

MINUTES

ASSEMBLY
GOVERNMENT AFFAIRS
February 16, 1977
8:00am

MEMBERS PRESENT: Chairman Murphy
Mr. May
Mr. Craddock
Mr. Jeffrey
Mr. Mann
Mr. Moody
Mr. Robinson
Mrs. Westall
Mr. Rhoads

GUESTS PRESENT: See attached lists

Chairman Murphy called the meeting to order at 8:06am. He announced that the purpose of the meeting was to hear testimony on A. B. 186.

ASSEMBLY BILL 186

Assemblyman Robert Weise, co-sponsor of the bill, explained to the committee that the bill was a result of the interest of the North Lake Tahoe and Crystal Bay Chamber of Commerce. Mr. Weise cited the lopsided contribution ratio to the Washoe County Fair and Recreation Board as compared with the services received as a main concern of the citizens of the Incline-Crystal Bay area. This has caused them to provide their own recreational facilities through the Incline Village General Improvement District to help augment some of their recreational needs. They have also spent much money to promote North Shore tourism. Mr. Weise submitted the following amendment-- to change the language of lines 16 through 21 to read: (a) One member who is a representative of the hotel-motel and condominium interests. (b) One member who is a representative of the real estate and construction interests. (c) One member who is a representative of the other commercial and professional interests.

Mr. Jeffrey asked Mr. Weise if there were any elected officials on the prest fair and recreation board, he was told that at present there are none.

Mr. Weise reminded the committee that this legislation only affects the Incline Village-Crystal Bay area.

Mr. Tony Hartman, Chairman of the Government Affairs committee of the Incline Village Chamber of Commerce then spoke. A copy of his testimony is attached herewith as Exhibit 1. He also referred to a table regarding North Lake Tahoe Room Tax Collections (Exhibit 2) and explained that the increases and decreases in the Room Taxes collected over the years was not due to any advertising campaigns

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Washoe County Fair and Recreation Board, later named the Reno/Sparks Convention Authority. He stated that the fluxations in the amounts were due to the opening and closing of various facilities in the North Lake Tahoe area such as Cal Neva, Kings Castle, Raquet Club, and Hyatt Lake Tahoe.

Chairman Murphy asked Mr. Hartman if he agreed with the amendments presented by Mr. Weise, he said that he did.

Mr. Bob Rusk, Chairman of the Reno/Sparks Convention Authority, then testified. He began by stating that he had only been on the R/SCA since January of 1977 and at that time he was also made chairman as no one else wanted the position. Mr. Rusk told the committee that when the Washoe County Fair and Recreation Board was created there was no doubt that most of the money came from the Reno area, but that things had obviously changed and that North Lake Tahoe was now a vital tourist attraction. He said that Mr. Hartman had mentioned a \$27,000 figure of money given to the NLT area but added that there had also been a \$50,000 media campaign for the Reno/Tahoe area during the gas shortage and the Board had also paid \$50,000 for a television special with the Serendipity Singers showing sites of the area. He admitted that all of the recretaional facilities in Washoe County are in the Reno/Sparks area (Pioneer Auditorium, Colisium, and the Golf Course). He passed out a Proforma Statement of Revenue and Expenditures for the Incline Village - Crystal Bay area as a estimated projection for the revenue that would be available if they formed their own board. (Exhibit 3)

Mr. Mann asked Mr. Rusk if these figures under expenditures referred to the Debt Service and Facilities and Repairs of the recreational facilities that are located in Reno/Sparks. He was told that since the voters of Washoe county approved the bonds that all of the residents of Washoe county are responsible for that debt even though they don't use the facilities because they are too far away from them.

Mr. Craddock asked what the advalorem tax rate of IV-CB area was he was given a break down of the tax bill which is attached as Exhibit 4.

Mr. Rusk then said that \$40-50,000 would be made available for the IV-CB area to use for media advertising since there was such an obvious unequal system.

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Mr. Bart Shuwieler, Counsel to the Reno/Sparks Convention Authority, told the committee that he had contacted the law firm of Dawson, Nagel, Sherman, and Howard, Bonding Attorneys of Denver, Colorado. This firm is the bond counsel for many public entities in this state. They felt that in A. B. 186 there was no provisions for the IV-CB area to fulfill their portion of the bond indebtedness. The entire county is contractually bound to help pay off the bonds until July 1, 1990. This includes the citizens of Incline Village and Crystal Bay. He added that the bill is not complete and does not take care to set out specific guidelines for the responsibilities that already exist for the residents of IV-CB. He said that there should be a definition of a "group of communities".

Assemblyman Murphy requested that Mr. Shuwieler supply the committee with a written opinion from the Bonding Attorneys in Colorado and asked how would Clark County have coped with this bonding situation with the annexation matter. He was told that that matter was much different from this situation and after a question from Chairman Murphy Mr. Shuwieler told the committee that A.B. 186 does not address itself to the refinancing of the bonds. Chairman Murphy commented that an amendment could take care of that.

Assemblyman Robinson requested a breakdown of the total indebtedness of these bonds and what was the money used for.

Assemblyman Moody asked is the Reno/Sparks area would have any problem retiring the bonds without the money from IV-CB. Mr. Shuwieler said he did not know but that admittedly there was more revenue now that the room tax rate had been increased from 5% to 6% and also the addition of more rooms in the Reno area and the building of the new MGM hotel would bring in more revenue than is currently expected.

Mr. May asked if R/S could retire the bonds early with the surplus that is building up, he was told that that was being looked into.

Mr. Charles Zenay of Faye's Inc. told the committee that he would like the IV-CB area to be able to control their own destiny.

Mr. Don Steinmeyer told the committee that even though the Convention Authority might promise a sum of 40-50 thousand dollars he didn't believe that the money would actually arrive. He said that the citizens and businessmen of IV-CB had contributed at least \$80,000 to supplement the \$27,000 previously given to the area by the R/SCA. He disputed the estimated projection of funds that might be available to IV-CB if the split occurs as submitted by Mr. Rusk. He also added that there would be almost no overhead costs to running their own convention board because the office space and work would be donated by the community and businessmen as they had been doing in the past through the IVGID.

Mr. Steinmeyer told the committee that he did not want to insult the committee's intelligence by saying that there is nothing that can be done to retire the bonds. There are at least two easy ways to remedy the situation. 1) To pay off all the bonds now and take out new issue. 2) Since IV-CB has put in excess of 1 million dollars into the Convention Authority and received so little out of them, the CA could pay back IV-CB half of the money and then IV-CB would continue to pay off the rest of their share of the indebtedness. He added that he was not going to tell the committee how to solve the situation but added that he knew that the committee had the power to do so.

Assemblyman May asked Mr. Steinmeyer if IV-CB would be satisfied with a member on the R/S Convention Authority. He was told that they did not want to settle for that. Mr. Steinmeyer added that the R/S area wanted to attract a different kind of tourist than did the IV-CB. The clients of the IV-CB area are not necessarily gamblers, or persons who want to see shows; but, persons who want to relax in beautiful surroundings with nice recreational facilities.

Mr. Tom Moore, speaking for the Las Vegas Convention Authority, told the committee that he wanted to register his concerns with the bonding consequences of this bill for the whole state and with the precedent that it might set nationally. He told the committee that it was unconstitutional for any state to interfere with the obligation of contracts. He submitted a page from the U.S. Constitution Article 1, Section 10. (Exhibit 5).

Mr. Jim King of Incline Village testified to his feelings on A. B. 186, a copy of his speech is attached as Exhibit 6. He also posed the question that perhaps if the Incline Village-Crystal Bay area had had help from the R/S Convention Authority during the past three to four years, there probably would not have been as much financial problems with some of the hotels such as Kings Castle and others in the area.

Mr. Russ Graff, member of the Board of Trustees of the Incline Village General Improvement District, told the committee that the Board had decided not to take a position on this matter and that he was speaking only as a concerned resident of the area. IV-CB generates about 1/16 of the room tax revenue to Washoe County and that their share of the indebtedness would not be hard to pay off. He said that there was definitely a problem existing here and that he was sorry that the citizens of IV-CB had to go to extremes to be heard.

Mr. Ron Smith testified against A. B. 186, his remarks are attached as Exhibit 7. He added that the Reno Chamber of Commerce is not taking a position.

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Mr. Robert J. Grassilli, Jr., IV resident, then told the committee that the North Lake Tahoe residents don't want to shirk any responsibility, only wanted to decide their own destiny.

Chairman Murphy announced that there would be no final action taken on this bill today because of the bond questions which have arisen.

There being no further business to come before the committee, the meeting was adjourned at 10:14.

Respectfully submitted,

Kim Morgan
Kim Morgan, Committee Secretary

GOVERNMENT AFFAIRS COMMITTEE _ ASSEMBLY

We are taking the position that we have taxation without representation. We are defining taxation as the 90 million dollar current assessed valuation, that because of our recent reassessment, will soon bless us with over 100 million dollars in assessed valuation.

The total population is currently and conservatively estimated at 6000 people.

We are defining the lack of representation this way: that our 6000 people do not have a local resident elected to the Legislature, the County Commission, School Board, Planning Board, the Convention Authority, nor do we have local government in the form of a city or town.

The considerations do not end there. We have geographical isolation as provided by the mountains that divide the Incline Village Crystal Bay portion of Washoe County from the County Seat and large metropolitan area of Reno/Sparks. There is a 30 mile single-lane highway over Mt. Rose, a thirty -mile single-lane umbilicle that ends our of sight and consequently out of mind in Incline/crystal bay.

we have psychological isolation illustrated by the Washoe County Fair and Recreation Board renaming itself as the Reno/Sparks Convention Authority - which is quite correct

according to NRS 244.654, but psychologically not correct for two reasons,

1 those people in outlying areas are offended by being excluded

2 those people in the Reno/Sparks Convention Authority humanly and habitually slip into the frame of reference within their sphere of influence by refering their activities as "good for Reno."

I will draw a current example from a letter sent to a hotel Sales Manager from the Director of the Reno Convention Bureau and dated January 10, 1977 :

On the second page of the attachment which contains minutes of a meeting and in the 2nd paragraph, item #1, concerning an AREA BOOKING LIST, "A complete area list would be more impressive for Reno."

Item #3 - "It would be helpful to the Bureau and the Reno Police Department (in case of emergency) for the Bureau to have a complete list of convention activity in the city."

Under DISCUSSION on the same page two:
" (it was) explained the Bureau services ALL hotels and motels in the area and does not recommend any particular property. The Bureau's main objective is to sell Reno and to get the business into the area, thus being beneficial to all properties. The Bureau is working to support the hotels/motels, and we should all work together to make the convention client understand the concept that the entire Reno area is happy to have their business. There should be no competition between the Bureau and hotels/motels. The Bureau should be a CLEARING HOUSE for the entire convention history of Reno."

On the same page under INVOLVEMENT, item #1,
"The Bureau will underwrite the cost of a booth which will
be a general Reno booth that will not support any particular
property, ..."

On page three, item #3, sentence 2,
"...The Bureau compiles and sends in a report on Reno, and
in return, the Bureau receives reports on other member
convention cities. The Bureau will appreciate complete and
consistent reporting from the properties for compilation of
Reno's IACVB report. Reno is now opening up to larger
conventions, and what could not have been handled in the past,
can be handled now. ..."

On the same page, item 5, last paragraph,
"The Bureau is presently planning a presentation film of Reno
as a sales tool. ..."

And finally, on page four under SUMMARY, 2nd paragraph,
"The Reno Convention Bureau functions to service the community
and is designed to work with all the properties in a common
effort to bring business to Reno...."

We do not want to take issues with any individual, but
have dwelled at length on this document because it illustrates
the attitude of those who have handled room tax dollars for
Washoe County. All too often, we have been told that the
word Reno encompasses the convention authority jurisdiction
inclusively and "community" refers to all people throughout
the county. After at least 5 years of pursuing that inclusion,
we no longer believe it.

Before the Convention Authority assumed in-house control of the advertising and convention bureau funding, the Reno Chamber of Commerce was the designated body to dispense those funds. The Reno Chamber of Commerce has preponderantly thought Reno.

In its advertising, (the Chamber's), Lake Tahoe, like Virginia City, was presented as a "nearby attraction." Brochures carried a small picture of the lake. Later I will address their rationale for this.

Reno Chamber's advertising appears to be effective for Reno. It has no measurable effect for Tahoe. Occupancy figures at Incline village Crystal Bay were so insignificant no figures were deemed necessary to record.

I wish to stress that this information is offered to point-up the traditional psychological impact of Tahoe's isolation.

We have political isolation. We are not in the mainstream of events due to the geographical position and numerical limitations that a small population can impact.

There are more influences to separate us from the county: The County population center and seat is Reno/Sparks, a burgeoning area opportune with growth problems. Some of the current problems are:

1 Defining a central core gaming area restriction law under which new hotel/casinos with unlimited gaming can be built.

2 Large, peripherally located, self-contained gaming entertainment complexes such as Harrah's Auto World and the MGM, not only considered in terms of immediate impact on the economy, but also as possible trend-setting directions of such developments.

3 Sewage capacity and handling problems.

4 Local government issues.

5 And quite sequentially, all the attendant political maneuver that must necessarily adjust to the styles and trends of such growth.

Incline Village Crystal Bay is a model of isolation and under the just mentioned conditions, likely to become even more isolated. It is evidenced further in its symbolic, yet real absence of major highways to service the area. If you want to get to Incline Village Crystal bay, you must WANT to get there, because no major artery takes you through that area by accident.

Room tax dollars are tourist-generated dollars, necessary to provide jobs and something more stable than seasonal work. We have tried for at least 5 years to participate in room tax dollars with the Reno Chamber of Commerce, the "think Reno" people and more recently, directly with the Convention Authority of Reno/Sparks - all to no avail, compromise or concession.

In fact, in both instances, we were informed (and personally to me, it had threatening overtones), that should Reno/Sparks portion-out the Room tax dollars, Incline Village Crystal Bay wouldn't get enough to be worth the trouble, that is, our input in dollars was too small to be of bargaining, influential merit and certainly not worthy of independent consideration.

Let me first outline the room tax history of Incline Village Crystal Bay and then go on to the historical background of our experience with the Reno Chamber of Commerce and the Reno/Sparks Convention Authority in our search for acceptable and effective participation with them.

Let me refer to the North Lake Tahoe Room Tax Collections sheet, noting that the fiscal year is June 1 through May 31. WE have claimed that over one million dollars was collected in this area. We were able to extract 27,000 out so far to date.

We have also claimed a figure of 200,000 to be generated this year. Please note the 1976 thru 12/76 represents an incomplete fiscal year. Hyatt Hotel will generate at least 7 thousand per month for the next 5 months. We anticipate Cal Neva Hotel to open April 1st and for two months, generate about 6000 dollars at 3m per month. Lake Tahoe Resort and Condominium and destination resort properties will easily fill the difference to the 200,000 dollars as advertised.

We have projected a \$300,000 figure for the following fiscal year on the basis that Cal Neva, in addition to the existing properties now contributing, will achieve that goal.

These figures were given to us by the Reno/Sparks Convention Authority and are accurate to within 30 days of the preceding month.

I would now like to direct your attention to the background history of our quest for separate funds to advertise and thus sustain room tax generation for Incline Village Crystal Bay. (IVCB)

I. Before Incline, Washoe County:

A. Created a Fair and Recreation Board (Bill no. 46, Ord. No. 87)

1 Enabled to collect 5% room tax

2 Built two convention centers in Reno and a golf course

3 Changed its name to Reno/Sparks Convention Authority

in 1973

II. Incline approached Convention Authority for funds, 1974

A. Received \$27,000, made \$80,000 with matched funds and mounted a successful campaign.

B. Were promised more funding, \$50,000

C. Funds not approved or given.

III. IVCB was asked to work with Reno Chamber of Commerce 1975

A Asked for separate funding

B Denied, also denied expansion in current advertising and resolved to continue in effective advertising for us

C Given to understand that funding was not adequate to increase or change Tahoe's portion in those ads

IV, Went to Convention Authority 1976

A Were asked to form a non-profit Nevada organization that would be eligible to receive public funds

B Presented and advertising campaign, based on 150,000 dollars which would be matched by IVCB funds

C Were promised consideration

D Meanwhile Authority was involved in Sparks Golf Course

V Convention Authority decides to take Reno Chamber convention sales and promotion funds back

A Asked our support

B Based move on some of our information

1. separate needs for separate areas of the county

2. different tourist attraction in our area

3 specific advertising by locals who know needs and techniques necessary to reach their specific customers

C CIVIC delivered public support for Authority's in-house move - they collect funds, should allocate them

D Convention Authority promises action - be patient

VI Authority goes in-house

A Apologizes for delays in funding

B Publicly admits needs and again promises support

C Asks our support and input for convention sales and convention authority advisory groups

VII CIVIC members ask to be a part of advisory groups:

A Authority takes names for consideration

B Authority makes selection excluding Tahoe representation

C Authority agrees to help us after immediate audit and legal opinion to determine if they could give the funds

D Authority reveals only \$35,000 left in budget, maybe less . Audit and legal opinion never revealed - hang in there

E Private discussions for funds suggest a proposal for \$75,000 immediate funding and \$10,000 per month thereafter.

F We appear at next meeting with our agency to discuss payment alternatives and final approval of plan - plan denied, alternatives not mentioned.

G Authority gives Arts Council \$48,000; nothing on action for us

H Eleven months after beginning, Authority offers \$15,000, withdrawn by an Authority member rather than insult us

I Request taken under "advisement"

VIII Authority hires an advertising agency

A We were not asked for input or informed

B Authority states they would advertise for us - we are now full-circle to where we were with the Chamber of Commerce, which is still unacceptable.

Footnote - We were given to understand about one and a half weeks ago that \$40,000 might be available to us through the Authority. It is our understanding that the advisors to the Authority would be granted voting rights under legislation that is going to be sought during this session.

Recapitulation

We believe your legislation is the only viable course for home rule. We are physically removed. We are philosophically removed from pressing and dominant Reno/Sparks situations. Our tourist is a different market. We have historically not gained suitable exposure to progress. Dollars generated here privately go to Reno/Sparks as tax funds of the public. Reno Sparks is preoccupied with home problems. We have no governing structure of our own.

Incline Village Crystal Bay needs a separate Convention Authority to administer local room tax funds locally. Let me emphasize that a monetary settlement is not enough. The long term solution must encompass both money and home rule - otherwise the problem is not solved.

We can understand the appeal of the "New" Convention Authority to take the position of asking for another chance. We have given other chances time and again and are weary of it, even disbelieving and unable to have confidence in it. We feel that this is the compromise and the long-term solution.

We have been told that Incline Village Crystal Bay is bonded into debt with the Authority. We believe that must be where our room tax dollars went. We must have paid our portion of it by now. If not, then it would be fair to require a 50% return payment from the Authority as well as a separate authority of our own as part of the same legislation.

We have been asked, what would you do with the money?

There is an old recipe for rabbit stew that begins -
First - catch the rabbit...

Our immediate goal would be pursuit of advertising as stipulated in NRS 244.640, section 1 subsection (e) to satisfy the disparity of non-funding to date. Then, we would proceed with cautious and well-budgeted goals under the same statute as it applies to local conditions and needs.

There also seems to be some concern for immediate spending on buildings and staff. After our prolonged austerity, we can promise no such flagrant spending, and continued caution under well-seasoned priorities. It would be an unique experience because it would be under home rule.

In conclusion allow us to say that we approach you as our only recourse - to not only legislate relief - but permanent, relief which we believe to be a reasonable solution. That solution is the creation of an independent, locally administered convention authority.

With the mounting problems of Reno/Sparks, we are convinced that we can only become more isolated during their pursuit of immediate problems. We concur that their prime responsibility must be directed toward those great problems. In that condition, and in ours, Reno/Sparks would be well rid of us.

end

NORTH LAKE TAHOE ROOM TAX COLLECTIONS - FISCAL YEAR JUN 1-MAY 31

<u>FISCAL YEAR</u> <u>JUN 1 - MAY 31</u>	<u>AMOUNT</u>
1959-60	\$ 15,457.77
1960-61	15,419.88
1961-62	15,611.70
1962-63	15,814.48
1963-64	17,819.41
1964-65	25,835.81
1965-66	28,654.49
1966-67	32,370.87
1967-68	30,552.16
1968-69	35,642.67
1969-70	64,960.17
1970-71	115,674.87
1971-72	110,335.39
1972-73	55,253.73
1973-74	95,815.98
1974-75	89,760.82
1975-76	186,033.00
1976-thru 12/76	<u>154,795.48</u>
	\$1,104,808.76
LESS 2% COLLECTION ALLOWANCE	<u>21,696.18</u>
TOTAL NET TO CONVENTION AUTHORITY	<u><u>\$1,083,112.58</u></u>

Exhibit 3

PROFORMA STATEMENT OF REVENUE AND EXPENDITURES
BASED UPON 1975/1976 REVENUE AND EXPENDITURES OF THE
RENO-SPARKS CONVENTION AUTHORITY

<u>GROSS REVENUE</u>		\$180,000
<u>LESS, 2% COLLECTION ALLOWANCE</u>		<u>3,600</u>
NET TAXES COLLECTED		\$176,400
<u>EXPENDITURES:</u>		
ADMINISTRATION AND COLLECTION	\$40,000	
PRORATA - FACILITIES OPERATION (6.43%)	56,245	
PRORATA - DEBT SERVICE (6.43%)	28,826	
PRORATA - MAJOR REPAIRS (6.43%)	<u>18,175</u>	
TOTAL EXPENDITURES		<u>143,246</u>
<u>NET REVENUE</u>		<u>\$ 33,154</u>

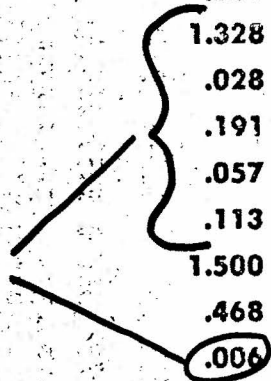
TOTAL TAX BILL

\$612.50

RATE PER \$100

STATE OF NEVADA	.250	30.62
COUNTY GENERAL	1.328	162.68
GENERAL INDIGENT	.028	3.43
MEDICAL INDIGENT	.191	23.40
COUNTY ROAD	.057	6.98
COUNTY BONDS	.113	13.84
GENERAL SCHOOL	1.500	183.75
SCHOOL BONDS	.468	57.33
AGRICULTURAL EXTENSION	.006	.74
WATER CONSERVANCY	.003	.37
TOTAL STATE, COUNTY & SCHOOL	3.944	483.14
CITY OF RENO OR SPARKS	1.056	129.36
TOTAL STATE, COUNTY, SCHOOL & CITY	5.000	\$612.50

1.723



NOTE: (Re-Assess) OF Incline Via... BY
 Washoe County this year estimated to increase
 the assessed valuation by 20-35%. This
 plus new construction is estimated to
 add 20 to 30 MM
 to the present
 88.7 MM of assessed val.

1.723	COUNTY GOVT.
.250	STATE OF NEVADA
1.500	SCHOOL GEN. FUND
.468	SCHOOL DEBT SERVICE
.003	WATER CONSERVANCY
<u>3.944</u>	TOTAL STATE, COUNTY & SCHOOL
.203	I.V.G.I.D.
1.527	FIRE PROTECTION DISTRICT NO. LAKE TAHOE
<u>4.674</u>	TOTAL TAX RATE

1976-1977 Assessed VALUATION OF
 Incline - CRYSTAL BAY
 # 88,709,732 X 4.674 =

\$ 4,146,305
 ADV. VALUATION TAX DOLLARS

INCLINE VILLAGE CRYSTAL BAY FINANCIAL
 COUNTY STUDY DATA AS OF 2/14/77
 (Note: This data represents additional information
 secured after publication of the newspaper ad.)

*Exhibit 4
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	<u>1976-1977</u>	<u>1977-1978</u>
Assessed Value	89,000,000	90,000,000 <small>250</small>
\$10,700,000 in new building permits in 76-77 plus 18% to 30% estimated value increase		
*76-77 Tax Base + 18% +(35% of 76-77 building permits)		*109,000,000

INCOME - Money collected for county operations from Incline Village
 Crystal Bay (Assume no tax rate adjustments).

A. Ad Valorem		
School District \$1.968/100 assessed	1,751,520	2,145,120
County \$1.723/100	1,533,470	1,878,070
State \$.25/100	222,500	272,500
Fire & IVGID \$.733/100	652,370	798,970
TOTAL Ad Valorem (\$4.674/100)	<u>4,159,860</u>	<u>5,094,660</u>
B. State School Support	475,000	500,000
C. Building Permits + Rec Tax	125,000	125,000
D. Sales Tax \$15,000,000 x \$.005	75,000	75,000
E. Federal Revenue Sharing (unknown)	100,000	100,000
F. Other (Cig, Liq, Gas, Games, etc. 74-75)	485,000	500,000
G. Room Tax	250,000	350,000
TOTAL Income from all sources	<u>5,669,860</u>	<u>6,844,660</u>

EXPENSE required to operate Incline Village Crystal Bay

A. Sheriff Department (76-77 Budget)	350,000	450,000
B. Streets and Roads and Snow Removal (76-77 actual)	300,000 400,000	350,000 450,000
C. State (In and Out)	222,500	272,500
D. IVGID and Fire (76-77 actual)	652,370	798,790
E. Schools (Actual local + \$200,000 Adm, CH)	1,300,000	*1,500,000
F. New Tourism Authority		350,000
G. Pay off Wahoe County for our pro rata general obligation bonds \$3.5MM x 7.2 % at 7% for 20 yrs		31,500 38,500
H. Pay off pro rata share of school dis- tricts indebtedness in exchange for both schools \$3.5MM x 7.2 % at 7% for 20yr.		344,000 418,400
I. Administration - County Mgr., DA etc.	2,644,990	500,000
J. Welfare, Health, etc.	100,000	100,000
TOTAL Cost to Operate	<u>5,669,860</u>	4796,790 <u>5,769,870</u> 4796,
Surplus or Contingency	- 0 -	2947,870 <u>2,074,790</u> 2,047,

*Includes 20% salary increase for faculty

Notes:

- Sources of Information- Nevada Tax Commission, Washoe County Controller, Washoe County Budgets, Reno/Sparks Convention Authority
- IVGID and Fire District operations are assumed to continue without change.

38.4MM

the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

Section. 10. **Limitations on powers of states.** No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing it's inspection Laws: and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Controol of the Congress.

No State shall, without the Consent of Congress, lay any Duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

ARTICLE. II.

EXECUTIVE DEPARTMENT

Section. 1. **Executive power; election of President, Vice President; eligibility, succession, qualification and oath.** The executive Power shall be vested in a President of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice President, chosen for the same Term, be elected, as follows

Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

The Electors shall meet in their respective States, and vote by Ballot for two Persons, of whom one at least shall not be an Inhabitant of the same State with themselves. And they shall make a List of all the Persons voted for, and of the Number of Votes for each; which List they shall sign and certify, and transmit sealed to the Seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the Presence of the Senate and House of Representatives, open all the Certificates, and the Votes shall then be counted. The Person having the greatest Number of Votes shall be the President, if such Number be a Majority of the whole Number of Electors appointed; and if there be more than one who have such Majority, and have an equal Number of Votes, then the House of Representatives shall immediately chuse by Ballot one of them for President; and if no Person have a Majority, then from the five highest on the List the said House shall in like

James King
Post Office Box 3549
Incline Village, Nevada

Good morning, Mr. Chairman, members of the Governmental Affairs Committee. Thank you for the opportunity of appearing before you today.

My name is James King. I am an 11 year resident of the Incline Village-Crystal Bay area and a real estate broker there for the past 10 years.

The previous speakers have discussed the Reno-Sparks Convention Authority and its continuing disregard for the North Lake Tahoe area and the economic health and well-being of our area's Room Tax generating enterprises. Some 20 businesses!!! I want to apprise you of the importance and the significance of an overlooked but vital important segment of our tourist economy. I am speaking about the vacation rental, homes and condominiums, rented to and occupied by vacationing families, summer and winter.

The firm with which I am associated, Incline Village Realty, manages and rents, on a weekly and week-end basis, nearly 100 condominiums and homes. These properties which are valued at from \$40,000 to \$900,000 represent a total value of nearly 8 million dollars.

The properties in our rental program represent about 10% of the houses and condominiums available as vacation homes throughout the year in the IVCB area. The importance of these properties, as tourist accommodations, as room tax generating vehicles, will grow as the demand for vacation housing, for tourist accommodations increases and the restrictions or prohibitions on new hotel or hotel casino development is implemented, an overlooked and all but forgotten vital segment of our tourist housing industry gets not the least bit of attention from the Reno-Sparks Convention Authority. It's left up to the rental agencies, as it's been left up to our resort hotels to organize campaigns and develop new business.

How valuable is the tourist? The vacationer who rents a resort home? He is coming to a destination resort, usually by car. He stays from 2 days to 2 weeks. The average length of his stay is 5.8 days. For this he pays an average \$348.00 plus room tax for his stay. He is normally a family of 5 people. Our studies indicate this vacationer spends an amount equal to his rent in groceries and dining out, and half again that amount for sightseeing, buying gas, lift tickets, visiting our Capitol city, Virginia City, Emerald Bay and the myriad of other attractions available. His total expenditure reaches almost \$1,000. He is a valuable visitor!

You'll be interested to know there are 28,000 hotel, motel, resort home and condominium accommodations competing for the Lake Tahoe Basin tourist housing dollar.

South Lake Tahoe has a city supported and tax funded visitors and

convention bureau, Tahoe City has a newly approved and room tax supported visitors and convention bureau. They are not situated outside the Lake basin, but at the Lake, with a clear view of their responsibilities. The Incline Village-Crystal Bay area needs the opportunity which can be made available through the creation of its own visitors and tourist bureau to develop affirmative marketing programs. The results of which will bring added revenues to the area, greater economic stability, more employment and the satisfaction of being responsible of a job well-donã.

We have the resources, the need is great, the opportunity is now. The decision is yours. I urge you to give favorable consideration to passage of Assembly Bill 186.

Thank you for your attention and consideration.

The Greater Reno Chamber of Commerce has been the leader in the concept that the most effective way to develop tourism is through an AREA EFFORT. For years, the individual communities in the area have had a very provincial concept relative to promotion and the efforts were restricted to the Bay Area and the Sacramento Valley. Approximately 17 years ago, the chamber proposed a new idea called the "Silver Circle". At that time, it was hoped that by linking the area into a circle drive, v visitors could come and stay at any part of the circle and see the entire area. That "Silver Circle" had no geographic identity and so the approach was changed to include the two largest promotion names - Reno and Lake Tahoe. For the past 15 years, the Reno Chamber of Commerce has been a leader in trying to develop cooperation with the other area geographical identities in a cooperative promotional effort.

Historically, the Reno Chamber of Commerce has proven its faith in this approach by a number of activities that involved a considerable amount of financing by the Reno properties. The first major undertaking was a booth at the New Yoik Worlds Fair identified as the Reno-Lake Tahoe Booth and the budget was approximately \$100,000 for the cost of space, construction and personnel. During the two year period, it should be noted that while the rest of the area was solicited to help defray the cost, the entire budget was assured by the Reno Chamber of Commerce. The Reno-Lake Tahoe approach continued through the years with such Chamber publications as the Reno-Lake Tahoe Show Bill and our various brochures. Our advertising in new markets was mainly paid for by the Reno-Sparks Convention Authority, and two major projects with United Airlines involved national television commercials advertising "Ski Reno-Tahoe"

and "Summertime Reno-Tahoe". The Reno Chamber of Commerce paid for the cost of the two commercials totaling \$60,000 and United responded by buying National Television time totaling approximately \$700,000.

The most recent major promotion was the Spokane Worlds Fair involving a Reno-Lake Tahoe booth. The Nevada Department of Economic Development and the Reno Chamber of Commerce went into partnership on the cost which involved about \$20,000 each with no funds coming from Lake Tahoe.

It should be remembered that when the room tax was first created for Washoe County, Incline Village was not in existence and the only properties contributing room tax revenue were the summer operators at Crystal Bay. For this reason, the Chamber of Commerce was mainly trying to get the support of South Shore to cooperate in its programs. With the advent of Incline Village, the Greater Reno Chamber of Commerce, from the start, tried to get the involvement of the business leaders and to work closely with the Chamber so that they would be represented and their voice would be heard on all matters. We had a board position for an Incline Village representative. We found that it was almost impossible to get someone from Incline to attend our board meetings and that the Board Position was finally eliminated because of lack of interest in Incline. In fact, our board made at least two trips to Incline, hoping to understand their problems. In 1974, some representatives from Incline came before the Reno-Sparks Convention Authority and were granted \$27,000 for a special promotion. They had concluded that their best market was California and that they should have their own funds to promote their area as a vacation land. It should be noted that while they presented it as an Incline-Crystal Bay promotion, Crystal Bay was totally ignored and the entire promotion was for Incline Village.

When Hyatt Hotel took over Kings Castle, the Reno Chamber of Commerce had several meetings in hopes of getting North Lake Tahoe directly involved with Reno. It was our feeling that since the room tax revenue came from the entire county, that any advertising should include Reno-North Lake and the money should not be used for one area to compete with another area in the County. This was to be a long range program because it was a new concept to sell Reno with North Lake Tahoe. It was our feeling that a few local people at Incline were dead set against this concept from the beginning and went along with it because they had no choice. We did everything possible to enlist their cooperation by appointing their representatives to key policy committees but it became apparent that they were going to demand to do it alone by the end of one year. At the very time they were pulling out of the program, we were receiving communications from South Shore wanting to cooperate in a joint Reno-Lake Tahoe program.

We have now been working with South Shore for a little over a year and both of us are highly satisfied with the partnership. When working with South Shore, we found that we had a mutual desire to develop new market and could do it more effectively at less cost by working together. Since that time, we have had two joint ventures - Chicago and the Pacific Northwest. We anticipate doing much more of this same kind of joint venture.

In conclusion, when the Reno-Lake Tahoe concept first originated, neither area was strong enough to stand on its own as a national destination. With the current plans now being proposed in Reno that include the Reno MGM Hotel, Harrah's World, the Sahara-Reno and the proposed Nugget Hotel, it becomes more and more apparent that Reno will finally have the major facilities to create its own impact. It is noted, for this reason, isolated areas such as Incline Village will find that Reno can be of more help to them than it has been in the past because we will finally be in a position to attract extensive vacations with the Reno Int. Airport serving as the gateway.

GOVERNMENT AFFAIRS COMMITTEE

DATE: 2/16/77

	PRESENT	EXCUSED	ABSENT
CHAIRMAN MURPHY	✓		
VICE CHAIRMAN MAY	✓		
ASSEMBLYMAN CRADDOCK	✓		
ASSEMBLYMAN JEFFREY	✓		
ASSEMBLYMAN MANN	✓		
ASSEMBLYMAN MOODY	✓		
ASSEMBLYMAN ROBINSON	✓		
ASSEMBLYMAN WESTALL	✓		
ASSEMBLYMAN RHOADS		✓	
			152

GOVERNMENT AFFAIRS COMMITTEE

GUEST REGISTER

DATE: 2/16/77

NAME, ADDRESS & PHONE NO.	REPRESENTING	TESTIFYING ON BILL NO.
PO BOX 3239, INCLINE VILLAGE JOEY HARTMANN - 831-1111	Govt. Affairs Committee Chamber of Commerce Incline Village, Crystal Bay	186
TIM HENKES P.O. BOX 5243, INCLINE VLG, 89450		186
THE REV CANON JOHNS. YARRMAN BOX 5617, INCLINE VILLAGE	INCLINE VILLAGE, CRYSTAL BAY COMMUNITY	186
JOHN ROSS	INCLINE	186
SHARON CLEARY	INCLINE	186
JANE ROSS	✓	186
JAMES KING	INCLINE	186
Jay Lee Nicholas	Incline Village	186
Tom Moore	CLARK COUNTY	186

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Charles Zimay PO Box 24 Incline Nevada 831 1111		
JAY JOHNSON P.O. BOX 3129 Incline Village 831-3465	Incline Village Resident Boise CASCADE Corp.	AB 186
EMIL M. LAIRD Box 4301 INCLINE VLG. NV	FIRST NATIONAL BANK OF NEVADA	
Jack Hardy	PO Box 3239 Incline Village Hyatt Lake Tahoe	186
Dianna Hardy 831-2338	Resident Box 4544 Incline Village, NV 89450	186
LEO HARTMANN 883-2437	CARSON CITY NEV	186
Russell Nelson	501	

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Bob Cook	322 N. Sierra ST. Reno 186	
Ron Smith	RENO CHAMBER OF COMMERCE	AB 186
Gene Raggio	Senator -	
David Nathanson	interested individual	
Catherine Colvin	Incline Village	
JAMES KING	INCLINE	186
Marcia Goodman	Incline	
Joye Carroll	Incline	
FRED DAVIS	RENO	
Dave Schumweier	"	
Bill Harrison	"	
Bryon Armstrong	Las Vegas Sun	newspaper Reno's Pool. -

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CRAIG ROBINSON	INCLINE VILLAGE	
KAREN HOWARD	INCLINE VILLAGE	
Doe Doe	INCLINE VILLAGE	
at Incline	Incline Village	
R.G. Parker	Incline Village	
Alvin Sewere	Crystal Bay	
WSP Latt	Incline Village	
Sami Roberts	Incline Village	
Jerome L. Hanziker	Incline Village	
Richard Hovorka	Incline Village	
Terry Hovorka	Incline Village	

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DATE: 2/16/77

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Jo Ann McQueen PO Box 5699 Incline V.		
Terine Kuchel P.O. 4207 INCLINE VLG., NEV-89410		
Aker Warden P. Drawer AV Incline Village, NV.	C of C.	186
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Suzanne Lundahl P.O. Box 4975 Incline Village, NV.	C of C.	186
Bill Paul P.O. Box 5743 Incline Vlg.		
Russ Graff Box 4047 I.V.	Local Resident	