



LINCOLN COUNTY BOARD OF COMMISSIONERS

October 26, 2012
Commission Chambers
Lincoln County Courthouse
181 Main Street
Pioche, Nevada

Commissioners

Paul Mathews
Kevin Phillips
Tommy Rowe
Paul Donohue
Ed Higbee

#1-CALL TO ORDER/ROLL CALL/INVOCATION/PLEDGE OF ALLEGIANCE

Chairman Tommy Rowe called the meeting to order at 9:07 p.m. Clerk Lisa Lloyd called the roll.

PRESENT: PAUL MATHEWS
PAUL DONOHUE
TOMMY ROWE
KEVIN PHILLIPS
ED HIGBEE

LISA LLOYD, Clerk

There is a quorum present and the agenda was posted on 10-22-12.

#2-PUBLIC COMMENT

Tommy called for public comment. None offered.

#3-LINCOLN COUNTY DETENTION CENTER

Wesley Box of Western Corrections Group (WCG) is present via phone. This item is a continuation of previously held discussions concerning the expansion of the LC Detention Center (LCDC). Ed Wright reviewed the history of this item as well as presented a copy of the Ground Lease Agreement. Paul D. reported that Nathan Adams was going to speak with Ed W. concerning an estimate of utility costs. That hasn't occurred yet. The cost to the county will be bringing utilities to the property site so that the new building will have access. A lift station and/or waste treatment station will be installed below. This contract is for the lease of the ground and for the county to bring the utilities to the property. There is no rental cost number at this time; the number is unknown. Ed W. stated that they don't want to see a million dollar lease; they are requesting that the county be fair about the lease. Paul D. stated that this is where the county has the opportunity to help; not killing WCG on the lease encourages development. If the Public Utilities charges a connection fee the county will be responsible for it. The cost could be up to \$10,000 for connection fee. The largest expense for the current facility is utilities. WCG will pay all water, power, utility costs for the facility, the county is simply responsible for the costs to get the utilities to the property. Section 10.3 of the agreement gives WCG the authority to house inmates. There is still a great deal of negotiating to be done in the near future. Paul M. asked if there is a no competition type of clause since the county and WCG are in the same business. The assumption is that we will be partners and work together down the road. Ed W. stated that the reason for this lease is to let their partners know that the county is serious about doing this. If this isn't good for the Sheriff and the county, WCG will back out. This agreement lets WCG work to get a public-private partnership. If we reach a point that the Commission decides that this isn't viable the county can have the lease back and WCG will back out. WCG wants to see this proceed and be successful. There are many unanswered questions on both sides, but those will be explored and fully vetted. WCG will make sure that LCDC is full first. As far as an instate entity, they are going to make sure that Category 3 officers are running their facility. A person will be hired to work on keeping both facilities full. Paul M. asked Wesley to introduce himself and tell the Board why he wants to take this risk in LC at this time. Wesley proffered an answer as well as history pertaining to the relationship he has with Ed W. and LC. WCG will provide laundry and food service for both buildings; costs will be negotiated with the Sheriff. The current laundry equipment and kitchen equipment will be removed and the new facility will replace them with commercial grade equipment. Sheriff Kerry Lee stated that the intercom system that exists at LCDC right now has some major problems. When the people are installing the new system in the new building, the people doing the installation should also put a new system in LCDC to link the buildings. Kerry stated that he would hate to

see the buildings be separated by communication systems; we need to make the investment and integrate the systems at the same time. The county's responsibility is site improvements; WCG will be primarily responsible for the financing and cost of constructing the new facility. WCD will prepare a site for a Sheriff's Administration Building and adequate parking. Administration offices for the new facility will be located in the new facility. Paul D. asked who purchases the Sheriff's Building if this project folds up in a few years. Ed W. responded that the Sheriff will have the new Administration Building. WCG will provide all of the new equipment, IT included, in the new building. Ed W. stated that the desire is to upgrade LCDC so that both buildings are the same. Dispatch and jailers will stay exactly where they currently are; the new building will be for the Sheriff only. The county shall provide assistance and support to WCG to obtain tax-exempt funding for the facility through public-private partnership. Paul D. stated that the county needs to make certain that we can do this; it's his understanding that the taxes are what they are. Ed W. responded that if the county doesn't have control over the taxes then they don't. Ed W. reminded the Board that DA Daniel Hooze has reviewed this ground lease thoroughly. The issues is not taxes, it's tax exempt funding. Paul D. stated that he isn't certain that the county has the authority to sign off on the taxes. Paul D. stated that this question should be presented to the Assessor's Office. Captain Gary Davis asked how counties across the country bring development in if they don't offer some type of incentive like this. Paul M. stated that this partnership will provide government exempt status. Paul D. has been told multiple times by Assessor Melanie McBride that we can't do anything with the taxes. Paul D. asked if it isn't easier to answer the tax question prior to approving the least agreement. Wesley stated that this is related to tax exempt status as it relates to municipal status. The public-private partnership will not receive any benefits other than a better rate or different cost for the project. Wesley stated there is no other responsibility for abatement of taxes at all; it's for using the available tax exempt rate for the county as opposed to a commercial rate. Kerry stated that this is probably an issue for the Department of Taxation. Because the county is a tax exempt entity you get a different rate on the money. By partnering up, it would allow a lesser rate of interest on borrowing the funds. Wesley stated that there is no problem with this. Gary and Kevin both agreed. The subject is obtaining a pot of money that costs less to borrow. This isn't tax exempt status. If this doesn't work out, Wesley advised that WCG will return the ground lease to the county, shake hands, and agree that we all made a good run. WCG will continue to meet with Paul M. and Kevin to work out details on future issues. **Kevin made a motion to approve the ground lease agreement between LC and WCG; seconded by Ed. All voted in favor.**

#4-PUBLIC COMMENT

Tommy called for public comment. None offered.

#5-ADJOURN

There being no further business for the Board to attend to, Tommy adjourned the meeting at 10:07 a.m.

Attest: _____ Approve: _____