

STAFF REPORT

Date: July 27, 2016

To: Mayor and City Council

Thru: Andrew Clinger, City Manager

Subject: **E.6. Staff Report (For Possible Action): Approval of payment to the Reno-Sparks Convention and Visitors Authority for 216 horse stalls at the Reno-Sparks Livestock Events Center in an amount of \$69,333 (two-thirds majority voting requirement) (Capital Projects Room Tax Surcharge).**

From: Robert Chisel, Director of Finance and Administration

City of Reno Strategic Priority Alignment: Thriving Downtown and University District, Vibrant Neighborhoods and Public Places

Summary: The City Council's Capital Project Surcharge Advisory Subcommittee is asking the City Council to approve a contribution of \$69,333 to the Reno-Sparks Convention and Visitors Authority (RSCVA) for 216 horse stalls at the Reno-Sparks Livestock Events Center (RSLEC).

Previous Council Action: On September 9, 2011 the Reno City Council established the City Council's Capital Projects Surcharge Advisory Subcommittee.

Discussion: The RSCVA has gone to bid to purchase 216 new horse stalls to replace the current temporary horse stalls that are approximately 30 years old, and are deemed unsafe. RSLEC clients have complained for many years of the unsafe conditions and the fact that the horse stalls are not true horse stalls but hog panels. Clients have been unsatisfied by the RSLEC conditions and vocalize attempts to locate events elsewhere if improvements are not made.

The awarded bid for the purchase of the 216 new horse stalls was for a total amount of \$207,999. The cost of the stalls is proposed to be split between the City of Reno's \$2 Capital Projects Room Tax Surcharge (33 percent), the RSCVA (33 percent), and the Reno Rodeo Association (33 percent). The RSCVA requested the Surcharge Advisory Subcommittee to request the use of the \$2 Capital Projects Room Tax Surcharge be used to participate in the funding of the horse stalls. The Subcommittee is recommending to the City Council that the funds be approved in an amount of \$69,333.

Financial Implications: Funding for this project comes from the \$2 Capital Projects Room Tax

Surcharge which currently has sufficient funds for this project.

Legal Implications: NRS 268.798 authorizes the City to impose a surcharge of \$2 per night for the rental of hotel rooms at nonrestricted gaming properties in the Reno downtown district that was created with the adoption of Ordinance No. 6195 (RMC 2.10.400 - .470).

This funding must be used solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district and cannot be transferred to any other fund or account or used for any other purpose. The use of the proceeds must be approved by a two-thirds majority vote of City Council.

Recommendation: The use of the proceeds of the surcharge must be approved by a two-thirds majority vote of the City Council. The City Council's Capital Projects Surcharge Advisory Subcommittee (Subcommittee) recommends Council approval of a payment to the Reno-Sparks Visitors and Convention Authority in an amount of \$69,333 for 216 new horse stalls at the Reno-Sparks Livestock Events Center.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- RSCVA Staff Report-RSLEC Temp Stalls BID 2016 (PDF)