

## NEVADA LEGISLATURE - 54TH SESSION

SENATE COMMITTEE ON  
FEDERAL, STATE, AND LOCAL GOVERNMENTS

Minutes of Meeting Held  
April 12, 1967  
3:00 p.m.

The 40th meeting of the Senate Committee on Federal, State, and Local Governments was called to order on Wednesday, April 12, 1967, at 3:00 p.m., in Committee Room 50, State Capitol, by the Chairman, Senator James I. Gibson.

All committee members were present.

Also present were:

Senator Emerson Titlow  
Assemblyman Austin Bowler (joined the meeting at 3:10 p.m.)  
Mr. Curtis Blyth, Nevada Municipal Association  
Mr. Joe Jackson, Newsman

The Chairman called for consideration of -

S.B. 420: Titlow. Permits establishment of town board to govern unincorporated towns.

Senator Titlow commented on the bill and said a new section, to be numbered 5.5, should be inserted in the bill to provide that any ordinance or action by a town board will not be effective for 30 days, that the county commissioners may within that period of time veto the action, and it will be of no force or effect. Discussion followed.

DISPOSITION: Senator Young moved, "Amend and do pass."  
Senator Bunker seconded. Motion passed unanimously. (Titlow left.)

S.B. 506: Herr and Bunker. Defines area to be encompassed by certain certificates of public convenience and necessity.

The Chairman stated that about the time he got this bill he was asked to hold it.

DISPOSITION: Senator Hecht moved, "I move we go with their wishes." Senator Bunker seconded. The motion passed unanimously.

S.B. 510: Provides that Secretary of Public Service Commission shall serve in administrative capacity. Introduced by this committee.

The Chairman stated that this bill has been requested by the Public Service Commission.

DISPOSITION: Senator Farr, "Do pass." Senator Bunker seconded.  
Motion passed unanimously.

Assemblyman Oscar Bowler entered the meeting, 3:10 p.m.

A.B. 516: Bowler, Close, and Garfinkle. Makes extensive changes in  
administration of laws relating to boxing and wrestling.

Mr. Bowler explained the bill. Discussion. Mr. Bowler left.

DISPOSITION: Senator Monroe moved, "Do pass." Senator Young  
seconded. Passed unanimously.

A.J.R. 12: Committee on State, County, and City Affairs. Urges exception  
to Uniform Time Act.

Discussion.

DISPOSITION: Senator Monroe moved, "Do pass." Senator Young  
seconded. Motion passed unanimously. (Senator Hecht was not  
in the room at the time of this vote.)

A.C.R. 21: Committee on State, County, and City Affairs. Directs Legis-  
lative Commission to study problems of public printing.

Discussion.

Senator Farr moved that the resolution be adopted. Senator  
Young seconded. Motion passed unanimously.

A.B. 497: Committee on State, County, and City Affairs. Changes name of  
City of Henderson to Lake Adair; includes additional territory  
in city; grants additional general and specific powers to city.

Lengthy discussion. Russ McDonald entered meeting (3:40 p.m.).

DISPOSITION: Senator Monroe moved, "Do pass." Senator Bunker  
seconded. The motion passed with the following vote:

Aye - Senators Bunker, Fisher, Gibson, Monroe, and Young.  
No - Senators Alleman and Hecht.

Senator Hecht requested a minority report.

The meeting adjourned at 3:42 p.m.

  
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Louise Glover - Secretary

I certify that the foregoing minutes are correct.

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Senator James I. Gibson - Chairman



CITY OF HENDERSON  
CITY HALL — 243 WATER STREET — 89015  
HENDERSON, NEVADA

MARCH 21, 1967

SUMMARY REPORT TO THE HENDERSON LEGISLATIVE DELEGATION  
CONCERNING THE PORT HOLIDAY AUTHORITY PROJECT

I BACKGROUND:

The purpose of this Summary Report is to provide an easily readable, but comprehensive review of the City of Henderson's involvement with Port Holiday Authority. I shall try to deal only with the highlights, but also, to provide sufficient background in each case so that a reasonably good understanding of not only the concept as a whole, but the individual major principles can be had.

The City's involvement with Port Holiday covers a relatively short period of time, however, in this short period of time, a number of important concepts have been proposed and the City has engaged in an exhaustive analysis of the pertinent factors, i.e., legal, engineering, etc. The City and Port Holiday negotiations date from October, 1966.

The history of the Port Holiday project prior to this time is interesting but not necessarily our concern. It should suffice to say that the earliest days of Port Holiday go back some eight years and involve another site within the National Park boundaries, for which land exchanges had to be accomplished. The negotiations were somewhat protracted, and the new site was only acquired by Port Holiday in July, 1966.

II OUTLINE OF THE PORT HOLIDAY PROJECT:

Port Holiday Authority is a Nevada Corporation, and owns 2,175 acres of land approximately one and one-quarter (1 1/4) miles Northeasterly from the City of Henderson boundaries, astride the Las Vegas Wash

(the City has on file, a copy of the Title Insurance Policy issued by First Title Company to Port Holiday, and the City's own preliminary title report). Port Holiday plans to construct a "NEW TOWN" utilizing the most modern planning, engineering and development concepts. The community will be recreation oriented, the focal point of which will be a manmade three hundred and twenty (320) acre lake, with eleven (11) miles of shoreline, created by the construction of an earth filled dam. The dam will be constructed across the Las Vegas Wash near the Easterly boundary of the Port Holiday Authority property. Since the waters coming down the Las Vegas Wash are brackish and polluted, they will be taken through the Port Holiday property and under the lake and dam by means of a diversion structure and conduit constructed as a part of the entire lake and dam. The lake will be called "Lake Adair" and filled from ten thousand acre feet, as granted to Port Holiday by the Colorado River Commission, from the Nevada three hundred thousand acre foot allocation. A copy of the water budget is included in the report to the Colorado River Commission of September 30, 1966, submitted by Utah Construction Company, agents for Port Holiday Authority. A certified copy of the Resolution executed by the Colorado River Commission, dated November 10, 1966, is on file in the City Manager's Office, making this grant of water. The dam will be a zoned embankment construction from locally available materials with a maximum heighth above stream bed of one hundred and ten feet(110) feet, and a crestline to two thousand seven hundred feet (2,700). It is planned, at this time, that Port Holiday will be a signatory to the Southern Nevada Water Project, but that initial filling of the lake will be from excess capacities of the existing BMI line. Water could flow into Lake Adair during those times of the year when the maximum capacities of BMI are not needed by either the Henderson Industrial complex or the City of Henderson, and it is estimated that approximately fourteen months will be needed to fill the lake using this method. The construction of the new town will take approximately ten years and involves an investment of three hundred and twenty million dollars (\$320,000,000) as stated by Port Holiday officials. They have indicated that there will be an estimated 18,492 permanent and 15,210 temporary residents for a total population of approximately 33,692 perons. The composition of the town will involve resort hotel facilities, recreational concessions, including boating, fishing, golf courses and all of those activities

that can be associated with water and desert climate. For more detailed review, we refer to the document submitted to the Colorado River Commission by Utah Construction & Mining Company, consultants to Port Holiday, dated September 30, 1966.

Brief mention at this point, should be made of the advantages to the City of Henderson by the acquisition of major resort recreational factor to the City's economy. At the present time, Henderson has possibly the only "self-contained" economy in Clark County, in the nature of the Henderson Industrial Complex. The Henderson Industrial Complex asserts an areawide influence, however, it is substantially the base from which the City of Henderson economy is taken and because of the community necessary to support this complex, there are ancillary areas of residential and general commercial uses. The addition of a major resort feature in the Henderson economy would create a more well-rounded economic climate than any other city in the State of Nevada.

The industrial complex is geared to the needs of private enterprise and the Military defense effort, the commercial areas are geared to the service needs of the community, and the recreational area would have a regional and nationwide market to draw on, and would not necessarily be affected by the fluctuation or vicissitudes of the other two segments of the economy as previously mentioned. It will also equal five times the existing assessed valuation at 18.2 million (112 million, 35% of 320 million).

### III PORT HOLIDAY AND CITY NEGOTIATIONS:

The City of Henderson, through the City Manager's Office, made contact with the Port Holiday officials to determine if annexation of the Project could be accomplished to Henderson, and a mutual assistance program be worked out. Several informal meetings were held, the first of which involved Port Holiday officials, financial advisors, and Utah Construction people. The second was a meeting held between all of the Board of Directors of Port Holiday, Henderson City Officials, community leaders, and representatives of some of the major Corporations participating in Port Holiday. From these meetings, it was determined that there was sufficient justification for further pursuing this idea of a mutual assistance program through annexation of the property to the City of Henderson, etc. A fullfledged presentation was made to the community at an open Council Meeting, and several public discussions were held. The result

of these meetings was that the City would try to obtain legislation that would permit the City to assist in the construction of the first public works phase of the project; namely, the dam and ancillary facilities through an assessment district. It became an area of major community concern that some method be worked out whereby Port Holiday Authority and its associated companies should perform and, in effect, prove themselves and the financial success of the project prior to the City's involvement, and as a result, legislation was framed with this concept in mind.

#### IV THE PERMISSIVE LEGISLATION:

The ultimate concept was to seek enabling legislation that would be permissive in character. Legislation that would allow the City to take advantage of its special features, but not mandatory. The first draft of the legislation was prepared by O'Melveny and Myers and presented to the Council by Mr. Urban Schreiner; the City Council determined that the form in concept of legislation was satisfactory. The City Attorney Harry Reid and the City Bond Counsel, Dawson, Nagel, Sherman and Howard, represented by Mr. Michael Groshek, had a number of conferences on the legislation, including meetings with Russ McDonald, Legislative Bill Drafter.

Permissive Legislation was finally drafted that was satisfactory to the City, to the various legal counsels, and to the Legislative Bill Drafter. Again, enactment of the Legislation would make it possible for the City to negotiate an acquisition agreement in which the City agrees to use the particular qualities of the legislation under certain conditions; allowing the City to acquire the dam, the lake, and other facilities for recreational purposes by means of an assessment district. Estimates by Tipton and Kalmbach Inc., have indicated that the dam and associated works, the engineering and contingent costs, the bond redemption fund and other normal assessment district costs would equal approximately five million dollars. This five million dollars would be financed by the special assessment district created by the City, and payable primarily from the benefited properties, i.e., the Port Holiday land.

The permissive legislation would allow the bonds to be repaid over a thirty (30) year period of time, with equal annual installments of principal and interest. In addition, the bonds would be additionally payable from revenues received by the City from Port Holiday pursuant to a lease agreement in which

Port Holiday would operate, maintain the dam and lake pursuant to rules and regulations to be promulgated by the City. The legislation specifically provides that the unpaid installments shall be reduced in proportion to the amount of the annual payment so received by the City. In addition, the bonds would be secured by pledge of the general tax proceeds received from the entire City, (and not just the Port Holiday lands, as is true in all assessment districts).

#### V THE AGREEMENT:

The specifics of the acquisition agreement can only be reasonably firmed up after the passage of the permissive legislation and it is clear to all parties that the City of Henderson will have an opportunity to actively participate in this program. It is impossible, at this time, to determine all of the conditions that would be necessarily covered in this agreement. The formation of the agreement would be made after the City had obtained certain expert advice, such as Bond Counsel (which would undoubtedly be Dawson, Nagle, Sherman and Howard, since they have been the City's Special Counsel thus far), fiscal agents to advise the City on what safeguards must be written into the agreement to minimize any risk to the City for the acquisition of this public works project by means of the assessment district. Preliminary conversations have been conducted with Stone and Youngberg of San Francisco, fiscal consultants for the Las Vegas Valley Water District and the Clark County School District, who are generally well-informed about the Port Holiday Project. From the many meetings that have been held and discussions that have been conducted, on the Henderson participation with Port Holiday, we can list a number of points that have been discussed by all parties and generally agreed to. We can assume that a number of things might possibly be included in the agreement, and I will list them without regard to priority:

1. Although it is contemplated that the City and Port Holiday Authority will enter into an agreement, by which the City will acquire the dam and lake to be formed behind the dam, the City's obligation to acquire same will not become binding until the dam has been completed and the lake filled.
2. That there be financial backing by actual commitment, sufficient to construct at least one major hotel. Cost of this hotel is not definite, but we have been thinking in terms of a five million

dollar facility.

3. A percentage of each sale, lease, rental, etc., of any of the Port Holiday lands building projects be deposited out of escrow into the Bond Redemption Fund (assessment fund) to insure that there is reserve cash available to take care of any lean years.
4. That the sale of bonds shall contain two years principal and interest Fund, which shall be reinvested and used to pay off the twenty-ninth and thirtieth years, or available to the City for immediate use in the event that the property owners fail to meet their assessments and the City were to become obligated to retire the assessment bonds.
5. That the water constituting the lake itself and recirculating waters for purification, shall be dedicated to the City, and that the works for the transportation, circulation, treatment and purification of said water, and operation of same shall be subject to approval by the City.
6. The City would retain the services of an engineering firm competent in the dam engineering field. Plans prepared by Port Holiday would be referred to the City's consulting engineer for processing; this processing would involve a thorough analysis and checking of the plans to see that they meet standards recommended by the City's consulting engineer, and that they are up to all standards necessary for a facility of this kind. This engineering firm would be the City's "Clerk of the works" during construction of the job and would have complete authority to approve all construction for the City.

Furthermore, the City would retain an accounting firm to work with the City's engineering staff to determine reasonable outside figures that the construction of the dam should not exceed. The agreement that the City would execute would indicate that, in no event would the City agree to sell bonds in excess of the predetermined figure; and, that any cost incurred by Port Holiday and/or its contractors would have to be borne by them. The interim financing for the construction of the dam must be provided by Port Holiday and/or its associates or contractors, but funds could be deposited with the City for disbursement by the accounting firm or third party financial institution, such as the local bank. The City's engineering consultant and accounting consultant would oversee all sub bids

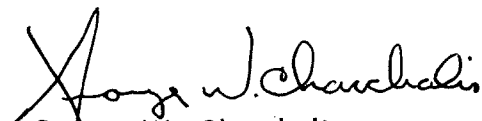


and disbursement of funds to assure that they are being properly handled.

7. The City's fiscal agent will analyze the project and suggest any additional safeguards necessary that cannot be speculated at this time, that they may wish to see, i.e., cash on deposit, contracts let, or money in escrow for the development of certain percent of either the commercial or residential areas in addition to the previously mentioned hotel, or some combination thereof equivalent to this.
8. That the Boettcher and Company, Investment Brokers of Denver, Colorado, submit a guaranteed bid for the purchase of the bonds.
9. That the fees and rentals for the use of the lake would be nominal and would be established by the City. The lake must be open to the public so that it is clearly a public facility.

If all of the conditions of the agreement are fulfilled, then the City would be obligated to acquire the dam and lake and associated facilities by means of the assessment district financing. The permissive legislation is needed principally to allow the City to negotiate the above-mentioned acquisition agreement. In the event that the acquisition agreement is never executed, and the City does not acquire the dam, the City would, however, have changed its name and the property would have been annexed at such time as a Certificate is received from the Secretary of the Colorado River Commission indicating that water is flowing into the lake bed. It must be emphasized that the nine conditions listed above are tentative at this time, and are subject to refinement by the Council, Bonding Attorneys, and Fiscal Agents. Alternate proposals to any of the above-mentioned nine conditions will be acceptable, provided they are equal in their protection of the City's interest.

Respectfully submitted,

  
George W. Charchalis,  
City Manager