3 storage; research and development related to any of the
4 above.

5 It talks about hazardous materials treatment
6 storage and disposal sites are all allowed on this
7 property; hazardous waste manufacturing facilities;
8 recovery and recycling storage areas of all hazardous
9 wastes; environmental testing studies; comes down to
10 open-air testing of materials developed for any of the
11 uses described above. And that's the genesis of what the
12 special zoning is.

13 The business park has industrial zoning that
14 says you can build manufacturing, you can build
15 industrial on it.

16 This one takes industrial to a higher level
17 and talks about additional things that are very unique
18 and, quite candidly, I don't believe are the right uses
19 for this piece of property out here. And this is really
20 the question that we're asking of the planning commission
21 and the county commissioners, is this what you want for
22 Storey County on this 8,000 acres out here, this type of
23 zoning? Or do you want a mixed-use master-planned
24 community out there?

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1 And, really, when you look at our
2 application, that's what our request is, is taking it
3 from this and going to a master-planned community.
4 That's what we do; our company develops master-planned
5 communities.

6 One of the ones we're in the middle of right
7 now is called Somerset. It's located on the west side
8 of Reno. Some people are familiar with it. If you're
9 not familiar with it, we'd be happy to come and show you
10 what we do from that standpoint of developing
11 communities.

12 Those communities are full-service
13 communities that allow for people to allow -- live their
14 life, both from a housing, but from a schooling, retail
15 and office space within it, and that's what we're trying
16 to develop in this area.

17 This board here talks about the county Master
18 Plan. This is one that we've gone in and looked at
19 extensively. And we were requested to put a Master Plan
20 Amendment in, but we're still under the belief and read
21 the Master Plan that what really has the -- the Master
22 Plan talks about that this area right here was designated
23 for mixed use originally. What occurred was a company
24 came in and had a special use permit on that piece of

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1 one because it's close up here -- these areas in here, it
2 rains, obviously, seldom, or it snows and it melts, but
3 it gathers into these areas and then comes down along
4 Valley Creek and ends up -- its only outlet area is
5 Lockwood.

6 And so the assemblage of all those lands and
7 all the water comes down and accumulates and tries to get
8 through the Lockwood area. It's not currently manmade
9 items in there. The bridges were undersized for all of
10 this, and also there's no containment of the water up
11 above.

12 So what Cordevista can do, and what we're
13 asking to be conditioned on, is to go in and say that the
14 landfill -- waters that are on our property, 8,000 acres,
15 we'd not only contain the water for our development, but
16 we'd contain all the other waters that come across that.
17 And that entails about 50 percent of the water that ends
18 up in Lockwood at some point is assembled and crosses
19 across our property.

20 We would put detention basins in there. That
21 does not stop it. What it does is it just holds it and
22 slows it down so that it can come down not in a gush mode
23 in 15 minutes, but it would come down over several hours
24 and allow it to come down into here.

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1 property, and after the Master Plan was completed and a
2 zoning document came in, the zoning was changed to this
3 area at that point.

4 And what we're -- what our request is, is to
5 take this zoning off and go back to what the Master Plan
6 originally had envisioned for this area, which is mixed
7 use, which is commercial and residential and that, in
8 those areas. But this talks about the different areas
9 within the Master Plan and how we can fulfill it within
10 the Master Plan.

11 We talked about Cordevista and Painted Rock
12 being the same type of zonings. We've touched base on
13 these visuals here, if you'd like to take a look at them.

14 Some of the benefits -- I want to go into
15 those -- for Storey County.

16 Lockwood, which is obviously a sister
17 community located on the other side, has a major problem
18 with flooding in it. And these pictures, you should come
19 take a look at them. These were shot in January of this
20 year. This wasn't 10 years ago or 30 years ago. This is
21 the flood that occurred on a rain occurrence in January
22 of this year.

23 And what occurs in here is that all of the
24 upper areas in the county -- I'm just going to use this

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1 The other condition that we would say is that
2 we would come in and -- at our expense, we come in and
3 rebuild these manmade bridges that currently are stopping
4 the water from coming down.

5 The combination of those two things should
6 cease the flooding within Lockwood, and it's a huge
7 benefit. That community over there sees that benefit and
8 is very much in support because of these type of things
9 that we can do to help increase -- increase their quality
10 of life on that side.

11 The other thing -- now, moving to this side
12 of the county and just adjacent to us here is the
13 Virginia City Highlands.

14 One of the things that I think is fairly
15 spoken about is the water within Virginia City Highlands
16 and the fact that it's -- the residents there, as each
17 additional house is built there, they're having to drill
18 deeper and deeper wells to get to the water. There's a
19 single aquifer that -- single aquifer that comprises
20 about 50 to 60 percent of the county. We are part of
21 that aquifer. Cordevista is part of that aquifer.
22 Virginia City Highlands uses that aquifer extensively for
23 their own house use for potable water and all their uses
24 in their homes there.

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1 What's happening, though, is that aquifer --
2 and we've done extensive studies on it, though, from
3 fractionalization and satellite studies, and geological
4 studies have gone in and taken a look at it, and it
5 basically states, if you look at it, that aquifer is very
6 limited, and that just the development within Virginia
7 City Highlands will exhaust that aquifer. In fact, what
8 this is showing in here --

9 Let me talk about Virginia City Highlands.

10 Virginia City Highlands currently is zoned
11 for and has already sold 1,876 lots back there. They're
12 in sizes of 40-acre parcels, 10-acre parcels, and 1-acre
13 parcels, but there are 1,876 of those sold to
14 individuals. To date 484 homes have been built on
15 those -- around 500 homes have been built on the 1900
16 lots. So 25 percent of Virginia City Highlands has been
17 developed so far.

18 Seventy-five percent, or another 1400 homes,
19 lot owners, out there are scheduled to be built. What
20 this shows here is what's happened to the aquifer. And
21 this comes from the state engineer, and this is public
22 information, but this goes back to 1947 and goes to 2006.

23 What it shows, what the state engineer is
24 tracking here, is the deep-blue lines are all the wells

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1 the scientific answer for it. There's been a lot of
2 concern from Virginia City Highlands, are we going to
3 drill additional wells in Cordevista that would be taken
4 from the same waters in there? And, again, our condition
5 that we're requesting is that we would do no groundwater,
6 no well systems within Cordevista. We would actually
7 build pipes and bring all the water into the project,
8 therefore not having any impact on Virginia City
9 Highlands.

10 Now, Virginia City Highlands still has an
11 issue, though, that I don't know how they can accomplish
12 building their homes over here because I think that
13 they'll run out of water before. And I think that's a
14 pretty open comment about -- we've spoken to some people.
15 They can't take a shower and run their washer and
16 dryer -- excuse me -- their dishwasher at the same time,
17 that the water flow is so slow coming out of the ground,
18 a lot of corrosive items within it. It is an issue that
19 not only the citizens but the County really has to look
20 at, because this is a poignant problem that is occurring
21 there.

22 Cordevista, in light of the fact that we
23 would not drill and bring all the water in through pipes
24 and pump systems, what we're saying to the County and the

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1 that have been drilled in Virginia City Highlands to
2 date. So you can see in 1947 -- and then the light blue
3 is the aquifer. It's basically going down and saying the
4 water level is here, it's here this year, and it's at
5 this level.

6 But what's happened, in 1947, when you used
7 to have to drill about eight -- about 60 feet and hit
8 water at 20 feet, and that's where they were getting
9 their water. Roll forward to 1999 or 2006; they are
10 drilling 1500 feet and hitting water at a thousand feet.
11 And last year they drilled one at 1500 feet and, again,
12 hit it at about 800 feet in there.

13 So what this is depicting is that that
14 aquifer, more and more homes are being built, more and
15 more straws, I'll call them, are going into the ground,
16 but it's depleting that aquifer. And in our opinion,
17 Virginia City Highlands will run out of water. The whole
18 community out there, if you develop all of the homes
19 within there, it would mean an additional 2,800
20 acre-feet, or what entails to about 900 million gallons a
21 year of additional water to build these 1400 homes. And
22 if you look at it scientifically, there's not enough
23 water in that aquifer to do that.

24 There's been a lot -- and that's pretty much

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1 citizens is, that we would size that water infrastructure
2 system large enough to handle some of the water within
3 the Highlands. That if the Highlands did truly run out
4 of water, that our water infrastructure system over here,
5 that they could tap into it and bring water over here to
6 develop the Highlands, and that's a huge benefit, again,
7 to the County.

8 There's a question on whether the County has
9 any type of liability on the fact that when someone who
10 owns a lot that the County approved the map and allowed
11 them to buy that piece of property, if they go ahead and
12 drill and can't find any water, what happens? Is the
13 County responsible in some way? Is there any type of
14 liability? What do these people do when they keep
15 drilling and drilling and they can't find water or there
16 is just no water left within it?

17 Because every -- every well that goes in
18 takes a little more from the other one that's already
19 existing there. So some of the people out here that were
20 on 200-foot wells -- last year we were speaking of one
21 person who had a 400-foot well. They had to abandon that
22 well and go back down to 1400 feet to get it, on the same
23 piece of property. And they've been there; it's just
24 other people have drilled and have taken that water level

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1 down, so they're having to redrill.

2 Another item that we do within our
3 master-planned communities, and we do it a little bit
4 different. In Somerset, we set up a fee within it that
5 every time a home sells within the community, that it
6 generates a fee from that house. In that escrow, that
7 person who's selling that house has to pay a fee, and
8 that fee goes back to Somerset, and that's for the day
9 that when the developer is no longer there, that if there
10 are additional needs or wants by the community, the
11 people that live in there, that there's a sinking fund.
12 There's a fund that's building up with money that when
13 we're gone, that they could use that. And so in
14 Somerset what we did is we wrote those documents as such
15 that every time a home sells, some money comes out of
16 that escrow and it goes into a fund.

17 We've been, over the past several years,
18 going around the county trying to figure out -- you know,
19 introduce ourselves, understand the issues that are out
20 there and try to address those issues. What we've come
21 to find out is there's a lot of issues within the county
22 that don't have funding mechanisms right now.

23 There are some national treasures in here.
24 One that we didn't speak about, we're standing in one of

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1 difficult thing for us or anyone else. We're trying to
2 figure out who are the good people trying to come and
3 enjoy the petroglyphs or those vandals that show up and
4 are destroying or stealing some of the petroglyphs.

5 But if you've not seen this, this is a canyon
6 that stands probably a mile in length. It shoots up from
7 the ground floor probably 150 feet, and every rock within
8 that canyon has a petroglyph on it. It's probably the
9 most heavily Indian art canyon, I think, maybe in the
10 world, and they're going through -- the Nevada Rock Art
11 Foundation right now is trying to go through and document
12 all of that, and we're trying to assist with them.

13 We've actually come back with them and
14 speaking with the County, we've identified a couple other
15 pieces of property that we own that really should be
16 contributed and put into that petroglyph area. We'd like
17 to turn that into a preserve so it has some kind of
18 management over it, and we would be contributing land
19 into that, land that should go into it, into the public
20 hands, that has additional petroglyphs next to it.

21 But some of the other items that this
22 foundation would go into would be assisting with the
23 petroglyphs. There's a large love and affection and need
24 to help out the wild horses, could be some of the uses

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1 these, the more -- I'm standing here looking at this --
2 is Piper's Opera House. It's a beautiful asset, it's a
3 historic one. How can you, other than just continuing to
4 ask for donations, which could take an extensive amount
5 of time -- we're trying to set up what would be called
6 the Storey County Community Foundation, and it would be
7 the giving of the Cordevista people -- how it would work
8 is that we would set up a foundation that every time a
9 home sold within Cordevista, that \$250 would go -- come
10 out of an escrow and would go into the Storey County
11 Community Foundation. Would not be controlled by us; it
12 would actually be controlled by citizens, is what we're
13 looking for. But those citizens could take those dollars
14 and go around the community and figure out -- or around
15 the county and figure out what needs are the most
16 pressing needs that you could use those dollars for.

17 And some of those that we've identified are
18 the petroglyphs. I don't know if everyone is familiar
19 with the petroglyphs, but currently the County owns 80
20 acres of land. It's located -- and just for reference,
21 we own all of the land around the petroglyphs. It's an
22 80-acre park. The County does not have enough dollars to
23 really do anything with it. We have caretakers on the
24 property, and people come through it, and it's a

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1 for it. Virginia City here, currently with tourism and
2 convention authority, historical preservation throughout
3 the county are -- in particular, the most focused one is
4 Virginia City, and two of those are Piper's and the
5 Fourth Ward School.

6 The other things the foundation could go and
7 use those dollars for would be acquisition of water
8 rights or assistance with the infrastructure to get water
9 over to the Virginia City Highlands.

10 The Lockwood flood control, I think that
11 we're going to take care of that, but if there's
12 additional issues.

13 Sewer connections, virtually the county, as a
14 whole, is on a septic system that may have impacts at a
15 later date within there.

16 And, again, I spoke about how the \$250 a year
17 or per transaction -- people live in a home about seven
18 years, on average, and so if you took that, and if you
19 said we did one-and-a-half homes per acre within
20 Cordevista, that would generate about \$500,000 a year
21 coming out of this fee that could go into this foundation
22 for use within the county.

23 We see this as a huge benefit. Again, we do
24 this in our other communities, but we keep it within the

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1 community. This one we're reversing that and taking
2 those dollars and sending them out into the county to
3 assist them.

4 This is just kind of a recap. These are two
5 boards, and then I'll finish here. These are some of the
6 benefits that we see with this zone change going through
7 here.

8 Again, there's been a request to go into
9 phasing of the project, and we are happy to go into
10 phasing if that's -- brings comfort to people.

11 We would keep 40 to 45 percent of the project
12 as open space for both the wildlife and public enjoyment
13 within there.

14 We'd have control of the Lockwood flooding,
15 which we talked about.

16 We talked about sizing our water
17 infrastructure sizes to help others of the Highlands, in
18 that area in particular, if there was need for additional
19 water within Storey County.

20 An improved fire access. I understand we had
21 a small fire up here last night, but the additional
22 access within our community to get to some of these areas
23 could be of assistance to the community.

24 Diversification of the tax base. Storey

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1 that we're talking about here, is the current zoning
2 allows for some uses that I don't think are necessarily
3 the best uses. The special use -- special industrial
4 uses are not great uses, but those are the uses that
5 could be allowed within it.

6 But if you took our 8600 acres, what the
7 current zoning allows for is we could build an additional
8 130 million square feet of industrial on the property,
9 and basically it would continue to be just industrial
10 again.

11 So in our opinion I don't think, with Storey
12 County having 102,000 acres of industrial already, that
13 the addition of another 130 million square feet of
14 industrial is necessarily best for the community but
15 would be more to balance and try and manage the jobs and
16 the housing that come with that existing business park.

17 Some of the other -- and this is going
18 through -- I won't bog it down because I've been speaking
19 so long, but if we continue with the current development
20 of additional industrial versus what we're proposing,
21 which is the mixed use, which is, again, office, retail
22 and housing, and the benefits that would come with that
23 and the balancing of the county with the business park
24 that's already out there.

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1 County has always struggled with enough dollars to
2 support its needs. Right now the business park is
3 starting to generate some of those needs, but that is
4 one-legged, really, kind of -- the industrial park after
5 9/11 virtually didn't have much growth because of all the
6 shock factor to it; now it's on fire. Literally, the
7 growth in there is phenomenal, to say the least.

8 But what this would do would be another way
9 to balance the county in delivering a mixed-use type
10 of -- bringing retail sales, sales tax proceeds would
11 come out of retail earnings, and you would have a housing
12 tax, also, that would be an additional balance to the
13 county.

14 Protection to the wildlife and habitat.
15 We're working with the State of Nevada and UNR currently
16 studying the wild horses in and around our property. We
17 would develop a plan to protect and assist the horses
18 within there.

19 We talked about the protection of the
20 petroglyphs. With the development of the community, we
21 would use the homeowners association to also help protect
22 these petroglyphs as we went forward in the Grecian
23 Preserve.

24 And then the last benefit we see is this one

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1 I think I touched -- I'm going to look
2 across. Have I touched on everything?

3 And, again, that is what we're trying to do.
4 In its simplest form, we are basically saying that the
5 Master Plan originally spoke to this land of being a
6 mixed-use area and the use of it for exactly what we are
7 requesting, commercial and housing, eliminating the
8 current zoning, and changing it back to what the Master
9 Plan was originally, and that's what I request.

10 We have gone around to, I think, virtually
11 every community in the county at this point, and we are
12 continuing with the planning commission meetings. We
13 have another planning commission meeting next Thursday.
14 And this meeting tonight was sponsored by ourselves to
15 help educate, and hopefully that did help educate. We're
16 trying to get -- there's a lot of rumors and a lot of
17 misconceptions in the marketplace. We're trying to clear
18 those up. Hopefully we're doing that.

19 I will stop talking and I'll turn it around
20 and open it up for any questions that anyone might have.

21 UNIDENTIFIED MALE SPEAKER: I've got a
22 question.

23 MR. SMITH: Yes.

24 UNIDENTIFIED MALE SPEAKER: You say you're

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1 going to do something with the water in Lockwood. What
2 are you going to do with our water? That belongs to the
3 Truckee River and the Indians out in Pyramid.

4 MR. SMITH: It does, and it will end up in
5 the river. What we will do is just hold it back for a
6 little bit so it doesn't -- what happens right now is it
7 all tries to come down the canyon at the same time, so we
8 would just hold it in retention areas and then it comes
9 out -- basically you build a large retention, I'll call
10 it a dam, for lack of it, and then you put a pipe in it
11 so it holds it back there, and then it lets it come down
12 slowly so it just doesn't all gush, but it all ends up in
13 the river and ends up in Pyramid.

14 UNIDENTIFIED MALE SPEAKER: And another
15 question.

16 MR. SMITH: Yes, sir.

17 UNIDENTIFIED MALE SPEAKER: Where do you get
18 your water to feed all this (indicating)?

19 MR. SMITH: That's the very expensive
20 question.

21 UNIDENTIFIED MALE SPEAKER: Yeah. I want to
22 know. Are you going to pump it out of the ground or are
23 you going to pipe it in?

24 MR. SMITH: We are looking at -- and we have

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1 going to be xeri-landscape or is it going to be lawns
2 and --

3 MR. SMITH: In current day, you go to the
4 xeriscape. We live in a desert, so you go to trying to
5 maximize your uses of your water sources there.

6 So that, again, would be something that comes
7 out in the PUD level, the next step, but in today's day
8 and age, there's so -- you know, there's a lack of water
9 and you want to maximize its use, so you probably head
10 toward the xeriscape type of landscaping within the
11 community.

12 Thank you.

13 UNIDENTIFIED MALE SPEAKER: Do you want me to
14 go over here?

15 MR. SMITH: Either/or, if everyone can hear
16 you.

17 UNIDENTIFIED MALE SPEAKER: Cordevista is
18 composed of 6800 acres that -- Cordevista is composed of
19 the 6800 acres that you own and the 1800 acres owned by
20 (inaudible), the developer from Dallas, and this is all
21 one project; you're not talking about having two separate
22 projects?

23 MR. SMITH: Correct.

24 UNIDENTIFIED MALE SPEAKER: And you're

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1 several different alternatives we're looking at. It
2 could be one source or it could be multiple sources.

3 The one source it will not be, and we're
4 conditioning ourselves, is it would not be within the
5 Storey County water basin in here.

6 So we may take surface water, purchase
7 surface water in other areas and pipe it in. It will all
8 be piped in, to answer your question. There will be no
9 wells within our project, taking any of the Storey County
10 water, just for this reason up here. We don't see enough
11 water in Storey County to handle its existing
12 developments up here.

13 UNIDENTIFIED MALE SPEAKER: What water serves
14 the industrial park right now? How do they get the water
15 there?

16 MR. SMITH: Currently they are using wells,
17 and they have just gone in and applied for some
18 additional wells. They have some of that approved, but
19 I'm not sure that what they just had approved is enough
20 to take care of all the industrial park. I don't know
21 enough details. But if they didn't have enough, they
22 would have to import it, also, in through a pipe.

23 UNIDENTIFIED MALE SPEAKER: When you build
24 this tract area and residential and commercial, is there

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1 calling the project Cordevista, but on the (inaudible)
2 Web site, he's calling it Virginia Highlands. Would you
3 like to see that here?

4 MR. SMITH: Let me explain it to you.

5 When we purchased the property originally, we
6 put it in an LLC, which is kind of a corporate entity,
7 and we called that Virginia Highlands, LLC. That was
8 when we purchased it three years ago.

9 What we wanted to do to get away from
10 confusion and everything else, because Virginia
11 Highlands, obviously, is used in a lot of different ways,
12 is we picked a project name called Cordevista. So
13 Cordevista, that would be a legal name for ownership
14 purposes. But the project, going forward, will be called
15 Cordevista. And we might even take the Virginia
16 Highlands, LLC name and change it to Cordevista, but
17 that -- the project marketing name is Cordevista. The
18 legal ownership name currently, which we control, is
19 Virginia Highlands, if that -- does that answer your
20 question?

21 UNIDENTIFIED MALE SPEAKER: So you're not
22 going to, at the last minute, call your community
23 Virginia Highlands?

24 MR. SMITH: No.

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1 UNIDENTIFIED MALE SPEAKER: Okay. My second
2 question, it's a little lighter and no disrespect.

3 You want to build a self-contained community.
4 Are you going to have a cemetery?

5 MR. SMITH: You know, that's a new one. I
6 haven't thought of that one. I'm not -- I'm not sure.
7 It would come out at the PUD level.

8 Go ahead.

9 UNIDENTIFIED MALE SPEAKER: You said before
10 that Reno and Sparks, those cities don't want to provide
11 housing for the workers, okay. They don't want to
12 provide housing for the living, they're probably not
13 going to want to provide space for the dead either, so
14 you're going to need a cemetery, and if you do, will that
15 count towards open space?

16 MR. SMITH: Depends if we put landscaping on
17 it.

18 No. I can't answer your question. It's a
19 great question. It would be something that would come
20 out at the next level.

21 You have a beautiful, historic cemetery
22 within this town, and, granted, cemeteries are a part of
23 life. I don't know how to get away from a cemetery. I
24 have not -- I can't answer your question because we have

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1 We think that Cordevista's model is the best
2 for the county and the balancing of the TRI, and that's
3 why we're requesting the zone change at this point.

4 Yes, sir.

5 UNIDENTIFIED MALE SPEAKER: Talking about if
6 your plan does go forward, who's going to pay for the
7 services? We're talking fire, police, the
8 infrastructure? Where is that money going to come from?

9 MR. SMITH: Well, it comes from a couple
10 ways, and that's some of the stuff we've begun talking to
11 staff about, because in the infancy -- when the project
12 is fully developed and all, it will generate enough taxes
13 to support itself. That's one of the things that we have
14 stated as a condition, that we would be a net -- let me
15 just finish the comment, if I could -- that at full
16 build-out, or even before, that there would be more taxes
17 coming from the project than it would need to support it
18 via public services: Life safety, police, fire, all
19 those.

20 So how do you get from day one, when there
21 might be a hundred homes, to where you get to where there
22 might be a thousand homes is the question, and those are
23 the things we're speaking with staff right now about,
24 doing development agreements where we would step in and

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1 not studied that well enough.

2 But there could be or there could not be,
3 depending on where we go with the studies.

4 Any others?

5 Yes.

6 UNIDENTIFIED MALE SPEAKER: Blake, you're
7 surrounded on three sides by TRI.

8 MR. SMITH: Yes, sir.

9 UNIDENTIFIED MALE SPEAKER: If you're not
10 successful here, you could turn around and just sell it
11 to TRI; TRI could come in and put industrial sites there
12 with the current zoning.

13 MR. SMITH: That's correct.

14 UNIDENTIFIED MALE SPEAKER: I mean, I don't
15 think the question is really whether this area is going
16 to be developed or not, because you could sell it to TRI
17 if you're not successful. They could come in. I think
18 the question is how it's going to be developed.

19 Thank you.

20 MR. SMITH: That is the bottom-line comment,
21 and that's what we're trying to express here. Some
22 people are saying, well, if we don't build Cordevista,
23 then it will just stay sagebrush, but it will be
24 developed as something.

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1 help support and assist in those so that it doesn't have
2 a burden to the County as it goes through that.

3 UNIDENTIFIED MALE SPEAKER: But it's going to
4 take a while to build up to get up to that full capacity.
5 Where is that money coming from --

6 MR. SMITH: That would come from us.

7 UNIDENTIFIED MALE SPEAKER: California,
8 Hidden Brook, same thing, in a canyon just like this, it
9 was a drain on the City. It took quite a while for it to
10 build up in order to, quote, pay for itself.

11 You have start-up costs right now. You have
12 fire, you have to meet ISO needs, you've got to have
13 police. Where is that money? This county can't take it.
14 I mean, it's going to come from the taxpayers somewhere.

15 MR. SMITH: No. Let me answer.

16 UNIDENTIFIED MALE SPEAKER: There's a cost to
17 start right away, Mr. Smith.

18 MR. SMITH: Let me answer it. For the third
19 time, let me say it again. That would be part of our
20 development agreement and we would have to fund that
21 shortfall. So we've already begun those dialogues with
22 staff on the fact that we would need a policeman, we're
23 going to need some fire people, and we're going to need
24 pumper trucks, possibly, and other things. Those are the

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1 things that we would step in with.

2 You're going to need a building to house
3 those things, and how do you do that when you've got zero
4 tax base up front? That would be us. And that's part of
5 the development agreement that we would go into on Step 2
6 with the PUD.

7 We're doing that currently in Somerset, just
8 so you know. We will dedicate next month -- we just
9 built a \$3.9 million fire station out of our proceeds and
10 we're giving it to the City of Reno, and we purchased the
11 pumper truck at \$427,000 and just gave it to the City of
12 Reno. No cost to anyone, all funded by ourselves. That
13 would be similar to what we would do here.

14 UNIDENTIFIED MALE SPEAKER: So Somerset paid
15 for that firehouse, they paid for a pumper, and there was
16 no drain -- and, also, I'm not even going get into
17 schools yet. I mean, who paid -- there's immediate
18 start-up costs. I can't see you paying that without
19 pulling on the purse strings of the County. There's so
20 much millions of dollars in start-up. It's more than a
21 policeman. You have to put a substation out there.
22 You've got -- I mean, it's unbelievable.

23 I'm just worried for the people here in
24 Virginia City. They're going to end up subsidizing your

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1 There has been zero infrastructure and impact to the City
2 of Reno in all of Somerset, some 250 million of
3 infrastructure.

4 UNIDENTIFIED MALE SPEAKER: I've just seen
5 what's happened in California, even with Mellow Ruse,
6 paying for the parks, paying for the schools. I've
7 talked to the assistant city manager.

8 Yes, the bottom line, when it did get up and
9 running, it was a drain. I'm just afraid that Storey
10 County eventually will be left paying some money, and
11 where is it going to come from? This is not the richest
12 county here.

13 MR. SMITH: Right. Well, that is step two,
14 and that would be with the staff going in and negotiating
15 that agreement that says we need to make sure that
16 there's not that shortfall within there and that we would
17 cover that.

18 You do it through bonding mechanisms, that we
19 would post bonds to make sure things occur, that if we
20 disappeared, there are bonds the County can draw on to
21 fund those mechanisms. There are safety nets behind
22 those things that occur in modern day.

23 Now, I can't speak to your old --

24 UNIDENTIFIED MALE SPEAKER: I'm speaking in

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1 development.

2 MR. SMITH: Right. Well, the development
3 agreement won't allow that to happen. That's why you put
4 in those controls, and there will be controls in there
5 that we can't develop unless we are funding those, is how
6 you --

7 UNIDENTIFIED MALE SPEAKER: This county has
8 had a history, like out at Virginia City Highlands,
9 apparently it is (inaudible) lack of water. Is two
10 wrongs going to fix a right?

11 MR. SMITH: No. I think what you do is learn
12 from that and set up the development agreement now so it
13 wouldn't occur.

14 But I'll go back to Somerset. We're
15 building all the parks within that and giving it to them.
16 We're building the fire station. We've built every road
17 within that development and given it to the City.

18 And so that's how it works in the development
19 business is that, yes, it is, it's hundreds of millions
20 of dollars. That's what our business does, and that's
21 what our company does.

22 And if you would like to see what we've done
23 and where it is, please travel down and I can show you
24 what we've built and all of the stuff that we've donated.

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1 generalities. You're saying bonds, this thing for the
2 500,000.

3 I mean, what are these homes going to cost?
4 You're projecting, oh, housing for the workers. Most of
5 those jobs out there like Wal-Mart, \$17 an hour. Are
6 they actually going to be able to afford a nice house on
7 like one or two acres? I don't think so. What you're
8 saying that will pay in the freight, these people aren't
9 going to be able to afford.

10 MR. SMITH: Well, in current developments
11 right now -- and that's a valid point because we would
12 target those people within there, to go ahead and have
13 what's called attainable housing. I don't want to use
14 "affordable" because that means government subsidized and
15 other things, but attainable housing for those people to
16 get in there.

17 How you do that today is you cluster those
18 homes together. And, again, I can show you. You would
19 not -- and they would not be able to afford a one- or
20 two-acre home site with a big home on it. That's --
21 you're absolutely correct on that. But what they can
22 afford is clustered-style housing. What you do is you
23 build a smaller home and you build them closer together,
24 and that type of zoning allows those type of employees or

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1 those people in that income bracket to do it. And quite
2 honestly, at \$17 an hour, you know, Storey County is the
3 highest per hourly paid wage in all of the state of
4 Nevada. It's something to be quite proud of. There's no
5 other state that has an hourly wage as high as that one.

6 UNIDENTIFIED FEMALE SPEAKER: Since when?

7 UNIDENTIFIED MALE SPEAKER: That's hard to
8 believe being on C Street. That's --

9 MR. SMITH: It has a lot to do with the
10 business park, all those new employees out there.

11 UNIDENTIFIED MALE SPEAKER: You get my point,
12 Mr. Smith. I honestly don't believe that the \$17
13 warehouse jobs -- except for management, I don't see them
14 paying the freight for what you're proposing, paying the
15 fees in your development you'd like to put in.

16 That's all I'm going to say.

17 MR. SMITH: All I can do is turn around and
18 say I can show you where it does work, and I can -- I'd
19 love to tour you and show you what we've done down there
20 because it is something that is reality that is working
21 right now.

22 And that's what we do. That's the other
23 thing, and, again, those -- we've already entered in and
24 began to have those dialogues with staff at that level.

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1 Now, you take a spouse and a child and
2 everyone else, there are a lot of people involved in this
3 business park just today, let alone it going to 180,000
4 people.

5 So Cordevista, in its own right, could not
6 even handle all that will happen within the park. But
7 what we're trying to do is set up a master-planned
8 community that would have --

9 And Somerset, let me just step back, if you
10 haven't been there. Somerset was targeted. We designed
11 that community to be a high-end to mid-end product.

12 This project, Cordevista, because of the
13 business park and what you're just speaking about, where
14 hourly wages and people that can't necessarily afford a
15 mid-priced home, that would need an attainable home, we
16 would increase the spectrum of the housing to include all
17 of them, so you would have some high end.

18 We would have one -- you know, within this
19 community you're going to have clustered housing like
20 we're talking about, which would be attainable for some
21 of those people, but you're also going to have your
22 half-acre and your one-acre and maybe two- or three- or
23 five-acre lot estates in here, too. So you're going to
24 have the full gamut of housing within here.

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1 Yes?

2 UNIDENTIFIED FEMALE SPEAKER: I have two
3 questions, actually.

4 Have you thought about your high rate in
5 crime, number one? Number two, have you thought about
6 ESL? I mean, I've seen a rise in
7 English-as-a-second-language speakers here. I left
8 California for that reason, because I don't want to see a
9 rise in that, because the rise is going to be there if
10 you have that.

11 MR. SMITH: Right. Have we thought of it?
12 The community would be designed -- I don't think there's
13 any way to discriminate. Those people that are living in
14 Nevada have a right to live. I don't know who would live
15 within there. The logical people would be all the people
16 working within TRI.

17 As far as the crime, in current planning,
18 what you want to do is put these public services like we
19 were just talking about, the police stations and all
20 those other things to try and control it.

21 But you have to go back to remembering that
22 the County has approved, ten years ago, this business
23 park, and it is going to -- as I say, by the end of the
24 year it might have 10,000 jobs. That's jobs.

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1 Now, some of the more expensive stuff is
2 going to create more taxes, to answer -- without
3 answering your complete question, but you're going to
4 have higher-priced housing and you're going to have
5 lower-priced, and that average is what you're going to
6 look for in the economics of how this works within here.

7 But, ma'am, I can't answer who's going to
8 live there and what languages they speak. That's the
9 migration that's coming here.

10 But the crime, the community would be
11 designed to minimize -- maximize the protection and
12 minimize any type of crimes within it.

13 Yes, sir?

14 UNIDENTIFIED MALE SPEAKER: I have a
15 statement and philosophy and then a question.

16 What about those -- better yet, those of us
17 that went out of our way to research Storey County before
18 we ever moved up here because it is what it is. It's
19 laid back, there's no congestion, the crime level is low.
20 I mean, my family and I put a lot of time and effort into
21 it before we ever spent all of our money up here, which
22 is what we did.

23 You're talking about bringing the American
24 public in. The American public, whether we mean to or

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1 not, those of us that do try to pay attention, whether we
2 mean to or not, we're part of the problem.

3 As you bring the American public in, which is
4 part of your job -- I understand that -- and you do, as
5 I've said before, give a very good presentation. But
6 we're dealing in details here. The philosophy is a lot
7 of us moved up here just for what it is right now. We
8 don't want it to change. What you're talking about is a
9 huge undertaking and will change everything. If it
10 changes in 5 years, 10 years, 15 years, it will change
11 it. Now, that's a fact of life.

12 The question I would like to address to you
13 and your state senator is this: If it should get voted
14 out, if the commissioners don't go for it, if they agree
15 with me and mine and not with yours, are you going to
16 litigate Storey County into oblivion, which you can do?

17 MR. SMITH: Well, a couple things. Let me
18 answer your first question or comment, the philosophy
19 one.

20 The county is already changing with the
21 industrial park. I want to go back and emphasize, 51
22 percent of the county, ten years ago, was approved for up
23 to 600 million square feet of industrial. So that
24 county -- I don't know how long you've lived here, but

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1 You keep representing yourself as the better
2 of the various evils, and you might be, I don't know.
3 Couldn't you just wait on this until we all die? We all
4 understand it's coming. Everybody that's getting snowed
5 on this winter back East is going to move here or they're
6 going to move to Utah or they're going to move to
7 Arizona. They're all coming here. We understand that.

8 MR. SMITH: Well, you're in the fastest
9 growing -- if you take -- fastest growing state in the
10 union. So you've got people coming here.

11 UNIDENTIFIED MALE SPEAKER: I lived in
12 Fernley, Nevada for eight years. At the time I moved
13 there, it was between three and 4,000 people, depending
14 on which real estate agent you talked to. It was the
15 fastest growing town in the fastest growing state in the
16 nation for three years in a row. I was there for only
17 eight years. Now, depending on which real estate agent
18 you talk to, there's twenty, maybe 22,000 people there in
19 less than ten years. The quality of the town is pretty
20 much gone. St. George, Utah, same thing.

21 What you keep saying is the way it's going to
22 be. Don't sugarcoat it and don't make us think we've
23 got -- that it's going to be better because of some
24 so-called benefit down the road.

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1 ten years ago there was something that changed the county
2 and will change it forever and could create 180,000 jobs
3 within that.

4 Now, from a planning standpoint, the question
5 is whether you want to continue and add more of that to
6 it, or do you want to try and balance it, both from --
7 and gather some benefits within that? But the county
8 already is changing.

9 And we're going to go with your impact to it.
10 Virginia City, when you look at it, when I talk about
11 that we're nine miles to the north, that there's not a
12 road to it, we're not tapping the water system, we would
13 have a diversified tax base, that -- I don't know how it
14 really reaches to here and changes your quality of life
15 within here. We don't want to change your quality of
16 life.

17 We see this as a beautiful community,
18 Lockwood is a beautiful community, you know, Mark Twain
19 area and all that. We're not -- we're specifically
20 containing this to this area so that it doesn't come down
21 and change Virginia City and these other areas within it.

22 UNIDENTIFIED MALE SPEAKER: Growth can't be
23 contained. I mean, everybody is coming this way, whether
24 we like it or not.

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1 It's all going to change. We just want to
2 keep it at a distance, and you can't do that. As Dean
3 Haymore pointed out in the meeting at Lockwood, you've
4 got to have police access from what -- if you put this
5 monster in, they've got to be able to get from one side
6 of the county to the other because of the increase. The
7 fire department has got to be able to get back and forth.
8 They can talk about putting that little rope across the
9 various roads. Everybody is going to use them. Nobody
10 is going to drive down Geiger Grade, get on 395, drive
11 over to Interstate 80, then go back over because they got
12 a carpentry job with one of your developments. They're
13 going to jump on that little dirt road over in Long
14 Valley, or whichever other road that their vehicle can
15 navigate, and they're going to turn it into a
16 thoroughfare. Now, that's just how people are.

17 The American public, we deserve anything bad
18 that happens to us. We are going to abuse the situation.
19 That's just what the American public does. As you bring
20 more American public in, the abuses will get worse.
21 Driving crime and bringing that many people and not
22 bringing any vandals in, using the petroglyphs as an
23 example, that's just nonsense. Some drunk high-schooler
24 that lives three blocks from there is going to show up

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1 with a can of spray paint on prom night.

2 MR. SMITH: Well, let me use one example, and
3 I want to go back and talk about the uniqueness of what
4 this does here.

5 You talk about Fernley or other communities
6 that have this growth that occurred, and they weren't
7 planned for. I think one of the things -- you look at
8 Fernley and some of these other communities that say,
9 hey, we were 3,000 and now we're 20,000 and it just
10 happened overnight and we did not know it was coming and
11 how did -- we did not see it and we didn't plan for it.

12 The very unique thing that we're seeing here,
13 and it is extremely unique, is to say that you can take
14 one 8,000-acre parcel and put one plan over it that in
15 day one you can tell -- that I could tell you where the
16 road is going to go, where the school's going to go. It
17 would be planned out for its last day on day one.

18 And that takes away from that sporadic or
19 that -- where the town is all of a sudden there's a store
20 here and there's a house here and then there's a store
21 and a house because they didn't Master Plan it to
22 accommodate what it was.

23 That's very unique anywhere in the country,
24 to have a piece of property this large that you could go

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1 that.

2 I have to tell you, our family has lived here
3 84 years and are long-time Nevadans within the state, and
4 it's not something we're trying to do to hurt anybody by
5 any means within it, but you have an occurrence that's
6 happening in Northern Nevada, you have a phenomenal
7 occurrence that's happening within the county, and the
8 question is, what is the best thing that should be done
9 to help assist this or balance this, the already-existing
10 industrial park.

11 UNIDENTIFIED MALE SPEAKER: The question was
12 litigation.

13 MR. SMITH: The question of litigation, I
14 think that's been asked a lot of different times.

15 I think we have to find out where the vote is
16 and why -- if it's not approved, why it wouldn't be
17 approved, and I can't answer it today, but I think if
18 there's a vote --

19 UNIDENTIFIED MALE SPEAKER: If the
20 commissioners just tell you, we voted against it because
21 most of the people that we represent, most of the people
22 that voted them into their positions don't want you up
23 here, and I think -- and that's really -- I mean, this
24 other stuff is details. It is about philosophies, yours

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1 in and say, I'm going to put a PUD on it, and I'm going
2 to tell you on day one where everything is, and it's
3 going to tell you where the store is and the school is
4 and the fire station and where the houses and what type
5 of houses are there all on day one, and that's recorded
6 against the property and stays that way.

7 So it does -- there is a benefit. And you're
8 right, the growth is going to come to Northern Nevada. I
9 hope it does because it keeps us all employed and is an
10 economic engine that helps all of us within Northern
11 Nevada, so it is something that we want. It's planning
12 for it and doing good, logical planning next to the
13 industrial park is what we're saying should happen there.

14 Now, the impacts, we will do anything and
15 everything to try and minimize it. If there are dirt
16 roads going there, you can put lock-down gates on them so
17 people can't traverse through them, but the fire
18 department has the right -- we do it within Somerset.
19 We have six different gates that have gates on it that
20 stops the public from going through it, but if there's a
21 fire, they have the keys to open it and traverse through
22 it.

23 So there are ways to minimize what you're
24 talking about in there, and we're not trying to create

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1 versus mine, possibly the commission.

2 If they say, we just don't want you up here
3 now, or we just don't want you up here for ten years, are
4 you going to go ahead and turn him loose on us?

5 MR. SMITH: I can't answer --

6 MR. AMODEI: First of all, if he does, it
7 won't be me, it will be somebody who does litigation.

8 UNIDENTIFIED MALE SPEAKER: You are his
9 attorney, though, aren't you?

10 MR. AMODEI: There are attorneys and there
11 are attorneys. I can assure you, if there's litigation,
12 I will assure you it will be somebody who does litigation
13 on a regular, ongoing basis instead of being -- I believe
14 the phrase was "under the state senator." I think his
15 state senator is Bill Raggio, by the way.

16 But let me get back to that. Blake Smith
17 owns property in Storey County. You have a set of rules
18 that the planning commission and the staff and the county
19 commission go by, where if you want to do something on
20 your lot, you look at that book and you say, what are the
21 ordinances? What's the Master Plan say? What's the
22 Master Plan say? What are you trying to get to with the
23 county in terms of how you grow or don't grow in an
24 orderly fashion?

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1 So when you say, if you don't get the votes
2 you want and people say, county commissioners, planning
3 commissioners, we want you just to put that red fancy
4 dragon dress on and just say no.

5 It's like those rules that apply to the
6 process say, it better be because there's a problem with
7 traffic, there's a problem with water, there's a problem
8 with whatever, so you can point to something to say, if
9 Austin over there is going to vote no, he can say, "I'm
10 going to vote no because I think," whatever. But if he
11 says, "I'm going to vote no because I'm going to ignore
12 the criteria of the Master Plan, I'm going to ignore the
13 criteria of all of our development histories," I've got
14 to tell you, I represented Painted Rock six months ago.
15 We asked that that be taken off the consent agenda in
16 front of the county commission so we could make the
17 record to support the yes vote.

18 I'm not going to tell you they're the same,
19 but when you talk about we researched it before we came
20 up here, that project was on the consent agenda not
21 because we requested it, it was on the consent agenda,
22 which will triple the population of the county.

23 So when this guy gets ready to evaluate what
24 happens in front of the planning commission and what

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1 I don't know whether he was right or not, but
2 I'm telling you the advice from the person on your side
3 of it said, "That is not a reason for denial."

4 So I would expect Mr. Smith, when he gets
5 through the planning commission and he gets through the
6 county commission, looks at that action, looks at the
7 basis, and then makes the decision on, did they proceed
8 in accordance with the rules that applied for them? Did
9 they have a sound basis for whatever their decision was?

10 And it's interesting to me that you would ask
11 that, because it almost sounds like -- because part of
12 this process is objectivity on those votes. They have
13 that responsibility. And I'm sure they'll do what they
14 think's right. But it's interesting to have the question
15 asked almost in the context of, "Because I know how
16 they're going to vote now," and it's not even at the
17 county commission level now.

18 So anyhow, if that doesn't clear up the
19 litigation thing, it's like he's got to make a decision
20 after he gets through the process with the planning and
21 county commission.

22 Do you know something I don't you want to
23 share with us now?

24 UNIDENTIFIED MALE SPEAKER: I certainly wish

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1 happens in front of the county commission, one of the
2 things that the guy or girl who is going to advise him on
3 litigation is going to say, how was Lance Gilman and
4 Roger Norman treated when they came here ten years and
5 asked to change 51 percent of the county to create what
6 they created? How was the folks that came from Painted
7 Rock treated when they asked to change open forestry
8 zoning to, you know, planned unit development and triple
9 the population of the county six months ago? How was
10 Barrick Goldstrike treated when they came and did a power
11 plant down in an appropriate area?

12 So you look at what the rules are and what
13 the history is in the county. And you know what? If
14 he's treated the same way, not with the vote, but in
15 terms of the scrutiny, and if he's denied and there are
16 decent reasons for denying, I would expect that he would
17 be told, "I wouldn't sue them. This is a strong basis
18 for denial."

19 Now, I can tell you that I sat in a planning
20 commission meeting a couple of months ago and the
21 question was asked, "Well, we should put it to the vote
22 of the people."

23 And the County's lawyer said, "That's not one
24 of your options."

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1 I did, but I don't. Unfortunately, I'm like everybody
2 else in this room. We're very concerned that he has all
3 the money, you have all the connections, and all we got
4 are opportunities to make random comments. You might put
5 it that way.

6 I would ask you one question, though, in
7 regards to you commenting on rules. People much more
8 informed than myself have, at every meeting I've gone to,
9 picked a paragraph out of the Master Plan. That
10 paragraph involves, if you're going to develop something,
11 you have to tell the commission, you have to prove where
12 you're getting your water from.

13 Nobody drove a nail into a board at my place
14 until we had the well dug. I mean, we were told that
15 right up front. If you don't have water, tough cookies;
16 if you do have water, we'll start building you a house.

17 I keep hearing, and I understand that there's
18 financial aspects to this, if you were to say who you're
19 going to get your water from and how you're going to get
20 it and in what quantities.

21 But is that paragraph in there or isn't it?
22 You're a lawyer, I'm not. Is that paragraph in there?

23 MR. AMODEI: Fair question. Nobody will
24 drive a nail into a board in Cordevista unless the County

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1 is satisfied that there's water. And, you know, it's
2 been said at every --

3 UNIDENTIFIED MALE SPEAKER: But that will
4 only reach the point after it's signed and changed the
5 variance -- or the zoning, right?

6 MR. AMODEI: Well, but that's because you
7 didn't get zoning for your house after you got a well.
8 The zoning was there when you went to get a building
9 permit. It's the building process.

10 MR. SMITH: The water element comes in at
11 stage three, and that's what we keep telling you, or
12 trying to express, is this is the area we have to show
13 the water.

14 UNIDENTIFIED MALE SPEAKER: But once you get
15 past stage two, the deed is done.

16 MR. SMITH: If there's no water, there's no
17 stage three.

18 MR. AMODEI: Let me just say this: Each one
19 of those stages is a process.

20 UNIDENTIFIED FEMALE SPEAKER: You need to
21 understand, if there's no water there shouldn't be a
22 stage one.

23 MR. AMODEI: I can assure you, if somebody
24 shows up and says I've got a 400-unit phase in my

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1 when he starts using words like "technical" and you start
2 even having a conversation with somebody like me, I think
3 we're all in a lot of trouble.

4 Because when I show up at a meeting, maybe
5 it's me, maybe it's my wife, he shows up with you. This
6 situation is what attorneys send their grandchildren to
7 law school on. I mean, this can turn into a monster.

8 MR. AMODEI: I'll let Blake speak for
9 himself, but all I can tell you is you don't have this
10 opportunity in California, where you're talking to the
11 actual guy, and you don't have the opportunity in
12 California where the guy -- want to know about the water?
13 Here's the answer. You want to know about whether or not
14 he's going to sue somebody? Here's what you go through
15 if you were making the same decision.

16 The system is too early now to know -- I
17 don't know what the county commission is going to do. I
18 hope I don't know what they're going to do.

19 And on that connections bit, you should talk
20 to me. Because if you think I've got that many, then we
21 should talk and you should hire me, because you think a
22 lot more of my opinion apparently than most of the folks
23 do.

24 UNIDENTIFIED MALE SPEAKER: Yes, I do.

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1 subdivision and I'd like you to approve the tentative
2 map, but I haven't found the water yet, they're going to
3 get a no vote.

4 UNIDENTIFIED MALE SPEAKER: And they're going
5 to get excluded.

6 MR. AMODEI: No, they're not.

7 MR. SMITH: That's a technical aspect. You
8 have to bring your water at the tentative map level.

9 MR. AMODEI: I can assure you there's no
10 cases in the state of Nevada that say, "They should have
11 let me build even though I haven't identified my water."

12 The process is, the entitlement's first; then
13 when you come into the development, the development
14 agreement and then the mapping process, that process
15 requires that you come in at that point in time and tie
16 those things in.

17 You're not going to get an approval to create
18 lots without water anywhere in the state of Nevada.

19 UNIDENTIFIED MALE SPEAKER: When a man with
20 that much power and that much money starts using words
21 like "technical," when a state senator for whoever in
22 which district, who's obviously got a great deal of --
23 and I think you're getting your money's worth out of this
24 gentleman for his law, whatever fee is involved here --

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1 MR. AMODEI: This goes in front of everybody
2 the same as everything else. This is the process. It
3 doesn't mean everybody likes it and agrees with his
4 proposal, but this process in Storey County, in modern
5 age, is unprecedented, where somebody comes in and says,
6 "Listen, I know you're going to have some problems with
7 this, but I'm holding Town Hall meetings in every
8 population center in the county, and I'm meeting with the
9 planning commission until they get ready to have -- they
10 think they've got all the information they need to vote."

11 What's it going to be? The fourth planning
12 commission meeting, Austin? It's like, listen, if
13 somebody is doing a wink and nod, trying to slip
14 something in with juice or something, he shouldn't pay me
15 a dime because this has gone through a phenomenal,
16 unprecedented amount of public exposure.

17 You know, whether Blake likes some of it or
18 not, it's like -- and here he is again before the fourth
19 planning commission meeting going, "People of Virginia
20 City, here's what we're talking about doing. And if you
21 don't like it, then tell me what you don't like because
22 if it's something I can respond to, I will."

23 I can tell you, as a guy who worked for the
24 County ten years ago in development agreements with

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1 Norman and Gilman, didn't do that. And I'm not saying
2 that they're bad guys because of it. I'm just saying
3 this is unprecedented in terms of the public opportunity
4 to say, "I hate your guts" or "What about this issue?"
5 or, you know, "Why don't you stay in Somerset" or
6 whatever.

7 And so I think that's the thing that makes it
8 unique. You say, well, Jesus, you bought a guy up who's
9 a part-time legislator. Well, I think you've got a lot
10 of money. But, listen, this has been the most public
11 process in the history of the projects in Storey County.
12 And as a guy who goes back five generations and who owns
13 property in Storey County, I can -- it's like, listen,
14 like it or not, nobody else has subjected themselves and
15 sought more public input than this guy.

16 I've talked too much. If you want to yell at
17 me afterwards, I'd be happy to meet you on B Street, but
18 don't hit me because I had a rough day already.

19 UNIDENTIFIED MALE SPEAKER: The thing is, on
20 this water issue, I sold property here in Virginia
21 Highlands a couple years ago for the simple reason I
22 worked for a number of people in the area out here and
23 the wells were going dry.

24 How long is this going to go on? These

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1 holes and took samples and came back, and we have
2 concluded that -- and, in fact, we are -- all the soils
3 in the property are clean at this point except for about
4 a 200-by-200 foot area, of which they lined the land --
5 or they put liners below it, but they were using it to
6 burn some of the chemicals. So it's been lined.

7 We are, right now, in the remediation process
8 of cleaning that up, but when we're done this fall, that
9 will be done. When we're done with that, that 200 square
10 foot, the soils will be clean at that point from it.

11 UNIDENTIFIED FEMALE SPEAKER: Okay. Now,
12 just to reiterate, so there is a public record of the
13 chemicals that you found in the ground?

14 MR. SMITH: We've delivered to Dean a
15 supplement -- our consultants have delivered -- to what
16 extent have we delivered?

17 UNIDENTIFIED MALE SPEAKER: We've given them
18 to you directly. I don't know if they've been
19 distributed to Dean.

20 MR. SMITH: We put them up on the Web site.
21 Your firm has delivered letters to us, and we've gone on
22 the record saying the soils are clean.

23 UNIDENTIFIED MALE SPEAKER: You've provided a
24 summary letter that was --

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1 warehouses are going to pump the water over down there,
2 which they're level -- I mean, they're lower, that makes
3 common sense. They're pumping the water out here from
4 these people up on top.

5 MR. SMITH: I can't address the business
6 part.

7 I can tell you there's two aquifers in the
8 county, and the business park is in both of those
9 aquifers. So I don't know where they're getting the
10 water or what. But it's a logical question. I can't
11 answer it for you.

12 UNIDENTIFIED FEMALE SPEAKER: I have two
13 questions for you.

14 Number one, is there a public record of the
15 chemicals you found out there on the ground?

16 MR. SMITH: Yes. Yeah. We have -- and I
17 have our -- the soils and geotechnical consultant here.
18 We have gone in -- the history of the property had a
19 couple of different companies working within it.

20 When we purchased the property we went in and
21 did a couple different studies. One's called a Phase I
22 and a Phase II. Typically when you purchase, you just do
23 a Phase I. Because of the prior history of it, we went
24 and did a Phase II, which we actually went in and dug

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1 MR. SMITH: It's actually on the Storey
2 County Web site, those studies on there. And I've heard
3 that you can't get to them. I don't know the Web site.
4 You'd have to keep scrolling down, and we have a litany
5 of documents on there.

6 UNIDENTIFIED FEMALE SPEAKER: My second
7 question on that, is sodium azide one of those chemicals?

8 MR. SMITH: Eric? Please.

9 This is our consultant. He could answer
10 that.

11 MR. HUBBARD: Can you hear me back there?
12 Okay. I'll skip this. I'll try to be brief and not to
13 bore you, and I'll tell you a little bit about myself.

14 I'm a geologist by training. I've worked as
15 a scientist for 25 years. I've worked for Kleinfelder,
16 which is a nationwide company. We do environmental
17 testing, geotechnical -- we're scientists and engineers.

18 So when Blake purchased the property, a
19 standard environmental assessment was done, Phase I
20 environmental assessment. There's an ASTM method for it.
21 Almost every commercial transaction has one of these
22 assessments done.

23 And what we do is we look through the whole
24 history of the property. We interview people who are

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1 familiar with the property. We talk to the previous
2 owners of the property site. I'm sure -- if you know
3 what a Phase I is, you know what I'm talking about.
4 They're big, thick, boring documents.

5 On this particular property, the history
6 was -- as Blake said, there were a couple companies out
7 there. The company that was there when we went out, and
8 they were still there, was TRW. TRW used the site for
9 research and development of the propellant, which is a
10 fancy word for explosives, that were used for automobile
11 airbags.

12 And at one point they actually fabricated
13 automobile airbag propellants and devices. They had a
14 research and development facility there. I've seen all
15 of the facility, I've been through all of those
16 facilities there. That stuff was done in an extremely
17 tightly contained area under meticulous control. They
18 have -- because it's explosive and it's dangerous. So
19 everything was contained throughout the whole process,
20 except when they would test the explosives, they built
21 circular, what they call open burn, open detonation pads.

22 What they are, they're 100 feet in diameter.
23 They're filled with several feet of crushed rock, pea
24 gravel. There's an impermeable liner underneath that,

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1 He actually spent some time in prison.

2 And subsequently TRW came in, did their Phase
3 I assessment to make sure they were not inheriting a big
4 liability, and they purchased the property after Hi-Shear
5 used it.

6 UNIDENTIFIED MALE SPEAKER: And did you talk
7 to Aerojet?

8 MR. HUBBARD: We've talked to Aerojet. We've
9 talked to Hi -- we haven't talked to Hi-Shear. We've
10 talked to TRW extensively, which used the site most
11 recently.

12 UNIDENTIFIED MALE SPEAKER: There's some
13 controversy whether Aerojet actually did anything out
14 there or not. And they say they did not use it for
15 anything, and other people said, well, they worked on
16 some (inaudible).

17 MR. HUBBARD: Well, you know, there's a lot
18 of rumors. And Aerojet bought the property, as far as I
19 know -- and I have to look back at the history, you know,
20 in detail, but I don't think they did anything out there.

21 Most of the -- Hi-Shear was, apparently, a
22 fly-by-night operation, but that work was all -- that --
23 all that stuff is down at NDEP, all the files for that.
24 You can review those and look at them. That was taken

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1 and then there's a second impermeable liner underneath
2 that. And the idea is when they blow these things up,
3 some of the stuff will filtrate into the gravel, and the
4 liner is there to protect it from getting into the
5 ground.

6 So in the process of doing the Phase I, we
7 identified those particular sites. They have residue in
8 there from those explosives, primarily perchlorate.

9 Those circular pads are -- have been under a
10 state of bioremediation. We're using fertilizer and
11 molasses, basically, to oxidize what's remaining. We
12 continue to test, and when the test shows that it's
13 clean, that material will be removed.

14 That, to our knowledge, based on all the
15 research we've done, is the only environmental issue out
16 there.

17 UNIDENTIFIED MALE SPEAKER: Did you talk to
18 Hi-Shear?

19 MR. HUBBARD: Hi-Shear -- the Hi-Shear stuff
20 is public record. Hi-Shear, some years ago -- and I
21 don't know the whole story about Hi-Shear because it was
22 a while ago, but the fellow that owned Hi-Shear used one
23 of those pads to burn some material illegally. He was
24 busted by NDEP. The site was thoroughly investigated.

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1 care of before --

2 UNIDENTIFIED MALE SPEAKER: Where is this
3 file?

4 MR. HUBBARD: It's at Nevada Department of
5 Environmental Protection. The State came in at that
6 point and made sure everything was clean.

7 UNIDENTIFIED MALE SPEAKER: Is there any
8 chance you could send copies of it to the Storey County
9 Building Department so those of us who are here locally
10 don't have to travel to God knows where, to some far off
11 department?

12 MR. HUBBARD: I assume at some point all
13 those will be available at a public meeting. I don't --
14 you know, if he wants me to distribute them, I can get
15 copies. There's a lot of stuff.

16 MR. SMITH: Are they in your files or are
17 they at NDEP?

18 MR. HUBBARD: Most of it is at NDEP. What we
19 do, when we do the Phase I, we go down to NDEP and we
20 review all that stuff, summarize everything we find, and
21 then we write it in our report to Blake.

(Inaudible conversation).

22 UNIDENTIFIED MALE SPEAKER: You've been
23 promising since March to give us copies of the details of
24

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1 the (inaudible) report to the County.

2 MR. SMITH: I think you continue to ask for
3 those, and I keep saying that we're delivering the
4 summary --

5 UNIDENTIFIED MALE SPEAKER: Look up the
6 transcript for the Lockwood --

7 MR. SMITH: The summary documents in order to
8 accomplish it. And Dean has even come in and said,
9 again, at the right stage, which is stage three, of the
10 entitlement process, all of those things -- we'll
11 actually come back in and do additional Phase I and Phase
12 II before we break ground out there.

13 UNIDENTIFIED MALE SPEAKER: Are you saying
14 the transcript from the Lockwood meeting is wrong, is
15 inaccurate?

16 MR. SMITH: I don't have the hearing in front
17 of me.

18 UNIDENTIFIED MALE SPEAKER: I don't have it
19 in front of me either, but I know exactly what's in it,
20 because when I was given the copies in PDF form, I used
21 OCR to convert it to text. I've read every word of that
22 transcript. Plus, I was there and I heard your other
23 representatives from Kleinsmith --

24 MR. SMITH: Kleinfelder.

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1 we've talked to, and we're doing our best to clean it up
2 as quickly as we can.

3 UNIDENTIFIED MALE SPEAKER: And all you've
4 given out is this one-page summary that says trust us.
5 At the same time you've said, we have the detailed
6 reports, we're happy to show it to anybody, and then you
7 don't do it.

8 MR. SMITH: You know, why don't you send it
9 over and we'll PDF -- we'll put it all together. If you
10 would enjoy going through it, that's fine. Part of the
11 thing is, we are -- it's not at the right level of the
12 entitlement process, and that's where Dean has come in
13 and said, "Look, folks," if you'll even listen to him in
14 the transcript saying, "At the next level is where we
15 bring those in here."

16 Because we can't build on contaminated
17 property anyhow, and we will hire this gentleman, or
18 other companies, to come in when we start to build to
19 deliver additional (inaudible) at this point.

20 UNIDENTIFIED MALE SPEAKER: Now you're saying
21 something different. Before you said you can have it
22 right now, and now you're saying it's a Phase II item.

23 MR. SMITH: No, no. Wait a minute. We're
24 talking about a couple different things.

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1 UNIDENTIFIED MALE SPEAKER: Kleinfelder, I'm
2 sorry.

3 -- say, well, we have the details of the
4 contamination reports, and anyone that wants it can look
5 at it.

6 And I asked, "Does that include me?"

7 And then I think you said, then, or Dean
8 said, well, you will file (inaudible) with the County.

9 MR. SMITH: How big is Phase I and Phase II?

10 MR. HUBBARD: It's probably a pile this big.

11 All I can tell you is, you know, we've done
12 as thorough a job as we can. I mean, there's -- when
13 Blake hired us to make sure that he wasn't inheriting a
14 liability, there will be no benefit to him whatsoever in
15 hiding anything out there. There would be no benefit to
16 me because I would have -- why would I put my company and
17 myself and my family at risk by trying to hide something
18 out there?

19 MR. SMITH: We wouldn't have purchased it.

20 MR. HUBBARD: Yeah. So all I can tell you is
21 we've looked at it very thoroughly, we've looked at it
22 extensively, we've done all kinds of sampling to try to
23 identify everything we possibly can out there. We have a
24 very good idea of the past uses, based on all the people

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1 MR. HUBBARD: Phase I is a research project
2 to look at the history of the site and identify what
3 could be potential problems. From that, we identified
4 this problem and these areas we thought might have
5 problems. We sampled a bunch of areas. Two of those
6 areas have problems, and so that's what we're cleaning
7 up. That's the Phase II part is when you go out and
8 sample, and Phase III, you might say, is the remediation.

9 MR. SMITH: No, no. I'm pointing to the
10 entitlement in Phase II. That's what I'm saying, at the
11 next, Phase III, actually, in the entitlement process is
12 when we would typically deliver. It's way ahead of all
13 of those.

14 Even Dean is saying, "I don't need those at
15 this point," because this is just a zone change. When
16 you get into the development stage, those are when he
17 needs all those detailed documents. And so that's where
18 we've been going and saying, hey, we'll deliver them at
19 the right entitlement level, which is Phase III of the
20 zoning process.

21 UNIDENTIFIED MALE SPEAKER: I'm sorry.
22 That's not what you said at the Lockwood meeting.

23 MR. SMITH: That's fine. Let me just
24 accelerate. You send them over to my office and we'll

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1 scan them and we'll get them out to you.

2 UNIDENTIFIED MALE SPEAKER: I'll be happy to
3 post them on my Web site for you.

4 MR. SMITH: That's fine. No, they need to go
5 up on the County so that the County has --

6 UNIDENTIFIED MALE SPEAKER: Fine. If you
7 give them to the County, as long as I can get them in
8 PDF -- you know I put up a Web site for this issue,
9 right? Okay. And so as opposed to the Storey County Web
10 site (inaudible), my Web site for this issue is going to
11 be there forever, I promise you that.

12 MR. SMITH: That's fine. I will deliver them
13 to the County. That's where they need to go.

14 UNIDENTIFIED MALE SPEAKER: Can I ask, when
15 Senator Amodei started his response to the question of
16 whether you were going to sue the County, it sounded to
17 me like he was conceding that according to the Master
18 Plan the County could say no to you and you did not
19 really have grounds to sue the county, except that he
20 goes to these other projects that the County appears to
21 have made exceptions for (inaudible). You could, if we
22 didn't make the same exception for you in the Master Plan
23 that we've made for others, then you would have grounds
24 for suing us.

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1 mean, that's the nature of a horse race.

2 UNIDENTIFIED MALE SPEAKER: Well, there's
3 people saying Painted Rock was in the Master Plan and
4 Cordevista isn't.

5 MR. AMODEI: You know, that's what makes
6 America great is everybody gets to have their own
7 opinion. It's just that the ones that get the vote are
8 the ones that really count.

9 UNIDENTIFIED MALE SPEAKER: Not everyone gets
10 to have their own state senator on their side.

11 MR. AMODEI: You know what? One of the
12 unique things about Nevada is that we are part-time
13 legislators, and so that goes back to the state
14 Constitution, which predates any of us, which means we
15 want people who live and work in our communities to
16 represent us, and so we don't want the full-time people.
17 And I don't know where you hail from, we don't want
18 full-time politicians. So all 63 of us have day jobs
19 that we go back to, and mine happens to be working in the
20 area of water rights and development. And that's been
21 out there for the 12 years I've been in the legislature,
22 and it was out there ten years ago when I represented the
23 County against the developers, TRI, to make sure that
24 they got what they thought they needed out of it, and it

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1 MR. AMODEI: I wasn't clear.

2 UNIDENTIFIED MALE SPEAKER: Well, I know.

3 MR. AMODEI: The evaluation -- thank you for
4 pointing that out.

5 The evaluation that anybody will go through
6 after they go before the County on anything that involves
7 discretionary approval is, did you abide by your rules
8 that you have (inaudible), and did you exercise your
9 discretion reasonably? Part of that analysis was, how
10 have you exercised your discretion on things that are in
11 the same neighborhood in terms of Master Plan zone change
12 amendments, major projects in Storey County.

13 And I guess, you know, one of the interesting
14 things is when TRI was approved, it was not in the Master
15 Plan. That doesn't mean that you have to vote one way or
16 another now, but it's something that you take a look at.

17 When Painted Rock was approved, it was not in
18 the Master Plan. Now, that doesn't mean that this is not
19 in the Master Plan, because if you look at the Storey
20 County Master Plan and you read the Master Plan, which
21 I'm sure is on your Web site, you know, we think, when
22 you take a look at all that stuff, that there's a good
23 argument to be made, which Austin and his colleagues will
24 hear next week, that it is in the Master Plan, but, I

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1 was there when I represented Barrick Goldstrike in the
2 approval of their power plant, and it was there when I
3 represented Painted Rock, and it's there when I represent
4 Mr. Smith, and it will be there as long as I'm in the
5 private practice of law earning a living, because I am
6 not earning my living based on my salary of 60 days out
7 of every 360 times two at the public expense.

8 So, I mean, that's not a secret to anybody.

9 And the other magic in it is, a state senator
10 has no votes on the Storey County Planning Commission or
11 the Storey County Commission. So that's one of those
12 other great things about America, where if it's a horse
13 race, everybody brings their horses and sees where the
14 heck they end up on the track after that bell goes off.

15 UNIDENTIFIED MALE SPEAKER: I was born in New
16 Jersey (inaudible).

17 MR. AMODEI: And you got here as soon as you
18 could, right?

19 UNIDENTIFIED MALE SPEAKER: (Inaudible.)

20 MR. AMODEI: Well, to the extent that you're
21 equating me with the New Jersey folks, I won't hold that
22 against you for any future relationship issues. I'm from
23 Nevada, and it's worked okay here since 1864.

24 UNIDENTIFIED MALE SPEAKER: (Inaudible.)

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1 MR. AMODEI: I do a lot of pro bono, too.

2 MR. SMITH: If I could continue.

3 UNIDENTIFIED FEMALE SPEAKER: Let me get back
4 to my question here, because I asked for a simple
5 yes-or-no question.

6 Did you or did you not find sodium azide?

7 MR. HUBBARD: No.

8 MR. SMITH: No, okay.

9 UNIDENTIFIED MALE SPEAKER: Did you look for
10 it or did you just --

11 MR. HUBBARD: We looked for everything. We
12 looked for a lot of stuff.

13 UNIDENTIFIED MALE SPEAKER: You read the
14 documentation that previous owners gave you; you didn't
15 do any testing.

16 MR. HUBBARD: We looked at all of the
17 materials that they used out there, and we based our
18 sampling regimen based on what they used.

19 MR. SMITH: Let me speed forward. If we were
20 to find this chemical when we go in stage three and do a
21 tentative map or a final map, we would remediate it at
22 that point. Whatever is out there, if we discover it and
23 it's something that we can't remediate -- I don't know
24 what it is -- if we can't, then we can't develop on that

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1 they were testing airbag propellants out there tells me
2 they had sodium azide.

3 MR. HUBBARD: They had a lot of different
4 things out there, but what we found was perchlorate.

5 UNIDENTIFIED FEMALE SPEAKER: Okay.

6 MR. SMITH: I think you had another question.

7 MR. PHILLIPS: For the record, my name is
8 Mark Phillips, 15-year resident of Storey County.

9 Could you please confirm or deny whether one
10 of our Storey County commissioners has a one percent
11 interest in Cordevista?

12 MR. SMITH: Cordevista?

13 MR. PHILLIPS: Yes.

14 MR. SMITH: No. I can distinctly tell you no
15 county commissioner has any ownership interest in our
16 project.

17 MR. PHILLIPS: Including Virginia Highlands,
18 LLC.

19 MR. SMITH: Correct. Let me be very, very
20 clear on that. No planning commissioner or county
21 commissioner or any staff person has any involvement
22 within our project.

23 Now, you may be confusing that with a
24 different project that it appears he has ownership in a

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1 land. If it is in there, then we have to take it out
2 before we can develop it.

3 So this question about is it there or is it
4 not and have you looked everywhere, when we go to step
5 three, which is tentative map and final map, we go back
6 and we restudy the property and look for all those
7 things. If we find them, we have to get them out of
8 there. If we can't get them out of there, then we can't
9 develop in there or we have to develop around the area.

10 So there are controls in here. These
11 questions, these redundant questions on soils are very
12 great ones, but you have the County and its staff that
13 will go in and protect -- whether it's me or anyone else
14 in here, when you go to build, you have to go and test
15 those soils to make sure those aren't there, and if they
16 are, you have to get them out at that point.

17 So all of these questions have control
18 features behind them in there. It's at the later stage
19 of the process.

20 MR. HUBBARD: If anybody has any knowledge of
21 stuff out there that you think might have been used, I
22 would like to hear it.

23 MR. SMITH: Please tell us.

24 UNIDENTIFIED FEMALE SPEAKER: Well, the fact

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1 different project.

2 MR. PHILLIPS: What project is that?
3 (Inaudible.)

4 MR. AMODEI: Go to the recorder's office.

5 MR. SMITH: Yeah, go to the recorder office.

6 MR. PHILLIPS: That's our Storey County
7 Recorder? Who?

8 MR. SMITH: I'll stop right there.

9 Another question?

10 UNIDENTIFIED MALE SPEAKER: My last one, I
11 promise, for both of you.

12 He's probably got a historical aspect to
13 this.

14 Have you or your company or -- and co-op of
15 companies, or any companies that either one of you know
16 about, that operate at the level that you do, have they
17 ever been refused by a government entity, be it a county
18 government, state or city, have you guys ever wanted to
19 put a project in and it was refused by that area's
20 government entity, and if so, what happened after that?

21 MR. SMITH: We -- in the history of my
22 career, we have not had a denial.

23 MR. AMODEI: In the history of mine, I've had
24 plenty, and we didn't sue on all of them either.

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1 UNIDENTIFIED MALE SPEAKER: But that's a
2 lawyer's job is to (inaudible).
3 MR. AMODEI: I know.
4 UNIDENTIFIED MALE SPEAKER: Do you know of
5 any companies that operate at the level that you do that
6 have run into a refusal like we're talking about,
7 hopefully talking about, here? Do you know of any?
8 MR. SMITH: You know what? I'm sure I
9 probably do. I don't know them off the top of my head,
10 though, but, yeah.
11 I don't know if we've covered all the
12 questions or comments.
13 UNIDENTIFIED FEMALE SPEAKER: I don't really
14 have a question, but I think I wanted to just sum up a
15 few feelings I have that I think might be shared by
16 people here.
17 It had been mentioned that the point we were
18 in California this would not be happening, people
19 wouldn't have this kind of presentation. And your
20 presentation is very good, and it's great that you honor
21 the people in this county by bringing this sort of
22 information and trying to be so open about what you plan
23 to do.
24 But I moved here 20 years ago from Santa Cruz

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1 corridor, also south to Gardnerville, north to Red Rock,
2 and up the Pyramid Highway. We don't want to see that
3 happen here.
4 And we would like -- you mentioned, well,
5 this is a project where from the get-go we can decide
6 exactly how that 8,000 acres is going to be used because
7 you will work hand-in-hand with us to have anything that
8 we desire as far as how that is planned out done
9 according to reasonable requests.
10 Well, I think that is really where the great
11 problem is, is that it is 8,000 acres and it is such a
12 huge development. If you were a developer who was coming
13 here and, say, wanted to build 200 houses over there,
14 that might be something that people could live with,
15 though I live in the Highlands and that concern about
16 people from your community coming in and using our
17 community as a recreational area, because we are far
18 extended than what you have, because I don't think people
19 quite understood, and I'm sure I'm correct in thinking
20 that it's not one or two homes per acre. That's what the
21 8,000 would come out to if you divided the number of
22 homes in there, but the homes will be more dense.
23 We don't want those people coming into the
24 Highlands. And what if you were -- if your development

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1 County, and I can assure you 20 years ago in Santa Cruz
2 County you would not even probably have gotten a listen
3 down at the county much less 20 years later now that you
4 could have done a development of this size or this
5 intensity in Santa Cruz.
6 I understand there now that if your house
7 burns down, you can't even rebuild it there's such a
8 moratorium on building because people want to retain
9 their quality of life in that area.
10 I'm sure there are other areas in California
11 where they welcome development, but most of the areas
12 where people truly want to live, development isn't quite
13 that easily done.
14 You spoke about a five percent growth in
15 Storey County, and I'm no expert on growth figures, but I
16 would assume that that growth is not necessarily a
17 residential sort of growth.
18 I've lived here for 20 years, and I think
19 what Storey County would like to do, and I don't know if
20 our planning commission has backed us up in our Master
21 Plan, but we would like to see controlled growth.
22 The people who have lived up here, I live in
23 the Highlands, but I also spend a lot of time in town,
24 we've seen what's happened to the Carson City-Reno

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1 was okayed, and as in the situation with the Highlands,
2 I'm sure in hindsight, even the people who live in the
3 Highlands would have liked to have seen it developed
4 better and overseen more by the County and more carefully
5 approved than the situation is now.
6 So when you're coming to us with an
7 8,000-acre development and wanting the whole thing
8 granted, people just cannot swallow that. It's too big,
9 it's too scary. There are too many implications of
10 things that might bite us in the butt later with that
11 being okayed.
12 When I was at the Highlands presentation, at
13 that time you had mentioned the golf course, and that
14 just made everybody's hair stand up. Now I have not
15 heard anything about a golf course, so maybe that's gone.
16 But the other thing, too, you talk about this
17 being a mixed community, perhaps of cluster homes,
18 apartments, and more high-end homes. I really haven't
19 seen a community like that anywhere in Reno. It's like
20 medium or low income or really nice. It's like Arrowhead
21 Creek or Bridle Path Estates or -- I mean, I really
22 haven't seen any new projects of any substantial size
23 that house people who are low income. I've seen some
24 apartment complexes down near downtown, but not anything

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1 in the outlying areas, and so that seems puzzling to me,
2 too.

3 Right now homes are growing daily. If you
4 put in a development, it automatically has to have this
5 infrastructure of fire and police and schools, but if the
6 homes aren't selling very well, what's going to pay for
7 that? Where is all this money going to come from that
8 you say you're going to give back to us?

9 I think that kind of covers my feelings, and
10 I don't really expect you to answer because all of this
11 is rather nebulous and up in the air as to whether the
12 economy is going to improve that vastly.

13 I'm a professional. I have a video
14 production company. And let's say I had a studio in TRI.
15 I really don't think I would want to live in Cordevista.
16 I really don't. I think I'd want to live somewhere a bit
17 nicer. Even though I know you've planned a nice
18 community, I'd want to get away from there when I was
19 through working. And I'm not so sure that people --
20 particularly up here -- now, I'll finish up my remarks --
21 I think a lot of the people up here don't necessarily
22 live that close to where they work. They live where they
23 want to recreate on the weekends and feel an identity
24 with where they live when they come home, and it's not

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1 situation. We're a really little county with a really
2 small infrastructure, and this is like a big elephant
3 coming into our living room and saying, "I want to live
4 here now."

5 MR. SMITH: Right. Well, let me -- I can't
6 recall all of them, but I'll touch base on some of it.

7 Not everyone who works in TRI will live
8 there. That's what is beautiful about our country; they
9 can pick anywhere they want to live.

10 However, having those jobs and those housing
11 next to it, it would be logical and just for other areas
12 they wouldn't want to live.

13 When you talk about size, where you live
14 currently, Virginia City Highlands is 25,000 acres of
15 land. That has been absorbed and digested by it.

16 Ours is 8,000, and I want to put these to
17 scale in here. When you talk about 8,000 is so big and
18 all this, Virginia City Highlands happens to be three
19 times the size of what we're proposing in here, so --

20 UNIDENTIFIED FEMALE SPEAKER: Wait. But how
21 many homes are in the Highlands presently and how many
22 times homes are in your development?

23 MR. SMITH: Well, this is old-style
24 development of where you cut them into squares and do

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1 necessarily where they work. That's all.

2 Oh, one more thing. I'm sorry. Sorry.

3 I was at a county commissioners' meeting last
4 year when NDOT was making their annual presentation, and
5 Senator Amodei was speaking for Painted Rock, and at that
6 time there really wasn't any dissension in the room about
7 Painted Rock, and I think the process they were going
8 through at that meeting was fairly boilerplate.

9 But he mentioned that Virginia City, in its
10 heyday, that 35,000 people lived here and certainly we
11 could accommodate that many more now, and that really
12 rubbed me the wrong way because right now Virginia City
13 supports a population of what, between 800 or a thousand?
14 And we have no infrastructure here to support 35,000
15 people.

16 And back from 1859 to say the next 20 years,
17 this town was basically an industrial town, and sure it
18 had some schools and things like that, but basically
19 people made their money and went away.

20 UNIDENTIFIED MALE SPEAKER: (Inaudible.)

21 UNIDENTIFIED FEMALE SPEAKER: But making
22 that -- it just rubbed me the wrong way to hear Senator
23 Amodei to compare this town 200 years ago -- over a
24 hundred years ago to a present-day, the present-day

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1 ones and fives and forties. This is development that in
2 the current day you can't make the economics work to
3 develop a road system in here and have the County support
4 that road with the taxes that had to go through 40-acre
5 and 5-acre parcels. The economics do not work on it.
6 And this type of zoning is classified as old-style
7 zoning. That's why you go in and you do cluster houses
8 together and you put them closer, so that the County can
9 digest the tax burden of that.

10 The same thing with TRI that is coming in.
11 When you talk about this thing is so big and all that, I
12 want to go back. The County has approved a 102,000-acre
13 project that will create 600 million feet and 180,000
14 jobs. When you put that to the scale of our project,
15 we -- at full build-out, if we were to build this, we
16 could possibly handle ten percent of the employees that
17 happen within TRI. That's how big TRI is.

18 So when you do put it into scale, that at its
19 full build-out that it potentially could only handle ten
20 percent of all of TRI, that's how big that project is.

21 And then when you go to the physical side and
22 say that your existing development that you live in is
23 three times the size we're looking at, those kinds of
24 scales are -- within the county, these type of things

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1 have already occurred. Painted Rock, like I say, is
2 just -- was just approved for, you know, one to two units
3 per acre or what will put in about 10,000 employees.

4 What we've come back and said is, if 8,000 is
5 too large, then we'll come back and we'll phase it in the
6 size of Painted Rock. We'll put down it into 2,000-acre
7 phases, so that just what you've approved currently we'll
8 set this one up so that it's the same size as the
9 previous one that was approved in there.

10 So I don't know if I'm answering -- you had a
11 litany of things.

12 UNIDENTIFIED FEMALE SPEAKER: I was just
13 making a statement, actually.

14 MR. SMITH: Well, I want to address them.
15 That's why I'm here tonight, and I appreciate you coming.
16 But it's something that you've taken your time. I've
17 come here specifically to hear those, so that I can
18 answer them, or if there's something that we can work on,
19 I want to work on it and take it to the planning
20 commission and say, here's a concern, here's what we want
21 to do to address that concern. Otherwise we would not
22 hold these meetings. These meetings are not just for you
23 and me to miss our dinner and our kids. They're here so
24 that we can hear them.

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1 your population has grown in Storey County, to answer
2 that. That was one of your other questions.

3 But that is a different question than what
4 our application is.

5 And I'm going to summarize. I don't know if
6 all the questions are, but when you take a look at our
7 application, it's very simple. It comes down to this
8 board here, which is, there's current zoning for special
9 industrial on that property, which we do not think is
10 best for the county or for the property that's out there.

11 And so the question is, do you -- does Storey
12 County want special industrial zoning? Is that what is
13 best for it? Or is the proposed mixed-use project
14 better? And this is really the question we have in front
15 of the planning commissioners.

16 But the development of the property will
17 occur in some way. So when you say we don't want growth
18 or we don't want these things, the property will be
19 developed in one way or another, the question is in which
20 way it should be developed. We think this is the better
21 way, and that's our application.

22 Anything else? I don't want -- I see some
23 people moseying out. I don't want to hold everyone, but
24 I want to make sure I've answered or addressed all the

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1 That's why when we started I think we had six
2 boards, and now we're up to 18 boards, because every
3 meeting we have another concern that comes up, and we're
4 trying to address that and go back to the county
5 commissioners and say, "Here's an issue. Here's how
6 we're trying to address it."

7 So I can't recall all of them. You had a
8 litany of them, but if there was one in particular that
9 you want me to address -- want me to readdress, I would
10 be happy to.

11 UNIDENTIFIED FEMALE SPEAKER: The only thing
12 I would like to add to that is Douglas County, in
13 their -- amended their Master Plan to three percent
14 growth, and I consider the growth in Douglas County to
15 have been far, far more -- if you take away TRI -- to be
16 far, far more than Storey County. And if they can limit
17 their growth to three percent, why can't Storey County do
18 that?

19 MR. SMITH: Well, that's a different question
20 than our application. That's something that should be
21 requested.

22 That was one of the things you said about the
23 five percent. That is actually population. We went back
24 to 1960 and came to 2007. That is five percent a year

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1 questions that are out there. If not, I'll open the bar
2 and buy drinks at the Delta or something.

3 But I want to thank all of you. I mean it
4 sincerely. Taking an evening to come here, I know, is an
5 evening of yours, and I appreciate you taking the time to
6 come down.

7 Thank you.

8 (The meeting adjourned at 7:41 p.m.)

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1 STATE OF NEVADA)
2) ss.
3 COUNTY OF WASHOE.)

4 I, PEGGY B. HOOGS, a Certified Court Reporter
5 and notary public in and for the County of Washoe, State
6 of Nevada, do hereby certify:

7 That as such reporter, I was present on
8 Wednesday, July 13, 2007, at Piper's Opera House,
9 Virginia City, Nevada, and I then and there took verbatim
10 stenotype notes of the proceedings had and testimony
11 given therein;

12 That the foregoing transcript is a full, true
13 and correct transcript of my said stenotype notes, so
14 taken as aforesaid;

15 That the foregoing transcript was taken down
16 under my direction and control and to the best of my
17 knowledge, skill and ability.

18 DATED: At Reno, Nevada, this 16th day of
19 July 2007.

20
21
22 _____
23 Peggy B. Hoogs, CCR. No. 160
24

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