

PAHRUMP TOWN BOARD AGENDA

Mike Darby Chair	Vicky Parker Vice-Chair	Carolene Endersby Clerk	Tom Waters Member	Harley Kulkin Member
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NOTICE TO MEMBERS OF THE AUDIENCE

The Pahrump Town Board meets the second and fourth Tuesday of each month at 7:00 PM in the Nye County Building, 2100 E. Walt Williams Drive. Agendas are available at the Town Office on the Thursday prior to each Board meeting and are posted on the Town website at www.pahrumpnv.org

BOARD MEMBER	PHONE	EMAIL	TERM EXPIRES DECEMBER 31
Mike Darby	764-0751	mdarby@pahrumpnv.org	2012
Vicky Parker	764-8809	vparker@pahrumpnv.org	2012
Carolene Endersby	764-8791	cendersby@pahrumpnv.org	2014
Dr. Tom Waters	764-0949	twaters@pahrumpnv.org	2014
Harley Kulkin	727-1525	hkulkin@pahrumpnv.org	2014

NOTE: Town Board agendas will be posted online at www.pahrumpnv.org.

There may be a quorum of Pahrump Advisory Board members present at Town Board meetings.

TOWN OF PAHRUMP MISSION STATEMENT

“Our mission is to balance our history as a rural community with our need to provide appropriate and sustainable services to our citizens and those who visit our community. We will do this by demonstrating honest, responsive leadership and partnering, when appropriate, to augment our resources.”

SPECIAL NOTE: Any member of the public who is disabled and requires accommodation or assistance at this meeting is requested to notify the Pahrump Town Office in writing or call 775-727-5107, prior to the meeting. Assisted listening device is available at Town Board Meetings upon request with 24 hour advance notice.

"The Chairman and Pahrump Town Board members intend that their proceedings should demonstrate the highest levels of decorum, civic responsibility, efficiency and mutual respect between citizens and their government. The Board respects the right of citizens to present differing opinions and views, even criticism, but our constitutional republic cannot function effectively in an environment of personal attacks, slander, threats of violence and willful disruption. To that end, the Nevada Open Meeting Law provides the authority for the Chair of a public body to maintain the decorum and to declare a recess if needed to remove any person who is disrupting the meeting, and notice is hereby provided of the intent of this body to preserve the decorum and remove anyone who disrupts the proceedings".

**PAHRUMP TOWN BOARD MEETING
NYE COUNTY ADMINISTRATIVE COMPLEX
2100 E WALT WILLIAMS DRIVE
TUESDAY – 7:00 P.M.
October 11, 2011
AGENDA**

- 1. Call to Order, Moment of Silence, and Pledge of Allegiance.**
- 2. Discussion and Possible Decision** regarding Moving the Order of or Deleting an Agenda Item(s). (For Possible Action)
- 3. Discussion and Possible Decision** to Proclaim the Month of November as American Indian Heritage Month for the Town of Pahrump. (For Possible Action)
- 4. Presentation** of the Vercitas Group & Contour Entertainment Phase I Final Report. (Non-Action Item)
- 5. Announcements** (Non-Action Item)
- 6. Public Comment:** Action may not be taken on matters considered during this period until specifically included on an agenda as an action item – NRS241.020(2)(c)(3). (Non-Action Item)
- 7. Advisory Board Reports** from Advisory Board Chairpersons and/or Town Board Liaisons on the Status of Advisory Boards. (Non-Action Item)
- 8. Discussion** on Town of Pahrump Economic Development Report. (Non-Action Item)
- 9. Discussion and Possible Decision** to Approve Phase II Funding for the Acquisition and Installation of Digital TV Transmitters in an amount not to Exceed \$30,000, budgeted and payable from the TV Tower Capital Fund. (For Possible Action)
- 10. Discussion and Possible Decision** to Select and Award RFP#2011-03 to purchase two Ambulances for PVFRS and Approval of Funding as Budgeted and Payable from the Ambulance Fund. (For Possible Action)
- 11. Discussion and Possible Decision** to Accept the Town Manager Evaluation Form. (For Possible Action)
- 12. Discussion and Possible Decision** Consent agenda items: (For Possible Action)
 - a. Action – Approval of Town Vouchers.
 - b. Action – Approval of Town Board Minutes for September 27, 2011.
 - c. Action – Approval to Accept Ms. Kim Clendenen to the Boundary Line Advisory Board.
- 13. Future Meetings/Workshops: Date, Time and Location** (Non-Action Item)

14. Staff's Comments (Non-Action Item)

15. Town Board Member's Comments (Non-Action Item)

16. Adjournment

A quorum of Advisory Board members may be present at any Town Board meeting but they will not take any formal action.

Any member of the public, who wishes to speak during public comment or on an agenda item, at the appropriate time, will be limited to three (03) minutes. Items may be taken out of order. Items may be combined. Items may be pulled or removed from the agenda at any time.

Any member of the public who is disabled and requires accommodations or assistance at this meeting is requested to notify the Pahrump Town Office in writing, or call 775-727-5107 prior to the meeting. Assisted listening devices are available at Town board meetings upon request.

This notice and agenda has been posted on or before 9:00 a.m. on the third working day before the meeting at the following locations:

PAHRUMP TOWN OFFICE, COMMUNITY CENTER, TOWN ANNEX, COUNTY COMPLEX, FLOYD'S ACE HARDWARE, and CHAMBER OF COMMERCE

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Discussion and Possible Decision regarding Moving the Order of or Deleting an
Agenda Item(s).

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board

SPONSORED BY:

<u>Pahrump Town Board</u>	<u><i>Pahrump Town Board</i></u>
Print Name	Signature

<u>400 N. Hwy 160</u>	<u>(775) 727-5107</u>
Mailing Address	Telephone Number

Proclamation

By virtue of the authority given to the Pahrump Town Board by the laws of the County of Nye and by the State of Nevada;

WHEREAS, the history and culture of our great nation have been significantly influenced by American Indians and indigenous peoples; and

WHEREAS, the contributions of American Indians have enhanced the freedom, prosperity; and greatness of America today; and

WHEREAS, their customs and traditions are respected and celebrated as part of a rich legacy throughout the United States; and

WHEREAS, Native American Awareness Week began in 1976 and recognition was expanded by Congress and approved by President George Bush in August 1990, designating the month of November as National American Indian Heritage Month; and

WHEREAS, in honor of National American Indian Heritage Month, community celebrations as well as numerous cultural, artistic, educational and historical activities have been planned; therefore

***NOW THEREFORE,** we, the Pahrump Town Board, on behalf of the Town of Pahrump and citizens of Pahrump, do hereby proclaim November as the National American Indian Heritage Month in the Town of Pahrump and urge all our citizens to observe this month with appropriate programs, ceremonies, and activities.*

Dated this 11th day of October, 2011



Mike Darby, Chairman

Vicky Parker, Vice Chair

Carolene Endersby, Clerk

Harley Kulkin

Dr. Tom Waters



CONTOUR
Entertainment Inc.

and

THE VERCITAS
GROUP

Pahrump, Nevada

Entertainment Concept Preliminary Investigation and Project Potential Assessment

Final Report

Prepared By:
Contour Entertainment. Inc.
The Vercitas Group

Appended Market Research Report Prepared by:
Pro Forma Advisors

September 30, 2011

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APPENDICES

- APPENDIX A** – Pro Forma Advisors Market Research Report
- APPENDIX B** – VERCITAS Pahrump Initial Report
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- APPENDIX D** – Hot Shots Golf Concept Description Summary

INTRODUCTION

On June 14th, 2011, the Town of Pahrump agreed a contract with Contour Entertainment, Inc. (Contour) and the Vercitas Group (Vercitas) to investigate the potential for an entertainment attraction to support continued tourism growth in Pahrump. A previous report was prepared by Leisure and Recreation Concepts, LARC, in 2007, which reviewed a concept including a small water park and Western Town. This report projected a resident market draw, concluding that the concepts would not attract any incremental visitation and further that it would not support the required investment to construct. We consider these conclusions reasonable.

What we suggested to the Town representatives at a meeting held in Contour's offices on April 29th was to determine what the next step should be to continue to develop Pahrump's tourism industry growth and to suggest ways to catalyze such development. This resulted in a series of discussions and proposals, ultimately leading to the subject contract.

Specifically, our assignment is to identify what would work in Pahrump in terms of a financially viable entertainment attraction that could draw interest from the surrounding markets in order to bring incremental visitation into Pahrump. And although the words Theme Park were used extensively by a number of Pahrump residents, we stated from the very beginning that this scale of development would not be justified at this point. However, we also were certain that something could be done to enhance and grow the existing tourist market.

This report reviews our process, findings and recommendations in this regard.

EXECUTIVE SUMMARY

Based on the research completed and the many discussions with Town officials, business operators and residents, there is a solid case to be made for incremental investment into Pahrump to continue to grow the tourism asset base that already exists there. Our team was impressed by the quality and professionalism of the few major entertainment/recreation attractions already developed in Pahrump and we quickly began to realize the correct direction for continued development.

In terms of the development cycle for tourism and entertainment elements, the first step – to invest in a project without any precedent – is always the most difficult leap of faith. We were very pleased to see that three businesses: Front Sight Firearms Training Institute (14 years), Mountain Falls Golf Club (10 years) and Spring Mountain Motorsports Ranch (9 years) have already made this leap.

Given the continued growth and success of these businesses over the years, we believe the proof is already in place to support additional growth. The key at this point is to support the continued growth of the infrastructure and breadth of attractions to continue to broaden the target audience appeal and to continue to extend the length of stay.

Although not atypical, we continually heard comments in the interviews from residents that they feel their town is looked down upon by Las Vegas residents and anyone else

who is vaguely familiar with Pahrump. The impression was that the “self image” of Pahrump’s residents was largely negative when, in fact, there is quite a lot to be proud of. Pahrump is so much more than a Trailer Town with a couple famous brothels on the outskirts. There has been some very significant investment in world-class attractions that continue to prosper and grow, year-on-year. There is already more to work with and build upon than we expected and we believe, as outsider professionals from the entertainment destination industry, that the confidence of the community should be much higher. We found the Pahrump Tourism Board members to have good intentions and instincts, with a lack of confidence to really push the “brand” of Pahrump.

What is very important to realize is that the most difficult steps have already been taken and there are already successful destination attractions in Pahrump. Now you must continue to support these, grow and add capacity and diversification as well as to support the required hospitality infrastructure to keep moving Pahrump towards the ultimate goal of a true entertainment destination with a significant economic benefit to the town.

There are two fundamental strategies to accomplish this: First, you can wait for continued private investment to slowly grow additional individual elements and to slowly build additional capacity in the current successful elements. We have presented one such concept as an example of this strategy. Or, Second, the Town can step up and truly support the direction to make a leap in the tourism development. This would be implemented through a Public / Private Partnership that would enable a larger step to be made to create an anchor destination with additional attractions, hospitality and other amenities for the tourists and locals alike. This is what should be done and we hope that the process to embrace this more significant step is supported by the Town and County to help catalyze and promote the tourism sector’s growth in Pahrump.

PROCESS REVIEW

General Overview

As indicated in our proposal, and also repeated in most every meeting we had in Pahrump, our process began with a research phase to identify and quantify the base markets from the resident and tourist perspectives, coupled with a review of what we refer to as the *Competitive Landscape* of entertainment options.

In addition to these areas, we also began to investigate the personality and sense of place that is Pahrump, so that our concepts and directions will be complementary and supportive of the existing attractions and the town personality. We want to ensure that the suggestions will fit in with what’s already working in the area and grow and support the overall mass of “things to do”.

The research was then compiled and analyzed to help quantify the realities of the potential markets. This work is critical to forming a solid foundation to the business directions to pursue. Given our charter to provide an initial direction in terms of what the next steps should be to continue to grow the tourism business in Pahrump, analyzing the current status from the perspectives of resident and tourist markets as well as infrastructure such as access and hotel room counts, defining the current leisure and

recreational experiences including both successes and challenges, and looking at Pahrump from the perspective of a potential visitor, all help to point to where the opportunities are. This step is critically important to developing a sound recommendation.

Through this analysis, we identified the basic developmental stage that the Town is currently in and a number of opportunities to help progress the developmental stage towards the next steps of destination development. With this overall direction identified, we created an initial conceptual direction that would build from the existing personality and activity base and grow the mass of these attractions.

There are two fundamental options that may be pursued based on Town and County support and these have been summarized so that productive discussions may be held with the Town and County representatives along with the key business leaders in the community.

The following subsections provide additional detail on the process used, expanding on the General Overview above.

Research Trips

Our team, including Chris Brown, Richard Vaughn and Paul Osterhout from Contour along with Don Holbrook of Vercitas initially travelled to Pahrump on July 21st where we were met by Al Balloqui, the Town's Economic Development representative. Al hosted us as our initial tour guide. We also met Harley Kulkin and his wife as well as a number of other town representatives and officials. The Town manager, Bill Kohbarger, was out of town on a business trip, however, we did speak with him on a number of occasions.

We also requested meetings with a number of other key town representatives on this trip including the members of the town Tourism Board and Chamber of Commerce, but we were unable to get a meeting with the group on this trip. (As mentioned below, we were able to meet with representatives from both these groups on a subsequent trip.) We were able to meet with Arlette Ledbetter, from the Tourism Board who was very informative and was the first to introduce us to the Tourism Board's slogan for Pahrump as ""Your Base Camp for Adventure".

With Al as our guide for the next couple days, we toured the key attractions and highlights of the town and vicinity, which featured a number of surprising positives from our perspective. This trip concluded with a short trip to Bonnie Springs, Red Rock and Las Vegas to gauge the proximity, travel convenience and a brief update on relevant attractions in the area.

Our LA based team drove to Pahrump, to Las Vegas and back to LA to experience the typical drive from this very important market. The trip was completed on July 24th.

A second research trip was conducted by Chris Brown accompanied by John Turner of Pro Forma Advisors, our economic research subcontractor on August 9th – 10th. For this trip, both John and Chris flew into Las Vegas McCarran International Airport and rented cars, representing this travel option. From getting into the rental car at McCarran, Mr.

Brown was in the center of Pahrump exactly 1 hour later following an easy and pleasant drive on good roads.

During this second trip, where again Al Balloqui assisted us with setting up meetings and chauffeuring us around town, we were able to visit all of the key attractions and meet and speak with a number of the local business owners as well as Buddy Borden an economics specialist for the University of Nevada, Reno's Cooperative Extension branch in Las Vegas.

Also during this trip, Bill Kohbarger was in town and hosted a meeting with the Tourism Board members, Chamber of Commerce members and a number of other key business representatives on August 9th. Don Holbrook joined Chris Brown and John Turner for these discussions and this was a very valuable meeting. The group present was invited to describe Pahrump as they would to a friend and to describe their favorite things as well as to voice their concerns about Pahrump. We heard from the Tourism and Chamber members as well as board members and representatives from Front Sight, Mountain Falls, Saddle West, Sanders Family Winery and others who, collectively, provided a lively and insightful commentary about their perceptions of Pahrump and their experiences with other's impressions.

There was a clear sense of enthusiasm for the idea to bring together and market the collective assets of the town and also an uncertainty in terms of how to do something that would help to move things forward without millions of dollars currently sitting in the bank. These feelings are not uncommon in this situation and yet the sensitivity to what is perceived as the typical view of Pahrump seemed to be quite daunting to a number of those present. We were a bit surprised, as we'd found a number of high-quality destinations with significant and continued growth already demonstrating the latent potential of Pahrump.

During these trips, we had the pleasure of getting to visit most of Pahrump's key existing attractions and we were able to meet with the key managers from a number of these as well. These included:

- Front Sight Firearms Training Institute
- Spring Mountain Motorsports Ranch
- Mountain Falls Golf Club
- Pahrump Valley Winery and Symphony's Restaurant
- Sanders Family Winery
- Pahrump Valley Museum
- Sherry's Ranch
- Tommasino's Italian Restaurant
- Pahrump Valley Speedway
- Art Bell's KNYE House and Radio Broadcast Antenna Farm
- Pahrump Nugget Hotel and Casino
- Saddle West Hotel, Casino and RV Park
- Terrible's Town Casino
- Terrible's Lakeside Casino and RV Park
- Treasure's RV Park
- Pahrump "EYE" community buildings
- Rudd Community Center

We also visited some of the surrounding areas including Old Nevada at Bonnie Springs and Shoshone on our routes into and leaving Pahrump from LA and Las Vegas. We spent a brief time in Las Vegas looking at relevant attractions such as the driving experiences at the Las Vegas Motor Speedway and Dig This to ensure we were up to date with the current projects there that have potential relevance to this investigation.

We were also introduced to the lovely natural surroundings of the town and were told of the impressive petroglyphs, (ongoing geocaching to document these sites is continuing) and many trails for hiking, horseback riding, biking, climbing and other activities that are often the draw for locals on weekends and tourists into town for a few days. Death Valley national park is a frequent draw, particularly to foreign tourists and a good percentage of its visitors come through Pahrump en route.

Additional Research and Analysis

In addition to the personal visits and interviews, we explored websites and pulled information from numerous resources to characterize the markets, attractions and other aspects of Pahrump and surrounds.

Following the initial visits, we assembled and began to analyze the data. John Turner of Pro Forma Advisors led the analysis and assembled the Interim Report on the Market Size as well as the brief overview of competitive entertainment attraction attendance and price points.

Contour studied the character and personality of the Town along with creating a summary of the types of activities that are currently available, those that are complementary and those that were repeatedly mentioned during the interviews.

It quickly became apparent that the Town's Tourism Board's proposed slogan "Pahrump, your Base Camp for Adventure" was a very appropriate tag line for the direction that has taken hold in the town. There are numerous exciting activities that can be pursued both in and around the town and this is a good way to characterize the town personality.

In reviewing the data, one of the problems that repeatedly had been mentioned was affirmed in numbers. There is a very limited hotel room stock to support visitation. This can be a problem where additional demand for attractions and events exceeds the roughly 308 (Arlette's number, though John's count is 318) hotel rooms in town. It appears very clear that additional hotel rooms are a high priority. We heard this from the management at Front Sight as well as comments from the Spring Mountain management, both of whom are currently considering adding hotels on their own property.

Our research indicates some 115,000 people heading through Pahrump to Death Valley, but we were told the busses that head through only stop at Wal-Mart for a quick drink and restroom break. It is amazing that this is the only stop in Pahrump. We were told that at its peak, there were some 250,000 annual visitors to the Pahrump Valley Winery, which included tour bus stops. These data indicate clearly potential opportunities.

In a related discussion we were told that the people who come out to attend the Front Sight courses, Spring Mountain driving courses and even Mountain Falls to play golf, will

drive into town “see the trailers and dilapidated homes and head right back to their “nice” enclave at Mountain Falls”. This comment was raised in a number of different ways, but truly highlighted something critical that we’d repeatedly observed: First, the self-image of many Pahrump residents is fairly low. And secondly, there is no *Town Center* in Pahrump. By this, we mean that you have a collection of some very well developed and managed attractions, a few nice restaurants and some good casinos, but these are all spread out around the valley. There is no center to the town, no center of development or anywhere that visitors perceive as the quintessential “marquee” for Pahrump.

The attractions are widely spread out and there are residential communities with small strip malls interspersed then more residential and some commercial. The Wal-Mart is isolated on the north side of town and the most central intersection between S Nv160 and E Hwy 372 with the Pahrump Nugget on one corner and Terrible’s town casino on another, features parking lots and signage with little street presence. There is no place that feels like the old town, the downtown or “Main Street”, if you will.

Clearly 160 is the main spine of the town, with most things off on side streets from this thoroughfare, but there isn’t any place that presents the character of the town at all. The community centers are not charismatic, regardless of their safety (Rudd center closed for safety reasons while we were there...), the rodeo has apparently left town and only small elements remain from ball fields, pools and playgrounds. We realize there is not a large youth population, but Pahrump feels more scattered in terms of its identity than many towns. There needs to be a visitor center. An official Town of Pahrump Visitor Center and this should be located at the first place that visitors stop in town to get oriented to all the things that can be done in Pahrump and be located as close to some of these as possible. It should be in the Town Center.

As we stated in our interim Report, (and as presented in the Pro Forma Advisor’s Development Framework, Section 6 of their report attached hereto), the basic steps that a destination evolve through to become a mature Tourism Destination are:

1. Start the Process – Catalyzing Asset or Investment
2. Prove the Opportunity – Positive Initial Market Response
3. Build the Asset Base – Additional Waves of Investment and Growth
4. Achieve Critical Mass – Depth and Diversity of Visitor Experience
5. Become a Destination – Permanent, Sustained Reinvestment

As we’d indicated before, it is very clear that Pahrump is already at the 3rd step in this evolutionary cycle. This was a bit of a surprise to us, and a very happy one. The most difficult step to take – and often one that requires a significant commitment based on faith – is the first step. The belief that the necessary patrons would come from Southern California and beyond to support the initial training courses at Front Sight was based on a good understanding of a demand that had not been proven. The first development was a true leap of faith. And through strong leadership and commitment to their core attention to detail, this has led to consistent, year-on-year growth for this exceptional facility and an exemplary international reputation.

Similarly, the initial investment for Spring Mountain was based on the belief in an esoteric and limited number of people with the means and desire for a world-class facility to exercise the member’s particular interests. This basic structure was implemented as a

truly “country club” structure and complemented with insightful associations with Ron Fellows (2 time 24 hour of Le Mans GTS class winner and 3 time ALMS GTS Champion) driving school and the largest Radical race car dealership in the world to support their Radical Racing school. This business also continues to thrive and is currently expanding their facilities and looking into additional development aspects to potentially include a water sports lake.

These specific examples, coupled with the other quality developments at Mountain Falls, the lovely (and award winning) Pahrump Valley Winery and surprising Tommasino’s fine Italian dining (and all that Jazz!) are all demonstrations of the successful surpassing of Steps 1 & 2 and embarking on the diversification and expansion characterized by step 3: Build the Asset Base.

It needs to be said that the environmental surrounds of Pahrump – the key to many of the residents choice to make this their home, and also a key factor to visitor selection – must not go without mention. The natural beauty of the Pahrump valley and the fact that there is water to support development, means that there are a slew of outdoor recreational assets to build upon in addition to the developments mentioned above. These complement and help to build the potential activities and, coincidentally, also tie very nicely into a growing consensus on fundamental direction: personal adventures.

This is where Pahrump is today, continuing to grow and building your reputation based on a number of excellent attractions and ready to add more. This will continue to expand the breadth and depth of the offerings in the entertainment and recreational areas and this will add to the demands on the Town’s infrastructure, which must grow as well, including hospitality and municipal services to support the additional tourist visitation.

In summary, Pahrump is going to continue to grow its tourism attractions and this will support additional hospitality and service expansion, which will allow additional growth in the tourism visitation. It’s all linked together. How this happens is really the question.

WHAT’S NEXT?

As we stated in the Interim Report, and in response to our direct assignment; what we expect would work in the current market is to develop additional high-price, low throughput attractions that target carefully selected niche markets. This approach would continue to build on the successful attractions that have already been developed.

Pahrump does not have the hospitality infrastructure to support a large leap in the tourist visitation numbers. In other words, more hotel rooms are needed to support long-term tourism growth. However, current occupancy and room rate trends at the existing properties suggest that the market may have difficulty absorbing additional room supply without corresponding growth in the visitor market. This seems a quandary, but the recommended approach is to add both attraction content and room inventory systematically over time, while seeking new ways to attract visitors during the July-August off-peak season.

We are aware that both Front Sight and Spring Mountain have been entertaining adding accommodation to support their specific business needs. We have discussed this with

both of them as well as the Mountain Falls management and we believe it would be much better – and lower risk for all of them – to cooperate in developing a single hotel to support the expected demand growth at all of their facilities by increasing the overall accommodation capacity in Pahrump.

Front Sight, for instance, currently is closed for the summer. If they construct their own hotel, the facility's seasonality is not optimum to drive year-round hotel occupancy. By supporting a larger, single hotel that visitors to all attractions could use, the hotel's market risk could be mitigated by the ability to serve multiple attractions, thereby improving its year-round occupancy potential.

Currently, the existing hotels are at a high occupancy from October through March and have a low occupancy during the summer – particularly July and August when it is very hot. Additional rooms will help accommodate peak demand, but – in the absence of additional demand growth – would tend to exacerbate the problem of filling off-season rooms. Additional attractions that can operate year round, as well as creative and effective event programming for the off-season, will help this situation. So the best solution would be to add both accommodation and attractions that can operate year round.

For the hotel property, an effective strategy to mitigate seasonality risk may be to integrate an attraction with the hotel. In addition to the resort planning we've referred to above, there is also a successful business model to integrate a water park with a hotel to create an active destination and hotel in one. The Great Wolf Lodge resorts and the Kalahari Resorts are both examples of such a combination and the opportunity to create such a destination in the desert presents a potential opportunity to target summer utilization, include families and continue to grow Pahrump's room count all at once. This needn't be a large destination like the Kalahari Resort and could be implemented on a smaller scale to cater to the realistic demands from a conservative projection to start, with future expansion included in the masterplan. And one of the keys would be to utilize the good weather with an outdoor portion of the water park that would allow a cost effective approach to the first phase of development.

Building the Experience

In terms of the first incremental attraction to add, recognizing that you have an incredibly unique, nationally and internationally recognized firearms training facility in Front Sight, our initial inclination was to add something with potential appeal to this robust target audience. We'd been told that the course attendees feel the area is lacking in evening activities. Also, while the Front Sight experience is focused on a fairly narrow target market activity, the availability of additional, complementary activities could be expected over time to increase average length of stay, and/or encourage the inclusion of additional friends / family members in visitor parties associated with a Front Site class. Also, the potential addition of day-visitor, 3-hour introductory courses will add incrementally to Front Sight's business and provide a day trip attraction for Las Vegas resident and tourist markets interested in a superior experience relative to comparable activities offered in Las Vegas.

To complement the activities at Front Sight and to take them to the next level in a high quality, extraordinary attraction, we began to look at ways to really pump up the level of

the concept so that it could be marketed as a unique, world-class experience not just to the Vegas audience, but also to destination visitors from the Los Angeles area. By starting with the fundamental shooting experience, building the unique “Wow” factor into the attraction, and by adding the immersive storytelling experience, you can have a really impressive attraction that cannot be duplicated in Las Vegas.

This last point is key. As we’ve said from the beginning, it is reasonable to expect that any highly successful attraction in Pahrump would be duplicated in Las Vegas, thus siphoning away potential demand. So the key here is to do things that cannot be duplicated in Las Vegas due to:

- Laws that restrict the conduct.
- Land Values that make it economically unfeasible

Pahrump has the ability to take advantage in both of these areas. Obviously, the brothels are clear examples of the first, and doing things that require large tracts of relatively inexpensive land such as Front Sight (at 550 acres, this would be incredibly expensive in Vegas) is an example of the second.

A perfect articulation of this, which happens to link into your historical role in Nye County with Weapons Testing, happens to be letting tourists get their hands on some really special military equipment. This is a common fantasy and has spurred some very limited development such as www.driveatank.com in Minnesota.

Featured this month on Speed Channel’s “The Car Show” with Adam Corolla, John Sally, Dan Neil and Matt Farah, this is a successful business allowing the public to come taste some serious hardware including various tanks with a variety of driving experiences. They have an option to drive the tank over and crush a car, a visceral demonstration of the sheer mass and power of the vehicle and a dramatic way to get the visitors to remember their experience for a lifetime. Videos and pictures included.



Another tank driving experience, Tactical Tanks, was focused on Corporate Team building in Sherman, Texas, an hour north of Dallas. This strategy may have even more potential in the well-developed convention and conference market of Las Vegas, but in Sherman, Texas, it drew between 1,800 and 2,000 annual attendance at an average price point in the \$400 - \$600 range. (This attraction closed when the owner died in a plane crash, leaving the Minnesota experience as the only other current tank driving

experience in North America.)

Starting with this fundamental platform, the concept can easily be enhanced beyond a shed and a tank. By creating a course with some elements to add to the challenge, this can become a world-class experience all on it's own. We would be stressing the adventure, thrill and team-building aspects of the experience rather than a paramilitary experience, but we'd create options to cater to a broad variety of interests. The working title for this concept is *Think Tank!* to tie into the playful and corporate team building aspects as well as to target the Las Vegas tourist market.



This would be an additional business operating in the high-end, low throughput market. And this concept is a very complementary fit with the driving and shooting attractions that already exist in Pahrump. The base concept is simple and could be done very economically as was done in Minnesota to minimize capital risk.

Although the task of further developing this concept – including a detailed feasibility assessment – is not a part of the scope of this phase, we have prepared illustrative business metrics to verify that such a concept appears reasonable in the context of the Pahrump market. We would emphasize that these figures are intended to illustrate the project's potential and to support the concept's reasonableness in the market. The illustrative figures are not to be construed as representing or arising from a formal feasibility assessment, as would be conducted in a future, pre-development phase.

For preliminary attendance benchmarks, we looked at another comparison with the *Dig This* (drive a bulldozer/backhoe) experience in Las Vegas. Their current capacity is consistent with maximum annual attendance of about 5,000 people. The facility has not been open long enough to predict stabilized attendance with great precision, however current run rates suggest that a range of 3,000 to 4,000 is a reasonable estimate. As another data point, the indications are that there are currently about the same number of people spending \$200+ to fire a machine gun in Las Vegas even though there are many locations across the country where this is possible.

Average per capita spending at *Dig This* has been in the \$500 range, but may decline slightly over time with the inclusion of additional discounting / packages and deeper

penetration of the convention and meetings markets. And while these earth-moving construction machinery experiences are fairly new, there are far fewer restrictions to the site necessary to implement this attraction and there are a number of them already in development across the country. In addition, we feel the merchandising and incremental spending we can achieve from a dynamic "reservation and reception center" could also be very significant as could some smaller attractions built around the fundamental themes. These additions would tap into the curious visitors who may not want to take the time or spend the larger dollars for the whole experience, but might participate in a more limited experience.

Although there is more work to be done to develop the design and business model to complete the feasibility study in the next phase, we believe an attendance of 2,000 per year is a reasonably conservative baseline for preliminary illustrative purposes. For comparison purposes, this attendance range represents a relatively small fraction of existing visitation to Front Site and they believe that multiples of this number would be possible from their existing patrons, let alone incremental visitors responding directly to the Think Tank! opportunity.

An assumed average ticket price of \$500 is considered reasonable for preliminary illustrative purposes, based on the assumption of a unique, world-class, tank-driving experience comparable to the similarly priced Minnesota and Tactical Tank experiences.

So looking at our baseline illustrative assumptions attendance of 2,000 visitors at \$500 each, this implies a base revenue of \$1 million. The next step in the illustration is to estimate preliminary development and operating costs.

For this preliminary investigation, we set about pricing the tanks, which we figured would be the most significant cost. Surprisingly, it turns out that tanks are relatively inexpensive to buy, and not too much more expensive to run than a heavy truck. We have been told that parts are available and you can have a few T-72's in the garage all ready to go for \$150,000. We researched all kinds of tanks and found lots of them at between \$20,000 and \$60,000, some here, many in Europe. But shipping and customs clearance doesn't appear nearly as tough as we'd expected. Most sales appear to be made to farms and factories with the tanks being pressed into dragging/hauling and heavy moving service.

For this illustrative approach, we've assumed a strategy of starting small and responding to market demands for adding tanks as justified. For example, at the outset, there could be just three tanks: two to run ops with the tank teams and one spare. Add in a Humvee, a couple Jeeps and quad runners for staff, along with a shipping allowance and call it \$250,000.

In addition, we'd need a shaded storage area and, of course the nice, air-conditioned reception building with sales area, orientation and, most importantly, merchandise. A quick layout and rough pricing looks to be on the order of about \$225,000. Call it another \$250,000. Add in another \$100,000 for signage, theme treatment, Audio, Video, etc. Then outside, since there is no road or grading requirements of any kind, the only thing to add around the course would be some scenic elements and potentially special effects such as explosions. Add \$100,000 for the scenic and \$300,000 for the effects.

This brings the illustrative capital costs to the range of \$1.0 million. This is significantly

more than was initially spent on any of the existing attractions and it would certainly be possible to get the tanks, set up a metal garage and reception building and be in business at a more stripped down level for closer to \$250,000, but we want to be conservative and also would like to target an operation quality to complement the existing Pahrump attractions. So we'll leave the illustrative development cost at \$1 million for now.

We have excluded land purchase in this scenario to maintain the conservative course assuming that the land would be leased to help minimize capital requirements. We did have some brief, preliminary discussions to guide the potential cost and we found that we could likely lease 100-acres for a minimum of \$200 per acre, so \$20,000 per year depending on numerous issues. To be conservative, we've assumed \$30,000 per year.

In terms of the other costs for ongoing operations, we'd match the operating team to the demand so that with the lower attendance numbers, we'd be able to handle things with a smaller crew. At the low end, this should be achievable with 3 or 4 people, but we've included a Manager, an office support person, a lead Mechanic, 1 assistant Mechanic, 1 Ops Lead, plus 2 Sr. Ops, 3 part time junior Ops and 3 part time reception/retail staff for a total annual cost of about \$350,000.

For fuel, consumables and utilities we'd allocate about \$30 per attendee, so at 2,000 attendance we've got another \$60,000 there, plus \$50,000 in insurance and \$160,000 in marketing and advertising allocations. This brings the rough operating cost to about \$650,000. These assumptions imply about \$350,000 in potential operating profit with about a 3-year payback and upside potential.

What Should be Done

However, although we believe the *Think Tank!* attraction concept is a reasonable illustration of how to grow the high-spend, low-throughput attraction base in Pahrump, we believe this strategy of small, individual steps of incremental growth will take a long time to achieve the overall destination impact desired. Further, as this would continue the trend of independent entrepreneurs making their own way, this will likely never gel into a cohesive "destination". This strategy lacks the high level planning and focused direction to drive the continued and future development towards the ultimate goal. What we believe really should be done to help Pahrump make a leap in its evolution and growth as a tourism destination is something more than a single attraction. When visitors come to Pahrump, they need a sense of arrival and a sense of what this place is really all about.

We believe the answer lies in integrating the above attraction with additional elements that we know the town needs (and those that it really wants) to create a larger initial mass of development. This will be used to create the launching point for the Base Camp for Adventure, house the much needed Visitor Center, provide some new hotel rooms and add a couple new restaurants as well as the attractions in a signature development that can be used to help promote Pahrump along the lines that the Tourism Board has already created. This development, in concert with the other attractions, will help the town begin to fulfill its desired direction as the Base Camp for Adventure and provide part of the function and sense of a Town Center.

Linking back to the very beginnings, Pahrump, derived from Pah Rimpi, Water from the Rock, or springs, in common vernacular, we've recommended a simple, clear direction to crystallize this spirit of adventure in Pahrump:

Adventure Springs

We spent many hours talking about the things that make Pahrump attractive from a tourism perspective and what makes Pahrump unique and how to resolve this into a simple direction that conveys the idea while tying into the town's history and personality. We believe this direction works very well and is compatible with the town slogan and connotes a place with life, excitement and potential.

This is our working title for the project that we would like to see developed to help instigate the next phase of growth in Pahrump. A new launching point for the adventures that one can have in Pahrump and a new launching point for continued business growth in your community.

Harkening back to your roots, we believe this needs a simple, but iconic *Water from the Rock* source at the entrance, and this should continue through streams to a lake to help break the harsh desert environmental aesthetic. The lakes at Mountain Falls are lovely and create such a soft contrast to the surrounding desert. The cool water reminding us there is life all around us, even in the searing summer sunshine.



Working to draw us into the development, we considered many tall structures to help identify the development to drivers on Route 160. This should be seen from miles away as visitors come into town, beckoning and signifying that something special is here. We resolved the various options into a rock tower structure that has elements reminiscent of the stone used at Spring Mountain and Mountain Falls' architecture, added sail-like shade structures for a more fantasy and explorer / adventurer feel, founded this on a base of rock inspired by the local mountains including petroglyphs that hark back to the early natives of the valley. This creates a unique observation tower that acts as an iconic structure to be seen from the

highway and provides incredible views for visitors. Its charismatic design is emblematic of the spirit of eccentric adventure that built Scotty's Castle in Death Valley, yet is tied into the unique spirit of Pahrump.

A ceremonial sense of arrival is achieved by setting back the “spring” off the road so that visitors will slow down and curve along the access road to a Visitor Center as the welcoming arrival point. At the Visitor Center, guests will be able to learn about all the adventures that await them in Pahrump and the surrounding area. They will be able to make reservations and enquiries about hotels, restaurants, wineries and area attractions and they will have a wonderful view across the lake to the Pahrump Tower and the excitement of Adventure Springs.

During our visits to Pahrump, in addition to the frequent comments about the need for hotel rooms, the people we spoke to consistently mentioned two other things that they felt were desperately needed in Pahrump: A Cinema and something for families to do with their kids. We recommend that both of these elements be added to the initial mix at Adventure Springs.

Another aspect of Town growth and development from a Tourism perspective that we discussed at some length both in Pahrump as well as in our concept sessions, was events. Major events are excellent ways to introduce people to Pahrump, keep the town active and bring additional people into town during off-peak seasons. We understand the Pahrump Rodeo has ridden out of town, but we would support an effort to understand the reasons and see if these could be rectified to get it back. We also heard that Saddle West had worked to bring a PRIDE event to Pahrump recently and the only review we could find was positive, concluding with:

"It's funny," a co-worker said when I told him I had to cover Pride.
"People always 'have to go' to Pahrump. No one ever says, 'I'm *going to* Pahrump,' or, 'I *get to go* to Pahrump. No one's ever excited about it. "

At the time, I laughed; it was true. But after my experience Saturday, I'll tell you what: Next year, I'm *going to* Pahrump.

Las Vegas CITYLIFE article: Pahrump Pride by KRISTY TOTTEN

There are myriad events that can be developed to keep people visiting and the hotels, restaurants and other community businesses busy. We would suggest that an initial focus be to develop a signature event concept to help drive regional visitation in the July – August timeframe, for example based around water, ice or similar break from the heat themes.

We suggest the tourism and chamber board members review the plethora of activities that are continuously running in your sister Nevada city of Reno. They are constantly doing something fun to keep the community active and also bringing in visitors to keep the vibrant tourist business alive and well. These vary from the serious Reno Air Races to the ridiculous Virginia City Outhouse Races, La Tomatina Festival and Camel Races. www.visitrenotahoe.com

We recommend including a flexible area for events and festivals in the development to support these kinds of very attractive activities.

During our meetings in Pahrump, a significant amount of discussion was had regarding baseball experience camps and schools. We believe the earlier suggestions for a community center with a number of baseball diamonds to support this type of event has potential merit. However, we believe this direction may be more appropriate for a public park type of development such as that proposed for the fairgrounds site, as opposed to a stand alone, independent commercial enterprise. This would not be something to add to the Adventure Springs development, but is something we agree should be further investigated to see if it might be practical for the Fair Grounds site where commercial development is not allowed.

Adventure Springs Elements

The initial phase elements described above, along with a few other additions to help link other aspects of Pahrump together were considered and resolved into the following list of key elements:

- Adventure Springs Lake
- Visitor Center including reservations center
- Iconic Pahrump Tower
- Reservation and Reception center for *Think Tank!* Attraction
- Hotel with Water Park
- Cinema
- Family Entertainment Center
- Target Golf Shooting Range
- Event Space – flexible for many types of events
- Retail and Dining space, potentially including some town functions such as the Chamber of Commerce

By collecting the listed elements into Adventure Springs, this creates a sufficient critical mass to become a small town center destination on its own. With the variety of activities, the “resident” population from the hotel and the repeatable attractions and environment, Adventure Springs would provide evening activities to follow the various daytime “adrenaline” experiences and exploration of the surrounding Pahrump Valley. It would also serve as a new place for residents to come relax, have a meal, entertain the kids and go to a movie or bar, all of which works to provide a pedestrian friendly density to the development that currently does not exist in Pahrump.



Element Sizing and Capacity Guidelines

The above listed elements will be sized based on the further investigations in the next phase. These will be scaled with the feasibility study investigating the more developed concepts and how they will be expected to perform in the market (Pro Forma Advisors anticipated scope in the next phase), as balanced and complemented by the potential financial support through the Public / Private Partnership (Vercitas anticipated scope in the next phase).

However, preliminary targets based on our current observations of the existing demographics and attractions in the area are provided below for initial sizing considerations. Again, these assumptions would be refined and further analyzed and tested in the next phase.

Adventure Springs Lake

Lake Area of about 8.5 Acres

Walkways, landscape and hardscape of about 6-Acres

Visitor Center including reservations center

Subject to Town support, approximately 2,500 sq ft

Icon Tower

Observation tower with café / bar at base, flex rooms for small parties and events

Approximately 6,300 sq ft over 6 stories

Reservation and Reception center for *Think Tank!* Attraction

Minimum of about 2,500 sq ft with likely expansion with other elements for more casual visitor experiences including simulators, games and rides to about 4,000 sq ft indoor. Outdoor area near lake of about 4,000 sq ft and remote field ops area of about 100-acres. Instantaneous capacity of up to about 20 people on excursions and 30 more at reception/reservation and retail center at the lake.

Hotel and Water Park

Adventure Springs Hotel Rooms and Areas				
Rev B				
13-Sep-11				
GUEST ROOM BUILDING SUMMARY		No. of Rooms	Plan Area	Total BUA
			ft²	ft²
Adventure Springs Hotel				
Main Building	3 Star	80	24,250	60,917
Over Other Elements	4 Star	20	9,533	13,333
Totals:		100	33,783	74,250
GUEST ROOM COUNTS				No. of Rooms
Floor-By-Floor	Ground Fl	Floor 2	Floor 3	TOTAL
Adventure Springs Hotel				
Main Building	12	34	34	80
Over Other Elements	0	6	14	20
Totals:	12	40	48	100

Total Built Up Area of about 74,000 sq ft includes Guest Rooms, Lobby, Restaurants/Kitchens, Retail, Office/Admin, Housekeeping, BOH, Meeting and Function Rooms. Peak capacity of about 4/room avg = 400 guests.

Water Park to include approximately 15,000 sq ft indoor water park section connected to adjacent outdoor section with openable wall. Outdoor space of approximately 20,000 sq ft with a total initial capacity of approximately 350 – 450.

The hotel with water park, but excluding parking, occupies approximately 5-acres

Cinema

5 screen cinema with a total of 490 seats as follows:

Theater 1	130 seats
Theater 2	100 seats
Theater 3	100 seats
Theater 4	80 seats
Theater 5	80 seats

Total built up area of about 18,500 sq ft

Family Entertainment Center

Indoor areas of approximately 33,000 sq ft and outdoor areas in the range of 160,000 Sq ft including kart tracks and miniature golf for a total of 4 to 5 acres. These are extremely flexible and scalable and will be determined based on the feasible program, investment and target audience from the additional research in the next phase. However, for now, this area will support an instantaneous capacity of about 600.

Target Golf Shooting Range

The 3-story driving platform, gallery and bar / restaurant is about 5,000 sq ft and the range takes up about an additional 8 acres. This facility would handle up to about 60-80 people in the attractions and games at once.

Event Space – flexible for many types of events

This area would be prepped and ready to accommodate any type of event, which could range from BMX competitions to Bathtub races and Renaissance Festivals. These can have tremendous variations in areas desired and required from a few acres to dozens. By design, the intent would be to have this “featured” frontage near the lake with the opportunity for as much land as necessary just across the ring road. This area could host events from a few dozen, up to a thousand. Plenty of expanded, desert parking area!

Retail, Dining and Entertainment District

As mentioned above, this will be driven largely by the further developed study and the structure and amount of public support. For instance, if the Chamber of Commerce or other Public offices are located here, these will help to add building massing to develop and activate the space. In response to the potential demand, we would anticipate a couple table-service restaurants and a few walk-up window fast food and maybe a café with a few small, eclectic retail shops. These will be sized and determined by the projected attendance counts and patterns, but based on the repeated requests from the interviews, we feel a couple nice restaurants of about 100 seats to accompany the cinema and evening environment will do nicely here. All in, these are likely in the range of 15,000 sq ft.

Parking

Our initial program as shown on the plan is on the order of about 7 acres or roughly 700 cars. This would roughly translate to about 2,500 visitors on site, but there is plenty of room for overflow and staff parking beyond this.

Summary

To summarize, the initial phase would include approximately 60-acres of development between the lake, landscape and buildings, parking and event prepped areas. For reference, this is roughly the size of Anaheim's *Disneyland*, inside the berm/railroad track... And not including the *Think Tank!* excursion area.

This initial phase, as depicted, would likely accommodate approximately 2,500 visitors at one time excluding the events, which could vary hugely to multiples of this amount. The presented program would also be consistent with variances in daily visitation ranging from a few hundred visitors per day with an evening focus during weekdays / off-peak times, and up to a peak of 3,000 – 4,000 daily visitors on weekends in peak seasons.

It should be emphasized that, while the high-level concept has been developed based on market-oriented insights, it has not yet been designed or explicitly studied from the perspective of market and economic supportability. However, our preliminary expectation is that the envisioned concept would require a significant public partnership or structured incentive plan in order to achieve viability.

Site Sizing

The basic site layout we've provided is shown on an approximately 2,000' x 3,000' plot, or about 138 acres. Obviously, this does not include the *Think Tank!* "range" which should be on the order of at least 100-acres. In addition, we'd strongly recommend a reasonable setback from the highway to allow the ceremonial approach as well as controlling a reasonable amount of the surrounding land to provide additional expansion and growth area. This will ensure the development can continue to grow over time while retaining a reasonable buffer to any potential surrounding development. This would add another 100 – 150 acres. This means optimal sites would be in the range of 350 to 400 acres.

Site Location

This development should be located off 160 on the Eastern boundaries of the current town development with a reasonable buffer for sound dissipation. This provides large tract opportunities minimizing any potential disruption to residential communities, as well as greets the visitors on this primary route from the East on their way into Pahrump. As the first stop, visitors will be oriented to the various attractions and surrounds and will be able to continue to explore the area with this knowledge.

We have requested the identification of candidate sites of the Town representatives and are awaiting submission of potential sites to evaluate.

SUMMARY AND RECOMMENDATIONS

Despite the self-perception we'd heard from a number of Pahrump's residents, Pahrump actually has a lot going for it: the most difficult first steps of investment to build projects to prove the initial viability of the tourism market have already been taken. These high-quality businesses are continuing to grow, proving the continued viability of the market.

They have targeted low volume, high-price point experiences and developed nationally prominent and even international recognition.

Pahrump is located an hour away from one of the most successful major tourism destination in the world and is on the main highway to a national Park that draws visitors from around the globe. And while the many millions coming to Las Vegas are a potential source market, it must be remembered that Las Vegas has been built over 80 years and the tourists heading there are largely choosing to go there due to the specific attractions they find in Las Vegas. That said, there are some 115,000 heading towards or through Pahrump already. The opportunity here is to get the ones that have the inclination to head towards Pahrump to stop and spend some time and money in Pahrump as well as to attract those looking for something very unique and not available in Las Vegas.

Pahrump has additional advantages over Las Vegas land prices and accommodating laws allowing entrepreneurs some attractive advantages.

We see many opportunities in Pahrump. There are very few existing entertainment offerings and although the population is relatively small, there are more annual visitors than residents. The Tourism Board has properly sensed the Adventure Lifestyle direction that is a real growth opportunity for the town and embarked on a branding exercise to position the Town of Pahrump as *Your Base Camp for Adventure*.

The existing businesses are embracing opportunities and pursuing creative new diversification in their market by pulling in new organizations such as the first ever Pahrump PRIDE event in August and members of the Town Board, Tourism Board and Chamber are vocally supporting additional growth in the tourism business sector.

Pahrump is already on the third step of Destination Development: Build the Asset Base.

In this regard, it would be possible to passively support businesses that want to add to the mix, variety and capacity in Pahrump and watch as the slow progression continued. We have outlined one such business concept in the *Think Tank!* attraction. Although a detailed development of the concept and a detailed feasibility assessment has not been conducted, we believe it worthy of further exploration and expect that it could become a successful addition to the mix of existing adventure experiences in and around Pahrump. We have provided a preliminary illustration of how this attraction could be developed for about a million dollars and pay itself back in two to three years, returning a significant profit to the investors. This project could add about a dozen or more jobs, add incremental overnight stays and be a marketable attraction capable of targeting super-regional residents as well as Las Vegas tourists looking for a unique and extraordinary experience that could not be replicated closer to their homes or hotels.

There are other attractions concepts that could achieve many of these same points making them attractive in Pahrump and difficult to realize in Las Vegas. However, if the goal is to achieve a significant leap in Pahrump's tourism economy over the shortest possible time, and to catalyze additional investment and development, we would recommend that the Town and Nye County consider a larger development through the creation of a Public / Private Partnership that would reduce investor risk and allow the creation of an iconic development for Pahrump.

We recommend investigating how the Public sector can support such a development and, based on the incentives achievable, this larger development could be created which would have a truly significant impact on the growth and development of the tourism sector in Pahrump.

To help understand what this might be, we have created an initial concept, collecting a number of the elements that we noted were frequently identified during our interviews and arranged them to resolve some noticeable issues when the town is viewed from a visitor's perspective. We would arrange these to present a dynamic and active "town center" that would embrace the Tourism Board's vision of Pahrump as a *Base Camp for Adventure*. This would include the elements indicated arranged around a lake, provide an iconic focal point for the Town for both visitors and locals alike and truly act as the first place to go in Pahrump. And from there, all the existing attractions would be promoted as well as to create the logical place for new attractions to be added.

This development comprises an area of approximately 60 acres, (about the size of Anaheim's Disneyland inside the train track), excluding the Think Tank! excursion area, situated on a parcel of about 350 – 400 acres. This site should be located along 160 to the Eastern side of town to welcome the prominent number of visitors coming from the East.

This development would accommodate anywhere from a couple hundred to a few thousand visitors per day, with more during special events. This concept will be further developed to model and test from a feasibility perspective in the next phase, should this be approved, but for the sake of macro-level scaling, the gross investment level for this development is likely in the range of \$35 to \$55 million. This will be heavily impacted by the support that is available from the Town and County in terms of incentives, all of which are unknown at this time.

To help the discussion mature, the following key parameters are offered to help show how this level of investment could be supported.

Total Dev Budget	Public Support 20%	Supportable Capital Investment	Required Operating Net Revenues (1/8)	Revenue Req'd @ 35% Margin
\$35 million	\$7 million	\$28 million	\$3.5 million	\$10.0 million
\$40 million	\$8 million	\$32 million	\$4.0 million	\$11.4 million
\$45 Million	\$9 million	\$36 million	\$4.5 million	\$12.9 million
\$50 million	\$10 million	\$40 million	\$5.0 million	\$14.3 million
\$55 million	\$11 million	\$44 million	\$5.5 million	\$15.7 million

This table is simply intended to demonstrate the philosophy of how the public sector can provide the support to construct a larger development and what the potential revenue requirements might have to be in order to support the private capital side for a development in overall investment range that may be considered.

Obviously, the components for the development all have different price points and throughput capacities and there is much work to do to refine the designs prior to forecasting audience penetrations to support attendance projections and to refine price points. However, the general assumption indicated above of a blended margin for the various elements of 35% is a typical target for this type of mixed-use development.

Again, this is directly affected by the mix of elements, each element's scaling, price-points, labor rates, attendance and other efficiency factors and is intended only for preliminary discussion purposes.

Further, the 20% public sector support indicated is not to be interpreted as a lump sum check to be paid by the County and/or Town during development. Rather, this is a present value of all the various incentives that can be provided including future revenues and savings during operations to reduce operating costs and to receive bonded incremental tax revenues and other incentives.

Many implications could be made from a project with annual revenues of (for example) \$13 million including the obvious significant job creation that would be associated with a new tourism development of this scale. However, further testing and study is not warranted until the fundamental approach to the project – potentially significantly dependant upon the public sector support – has been discussed and a direction agreed.

We are confident that a variation on the fundamental directions we have conceived could be created and would likely have a significant positive impact on the tourism business in Pahrump. However, until we understand the Town and County's capabilities, capacity and intentions with regards to supporting a project, it is not possible to proceed any further with any confidence with respect to the final scale, elements to include, site location and size, etc.

Finally, even without the public sector support, we are confident that a number of complimentary destination entertainment attractions can be created as viable businesses which would continue the slow growth of the adventure activities that have already taken hold in Pahrump. However, to take the significant step to develop a project with the critical mass to achieve the desired leap in the growth of the tourism industry desired, it will be necessary to have the public sector support to reduce the risk factors to the point where the investor market will be comfortable.

We recommend the Town and County representatives consider their options and intentions through internal discussions to agree and focus their development goals, appetite for support and understanding of the tools that they may utilize to support this type of development. Following those discussions, we will have the direction we need to be able to provide a detailed proposal for the next stage of development.

We look forward to the next step in Pahrump's continued growth and evolution as an adventurous entertainment and leisure destination.

APPENDIX A
Pro Forma Advisors

Market Research Report Attached

**Concept Development Support for Pahrump, Nevada
Entertainment Destination Study**

Concept Development Support

Pahrump, Nevada

Market Research Report

August 2011

Intended Recipient: **Contour Entertainment, Inc.**

Document ID: 10-241

Version: Final Draft





Concept Development Support

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Concept Development Support



General Limiting Conditions

Certain information included in this report may contain forward-looking estimates, projections and/or statements. Pro Forma Advisors LLC has based these projections, estimates and/or statements on expected future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

No warranty or representation is made by Pro Forma Advisors that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the

variations may be material. As such, Pro Forma Advisors accepts no liability in relation to the estimates provided herein.

In the production of this report, Pro Forma Advisors has served solely in the capacity of consultant and Pro Forma Advisors has not rendered any "expert" opinions and does not hold itself out as an "expert" (as the term "expert" is defined in Section 11 of the Securities Act of 1933).

This report is not to be used in conjunction with any public or private offering of securities, and may not be relied upon without the express written consent of Pro Forma Advisors.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions, and considerations.



Concept Development Support

Engagement

Engagement Summary

Overview

Contour Entertainment, Inc. has been engaged by the Town of Pahrump, Nevada, to assist in preliminary concept development for a new attraction concept being explored for the Town.

Pro Forma Advisors was retained by Contour Entertainment, Inc. to support the initial concept development process from an economic perspective.

It is emphasized that the analysis conducted for this engagement is for concept development purposes only, and does not represent a feasibility assessment. It is assumed that detailed design and feasibility work would be conducted prior to any major funding commitment to the project.

Research Visit

Pro Forma Advisors conducted a site visit to Pahrump on Tuesday, August 9, 2011. The site visit included a tour of Pahrump area attractions as well as informal meetings with Town officials, tourism-industry professionals, and local attraction operators.

Deliverables

This Market Research Report document summarizes research and analysis conducted under this engagement, including research and analysis covering the following topical areas:

- ▶ Location Context
- ▶ Overview of Resident Markets
- ▶ Overview of Visitor Markets
- ▶ Pahrump Leisure Inventory
- ▶ Attraction Benchmarks
- ▶ Development Framework

Pro Forma Advisors

Pro Forma Advisors is a land-use economics consultancy specializing in market and feasibility analysis for out-of-home entertainment projects. Our principals have worked in many locations in the US, and in over 25 countries around the world. More information regarding our firm can be found on our website at www.ProFormaAdvisors.com.



Concept Development Support

Context

1. Context

1.1. Location Overview

The Town of Pahrump is located in southern Nye County, Nevada, about 60 miles west of Las Vegas. The Town of Pahrump is geographically quite large, encompassing 676 square miles, and accounts for most of Nye County population. However, Pahrump accounts for less than 4% of Nye County's vast land area of 18,146 square miles. In comparison, Clark County Nevada's land area is 7,908 square miles, with the Las Vegas / North Las Vegas / Henderson metro area accounting for about 270 square miles.

Southern Nevada is part of the Basin and Range Region, which includes more than 150 mountain ranges running from north to south. The Pahrump Valley is separated from the Las Vegas Valley by the Spring Mountain Range, necessitating circuitous rather than direct east-west travel between Las Vegas and Pahrump.

1.2. Access

Primary road access to Pahrump is provided by Route 160, which runs southeast to northwest through the Pahrump Valley. Route 160 connects to I-15 in the southern portion of Metro Las Vegas, which provides access southwest to the Los Angeles area and northeast toward Salt Lake City.

West of Enterprise, Route 160 connects with Route 159, which provides access to the Red Rock Canyon and areas in west Las Vegas (Summerlin/ Spring Valley).

Pahrump is the closest major settlement to Death Valley National Park, which is accessible from Pahrump via Route 372, W Bell Vista Ave, or Route 367 via Beatty, NV. Access to northern Nye County is provided via Route 95.

Although there are multiple general aviation airports and informal landing strips in the Pahrump area, the closest commercial airport is McCarran International in Las Vegas. However, plans are currently underway to develop a new airport in western Pahrump, just east of the California line.

Location Context Map



Source: LVCVA



Concept Development Support

Context

1.3. Climate

Pahrump’s desert climate offers hot summers, mild winters, plenty of sunshine and mostly temperate conditions through the spring and fall. On average the area receives only 4.8 inches of annual rainfall.

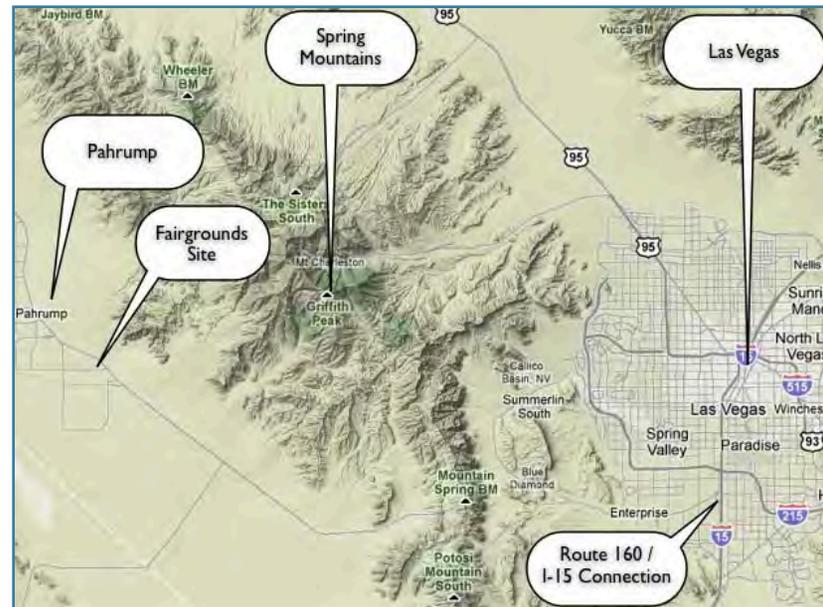
Month	Min	Avg	Max	Rainfall (Inches)	Avg Days w/ Rain
	(Degrees Fahrenheit)				
Jan	27	42	57	0.7	3
Feb	32	47	63	0.8	3
Mar	37	52	68	0.6	3
Apr	43	59	76	0.3	2
May	52	69	85	0.2	1
Jun	60	78	95	0.1	1
Jul	67	85	102	0.3	2
Aug	66	83	100	0.3	2
Sep	57	75	93	0.3	2
Oct	45	63	82	0.2	1
Nov	34	51	67	0.4	2
Dec	27	42	58	0.5	3
Annual	46	62	79	4.8	25

Source: Weatherbase.com

1.4. Site Identification

The Town controls a 426-acre site (known as the Fairgrounds Site) along the southern frontage of Route 160 southeast of Pahrump. Useable acreage is somewhat smaller due to setback and tortoise habitat requirements. While it is not yet certain whether this site will ultimately prove viable for a new attraction concept, the location is considered generally advantageous with respect to regional population centers and access routes. Accordingly, the Fairgrounds Site is used as a proxy location for purposes of travel-time analysis.

Fairgrounds Site Location



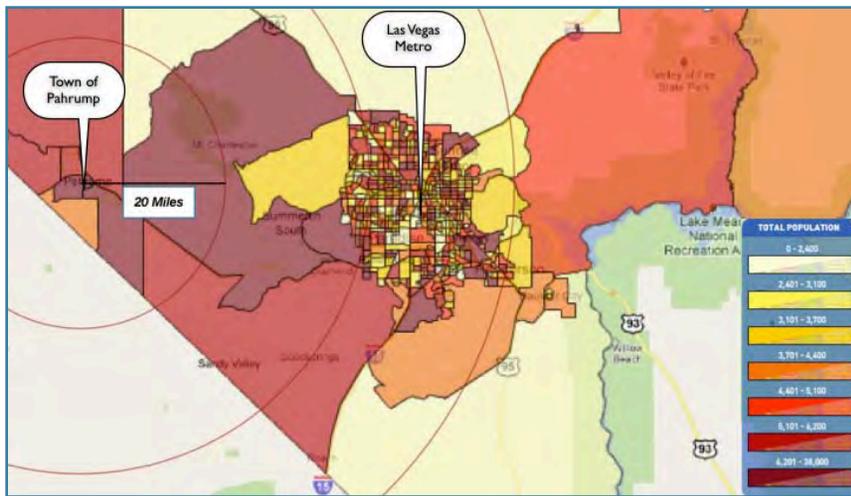
Source: Google, Pro Forma Advisors



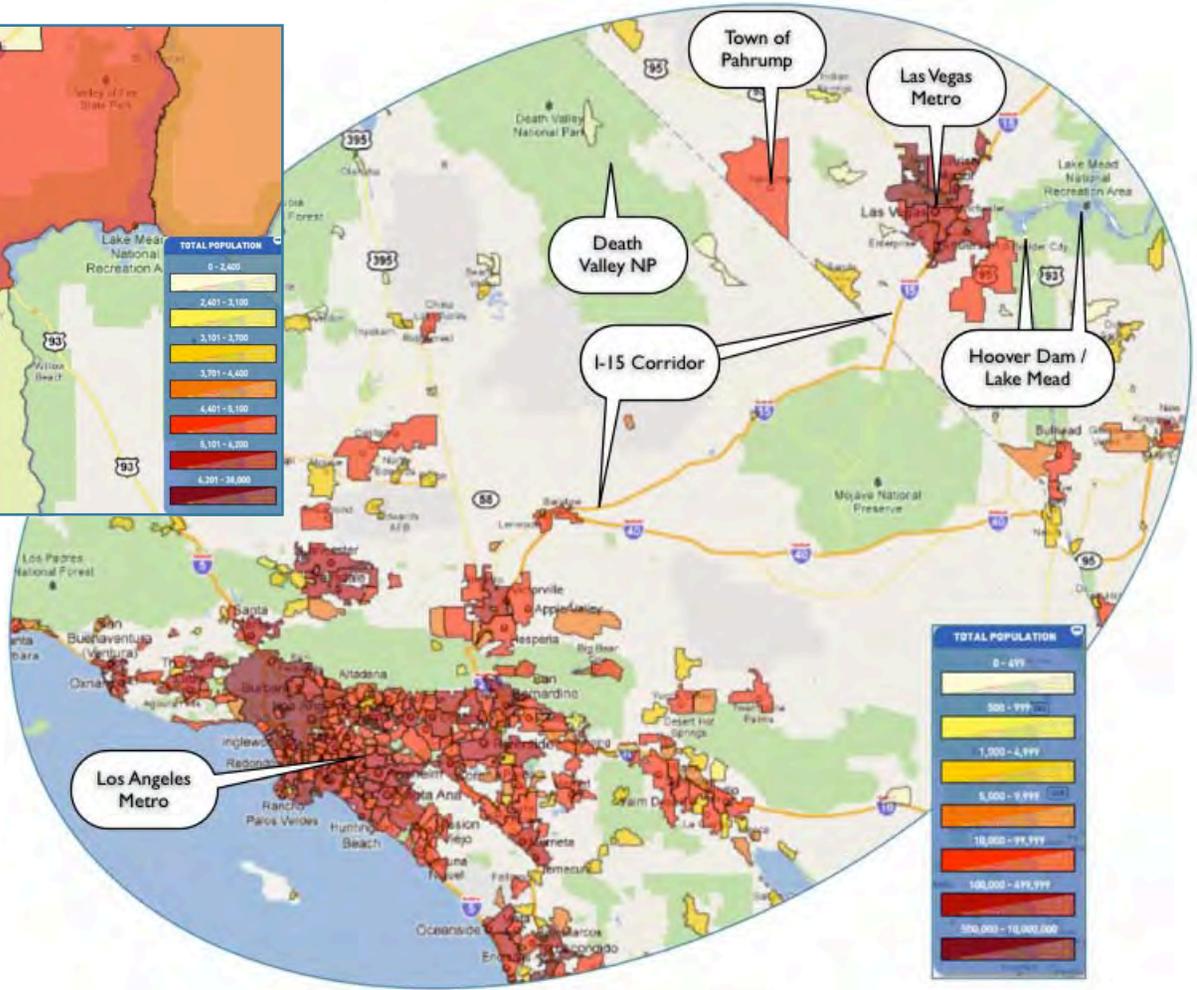
Concept Development Support

Context

1.5. Population Density Maps



Source: US Census





Concept Development Support

Context

1.6. Political Boundary Map



Source: USGS, Pro Forma Advisors



Concept Development Support

Residents

2. Resident Markets

2.1. Nye County

According to the 2010 US Census, the current population of Nye County is approximately 44,000, having grown at a compound annual rate (CAGR) of 3% since the 2000 Census.

Pahrump is the only place within Nye County to have seen positive growth (4%) over the previous ten years.

Population	2000	2010	CAGR
Pahrump	24,631	36,441	4.0%
Tonopah	2,627	2,478	-0.6%
Beatty	1,154	1,010	-1.3%
Gabbs	318	269	-1.7%
Other	3,755	3,748	0.0%
Total	32,485	43,946	3.1%

Source: US Census

The Town of Pahrump accounts for over 36,400 residents, or 83% of Nye County residents. Total 2010 population in the Nye/Clark County region has reached 2.0 million, with Clark County accounting for 98% of the region's residents.

2.2. Clark County

Clark County population as of 2010 is estimated at 1.95 million, and has grown 3.6% annually on average since the 2000 Census.

Population	2000	2010	CAGR
Las Vegas	478,434	583,756	2.0%
Henderson City	175,381	257,729	3.9%
Paradise	186,070	223,167	1.8%
North Las Vegas	115,488	216,961	6.5%
Sunrise Manor	156,120	189,372	1.9%
Spring Valley	117,390	178,395	4.3%
Enterprise	14,676	108,481	22.1%
Whitney	18,273	38,585	7.8%
Winchester	26,958	27,978	0.4%
Summerlin South	3,735	24,085	20.5%
Mesquite	9,389	15,276	5.0%
Boulder City	14,966	15,023	0.0%
Laughlin	7,076	7,323	0.3%
Other	51,809	65,138	2.3%
Total	1,375,765	1,951,269	3.6%

Source: US Census



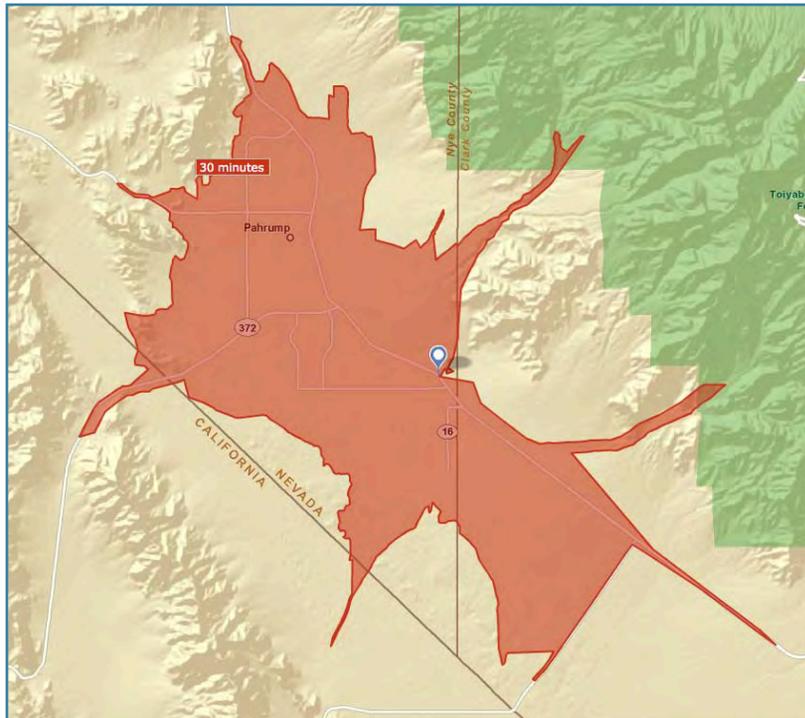
Concept Development Support

Residents

2.3. Population by Travel Time

The proximity of population clusters is a critical aspect in understanding a source market's true effective scale. Relative to the Fairgrounds Site location, only the Town of Pahrump falls within the 30-minute market.

Travel-Time Map
30-Minute Market Illustration



Source: ESRI Business Analyst

Regional Population by Travel Time	2000	2010	CAGR
0-30 Minutes	24,631	36,441	4.0%
30-60 Minutes	14,958	108,771	21.9%
60-90 Minutes	1,334,595	1,808,237	3.1%
90-120 Minutes	3,825	4,201	0.9%
120-180 Minutes	23,541	31,070	2.8%
180+ Minutes	6,700	6,495	-0.3%
Total	1,408,250	1,995,215	3.5%

Source: US Census, Google, Pro Forma Advisors

The 30-60 minute segment reaches as far as Enterprise toward the southwest edge of Metro Las Vegas.

Most of the Las Vegas market lies just beyond the 60 minute mark and falls within the 60-90 minute market.



Concept Development Support

Residents

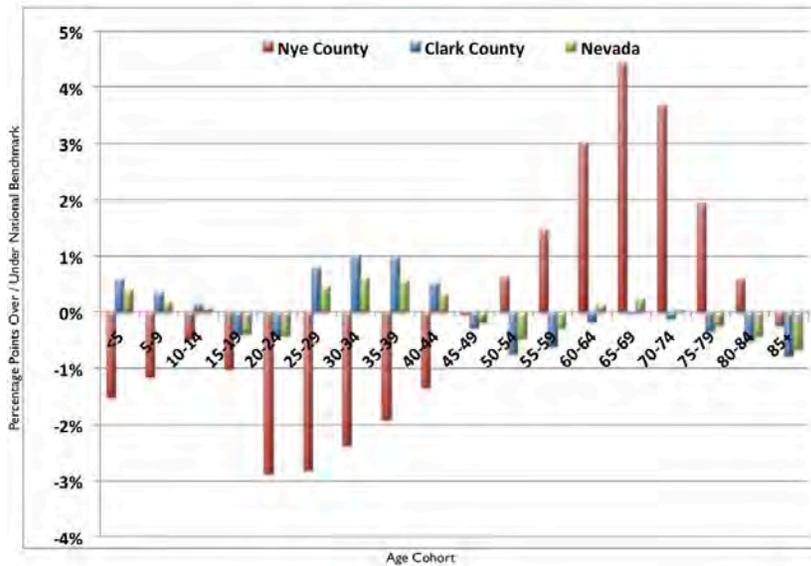
2.4. Age Distribution

Relative to the national age distribution, Nye County is significantly over-represented in the over-50 age cohorts, and significantly under-represented in the under-45 age cohorts.

Relative to the national benchmark, Clark County is moderately over-represented in the age 25-44 cohorts, slightly over-represented in the age 0-14 cohorts, and slightly under-represented in most of the over-45 cohorts.

Comparative Age Distribution

Nye County, Clark County and Nevada vs. National Distribution



Source: US Census

Age Cohorts	Nye	Clark	Nevada	US
<5	5.0%	7.1%	6.9%	6.5%
5-9	5.4%	6.9%	6.8%	6.6%
10-14	6.2%	6.8%	6.8%	6.7%
15-19	6.1%	6.7%	6.8%	7.1%
20-24	4.1%	6.6%	6.6%	7.0%
25-29	4.0%	7.6%	7.3%	6.8%
30-34	4.1%	7.5%	7.1%	6.5%
35-39	4.6%	7.5%	7.1%	6.5%
40-44	5.4%	7.3%	7.1%	6.8%
45-49	7.3%	7.1%	7.2%	7.4%
50-54	7.8%	6.5%	6.8%	7.2%
55-59	7.8%	5.8%	6.1%	6.4%
60-64	8.5%	5.3%	5.6%	5.4%
65-69	8.5%	4.0%	4.3%	4.0%
70-74	6.7%	2.9%	3.0%	3.0%
75-79	4.3%	2.0%	2.1%	2.4%
80-84	2.4%	1.4%	1.4%	1.9%
85+	1.5%	1.0%	1.1%	1.8%

Source: US Census



Concept Development Support

Residents

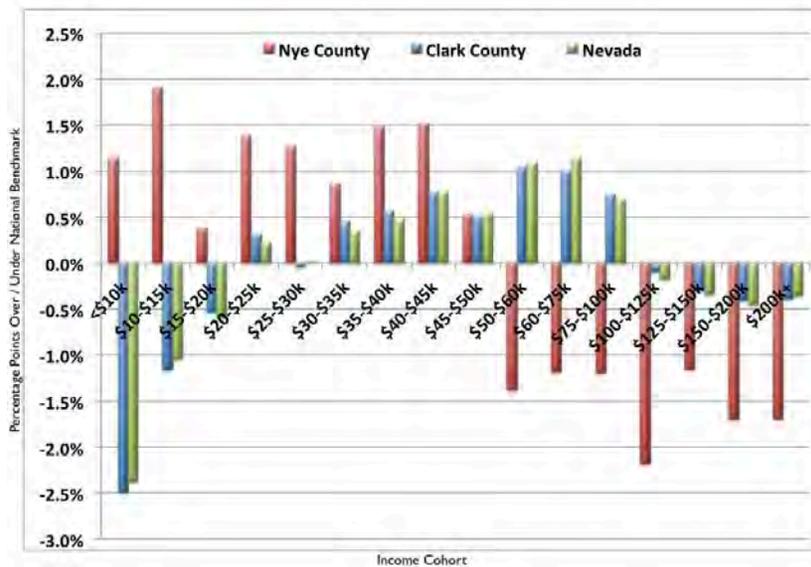
2.5. Income and Expenditures

Relative to the national income distribution, Nye County is significantly over-represented in the under-\$50k income cohorts, and significantly under-represented in the over-\$50k income cohorts.

Relative to the national benchmark, Clark County is under-represented at both ends of the distribution, and over-represented in the middle of the distribution (\$30k to \$100k).

Comparative Income Distribution

Nye County, Clark County and Nevada vs. National Distribution



Source: US Census

Clark County and Nevada median income levels are higher than the national median, while Nye County's median income is below the national median.

Average annual household expenditures for entertainment-related categories are estimated at 10-11% of average household income.

Household (HH) Income and Expenditure Summary		Nye County	Clark County	Nevada	US
Median HH Income		\$36,425	\$47,418	\$48,876	\$44,552
Avg HH Income		\$43,598	\$57,054	\$57,134	\$56,548
% of HH Earning	<\$45k	51%	63%	51%	53%
	\$45-\$75k	27%	23%	27%	25%
	\$75k+	22%	15%	22%	23%
Avg HH Entertainment Expenditures*		\$4,814	\$5,619	\$5,609	\$5,523
Entertainment Spending as % of Avg HH Income		11%	10%	10%	10%
* Includes the following categories: Food away from home, alcoholic beverages, entertainment, and fees/admissions					

Source: US Census, Geolytics, Inc.



Concept Development Support

Residents

2.6. Clark County Visitation to Outlying Areas

The Clark County resident market generates significant visitation to outlying areas of the county, such as Mesquite, Laughlin, Boulder City, Primm, and Jean. Annual visitor days in these ancillary markets are estimated in the range of 0.11 to 1.03 visitor days per capita, depending on travel distance and quality of offerings.

Clark County Resident Profile	Mesquite	Laughlin	Jean	Primm	Boulder City
Took a Non-Business Trip in the past 12 Months	15%	15%	4%	12%	21%
Annual Unique Non-Business Visitors	292,690	292,690	78,051	234,152	409,766
Avg. Visitation Frequency	2.9	2.6	3.2	3.3	4.6
Annual Non-Business Trips	848,802	760,995	249,762	772,703	1,884,926
Less "Just Passing Through" Trips	(84,880)	(30,440)	(64,938)	(61,816)	(94,246)
Non-Business Destination Trips	763,922	730,555	184,824	710,886	1,790,680
Daytrip Share of Total	221,537	131,500	146,011	497,620	1,611,612
<i>Overnight Share of Total</i>	<i>542,384</i>	<i>599,055</i>	<i>38,813</i>	<i>213,266</i>	<i>179,068</i>
<i>Avg Overnights / Trip (Nights)</i>	<i>1.9</i>	<i>2.4</i>	<i>1.5</i>	<i>1.6</i>	<i>1.6</i>
<i>Total Overnights</i>	<i>1,030,531</i>	<i>1,437,732</i>	<i>58,220</i>	<i>341,225</i>	<i>286,509</i>
<i>Avg Visitor Days per Overnight</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>
Total Visitor Days from Overnight Guests	1,339,690	1,869,052	75,686	443,593	372,461
Total Visitor Days	1,561,227	2,000,552	221,697	941,213	1,984,073
Avg. Visitor Days per Capita	0.80	1.03	0.11	0.48	1.02
Approx. Travel Time from Central Las Vegas (Minutes)	81	127	33	44	36

Source: LVCVA, Pro Forma Advisors.



Concept Development Support

Visitors

3. Regional Visitor Markets

3.1. Las Vegas Visitor Market Overview

Las Vegas is a world-class destination, with annual visitation of over 37 million, 150,000 hotel rooms, and \$8.9 billion in casino gross gaming revenue (GGR).

Year	Visitors (Millions)	Room Inventory	Lodging Occupancy	County GGR (Billions)
2000	35.8	132,947	89.1%	\$7.67
2001	35.0	126,610	84.7%	\$7.64
2002	35.1	126,787	84.0%	\$7.63
2003	35.5	130,482	85.0%	\$7.83
2004	37.4	131,503	88.6%	\$8.71
2005	38.6	124,270	89.2%	\$9.72
2006	38.9	133,186	89.7%	\$10.63
2007	39.2	132,605	90.4%	\$10.87
2008	37.5	140,529	86.0%	\$9.80
2009	36.4	148,941	81.5%	\$8.84
2010	37.3	148,935	80.4%	\$8.91

Source: LVCVA

3.2. Airport Arrivals

There were 16.7 million air arrivals in 2010, with a peak of 9.4% of arrivals in October and a trough of 7.3% of arrivals in January and February.

Month	Int'l	Domestic	Non-Revenue	Total	Shares
Jan	90,044	1,134,735	51,800	1,276,579	7.3%
Feb	91,721	1,139,894	45,850	1,277,465	7.3%
Mar	105,475	1,362,199	53,937	1,521,611	8.7%
Apr	100,534	1,341,170	55,728	1,497,432	8.6%
May	99,039	1,370,507	59,148	1,528,694	8.7%
Jun	87,146	1,299,435	61,969	1,448,550	8.3%
Jul	94,784	1,319,182	66,621	1,480,587	8.5%
Aug	88,351	1,355,765	64,388	1,508,504	8.6%
Sep	89,690	1,371,306	53,806	1,514,802	8.7%
Oct	95,394	1,498,250	56,945	1,650,589	9.4%
Nov	93,957	1,253,341	50,794	1,398,092	8.0%
Dec	91,573	1,231,106	46,215	1,368,894	7.8%
Total	1,127,708	15,676,890	667,201	17,471,799	100.0%

Source: McCarran International Airport



Concept Development Support

Visitors

3.3. Las Vegas Strip Orientation Map





Concept Development Support

Visitors

3.4. Nevada Gross Gaming Revenue (GGR)

In 2011, the Las Vegas Strip captured \$6.0 billion in gross gaming revenue (GGR), up 7% from 2010. In 2011 the Strip accounted for 57% of statewide gaming revenue.

	FY 2010	FY 2011	Growth
Clark County	\$8,806	\$9,163	4.1%
LV Strip	\$5,620	\$6,014	7.0%
<i>Downtown</i>	<i>\$505</i>	<i>\$493</i>	<i>-2.3%</i>
<i>North Las Vegas</i>	<i>\$276</i>	<i>\$272</i>	<i>-1.5%</i>
<i>Laughlin</i>	<i>\$480</i>	<i>\$476</i>	<i>-0.8%</i>
<i>Boulder Strip</i>	<i>\$771</i>	<i>\$768</i>	<i>-0.4%</i>
<i>Mesquite</i>	<i>\$117</i>	<i>\$116</i>	<i>-0.5%</i>
<i>Balance of County</i>	<i>\$1,037</i>	<i>\$1,022</i>	<i>-1.4%</i>
Washoe County	\$789	\$751	-4.7%
South Lake Tahoe	\$220	\$202	-8.0%
Elko County	\$260	\$261	0.4%
Carson Valley Area	\$101	\$101	0.2%
Other Areas	\$152	\$156	2.7%
Statewide	\$10,327	\$10,635	3.0%

Source: Nevada Gaming Control Board

3.5. Seasonality Hotel Occupancy

Las Vegas hotel occupancy is driven by year-round weekend demand, as well as a robust convention/meetings market which drives mid-week demand.

Month	City-Wide	Hotel	Motel	Weekend	Mid-Week
Jan	71.1%	74.8%	38.2%	81.5%	64.6%
Feb	79.7%	82.5%	54.1%	87.9%	75.8%
Mar	82.4%	85.4%	55.7%	90.3%	79.7%
Apr	84.0%	86.9%	57.5%	92.6%	80.3%
May	82.6%	86.2%	50.1%	90.5%	78.8%
Jun	82.1%	86.4%	43.1%	89.7%	79.3%
Jul	84.0%	86.9%	58.3%	90.2%	80.6%
Aug	82.0%	84.9%	55.7%	89.2%	79.6%
Sep	82.1%	84.8%	57.0%	89.6%	78.9%
Oct	84.9%	87.7%	59.2%	91.5%	81.8%
Nov	77.1%	80.2%	48.9%	87.5%	72.7%
Dec	72.4%	75.2%	46.3%	80.6%	69.0%
Annual	80.4%	83.5%	52.0%	88.4%	76.8%

Source: LVCVA



Concept Development Support

Visitors

3.6. Las Vegas Hotel Productivity

In 2010, city-wide average daily room rates (ADR) ranged from \$87-\$102, with an annual average of \$95. Average revenue per available room (RevPAR), which combines the occupancy and ADR measures, was \$76.

Month	Occupancy	ADR	RevPAR
Jan	71.1%	\$100	\$71
Feb	79.7%	\$97	\$77
Mar	82.4%	\$93	\$77
Apr	84.0%	\$97	\$81
May	82.6%	\$99	\$82
Jun	82.1%	\$90	\$74
Jul	84.0%	\$90	\$76
Aug	82.0%	\$87	\$72
Sep	82.1%	\$97	\$80
Oct	84.9%	\$102	\$87
Nov	77.1%	\$95	\$73
Dec	72.4%	\$92	\$67
Annual	80.4%	\$95	\$76

Source: LVCVA

3.7. Laughlin Hotel Market Overview

With about 10,350 rooms, occupancy rates in the Laughlin hotel market, though lower than Las Vegas, are still fairly strong by national standards. However, pricing power is low, with a 2010 ADR of \$38 and RevPAR of \$24.

Month	Visitors	Occupancy	ADR	RevPAR
Jan	176,765	54.0%	\$38	\$20
Feb	198,968	68.6%	\$38	\$26
Mar	224,449	70.1%	\$37	\$26
Apr	208,345	66.8%	\$44	\$29
May	196,033	61.4%	\$40	\$24
Jun	201,795	65.9%	\$35	\$23
Jul	232,113	74.4%	\$40	\$30
Aug	213,240	67.6%	\$38	\$25
Sep	186,381	63.5%	\$39	\$25
Oct	197,448	65.3%	\$37	\$24
Nov	173,593	58.6%	\$36	\$21
Dec	151,604	48.3%	\$37	\$18
Annual	2,363,734	63.7%	\$38	\$24

Source: LVCVA



Concept Development Support

Visitors

3.8. Mesquite Hotel Market Overview

With about 1,770 rooms, the Mesquite lodging market is significantly smaller than Laughlin. With 2010 occupancy of 80%, ADR of \$51 and RevPAR of \$41, the market outperforms Laughlin on a per-room basis.

Month	Visitors	Occupancy	ADR	RevPAR	AADT
Jan	78,146	73.8%	\$51	\$38	18,569
Feb	82,825	86.6%	\$57	\$50	20,223
Mar	95,088	89.8%	\$57	\$51	22,854
Apr	89,049	86.9%	\$58	\$50	23,024
May	84,605	79.9%	\$52	\$41	22,448
Jun	86,999	84.9%	\$52	\$44	24,190
Jul	80,899	76.4%	\$46	\$35	25,567
Aug	76,096	72.8%	\$45	\$33	24,471
Sep	72,630	71.8%	\$46	\$33	22,420
Oct	93,239	89.2%	\$55	\$49	22,442
Nov	81,329	80.4%	\$49	\$39	21,426
Dec	74,215	71.0%	\$45	\$32	19,538
Annual	995,120	80.2%	\$51	\$41	22,264

Source: LVCVA

3.9. Visitor Segment Profiles

The average visitor to Las Vegas comes 1.7 times per year, with a travel party of 2.4 people, and stays for 3.6 overnights.

Month	Southern CA	Other USA	Foreign	Total
% of Total	26%	56%	18%	100%
First Visit	2%	15%	51%	18%
Repeat Visit	98%	85%	49%	82%
Avg Visits / Year	2.3	1.6	1.1	1.7
Avg Travel Party	2.4	2.3	2.5	2.4
Parties incl. <21	9%	7%	7%	7%
Nights Stayed	2.9	3.7	4.4	3.6
Days Stayed	3.9	4.7	5.4	4.6

Source: LVCVA

Visitors from Southern California comprise an estimated 26% of the Las Vegas Visitor market.

Visitors from this segment are characterized by a relatively short length of stay (2.9 nights) but high repeat frequency (2.3 visits per year).



Concept Development Support

Visitors

3.10. Primary Purpose of Trip

Over 51% of visits to Las Vegas are conducted primarily for leisure, with other major categories including Convention (11%), visiting friends & relatives (VFR, 11%), and Gambling (9%).

While visitors from Southern California are significantly more likely to cite Gambling relative the other segments, the combined Leisure/Gambling share for Southern California (58%) is roughly on par with that of Other USA visitors (54%).

Primary Trip Purpose	Southern CA	Other USA	Foreign	Total
Leisure	41%	49%	73%	51%
Gambling	17%	6%	4%	9%
Convention	10%	13%	5%	11%
VFR	12%	12%	5%	11%
Other Business	9%	7%	2%	6%
Passing Through	2%	4%	3%	4%
Special Event	6%	5%	3%	5%
Wedding	3%	3%	4%	3%
Other	1%	1%	1%	1%

Source: LVCVA

3.11. Transportation

About 41% of Las Vegas visitors arrive by air, with 59% of visitors arriving by ground.

In-Bound Transportation	Southern CA	Other USA	Foreign	Total
Air	5%	53%	57%	41%
Auto/Bus/RV	95%	47%	43%	59%
Local Transportation (Multiple Responses)				
Own Vehicle	92%	41%	10%	48%
Walked	18%	25%	53%	28%
Taxi	6%	26%	37%	23%
Bus	4%	21%	43%	21%
Shuttle	3%	24%	30%	19%
Rental Car	1%	11%	32%	12%
Monorail	3%	7%	19%	8%
Limo	1%	2%	2%	2%

Source: LVCVA

About 95% of Southern California visitors arrive via ground transportation, primarily personal vehicles.



Concept Development Support

Visitors

3.12. Per-Trip Expenditures

The average visitor to Las Vegas spends about \$765 per trip.

Avg Per-Trip Expenditures	Southern CA	Other USA	Foreign	Total
Lodging	\$231	\$292	\$362	\$287
Food & Beverage	\$204	\$257	\$334	\$257
Local Transportation	\$14	\$64	\$131	\$63
Shopping	\$76	\$107	\$239	\$123
Shows	\$26	\$46	\$94	\$49
Sightseeing	\$0	\$2	\$32	\$7
Total	\$552	\$767	\$1,191	\$786

Source: LVCVA

3.13. Visitation to Paid Attractions

About 20% of Las Vegas visitors patronize a paid attraction.

Participation	So CA	Other USA	Foreign	Total
Paid Attraction	12%	16%	43%	20%
Golf	0%	1%	2%	1%
Spa	2%	3%	3%	3%

Source: LVCVA

3.14. Side Trips

Only about 13% of Las Vegas visitors took side trips outside of Las Vegas, with foreign visitors significantly more likely to take side trips.

Popular destinations include the Hoover Dam, Grand Canyon, and Lake Mead.

Visits to Nearby Places	Southern CA	Other USA	Foreign	Total
Yes	3%	8%	44%	13%
No	97%	92%	56%	87%
Places Cited (Yes Responses Only, Multiple Responses)				
Hoover Dam	56%	62%	65%	64%
Grand Canyon	10%	31%	82%	61%
Lake Mead	25%	14%	23%	20%
Zion National Park	0%	3%	9%	6%
Red Rock	10%	16%	5%	9%
Laughlin	3%	1%	1%	1%
Mt. Charleston	0%	1%	1%	2%
Death Valley	12%	3%	1%	7%
Mesquite	0%	5%	8%	1%
Primm	0%	1%	0%	1%

Source: LVCVA



Concept Development Support

Visitors

3.15. Estimated Proximate Markets

Of the 37 million visitors to Las Vegas, only about 5 million (13%) exhibit a proclivity to engage in side trips, thus making them eligible visitors for Pahrump. However, of the major side-trip destinations tracked in the survey data, only three (Death Valley, Mt. Charleston, and Red Rock) lie west of Las Vegas in the direction of Pahrump. Of these destinations, only Death Valley requires leaving the Las Vegas Valley and traveling through or past Pahrump (via either Route 160 through Pahrump or via Route 95 passing north of town). The data suggests that only about 115,000 Las Vegas visitors (0.3%) currently travel through or near Pahrump.

Visits to Nearby Places	Southern CA	Other USA	Foreign	Total
Percent	26%	56%	18%	100%
Total Visitors (Millions)	9.7	20.9	6.7	37.3
Side Trip Proclivity	3%	8%	44%	13%
Eligible Market (Millions)	0.3	1.7	3.0	4.9
Side Trip Visits Citing Visits to Death Valley	12%	3%	1%	7%
Estimated Proximate Market	34,946	50,179	29,570	114,694

Source: LVCVA, Pro Forma Advisors



Concept Development Support

Inventory

4. Pahrump Leisure Inventory

4.1. Casino Gaming and Lodging

Pahrump currently offers three Las Vegas style casinos and a limited inventory of about 320 hotel rooms. The high number of RV sites is due to the area's warm winters, proximity to Death Valley, and the opportunity for RV site owners to claim Nevada residency (thus potentially avoiding California income tax).

Property	Slots*	Tables	Rooms	RV Sites*
Pahrump Nugget	570	14	70	-
Saddle West	350	5	158	80
Terrible's Town Casino	340	7	-	-
Terrible's Lakeside	320	-	-	160
Mountain View	250	-	-	-
Best Western	-	-	90	-
Nevada's Treasure	-	-	-	200
Preferred RV Resort	-	-	-	275
RV Ranch	-	-	-	50
Total	1,830	26	318	765

* Select properties only
Source: Individual properties

4.2. Attractions

Pahrump is home to a limited number of existing attractions developed to a high level of quality, including shooting and driving sports destinations, a golf club, two wineries, and two legal brothels.

Attraction	Overview
Front Site Firearms Training Institute	550-acre facility offering weapons and para-military scenario training. \$1,000-\$2,500 for non-member, one- or multi-day classes. Membership prices vary.
Spring Mountain Motor Sports Ranch	225-acre private racing club with club house, garage, and other amenities. Public offering includes the Ron Fellows Corvette school. \$3,700 for 4-day Corvette school, membership prices vary.
Mountain Falls Golf Club	1,100 acre, William Lyon Homes master-planned community and golf club. Golf from \$25-\$55, real estate covers a range of price points.
Pahrump Valley Winery	On-site wine production, tastings, wine retail shop, restaurant, and event facilities . Free tastings, wine and restaurant prices vary.
Sanders Family Winery*	
Sherri's Ranch	Legally operating brothels with bar and private, themed rooms. Prices negotiated individually.
Chicken Ranch	

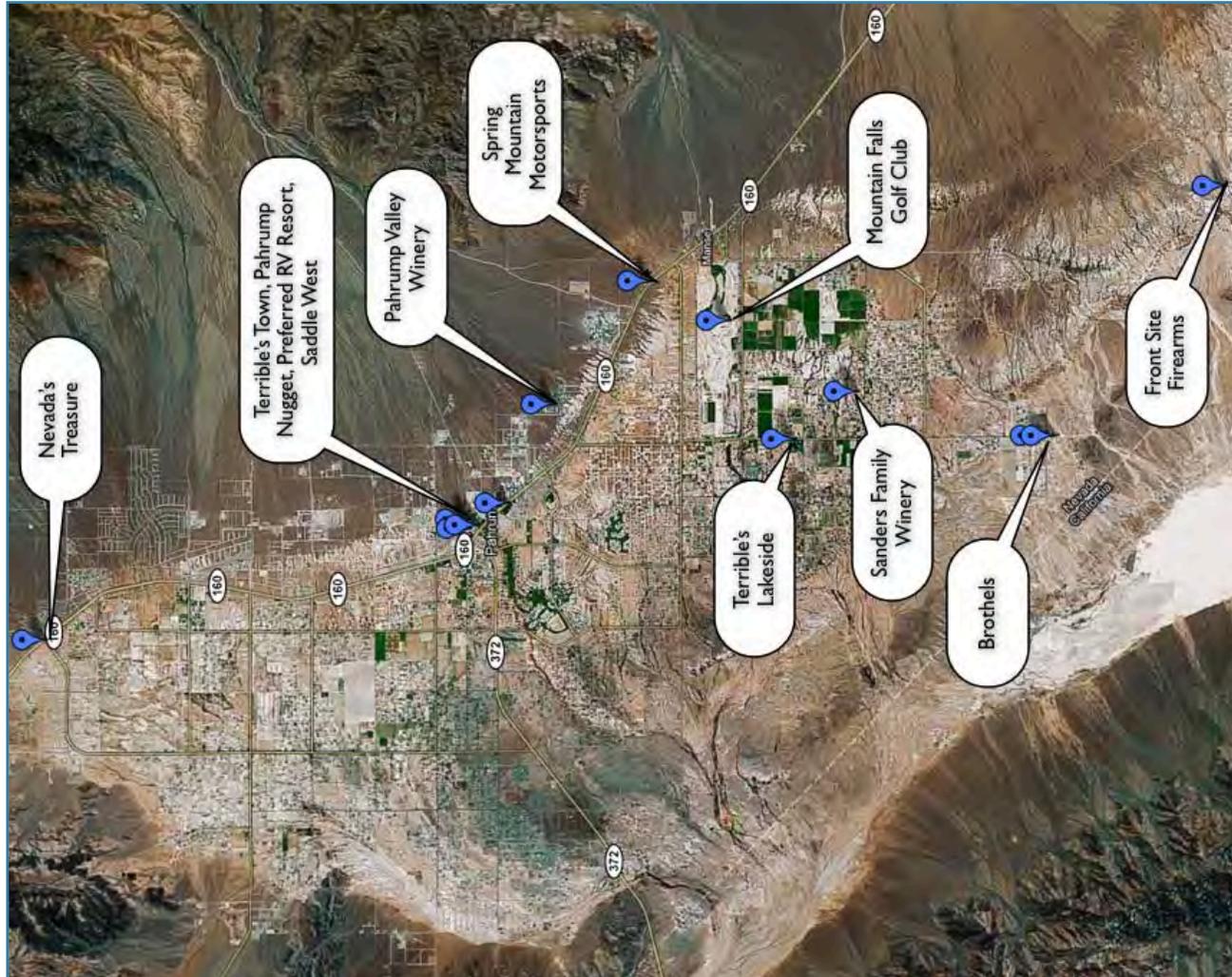
* Note: Facility is new and does not yet provide food & beverage on site
Source: Individual Properties



Concept Development Support

Inventory

4.3. Pahrump Attractions Orientation Map



Source: Google, Pro Forma Advisors

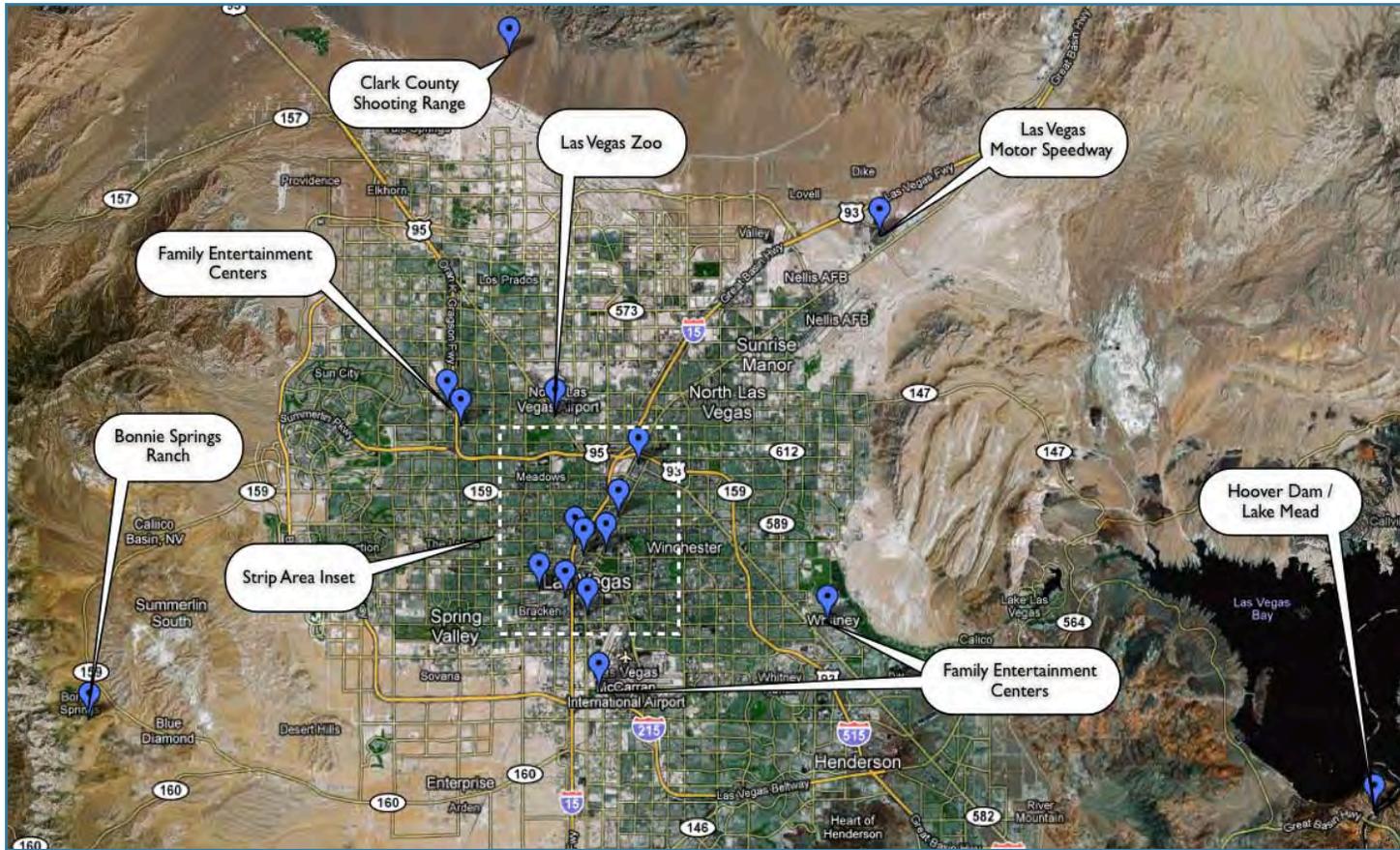


Concept Development Support

Benchmarks

5. Benchmarks

5.1. Las Vegas Paid Attractions Map



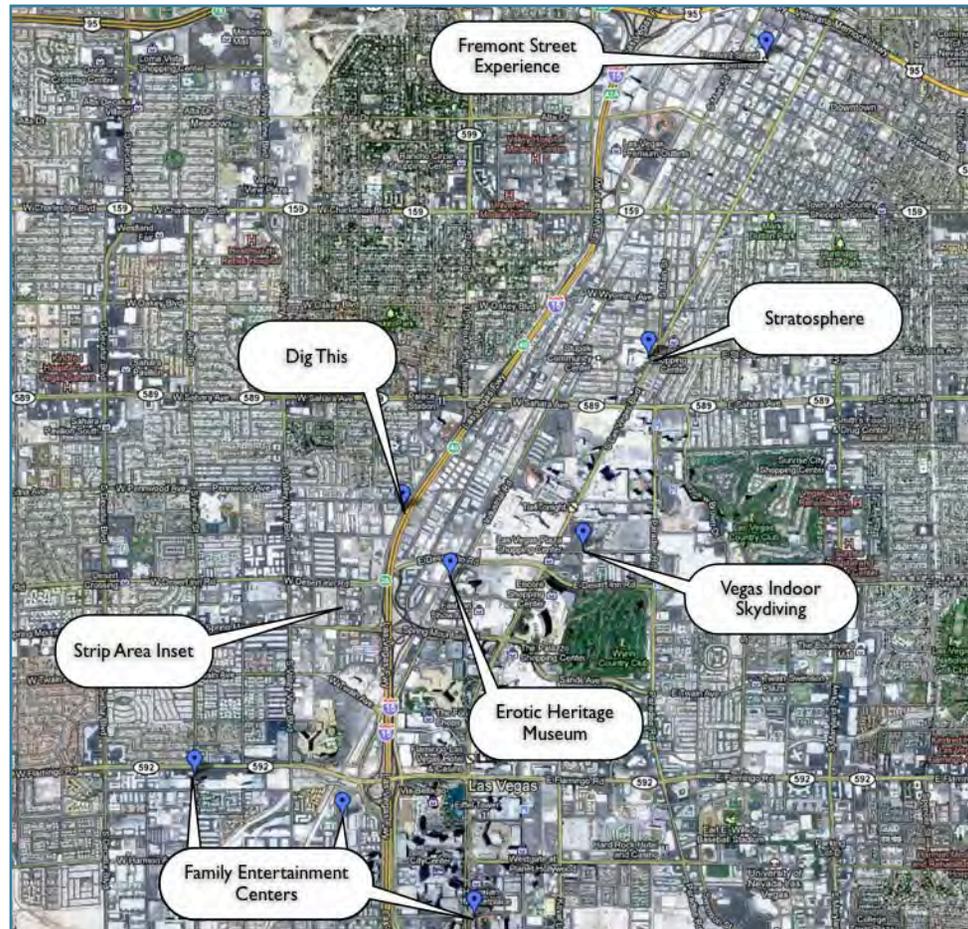
Source: Google, Pro Forma Advisors



Concept Development Support

Benchmarks

5.2. Strip Area Inset Paid Attractions Map



Source: Google, Pro Forma Advisors



Concept Development Support

Benchmarks

5.3. Overview of Selected Casino-Based Attractions in Las Vegas

Las Vegas offers a variety of casino-based attractions, with attendance ranging from a few hundred thousand to several million. Casino-based attractions are primarily conceived as amenities, and are typically not required to be profitable as business units.

Las Vegas Casino-Based Attractions	Location	Year Opened	Adult Ticket	Child Ticket	Recent Attendance
Adventure Dome, Circus Circus	Las Vegas	1993	\$27	\$17	4,000,000
Roller Coaster at New York - New York	Las Vegas	1997	\$14	\$14	1,500,000
Stratosphere Tower Thrill Rides	Las Vegas	1991	\$16	\$10	1,500,000
Shark Reef Aquarium, Mandalay Bay	Las Vegas	2000	\$18	\$12	1,100,000
Eiffel Tower Experience Paris, Las Vegas	Las Vegas	1999	\$11	\$8	700,000
Madame Tussaud's at the Venetian	Las Vegas	1999	\$25	\$18	350,000
Gondola Ride at the Venetian	Las Vegas	1999	\$16	\$16	350,000
CSI: The Experience at MGM Grand	Las Vegas	2009	\$30	\$23	300,000
Secret Garden & Dolphin Habitat, Mirage Hotel	Las Vegas	1992	\$17	\$12	300,000
Las Vegas Mob Experience, Tropicana	Las Vegas	2010	\$30	\$20	250,000
Bodies ... The Exhibition, Luxor	Las Vegas	2008	\$32	\$24	225,000
Titanic Artifact Exhibit, Luxor	Las Vegas	2008	\$28	\$21	200,000

Source: Individual facilities, Pro Forma Advisors



Concept Development Support

Benchmarks

5.4. Selected Non-Casino Attractions in Clark County

Non-casino based attractions in Clark County are characterized by significantly lower attendance levels. Aside from the world-famous Hoover Dam, Clark County's most-visited, paid attraction outside of a casino (Bonnie Springs) achieves visitation of 225,000.

Non-Casino Attractions in Clark County	Location	Year Opened	Adult Ticket	Child Ticket	Recent Attendance
Hoover Dam Visitor Center Tours	Boulder City	1995	\$30	\$30	1,000,000
Bonnie Springs / Old Nevada	Blue Diamond	1952	\$5-\$7	\$5-\$7	225,000
Richard Petty Driving Experience	Las Vegas	1996*	\$160-\$2,700	N/A	18,000
Vegas Indoor Skydiving (formerly known as FlyAway)	Las Vegas	1982	\$75	\$75	16,000
Dig This (Drive a Bulldozer Experience)	Las Vegas	2010	\$210 - \$400	N/A	Max of 5,475
Royal Links Golf Club Par Mate Program ("Playmate Golf")	Las Vegas	1998 (Club) 2008 (Par Mates)	\$50 golf only, Par Mate +\$225	N/A	N/A
Las Vegas' Rio Secco Golf Club - T-mate	Las Vegas	1997 (Club)	\$150-\$200	N/A	N/A

* Year Las Vegas Speedway opened
Source: Individual facilities, Pro Forma Advisors



Concept Development Support

Benchmarks

5.5. Illustrative Attraction Concepts

Pro Forma Advisors has profiled illustrative attraction concepts that were selected based on offering an adventure theme and generally lower attendance levels. *It should be emphasized that the selection of these attractions in no way indicates that a specific concept would be advisable at Pahrump. Rather, these examples are included for contextual and discussion purposes.*

Comparable Attractions	Location	Attraction Overview	Year Opened	Pricing	Operating Schedule	Recent Attendance
Polynesian Cultural Center	Laie, Hawaii	Living museum with 8 simulated tropical villages	1963	\$29-\$230	Mon - Sat	725,000
Discovery Cove	Orlando, FL	Swim with dolphins experience in a theme-park quality environment	2000	\$200-\$400	9 am to 5:30 pm daily	350,000
Fantasy of Flight	Polk City, FL	Large private collection of military and civilian aircraft, with optional flight experiences	1995	\$29 Gen'l Admission	10 am to 5 pm daily	N/A
People at Play	Bradenton, FL	Drive a bulldozer experience	2011	\$400-\$1,600	Reservations only	Est. 5,000 max
Drive a Tank	Kasota, MN	Drive a tank experience	2006	\$500+	Apr - Oct by appt. only	150 - 200

Source: Individual facilities, confidential sources, Pro Forma Advisors



Concept Development Support

Benchmarks

5.6. Illustrative Resort Concepts

Pro Forma Advisors has profiled illustrative resort concepts that offer programs or amenities tailored to a specific niche market. *It should be emphasized that the selection of these resorts in no way indicates that a specific concept would be advisable at Pahrump. Rather, these examples are included for contextual and discussion purposes.*

Comparable Attractions	Location	Attraction Overview	Target Market	Year Opened	Locations	Occupancy Rate
Center Park Resorts	UK and Europe	Village-oriented, short-break holiday resort concept with sports and leisure activities, restaurants, bars, retail, and spa	Families	1971	20+	75%
Great Wolf Resorts	Multiple Locations	Hotel with attached indoor waterpark as guest-only amenity	Families w/ Kids 8-12	2004	11	63%
Hedonism II Resort	Jamaica	Adults-only, clothing optional, all-inclusive resort with programming emphasis on nightlife and adult lifestyles	Singles / Adults	1976	1	dna
Temptation Resorts Spa	Cancun, Mexico	Topless-optional, all-inclusive resort with programming emphasis on nightlife and adult lifestyles		2009	1	dna

Source: Individual facilities, confidential sources, Pro Forma Advisors



Concept Development Support

Framework

6. Development Framework

6.1. Theory of Destination Development

Destinations are developed over time in an economic cycle of growth, in which an initial catalyzing asset or investment yields visitor revenue opportunity, encouraging additional investment, further enhancing the revenue opportunity, and so on.



Catalyzing Asset or Investment

Despite the variety of types and business models in the leisure industry, visitor destinations have followed a similar path of initiation and evolution. Typically, an existing asset or investment initiative creates the destination market opportunity.

For example, the Las Vegas and Macau markets grew up around the opportunity to cater to casino guests patronizing a monopolistic gaming market. Destinations such as Branson, Missouri; Pigeon Forge, Tennessee; or Gold Coast, Australia grew out of visitation originally drawn by natural / scenic resources. These are examples of existing assets. Orlando, by contrast, was founded around the major flagship investment of Disney World. The resort market in Hilton Head, South Carolina, grew around the original Sea Pines Resort property. These are examples of investment initiatives.

Competitive Advantage

Following initiation, the early development of a destination is almost always supported by some significant competitive advantage. This advantage can arise from natural factors such as climate or man-made factors such as transportation infrastructure or exclusive attractions and activities.

For example, Las Vegas enjoyed a monopoly on casino gambling from the 1930's to the late 1970's. Central Florida's climate had made it a popular destination for northern families prior to Walt Disney World. Additional advantages included rapid growth in the regional resident market and the completion of two major intersecting interstates nearby.

While competitive advantages can be different in importance and/or change over time, a sustained competitive advantage in the early stages of destination development is especially critical.



Concept Development Support

Framework

Increased Length of Stay

An important aspect of a destination's long-term growth is the ability to increase length of stay over time. Daytrip destinations earn revenues in the form of admission prices, dining and shopping receipts, and (where allowed) gambling revenues. In contrast, overnight destinations have the opportunity to earn significantly higher revenues through hotel room rates and possibly real estate sales, as well as the natural compounding of daytrip-type revenues due to longer length of stay.

Resort-oriented destination models naturally lend themselves to a relatively long visit. For example, the length of stay for visitors to Hilton Head and Orlando resorts is about seven days / six nights. Except for the anomalous Las Vegas Strip, most casino resort destinations include a high-end overnight segment as well as a much larger segment of daytrip demand.

For destinations growing around a cluster of daytrip-level attractions, the challenge is to achieve significant scale and quality to merit a second day's worth of activities. This is core concept behind the EPCOT attraction at Disney World and other second-gate attractions.

More and more-varied attraction options thus give rise to increasing overnight demand, catalyzing hotel investment. New room-night supply increases length of stay and creates new opportunities to fill leisure time, and the cycle continues.

Diversification

Once a destination has achieved significant scale, market diversification can further leverage existing investments. For example, convention facilities added to existing destination markets leverages off-season or mid-week capacity and expands the market to include business travelers.

Sustained Growth and Reinvestment

Virtually all major visitor destinations developed to their current capacity over a period of decades, often including cycles of reinvestment, growth and stagnation that gradually replaced the initial destination product with enhanced product and/or amenities.

Sustained reinvestment in a destination's offerings and amenities is a common aspect of every successful destination, and is commonly considered the most critical aspect of long-term success.



Concept Development Support

Framework

6.2. Overview of Attraction Business Models

The following table provides a conceptual summary of typical attraction-level business models, with an emphasis on the distinctions across categories. The categories are sorted generally from more to less capital-intensive. *It should be emphasized that some attraction concepts have attributes spanning more than one category, and/or do not fit cleanly into one of the categories shown here. Accordingly, this table is not to be thought of as an exhaustive list, but rather a comparative illustration for contextual and discussion purposes.*

Conceptual Summary	Destination Theme Park	Daytrip Theme Park	Attraction-Driven Resort	Destination Experience	Waterpark	Specialty Attraction	Amusement Park
Typical Examples	Disney, Universal Studios	Six Flags, Knotts, Busch Gardens	Great Wolf Lodge, Kalahari	Discovery Cove, Adventure Experience Concepts	Wet N Wild, Adventure Island	Madame Tussaud's, One-Off Attractions	Santa Monica Pier
Investment Range	Billions	Hundred-Millions	\$75-150 Million	Few to Multi-Millions	\$10-20 Million	Varies based on attendance potential	Often Capital Maintenance Only
Revenue Model	Tickets (Pay One Price), Packages	Tickets (Pay One Price)	Rooms	Tickets, Packages, Membership	Tickets (Pay One Price)	Tickets	Tickets (Pay As You Go)
Overnight Stay	Potential	Limited Potential (Bundling)	Yes	Potential, Depending on Experience Type and Destination Draw	Limited Potential (Bundling)	No	No
Typical Attendance	5 Million+	2 - 3 Million	100,000 room nights	2,000 - 350,000	200,000 - 600,000	Varies, typically 100,000 - 500,000	Typically <2 Million
Price	\$90	\$60	\$150 - \$200 ADR	Usually \$250+	\$35	\$10 - \$35	\$3 - 5 per ride
Typical Location	Top-Tier City / Leisure Market	Leisure Markets, Mid-Size+ Cities	Leisure Markets, Interstate Highway	Varies	Large- to Mid-Size Cities	Varies	Urban / Seaside Pier



Concept Development Support

Summary

7. Summary

7.1. Resident Markets

- ▶ Close-by residential density is limited, with only about 147,000 residents in the critical 0-60 minute market.
- ▶ Demographic data suggest lower levels of discretionary income for close-by residents (Nye County) in comparison to statewide and national benchmarks.
- ▶ About 1.8 million residents live in the secondary 60-90 minute market, which includes the Las Vegas metro area.
- ▶ Clark County resident market generates significant visitation to outlying destinations such as Laughlin (2.0 million visitor days) and Mesquite (1.5 million visitor days), demonstrating the scale of resident visitation to established destinations in the region.

7.2. Regional Visitor Markets

- ▶ Las Vegas is a world-class destination, with visitation of 37 million in 2010.
- ▶ However, only 5 million visitors (13%) report making side trips outside of Las Vegas.
- ▶ Of side trip visitors, only about 115,000 (0.3% of total Las Vegas visitors) reported traveling to Death Valley, thus involving travel through or near the Town of Pahrump.

7.3. Pahrump Leisure Inventory

- ▶ Pahrump currently offers three Las Vegas style casinos, a limited inventory of about 320 hotel rooms, and a robust offering of RV parks.
- ▶ Pahrump is home to a limited number of existing attractions developed to a high level of quality, including shooting and driving sports destinations, a golf club, two wineries, and two legal brothels.

7.4. Benchmarks

- ▶ In comparison to casino-hosted attractions, non-casino based attractions in Clark County offer relatively low attendance levels (225,000 or less).
- ▶ Potentially suitable attraction categories may include additional specialized attractions (low throughput / high price) and/or resort-based concepts.

7.5. Framework

- ▶ In terms of the Destination Development Framework, catalyzing investments have been made in Pahrump - i.e. high-quality but small-scale attractions which have developed successful, niche-market track records.
- ▶ Pahrump is currently positioned at the phase of "Building the Asset Base."

The analysis suggests a goal of expanding Pahrump's asset base via additional low-throughput, destination-quality attraction concepts. Hotel/resort component(s) may also be considered - if appropriate based on length of the attraction experience, and provided that room inventory is appropriately scaled relative to attraction demand.

Pahrump Initial Report- Vercitas

Background:

In working on this project jointly with Contour Entertainment as we have done in many cases in the past, my first and foremost concern is a critical analysis of the experience, will and environment from which a creative project such as they are proposing can be brought to fruition in the Town of Pahrump. Based on more than 8 visits to Pahrump meeting with various county & town elected and professional staff, key leaders within the community and region and three of their largest destination attraction businesses currently in Pahrump, I was able to determine the following;

Major obstacles to be overcome:

CAVE (Citizens Against Virtually Everything) or NIMBY (Not in My Back Yard) attitudes within the general community are pervasive and extremely volatile. This is fed, in my opinion, by the elected officials insisting on holding business negotiations and economic development discussions in public meetings. While the current citation that it is required by Nevada law sounds legitimate, I do not feel that the town has explored how other communities conduct themselves to do just that in Las Vegas and Reno to name just two. By holding to this insistence on discussing and debating all their actions at each step in a public and visible process it eliminates the ability to have candid discussions about possibilities with the private sector, who will not subject themselves to this type environment.

There is also a fair amount of animosity between some of the staff and some of the elected officials regarding decisions on how projects such as this should be brought forward or paid for (the use of funds from the tourism tax versus the fairgrounds funds appears to be such an example). This lack of following procedural direction as requested by the Town board, causes an abundance of later issues with regard to moving such projects forward, as staff appear in many cases to be a hindrance or unwilling to do as instructed in some cases. The staff themselves seem to interject their opinion in matters that either are not their expertise or that their opinion is not required or warranted from my observations (modeling the financing of the project discussion as an example). This loose knit lack of professional conformity will cause major projects to miss deadlines, create missed opportunities due to loss of follow-up or focus and thus derail projects for no valid realistic reason.

The lack of experience in providing economic development incentives is very clear and as such the additional lack of examples of public-joint venture initiatives also was made clear to me in my discussions with the professional staffs of the county and town.

The availability of affordable shovel ready sites is generally not present. The existence of utilities and infrastructure is very spotty.

Site Control-

Generally, I found no sites that fit the exact needs of the project site requirements. There were some sites that could possibly meet the requirements but with extensive mitigation. These issues can be overcome but will require that other factors discussed within this report are addressed in advance of this being possible. I did find through staff assistance and other business interests in the community at least two sites that meet the size and boundary issues.

Site Control Requirements;

1. 400-640 acres (able to be optioned for a fair market value to purchase of no more than a few thousand per acre)
2. Shovel ready infrastructure at the site perimeter
3. Access to Highway 160 and frontage along the highway
4. No residential development within ½ mile of the boundaries of the site
5. Available to be purchased as fee simple ownership by the private sector
6. No restrictions on the use that would inhibit the development of a destination tourism project

Public-Private Partnership-

In order to develop a project such as this, it requires that the public sector take a strong role in developing the private sector involvement. They must bear the risk of proving the viability and profit potential of such projects prior to private sector partners making a commitment to step in and develop the project to fruition. There is very little evidence of any experience in this regard currently in the community.

That said, the three major non-gaming business entities (Front Sight, Spring Mountain, and Mountain Falls) each stated their willingness to work with the County and the Town to develop this concept further and potentially be involved as a collaborative member of such a partnership if it was developed. This was an excellent outcome from my meetings with their executives. If we can develop a spirit of collaboration and partnership between the County and the Town, this would really be a huge step to create the foundation for a meaningful Public-Private Partnership. The County professional staff has indicated they see merit in recommending that the county become involved in supporting this project.

Incentive Strategy-

The size of this community has restricted them in prior years from developing their economic development efforts sufficiently to create a dynamic business attraction strategy that is capable of being competitive with other locales both inside and outside of Nevada. This lack of a fundamental level of experience will need to be overcome in order to make this project viable. Developing a mindset of investment versus giveaways is critical. The need for the incentives is very visible. For example, the lack of developing a non-gaming hotel incentive strategy has restricted the expansion of two of the most successful destination businesses in the community (Spring Mountain and Front

Sight). The need to address these type opportunities should have created enough impetus for this issue to have been addressed by now. These businesses conservatively represent in my estimation more than \$100M in economic value within the current Pahrump and Nye County economies, yet the support has not been put in place to address the current shortage of rooms to allow these businesses to expand.

Creating a realistic business attraction and expansion set of incentives and capital assistance for existing and new projects needs to be a major objective of both the Town and the County. In my opinion the Town and County either jointly and/or independently need to hire and develop a lobbyist to present their needs in the form of a piece of special legislation at the Nevada Legislature, to create a customized incentive to attract the hospitality industry to support their current and planned business development expansion needs.

Political Will-

The investigation of whether the elected leaders have the vision and fortitude to see such a creative project through is questionable. Initial indications were strong but as the process drove forward there seemed to be unrealistic expectations of how such projects must be developed in both capacity and stages. Also the Town and County should look at this as a necessary risk to get investment flowing back into their local economies and create dignified and economically viable jobs for their residents.

Again, in my opinion, too much attention is given to consensus building and not taking bold visionary leadership steps that will bolster actual support for local government as time goes forward and projects begin to bear fruit. The desire for change is evident in the Town Board and if they can survive this first phase public sentiment then I believe the project has a greatly enhanced probability of maintaining political support and being developed to fruition.

Financing-

Seeing the current situation in the post 2008 capital markets as still remaining frozen and thus unable to or unwilling to invest in new greenfield projects as well as existing projects especially in the size and scope of the needs of the Town of Pahrump, this demands that Pahrump take the lead on establishing through their own collaboration with their existing businesses, a meaningful local capital strategy. What I mean by this is that the Town and possibly the County should assist those businesses that want to expand in seeking the capital to do so, assist and collaborate with them in the public-private spirit to raise such funds possibly by rebating the cost of such capital raises as a local incentive. In addition, the cost of creating the infrastructure for expansion needs to be properly borne as a catalyst for such investments by the public sector partners. This will mean that Pahrump and Nye County need to be in Carson City seeking and asking for assistance on financing their business expansion needs in the non-gaming industries such as destination tourism.

In my opinion, the Town and County have the prerequisite ability to create some special legislation that would use the “Found Money” financing formula of self-inflicted taxes to finance business development costs on the front end and by abating taxes during the financing of such basic business infrastructure needs. Examples could be Special Improvement Districts, Municipal Utility Districts, special event taxes, additional voluntary sales taxes, hotel & food and beverage taxes, etc. These taxes, if bundled together could create the critical mass to finance the growth that the Town and County both need for job creation and inward investment.

In addition, because of the rural nature of the County and Town, the possibility of attracting EDA, USDA and other economic development grants is a strong possibility. This of course will require that the Town of Pahrump complete their CEDS (Community Economic Development Strategy) process with the US Commerce Department. To my knowledge the CEDS has not been completed. In addition, I believe that the Town & County should consider applying for status as an EB5 designation impact area with the US Department of Immigration. This will allow Pahrump to compete for Foreign Direct Investment to capitalize many of their economic growth projects.

As you can see by my recommended analysis, I believe Pahrump and in partnership possibly with Nye County need to take charge of creating their own sources of local seed and expansion capital outside of the traditional banking sources. Currently there is no institutional experience in this area, and as such these avenues need to be addressed in the next phase of this thematic concept destination tourism project investigation.

Public Process-

The lack of creating a well-honed public process for developing business projects of any magnitude in closed negotiation sessions is a major impediment. The vast majority of private business owners outside of Pahrump and Nye county will not subject themselves and/or their business brand to such volatile and hostile meetings where the public is so vocally against virtually everything and they see conspiracies within each new opportunity. Since many other communities in Nevada have figured out this situation and understand how and when such meetings should not be conducted in the full view of the public, I believe Pahrump should investigate how other locales in Nevada such as Las Vegas, Reno and Henderson accomplish these tasks and stay within the law. Addressing this situation is critical to attracting new major capital investments and job creation projects to the Town of Pahrump.

The Fairgrounds Site-

The site referred to as the “Fairgrounds Site” is also a fairly volatile situation. The site has many restrictions that do not make it well suited for a private investment that could be financed and purchased by a major investor or investment group. In addition, due to the infringing borders of residential density, it is not appropriate for the proposed destination tourism project that we believe is in the best interest of Pahrump.

Based upon the discovery and due diligence I performed with regard to this site and some of the existing plans that have been explored, I do believe the Fairgrounds Site is perfectly well suited as a quasi-public-private venture to create additional local, regional and national tourism opportunities through the establishment of sports venues, performing arts venues and events, multi-day thematic events, and other local recreational outlets tied to nature, sports and arts. In my opinion this concept has validity and is affordable enough that the town of Pahrump and Nye County should have already taken action on the pursuit of funding, thematic design and operators for these concepts. This is a distinct, low-hanging fruit opportunity that exists today with very little need for further proof of concept. It also ties well with the Town's "Base Camp for Adventure" marketing concept.

Recommendations for Next Steps-

- Investigate the Process for establishing closed business meetings
- Consider the establishment of a special economic development zone for special business attraction and expansion incentives that might include tax abatement, tax increment financing, tax rebates, land grants, infrastructure financing and abatement of hook-up fees.
- Form a Joint Powers agreement with Nye County to develop economic development incentives and tools to cause the expansion of the existing businesses and attract much greater inward investment, including the provision of at least one shovel ready destination tourism site along Highway 160, east of town.
- Investigate and collaborate with your three biggest non-gaming destination tourism industries to form a Public-Private Partnership to address the critical lack of non-gaming related hotel rooms in town.
- Create a local community economic development investment fund by creating an additional sales tax to provide the catalyst for funding the public sector portion of new business investment opportunities. Treat each funding opportunity as an investment and make such funds revolving for reuse in additional projects.
- Apply for EB5 status and seek a partner to service those market opportunities.
- Establish a vehicle for providing the critical funding to non-bank originated hybrid capital such as convertible debt, through the investment banking industry.
- Offer to rebate the cost of raising capital to your existing businesses as long as you are engaged and agreeable to the service provider and their track record denotes their actual success in raising such funds post 2008.

Conclusion-

While this report might seem dire, it is not. It is a shot of positive and constructive advice as to how to begin to rebuild and sustain the Pahrump local economy in meaningful ways that will have the greatest success rate. Today communities are competing for a diminishing number of new job creation projects and those that want to win have to lead by investing and believing in themselves first. This first phase of work demonstrates that the Town of Pahrump has realized this need and they have taken the critical first step

towards making these changes by asking for help, advice and being willing to think outside of the box. During this next phase of work, we need to set about designing these tools and getting them approved so that the fruits of these recommendations can be realized and utilized by the Town of Pahrump.

All through out this report you have seen me mention the County and the basis for that is that I believe the united front of both Nye County coupled with the Town of Pahrump adds a tremendous amount of critical credibility to these endeavors. Combined, they represent a very potent possible force in attracting and dealing with the capital markets and the needs of the business community. In addition, the county is going to significantly benefit financially from all of these recommendations and therefore they should be a willing, collaborative and financially engaged partner in taking some of the risk to make this bright economic future a reality.

Business as usual, especially in Pahrump and Nye County, is not going to be significant enough to create the kind of economic development the citizens need in order to lead a better quality of life, make a dignified wage and employ the upcoming generations of Nye County and Pahrump citizens yet to enter the workforce. Under employment is a significant issue in Pahrump along with retail leakage and workforce commute patterns. By using this opportunity for the Town and County to work together towards a major goal such as this project, there will be indirect and ancillary positive outcomes in many other areas of economic development.

THINK TANK! CONCEPT DESCRIPTION

Have you ever wondered what it might be like to muscle up and take the controls of a 48-ton, 840 horse-power, V-12 diesel powered military tank? Have you ever wondered what it might be like to be fully engaged on the battlefield? Wonder no more! This spine-chilling, extreme adventure can be yours! This is no Virtual Reality simulation, this is the real deal! And it can only be delivered at the Adventure Springs Resort in Pahrump, Nevada!

Your adventure starts when your team checks in at mission headquarters for an official briefing. During your briefing you'll receive an introductory tour and a history of the hardware you'll be driving. You'll also receive a reconnaissance map



of the territory and a lesson in GPS navigation. Lastly and most importantly you'll learn the fundamentals to control your tank.

You and your friends or family will suit up and climb into a Humvee or Jeep to shuttle you to an impressively stocked motor pool where your tank will be waiting. Here, at the motor pool, is where you'll meet your instructor and discuss your assignment. You'll be given a final safety briefing and driving tips. It's now time to strap on your helmet and climb aboard one of our tanks.



Each tank will have a crew of 3 to 5 with driver, navigator, weapons, communications and engineering responsibilities. The first part of your mission will be getting familiar with the tank. Your crew will learn the various controls and responsibilities for each "seat", but in this phase, the driver will be able to stand up in the open hatch, giving an excellent view of the surroundings as you race across the rugged desert floor, cross dry riverbeds, climb hills and maneuver your 65 ton tank through some tight spaces, often reaching a top speed of 30 mph!

After reaching your check-point, your 2nd mission will be an intense, bone-rattling race against time and under pressure of enemy fire. In this situation, the driver will have to maneuver the tank using nothing more than the small vision periscopes to guide their way. Relying on the input from the various other positions, every team member will rotate through the driver, navigator and weapons seats.

Use your equipment wisely. Your communication headsets will keep you informed of up-to-the second changes. Your GPS will help you locate targets and keep you on track. Your periscope will provide the lay of the land. And your 105mm gun barrel, if aimed properly, will take out all obstacles.

You'll hear the chatter on the radio from your squad leader and feel and hear the enemy attempts to take you out with their guns! 'Just try and wipe that smile off your face as when you lock and fire the onboard weapons and take out the targets!



Once you have successfully completed your mission, you'll head back to the motor pool for a debrief, photo ops on the tank, and a video copy of your once-in-a-lifetime experience (as recorded in real time on-board and numerous off-board cameras).

The Think Tank! experience is the ultimate Team Building workshop. Everyone has to do their job, communicate clearly and precisely for a successful mission. And the experience is like no other. You all win or are compromised together. But while this is a valuable lesson, there is no wiping that smile from your memory of just the sheer fun of running the massive beast across the desert!

And if pounding the ground isn't enough for you, you can really feel the power of the tank by adding the "crush a car" option to your THINK TANK Experience!

Members of your group who are not participating in your adventure are welcome to hangout at HQ and watch you on closed circuit television and join in on the fun through radio communication with you onboard.

We also offer other interactive experiences for the less adventurous such as our Virtual Tank Commander. Take the controls and complete challenging missions in this interactive simulator that puts you out in the center of the battlefield without leaving the safety of Think Tank HQ.

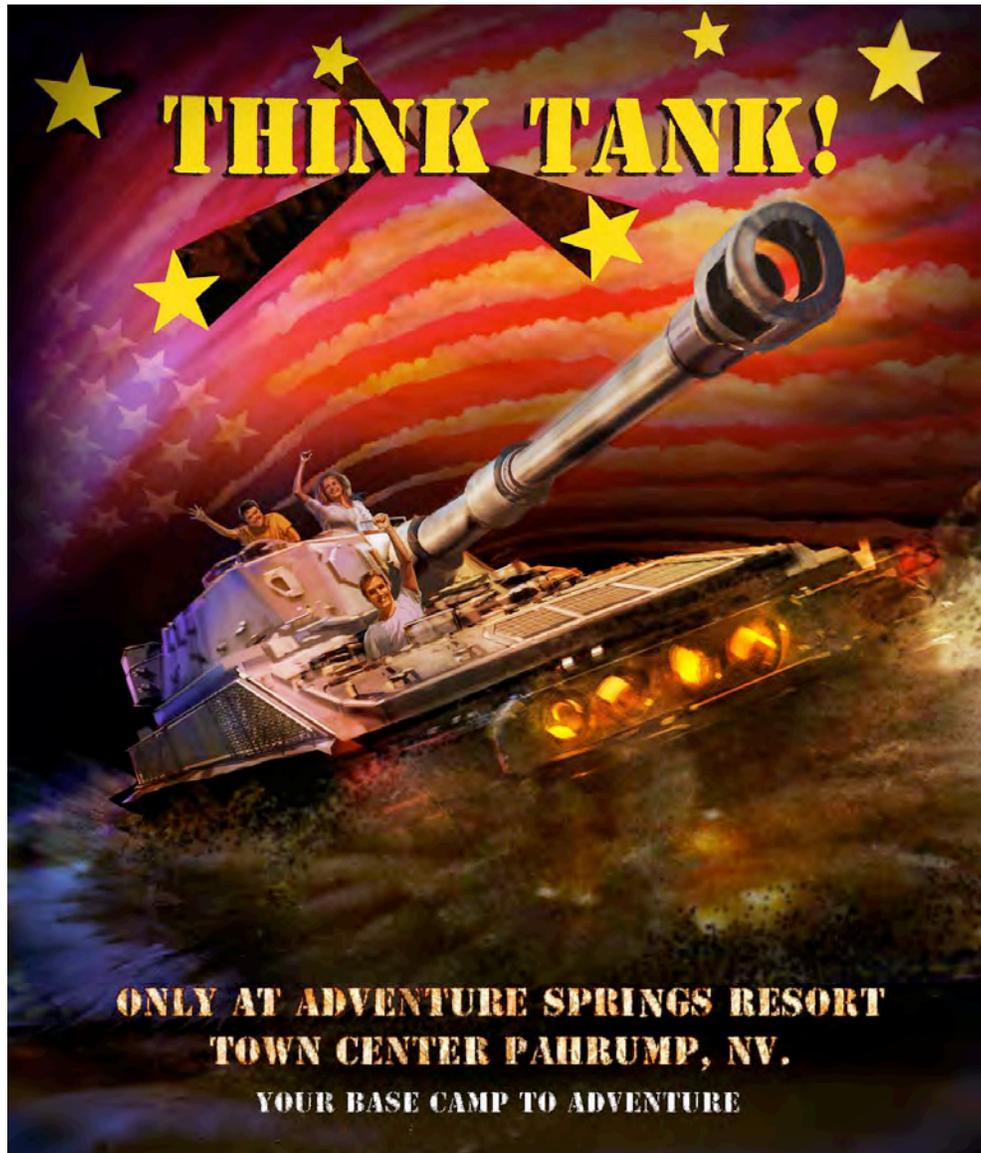
You won't ever forget this thrilling, one-of-a kind, Ultimate Adventure!

Other Experiences at THINK TANK may include:

- Using mine-sweeper technology to find hidden mines
- Navigating obstacles/time trials/races
- Interactive targeting
- GPS Geo caching
- Mortar Firing Range

Great for:

- Families
- Corporate Team Building Events
- Bachelor/Bachelorette Parties
- Father's Day
- The ultimate gift for the guy (or gal!) who thinks they've done *everything*



HOT SHOTS GOLF CONCEPT DESCRIPTION

The days of tedious practice are over, my friends! Here, at HOT SHOTS GOLF Driving Range, time will fly as you hone your skills through engaging, intriguing, interactive game-play and competition.

Our driving range is quite unique! Set up as an animated shooting gallery watch as your practice comes to life with moving targets, sound effects, strobe lights, fireballs, water hazards, and explosions. Don't worry about keeping score while you work on your game, that's done automatically through an advanced tracking system that documents the exact distance and speed of each ball you hit. Your skill will be tested to its limits!



We'll save your score and accuracy ratings so you're sure to be left wanting more each and every time you play. Have your stroke and swing evaluated each step of the way through interactive scoring and video analysis, and watch as your skill level soars.

Want to work on your short game?

Our interactive targets help you dial in your range and accuracy as you collect points by getting closest to the pin. Bring on the competition. Our advanced technology and unique scoring system keeps track of whose ball was closest.

Play individually or challenge friends. The Hot Shots Driving Range can accommodate any size group from individuals to large corporate events.

When you've finished **hitting** balls, head on up and join us in the atrium lounge. Relax with a frosty beverages and mouth-watering appetizers as you use one of our rapid-fire machines gun that **fire** golf balls into the range! Yep a golf ball firing machine gun! Collect points as you hit targets and win prizes.

Bet you haven't done **that** before!

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/11
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Announcements.

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:
See Attached.

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board, Citizens & Staff

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u>Pahrump Town Board</u> Signature
---	--

<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107 ext.</u> Telephone Number
--	--

Announcements

September 27, 2011

- Parks and Recreation Advisory Board will meet on October 12th at 6:30pm in the Town Annex.
- The Arena Advisory Board will meet on October 13th at 7pm in the Town Annex.
- Pahrump Boundary Line Advisory Board will meet on October 13th at 6:30pm in the Town Office Conference Room.
- The Youth Advisory Board will meet on October 12th at 2:30pm in the Town Annex.
- The Community Center Advisory Board is currently scheduled to meet on October 14th at 7pm in the Town Annex.
- The Veterans Memorial Advisory Board will meet on October 20th at 6pm in the Town Annex.
- Incorporation Advisory Board will meet on October 26th at 6pm in the Town Annex.
- Public Lands Advisory Board will meet on November 2nd at 7pm in the Town Annex.
- The Pahrump Tourism Board will meet will be on November 3rd at 8am in the Town Annex.
- The Nuclear Waste and Environmental Advisory Board will meet on November 4th at 2pm in the Town Annex.
- The Community Assessment Resource Team will be holding one more listening session for the General Public planned for October 12, 5:15 PM – 6:15 PM at the Pahrump Nugget Hotel & Casino. After this session they will hold a Town Meeting on Thursday, October 13, from 6:00 PM to 8:00 PM in the Nye County Commissioners Chambers.
- Desert View Hospital will be holding an Autumn Health Fair on October 15, 2011. At the event Southwest Medical Associates in collaboration with the Southern Nevada Immunization and Health Coalition will be administering flu shots to interested adults.
- The Breast Cancer Support Group will meet October 21st from 11:00am-12:30am at the Nathan Adelson Hospice.
- Pahrump Disability Outreach Program will be sponsoring Pumpkin Days October 21st – October 24th at Ian Deutch Memorial Park.
- Us-TOO Prostate Cancer Support Group will meet on October 27th in the Hospital Training Room from 6:00 PM.
- The Social Security Administration will be in the Town Annex on October 25th at 9am.
- The Pahrump Valley Youth Activities will be holding a Bowl-a-Thon on November 19th from 3pm-6pm at the Pahrump Nugget.

Pahrump Valley Youth Activities

BOWL-A-THON

PAHRUMP
NUGGET
HOTEL & CASINO

ALL AGES WELCOME!

November 19, 3 - 6 pm

Pahrump Valley



YOUTH ACTIVITIES

Pahrump Nugget Bowling Center

681 S. Hwy 160

Pahrump, NV 89048

775-751-6525



Single Players - \$15

6 player teams - \$60 per team

OR towards the kids

pledge a minimum of .10 cents per pin

(Includes shoes and 2-Games of bowling)

50/50 Raffle

and for the kids...

Prizes for getting the most pledgers

Prizes for raising the most money

For more information please contact

Rodney Camacho 775-513-6569

Tom Saitta 775-727-0102

or contact the Pahrump Nugget Bowling Center

Pick up sign up sheets at

Pahrump Nugget

Saitta Trudeau Chrysler Dodge and Jeep

Freedom of Praise Ministries

681 S. Hwy 160

1541 E. Wahkiakum Ave.

921 S. Highway 160, #401

All proceeds benefit the Pahrump Valley Youth Activities



Pahrump Valley Youth Activities

BOWL-A-THON

**PAHRUMP
NUGGET**
HOTEL & CASINO

**Saturday, November 19, 3-6 pm
681 S. Hwy 160**

*50/50 Raffle
Prize for Most Pledgers
Prize for Most Money Raised*

*Shoes & 2 - Games
provided*

4 WAYS TO PARTICIPATE

- > SPONSOR A CHILD AT .05 CENTS (OR MORE) A PIN**
- > \$15 PER PERSON**
- > \$60 - 6 PLAYER TEAM**
- > OR MAKE A DONATION**

Name: _____

Address: _____

Telephone: _____ Cell: _____

Child you are sponsoring: _____ Age: _____

Pledge amount of _____ per pin

One time Donationof: _____

Single Bowlers Name: _____ \$ _____

Team Name: _____ \$ _____

Signature: _____ Date: _____

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Public Comment

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board & Citizens

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u>Pahrump Town Board</u> Signature
---	--

<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107</u> Telephone Number
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AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Advisory Board Reports.

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Town Board & Advisory Boards

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u>Pahrump Town Board</u> Signature
---	--

<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107 ext.</u> Telephone Number
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AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/11
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Discussion on Town of Pahrump Economic Development Report.

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:
See attached ED Report

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Town Manager & Staff

SPONSORED BY:

Pahrump Town Board
Print Name

Pahrump Town Board
Signature

400 N. Hwy 160
Mailing Address

(775) 727-5107 ext.
Telephone Number

Economic Development Status Report for Pahrump Town Manager 6 Sept 11

Starting new report will add activity as it occurs.

Company Code	Contact	Date	Type of Contact	Referral	Discussion Company Needs	Need Funds	Info Provided	ED Response Action	Follow-U	Status	% Success
AMO10 CO0911	PM	9/9/2011 all month 10/12/2011	Phone Email Mtg	Business P-Friend Intro Cold	Company interested in Pahrump for location for renewable energy Project	TBD ppp	Town Information Package	Prepare list of sites that meet company needs	Contact 10/12/2011	Active	85
HEL10 CO911	CEO	9/22/2011 9/28/2011 9/28-30/11	Email Phone Mtg	Business Friend Cold Call	Company interested Partnering with Pahrump Energy Project. Discussed candidates & sites	TBD	Town Information Package Specific to requested info	Prepare list of possible action	Contact 10/16/2011	Active	70
HKSVK 3P0711	CEO	9/30/2011 10/3/2011	Phone Email	Business Friend	Consultant for Foreign Gov & Business interested in Pahrump for location on manufacturing & green energy. Provides funding & products FTZ	No	Town Information Package Specific to requested info	Prepare list of available sites & Product, Companies to report back	Contact 10/18/2011	Active	40
MBW UNK0911	Consul	9/26/2011	Phone Email	NV Energy P-Friend	Company seeking relocation or set operations in Nevada	UNK	Specific detailed information Working with County Depts	Emailed information, serveral phone follow ups. Requested direct contact. Have excel site	Contact Pending	Active	UNK
BPI10 CO0711	COO	9/26/2011	Phone	NCED	Company still considering expansion Internal Evaluations, Transportation cost Concern	UNK	Transportation & shipping options, contacts provided.	Had long phone discussion, still open to Pahrump. Provide	10/27/2011	Active	50
WSR8 CO910	CEO CMO CEO	9/30/2011 Twice Daily 10/4/2011	Mtg Phone Meet	Business Friend Cold Call	Company needs to complete internal projects Selected site in Pahrump. Seeking additional funding & Incentives from County	Yes	MOU was presented 2 Town MOU is being discussed	Discussion with County, State & Federal agencies options.	Contact 10/16/2011	Active	80
CDL10 CO1011	Site Selector	10/3/2011 10/4/2011	Email Phone	Business P-Friend	Conducting Site Review Evaluation 4 Retail Store Requesting specific information on Pahrump	TBD	Town Information Package Specific to requested info	Provide information requested & referred to County Departments	Contact 10/10/2011	Active	UNK

CEO= Chief Operating Officer, COO= Chief Operations Officer

MOU= Memorandum of Understanding

Mtg= Meeting TBD = To Be Determined UNK= Unknown, P-Friend= Economic Development Peer Friend

PPP= Public Private Partnership

NCED= Nevada Commission Economic Development

Consul= Consultant

PM= Project Manager, CMO= Chief Marketing Officer

MEMO
TOWN OF PAHRUMP
TOWN BOARD MEETING AGENDA ITEM
MEETING DATE: 10-11-2011

TO: Town Board

FROM: William Kohbarger, Town Manager
Matt Luis, Buildings & Grounds Manager

DATE: October 5, 2011

RE: Discussion and possible decision to approve phase two funding for the acquisition and installation of digital TV transmitters in an amount not to exceed \$40,000, which is budgeted and payable from the TV Tower Capital Fund.

1.) Background

This is the second funding request to complete the process of converting the remaining four Town channels to digital format. Previously, at their September 27th meeting, the Town Board approved \$25,000 to convert the fifth channel.

It is anticipated that the conversions of the five TV transmitters to digital format will be completed by the first quarter of 2012, depending on the equipment delivery schedule and FCC license processing time

The Town has budgeted the funding in FY12 for these replacements in the TV Tower Capital special revenue fund, and we will not be using General Fund monies.

The National Telecommunications and Information Administration (NTIA) has established a program that may help reduce our costs, but communities must first install and have a digital license issued, before submitting for reimbursement based on eligible cost, age and technology of each transmitter

Potentially we may be able to obtain financial reimbursement from the NTIA program which was established to assist communities complete their digital conversions. The national NTIA funding is allocated based on a point system related to several factors including census data, service areas, and other eligibility factors. However, at this time, until we submit our reimbursement request, we do not know the percentage, if any, which may be reimbursed to the Town.

2.) Fiscal Impact

There currently are sufficient funds available and budgeted in the TV Tower Capital Fund.

MEMO
TOWN OF PAHRUMP
TOWN BOARD MEETING AGENDA ITEM
MEETING DATE: 10-11-2011

3.) Town Manager Recommendation and Board Action Requested

The Town Manager recommends that the Town Board *move to approve the phase two funding request for the acquisition and installation of four digital TV transmitters in an amount not to exceed \$40,000, payable from budgeted funds in the TV Tower Capital Fund.*

If you have any additional questions, I would be happy to answer them.

(ATTACHMENT – TOWN OF PAHRUMP PROJECTED COSTS TO CONVERT TO DIGITAL TV SIGNALS.)

TOWN OF PAHRUMP
PROJECTED COSTS TO CONVERT TO DIGITAL TV SIGNALS

A	B	C	D	E	F	G	H	I
	Translator Channel	CH #	Call Sign	Facility ID	Estimated Hardware	Estimated Related Engineering & Installation & Legal	Total Estimated Cost	Comment
1	ABC	36	K36BQ-D	67421	\$ 20,000	\$ 2,000	\$ 22,000	Full replacement unit.
2	NBC	17	K17CL	67422	\$ 4,000	\$ 2,000	\$ 6,000	Newer unit requires less modification.
3	FOX	19	K19BU	67418	\$ 4,000	\$ 2,000	\$ 6,000	Newer unit requires less modification.
4	CBS	24	K24BY	67417	\$ 4,000	\$ 2,000	\$ 6,000	Newer unit requires less modification.
5	SUBTOTAL - PHASE TWO 10/11 TB				\$ 32,000	\$ 8,000	\$ 40,000	
6	PBS	28	K28CS	67423	\$ 23,000	\$ 2,000	\$ 25,000	Full replacement unit.
7	SUBTOTAL - PHASE ONE 9/27 TB				\$ 23,000	\$ 2,000	\$ 25,000	TB approved funding @ 09/24/11 Meeting.
8	TOTAL PROJECT COST				\$ 55,000	\$ 10,000	\$ 65,000	Portions maybe eligible for reimbursement.

Pahrump Valley Fire-Rescue Services

Administrative Offices

300 North Highway 160

Pahrump, Nevada 89060

(775) 727-5658 fax: (775) 751-4010

Scott F. Lewis, Fire Chief

Memorandum

Date: October 5, 2011

To: Pahrump Town Board

From: Pahrump Valley Fire-Rescue Service, Apparatus Selection Committee

Subject: ***Recommendation for Two Ambulances***

Town Board:

On May 24, 2011, the Pahrump Town Board approved the solicitation of bids for two ambulances.

Pahrump Valley Fire-Rescue Service re-convened our apparatus selection committee with the goal of creating specifications, reviewing submitted bids and rendering a recommendation for the purchase of two ambulances. Members of the committee included Fire Chief Scott Lewis, James "Scott" Perry and Kevin Clickner.

Specifically, the committee completed their review referencing the following objective: *To form a partnership with an ambulance manufacturer that intends to be in business for years to come, provides exceptional customer service, offers a solid warranty and has a readily available service team, is financially stable and will provide us with safe ambulances that can withstand our severe climate and road conditions.*

The specifications were created referencing our existing and proven ambulance fleet design and the bid requests were formally noticed.

A total of (4) four bids were received. Upon review, one bid proposal (Apparatus Equipment & Service @ \$297,491) was eliminated because it completely deviated from the chassis requirements.

The remaining three bid results were as follows:

EVG:

EVG Ambulance submitted the lowest bid value at \$264,575 for two units and the respective gurney requirements. However, review of their proposal revealed that their

specifications were currently non-compliant for both the Federal Motor Vehicle Standards KKK-A- 1822-F (electrical systems for ambulance construction) and the full sized safety walk through between the ambulance body and the cab. Their build time was listed as 60-90 days.

Wheeled Coach Ambulance:

Wheeled Coach Ambulance submitted a proposal that included the specified chassis and design. The Wheeled Coach proposal also met our committee's specifications including the safety walk through from chassis to the ambulance body and the specified gurneys.

Wheeled Coach submitted a total bid value of \$275,316 for both with a build time frame of 90-120 days.

Med Tec Ambulance:

Med Tech Ambulance submitted a proposal for a total bid value of \$274,145 which was determined to be non-compliant due to the absence of the full safety walk through between the ambulance body and the chassis cab. In addition, the build time was significantly longer at 180 days.

Recommendation

Our ambulances accrue high annual mileage, are subject to harsh weather conditions, and transport patients daily over the 5,000' elevation of the Springs Mountains. Hence, it is the committee's intent to recommend an ambulance manufacturer based upon adherence to established safety standards, exceptional customer service support, equipment reliability, and conformance to our specifications rather than a low dollar bid approach.

Therefore, Pahrump Valley Fire-Rescue Service Apparatus Selection Committee respectfully recommends the bid for two (2) Type I Ambulances be awarded to Wheeled Coach (Dealer: Rocky Mountain Ambulance) at a cost of **\$275,316** (includes transport to Pahrump).

Thank you for your time and consideration in this matter. If you require further information or have any questions, please do not hesitate to contact Chief Lewis.

*Pahrump Valley Fire-Rescue Service
Apparatus Selection Committee*



ROCKY MOUNTAIN

Ambulance Sales & Service, Inc.

J. Royce Barton, Dealer

TOWN OF PAHRUMP

DATE OF BID: September 23, 2011

BIDDER / BONDED DEALER:

**ROCKY MOUNTAIN AMBULANCE
SALES & SERVICE, INC.**

312 South Main Street
P. O. Box 600243
Paragonah, Utah 84760

PHONE: 435- 477- 3430
FAX: 435- 477- 3796
e-mail: rma2@scinternet.net

BONDED DEALER NUMBER: UTAH 1364

SIGNED:

J. Royce Barton
Its President

AMBULANCE MANUFACTURER: **WHEELED COACH INDUSTRIES, INC.**
2737 NORTH FORSYTH
WINTER PARK, FL 32792

MODEL YEAR : 2012 Chevrolet 3500 Type I full-height walk-through
Wheeled Coach ambulance 153 x 95 x 72

AMBULANCE BID PRICE – TWO vehicles with options: \$275,316.00

F.O.B. : 90-120 days after receipt of chassis

TERMS: Net upon delivery with signed certificate of acceptance - No Federal, State, or Local Taxes are included. ** Prices are quoted for 60 days **

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the Bob Ruud Community Center.

<u>DATE AGENDA ITEM SUBMITTED</u> 8/23/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Discussion and Possible Decision to Accept Town Manager Evaluation Form.

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:
See attached Town Manager Evaluation form. This item was tabled on the September 27, 2011 agenda with instruction to staff to create a form as requested by the Town Board.

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u><i>Pahrump Town Board</i></u> Signature
---	---

<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107</u> Telephone Number
--	---



Town Manager Evaluation Form

Performance Standards

		Performance Standards						
		Significantly Above Average	Above Average	Average	Below Average	Significantly Below Average	Not Observed	
I.	RELATIONS WITH THE TOWN BOARD	5	4	3	2	1	0	Examples
A.	Does the Town Manager maintain effective and open lines of communication with the Board as a body and with individual members?							
B.	Is the Board kept apprised of all ongoing and current situations involving Town business?							
C.	Does the Town Manager exercise sound judgment when advising Board?							
II.	PLANNING	5	4	3	2	1	0	Examples
A.	Does the Town Manager anticipate needs and recognize potential problems?							
B.	Does the Town Manager propose effective solutions and provide alternatives to identified problems?							
C.	In making decisions, does the Town Manager obtain the facts and consider the long-term implications?							
D.	Does the Town Manager provide the Town Board with all information necessary to make decisions?							
E.	Are the goals of the Town Board incorporated into plans for implementation?							
III.	ORGANIZATION SKILLS	5	4	3	2	1	0	Examples
A.	Does the Town Manager exhibit the ability to arrange work and efficiently apply resources?							
B.	Does the Town Manager make decisions when sufficient information is available, and implement action when conditions are ripe for success?							
C.	Does the Town Manager exhibit the ability to reach for effective and, when necessary, creative solutions?							
D.	Does the Town Manager obtain the best possible end result for the money spent?							
E.	Do the departments run smoothly, and is there adequate internal communication among staff, and between staff and the Town Manager?							



Town Manager Evaluation Form

Performance Standards

	Significantly Above Average	Above Average	Average	Below Average	Significantly Below Average	Not Observed	
IV. BUDGET / FINANCE	5	4	3	2	1	0	Examples
A. Does the Town Manager adequately and accurately report and project the financial condition of the Town in a timely manner?							
B. Are management practices and policies designed to maintain a sound long-range financial position?							
C. Are there short and long-term goals for asset management?							
D. Does the Town Manager suggest and pursue creative solutions to financial issues?							
V. COMMUNITY RELATIONS	5	4	3	2	1	0	Examples
A. Does the Town Manager have a customer service orientation; is he approachable, available and responsive to the public?							
B. Does the Town Manager communicate openly, clearly and honestly with the public, recognizing their right and need to be well informed?							
C. Do each of the Departments reflect a "customer first" attitude?							
VI. PERSONNEL RELATIONS	5	4	3	2	1	0	Examples
A. Does the Town Manager build and motivate a team?							
B. Does the Town manager earn the cooperation and respect of subordinates?							
C. Does the Town Manager encourage employees to update their skills and training?							
D. Does the Town Manager promote teamwork and cooperation among the Department Heads?							



Town Manager Evaluation Form

Performance Standards

	Performance Standards						
	Significantly Above Average	Above Average	Average	Below Average	Significantly Below Average	Not Observed	
VI. PERSONNEL RELATIONS (continued)	5	4	3	2	1	0	Examples
E. Does the Town Manager recognize the value of excellence in employees, and use all reasonable efforts to ensure that the best available individuals are recruited, hired and continue to work for the Town?							
F. How do you rate the Town Manager's overall management style in dealing with employees?							
VII. MANAGEMENT SKILLS	5	4	3	2	1	0	Examples
A. Does the Town Manager have the ability to resolve conflicts inherent in a public agency?							
B. Is the Town Manager a good negotiator?							
C. Does the Town Manager listen to and understand the positions and circumstances of others, and communicate that understanding?							
D. Does the Town Manager handle stress well?							
E. Does the Town Manager exhibit resilience; i.e. maintains motivation and energy in spite of constant demands?							
F. Does the Town Manager follow through in a timely manner on commitments and requests?							
G. Is the Town Manager proactive in recognizing issues and initiating action?							
H. Does the Town Manager handle people well in difficult situations?							
I. Does the Town Manager clearly communicate expectations to contract organizations/personnel to implement Town goals and policies?							



Town Manager Evaluation Form

Performance Standards

	Significantly Above Average	Above Average	Average	Below Average	Significantly Below Average	Not Observed	
VIII. LEADERSHIP	5	4	3	2	1	0	Examples
A. Does the Town Manager inspire a shared vision and enlist staff and Town Board support?							
B. Does the Town Manager seek and pursue opportunities to improve the organization?							
C. Does the Town Manager enable others to act by creating an atmosphere of trust and collaboration?							
D. Does the Town Manager create standards of excellence and model behavior?							
E. Does the Town Manager conform to the high ethical standards of the profession?							
F. Does the Town Manager follow through in a timely manner on commitments and requests?							
IX. COMMUNICATION BEHAVIORS	5	4	3	2	1	0	Examples
A. Does the Town Manager Encourage others to express different ideas and perspectives?							
B. Is the Town Manager open to other perspectives and is willing to change his/her position when presented with compelling information?							
C. Is the Town Manager Open to negative and/or constructive feedback?							
D. Does the Town Manager Keep the Town Board informed on status of his/her work and updates in the organization?							
E. Does the Town Manager Give open and constructive feedback?							
F. Does the Town Manager Effectively deal with conflict?							
G. Does the Town Manager Let the Town Board know how they are doing?							



Town Manager Evaluation Form

Performance Standards

	Significantly Above Average	Above Average	Average	Below Average	Significantly Below Average	Not Observed
H. Does the Town Manager Involve the Town Board in decision-making when appropriate?						
I. Does the Town Manager Set a clear direction for our Town?						
X AVERAGE SCORE						

XI ADDITIONAL COMMENTS						

5 - Significantly Above Average: Employee's performance during the rating period demonstrates possession of substantial knowledge and ability. Performance clearly and consistently exceeds the performance expectations for this position and the employee's performance serves as a role model for other employees.

4 - Above Average: Employee's performance demonstrates knowledge and ability which is stronger than necessary for acceptable or satisfactory performances. Performance consistently meets expectations and is frequently above expectation and rarely, if ever, falls below expectations.

3 - Average: Employee demonstrates sufficient breadth of knowledge and/or ability in this work goal or competency to meet job performance expectations.

2 - Below Average: Some aspects of the employee's performance are acceptable; however, significant weakness in performance occurs. Failures in meeting expectations and errors in performance occur often which interferes with the overall productivity of the work unit.

1 -Significantly Below Average: Performance is so poor the employee's continued employment is in immediate jeopardy. The employee frequently fails to meet job expectations. Performance must improve significantly within a two month period of time.



Town Manager Evaluation Form

Significantly Above Average
Above Average
Average
Below Average
Significantly Below Average
Not Observed

Performance
Standards

ACTION PLAN

The criteria above is important in order to properly evaluate the employee's performance. The following Action Plan describes the employee's strengths and addresses what can be done to improve their position toward continued growth.

Major Strengths:

Areas of Improvement:

Goals for Next Rating Period:

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

DATE AGENDA ITEM SUBMITTED	DATE OF DESIRED BOARD MEETING
9/26/2011	10/11/2011

CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Approval to accept Town Board minutes for September 27, 2011

Consent Agenda Item 12b.
If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:
See attached copy of the above listed minutes.

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board

SPONSORED BY:

<u>Pahrump Town Board</u>	<u><i>Pahrump Town Board</i></u>
Print Name	Signature

<u>400 N. Hwy 160</u>	<u>(775) 727-5107</u>
Mailing Address	Telephone Number

**PAHRUMP TOWN BOARD MEETING
NYE COUNTY ADMINISTRATIVE COMPLEX
2100 E WALT WILLIAMS DRIVE
TUESDAY – 7:00 P.M.
September 27, 2011
MINUTES**

PRESENT:

Town Board:

Mike Darby
Vicky Parker
Carolene Endersby
Dr. Tom Waters
Harley Kulkin

Staff:

Bill Kohbarger, Town Manager
Brett Meich, Attorney
Scott Lewis, Chief
Michael Sullivan, Finance Director
Matt Luis, Buildings & Grounds Manager
Al Balloqui, Community Business and Development Services Manager
Samantha Carns, Executive Assistant

1. Call to Order, Moment of Silence, and Pledge of Allegiance.

Mike Darby called the meeting to order.

Tom Waters led in the Pledge of Allegiance and the Moment of Silence.

2. Discussion and Possible Decision regarding Moving the Order of or Deleting an Agenda Item(s).

Dr. Waters asked to hear item '13c' separately to be heard for discussion.

Vicky Parker asked to move all consent agenda items to item 3.5.

There was no object therefore, motion carried.

3. Announcements

Carolene Endersby read the announcements.

Mr. Darby reminded advisory board members that Town Board liaisons would be out of town from October 5th-7th.

Mr. Darby also announced the Desert Squares square dancing club met every Thursday at 6pm at the United Methodist Church. He said they were looking for interested people whether experienced or not.

Rodney Camacho announced Pahrump Valley Youth Activities had fundraisers in the coming months including a Christmas musical for kids ages 8-18 at the Nugget on December 13th and 14th. He also said a Bowl-a-thon was scheduled for November 19th at the nugget.

Jim Duensing announced the Sin City Militia would have a midnight muster on October 9th at Calvada Blvd and Hwy 160.

3.5 Discussion and Possible Decision Consent agenda items:

- a. *Action – Approval of Town Vouchers.*
- b. *Action – Approval of Town Board Minutes for September 13, 2011.*
- d. *payable from the State Tourism Room Tax Fund, as presented in the attached materials.*
- e. *Action – Approval to Accept Mr. David Yoder to the Community Center Taskforce AB.*
- f. *Action – Approval to Accept Mr. Patrick K. Michel to the Pahrump Tourism & Convention Council AB.*
- g. *Action – Approval to Accept the Resignation of Bill Dolan from the Pahrump Veterans Memorial Advisory Board.*
(was item 13)

Mrs. Parker motioned to approve items a, b, d, e, & f.
Harley Kulkin seconded.

Dr. Waters requested ‘e’ be held for discussion as he questioned if the advisory board had approved the item.

Mrs. Parker confirmed the PTCC did approve Mr. Michel’s appointment and also addressed an email concerning Mr. Michel not owning a home in Pahrump but renting. She said those who rented were just as much citizens of Pahrump as those who owned homes and should not be considered as less.

Motion carried, 5-0.

- c. *Action – Approval of Request for the Pahrump Powwow Grant in an Amount Not to Exceed \$3,500 provided that the funds aren’t used for any of the Prohibited items and provided that the reimbursement doesn’t exceed 50% of the event short fall as specified in the guidelines*

Dr. Waters said the Powwow was an event all wanted in the community and enjoyed however when requested to get a business license as the entity fell under PTO 35, they were not in compliance. He said he felt the item should be tabled until the next meeting as they should not support funding an entity which is not in compliance with a PTO.

Mr. Darby said he believed Mrs. Elefante had explained in detail why she did not need a business license.

Mrs. Parker said the Pahrump PTO said she must have a Pahrump business license. She suggested the item be approved but contingent upon the Powwow receiving a business license.

Mrs. Elefante said the Powwow was not required by the State of Nevada to have a business license. She went on to detail her efforts.

Mr. Kulkin motioned to approve contingent upon the business licensing issue be resolved with staff by whatever means they may be.
Dr. Waters seconded.

Mrs. Endersby asked how many non-profits had a business license in the Town.

Motion carried, 5-0.

4. Public Comment

Public comment was heard.

5. Advisory Board Reports from Advisory Board Chairpersons and/or Town Board Liaisons on the Status of Advisory Boards.

Mrs. Parker spoke saying the reason PAVED was not approved for funding was printed in the backup. She mentioned that Ms. Glidden was Chair of the PTCC until somewhat recently and set the rules and guidelines which she did not follow.

Mrs. Parker went on to say the Community Center Advisory Board would not accept any information provided to them by the Town Manager and were rude and disrespectful. She also mentioned they were disinclined to stick to the agenda and a number of members seemed to be on a witch hunt. She continued to say she questioned whether the Board should continue as their mission had been completed as the recommendation to repair the Community Center had been made. She mentioned the treatment of a guest to the last CCAB meeting, Ms. Christensen, and the treatment she received which saddened and angered Mrs. Parker. Lastly she stated the chair of the CCAB had informed her he would better control the meetings.

Mr. Kulkin said he agreed and mentioned a member who shouted loudly and in a threatening manner to Mrs. Parker at the meeting. He thanked Dr. Waters for sitting in for him the previous Friday.

Dr. Waters stated when sitting in on the Boundary Line Advisory Board meeting it was a very good, productive, and energetic meeting which the members expressed they were not pro or con on either side but were just gathering information from numerous counties.

He also mentioned he had made a call to the Chair of the CCAB following the previous meeting and had received the assurance meetings would be better controlled. Dr. Waters stated that if they were not more controlled, the CCAB should probably be disbanded. He went on to thank Mr. Clendenen for all he was doing as chair of the CCAB.

Mrs. Endersby introduced the newly elected chair and vice chair of the Youth Advisory Board. She said they were excited for the next meeting on October 12th at 2:30pm in the Town Annex and would be looking over their main project of student perspective to help change the school board as well as going over the summary of summer workshops.

John Pawlak, acting chair of the Nuclear Waste & Environmental Advisory Board, said the Department of Energy Nevada was welcoming the public to participate in commenting on the Environment Impact Statement for what was formally known as the Nevada Test Site. He spoke of the NMSS document. He said the library had reference material on all of the concerned documents.

Mrs. Endersby requested the reports concerning the question asked to all advisory boards be in by the end of October.

6. Discussion on Town of Pahrump Economic Development Report.

Mrs. Parker spoke of errors in the written report provided in the backup.

Mrs. Endersby said she had questions from the last meeting due to her inability to understand how previous reports had been delivered. She said she did not need to know a lot of detail just the basics of why companies were or were no longer interested in Pahrump and perhaps the Town could work more unified in overcoming those situations.

Al Balloqui, Community Business & Development Services Manager, came forward to clarify any questions from the Board.

Mrs. Endersby said in review of previous reports she had a lack of clarity as to the status of companies and really what was being said within the reports.

Mr. Balloqui stated the report provided was one written in his travels and concerned what had happened in the two weeks between meetings, adding that at times nothing happens therefore there would be nothing to report in those instances.

He said the Town Manager was copied on all information between himself and prospective companies however he could not provide all information at the meeting.

Mr. Balloqui said he was on the edge on what he could expose in a public meeting due to confidentiality agreements and the need for confidentiality.

Dr. Waters asked if it was possible, as Mr. Balloqui suggested, for member of the Town Board to act as liaisons with Mr. Kohbarger and Economic Development as they could better understand the information which could or could not be released.

Mr. Kohbarger warned about the possibility of an OML violation should a committee of two speak of the information to some of the other members of the Board.

Brett Meich, acting legal counsel, said it would be okay for two Town Board members to meet with staff to discuss the information between each other only and any other information would need to be relayed through staff.

Mr. Kohbarger said information had been given to Town Board members in the past and some of that information had been relayed to citizens and press.

Mrs. Parker said she didn't see the need for a liaison as any questions could be relayed to Mr. Kohbarger and/or Mr. Balloqui and a response would be received.

Dr. Waters said he agreed any questions could be asked and would have a timely answer however sitting in as liaisons Board members could have a better understanding of what information to ask which would be beneficial to the community and the Board.

Mr. Kohbarger suggested an item concerning liaisons be submitted as an agenda item request.

Mr. Kulkin asked for the top three reasons businesses chose not to locate themselves in Pahrump. Mr. Balloqui said we had a limited inventory, funding challenges, and a lack of available vacant buildings for businesses therefore time, expenses, and the lack of high speed internet could be considered as some of the top setbacks for businesses.

Mrs. Parker inquired as to why there was not a probability of success as occasionally a company would be listed in the report then suddenly dropped off.

Mr. Balloqui explained the coding of the companies in the report which showed probability of the company's success also mentioning a ledger could not be made available within the report as it could put them in danger of violation confidentiality.

Mr. Darby said he had not come up with any major errors but only minor ones such as capitalization which he felt was the result of the report being shifted into a different format than the original.

7. Discussion and Possible Decision to Approve Repairs to the Fire Department Ladder Truck not to exceed \$35,000.00 payable from the Town Capital Improvement Fund.

Mr. Kulkin asked Fire Chief Scott Lewis to explain the history of the truck and engine in question. Chief Lewis continued to do so.

Mr. Kulkin said he was rather familiar with the engine and his observations were that it was rebuilt terribly and things were in the wrong places. He said it would be a bad idea to try to fix the existing engine. He stated he felt the Town should purchase a used engine which was readily available for around \$4,000.

Mr. Darby asked Chief Lewis what company was being referred to in the backup to which the Chief answered he believed it was from the same company the engine for Truck 1 had been purchased.

Mrs. Endersby asked how someone had been selected to do the repairs over an RFP. Chief Lewis replied that the gentleman selected was a contracted vendor for handling engine repairs and had been awarded said contract after the Town went out for RFP a few years previous. With the time constrictions of having an emergency vehicle in shop, the proposed route was chosen upon finding the engine problems post malfunction.

Mrs. Parker referenced an e-mail she had received from Mr. Kenny Bent pertaining to engine costs and fees.

Mr. Kulkin motioned for Mr. Darby, Mr. Kulkin, and staff to work together to find a replacement engine with a cap of \$20,000 including labor.
Mrs. Parker seconded.

Mrs. Endersby stated she felt those who made the decision of an amount not to exceed \$35,000 did so on an informed and knowledgeable basis.

Chief Lewis concurred and said he understood Mr. Kulkin's concerns however each day the truck was not working resulted in further worry of an emergency in which it would be in need.

Mr. Darby said he would feel more comfortable with a rebuilt engine from the manufacturer as the lives of citizens could not have a price tag.

Dr. Waters asked Mr. Kulkin to modify his motion to read no more than \$35,000 as those with the expertise in such matters would do their best to keep spending under the allotted amount.

Public comment was heard with five (5) speaking for the motion, two (2) speaking against it, and one (1) speaking neither for nor against.

Mr. Kulkin amended his motion to state for Mr. Darby, Mr. Kulkin, and staff to work together to find a replacement engine with a cap of \$25,000 including labor.
Mrs. Parker seconded.

Motion carried, 4-1, with Mr. Darby voting nay.

8. Discussion regarding the FY12 General Fund Town Manager Budget Management recommendations.

Mr. Kohbarger referenced the memo provided in the backup.

Mrs. Parker commented the Town was watching all finances very carefully.

Mrs. Endersby asked for clarification concerning a public hearing specifically for the budget.

Mr. Kohbarger said holding a public hearing to discuss little items seemed like overkill as it could be discussed in ten to fifteen minutes.

Mrs. Endersby said she thought the process should be broadened as it is more transparent and an ability to receive more comment from the public would be better if they were made aware.

Mr. Kohbarger stated the budget was public and available and that they had brought back the recommended cuts and would follow through.

Mrs. Endersby said she understood staff diligence but wanted to make sure the Town Board had the ability to perform due diligence and citizens had the ability to give input.

Mrs. Parker said she thought, although it was not an action item, in view of Mrs. Endersby's comments she requested public comment be allowed.

Mr. Darby suggested should Mrs. Endersby feel so strongly she should create an agenda item on the next agenda.

The Board reached a consensus to allow public comment.

Public comment was heard.

9. Discussion and Possible Decision to Approve funding for the Pahrump Fair and Festival Parade Traffic Control in an Amount not to exceed \$10,000 from the Fall Festival Fund.

Mr. Darby stated he had filed for an emergency agenda item request of the item after hearing of difficulties and a proposed cancellation of the fees. His suggestion was to pay the invoices for the services rendered directly to the companies.

Paula Glidden, President of PAVED Inc., stated she had brought additional financial information to the meeting per Mr. Kohbarger's request.

Mrs. Parker said she had an issue with the fact the information had not been received previously.

The Board chose to accept the information provided with a 4-1 vote, Mrs. Parker declining.

Mrs. Glidden said she would like on request only the fees for the Sherriff's service as all other fees had been budgeted.

Mr. Kohbarger asked Mrs. Glidden a number of questions while referring to the information she had submitted.

After asking such questions, Mr. Kohbarger stated that taking everything into affect there was a possibility of a \$25,000-\$30,000 debt for the festival. He questioned the Board would be requested to pay these debts after the festival.

Mrs. Parker expressed frustrations concerning the mismanagement and lack of preparation concerning the festival stating the entire issue of Sherriff's fees was between the County and the Sherriff's department making it a matter the Town should stay out of.

Mrs. Parker went on to reference previous years in which funding had been covered by sponsorships.

Mr. Sam Jones called for a point of order stating Mrs. Parker was off topic.

Mr. Kulkin stated Mrs. Parker's comments went toward the justification of whether or not the Town should be handling any funding for PAVED.

Mr. Huff clarified PAVED had not requested any money from the Town and that the item had been submitted by Mr. Darby alone.

Mr. Darby stated he had requested the item so the Town could have the annual parade. He added if there were any questions they could be directed to him as it was his item.

Mr. Kulkin stated he appreciated Mr. Darby's concern about the parade as the community always looked forward to it however there were many issues and due to the mismanagement of funds there was justification to not support the item.

Mrs. Endersby said she was concerned about whether or not it was the responsibility of the County and the Sherriff to provide crowd control without funding. She stated one way or another the Parade should take place and the financials of PAVED should be viewed at a later date.

Dr. Waters said he applauded the Chairman for putting the item on the agenda as an emergency request as the parade was needed however he felt the motion should state PAVED needed to reimburse the Town after the festival.

Dr. Waters motioned the Town pay directly to the Sherriff's department the traffic control for the parade in the amount of \$3,600 and PAVED be required to reimburse the amount to the Town.

Mrs. Endersby seconded.

Brett Meich, legal counsel, stated PAVED would have to sign an agreement to that affect in order for reimbursement to be enforceable in the nature the Town would pay the Sherriff directly.

Dr. Waters amended his motion to replace the word 'required' to 'requested'

Mrs. Endersby seconded.

Mrs. Parker said she felt the request for reimbursement was meaningless as it could not be enforced without a signed agreement.

Public comment was heard with five (5) speaking for the motion, one (1) speaking against it, and four (4) speaking neither for nor against.

Mr. Kulkin asked for additional Board comment and proceeded to say he didn't want to see the money paid back as that was not the problem and proceeded to ask Dr. Waters to remove any part of the motion.

Dr. Waters amended his motion to remove to the topic of reimbursing, therefore motioning the Town pay directly to the Sherriff's department the traffic control for the parade in the amount of \$3,600.

Mrs. Endersby seconded.

Motion carried, 4-1, with Mrs. Parker voting nay.

Mr. Darby called for a ten (10) minute recess.

10. Discussion and Possible Decision to approve funding for the acquisition and installation of a digital TV transmitter in an amount not to exceed \$25,000 budgeted and payable from the TV Tower Capital Fund

Mrs. Parker motioned to approve.

Dr. Waters seconded.

Mrs. Parker said the Town TV Tower had to go digital by law and that there were possibilities of receiving grants for the change.

Public comment was offered however no one chose to comment.

Motion carried, 5-0.

11. Discussion and Possible Decision to Amend Section 1 of the Contract with Contour Entertainment, Inc. and The Vercitas Group to State that the Town's Penalty would be Thirty Percent Instead of Not to Exceed One-Third of the Contract Amount.

Mrs. Parker asked if making the change could result in any advantage to the Town.

Mr. Meich, legal counsel, said he objected to the amendment and recommended the Board not approve it. He said the item was submitted by Mr. Kohbarger per the request of Mr. Holbrook only.

**Mrs. Parker motioned not to amend the contract.
Mr. Kulkin seconded.**

Mr. Kulkin clarified this was an investment for the future, not a study and he had faith and trust in the dollars therefore he could not support a change.

Public comment was heard with one (1) speaking for the motion.

Motion carried, 5-0.

12. Discussion and Possible Decision to Create a Town Manager Evaluation Form and Process.

Mr. Kohbarger stated Pool Pact had been contacted to create an evaluation form however they would not be able to do so until November, therefore three examples had been included in the backup.

Dr. Waters stated there were parts of each he liked.

Mr. Kohbarger suggested each member submit requests to him so he could bring the item back on the following Town Board agenda with Board suggestions compiled within the form.

Mr. Darby, Dr. Waters, and Mr. Kulkin all agreed with the suggestion.

Mrs. Endersby expressed concern that the process may not coincide with the timelines the Board needed to meet.

Mrs. Parker stated she felt any form worked just as well as another as long as comments were made. She also commented the process was not lengthy therefore there was no sense of urgency on the item.

Mr. Darby stated he would like to see forms compiled by Board member suggestions and requested each of the forms be forwarded to Board members so they could easily take bits and pieces.

Dr. Waters read part of Mr. Kohbarger's contract concerning timelines. He stated it was important to follow the timeline but they needed to make sure everything was in order.

**Mr. Kulkin motioned that form number one be used as the template for Town Board members to submit changes to Mr. Kohbarger no later than noon Monday and for that item to be compiled and brought back by staff at the next Town Board meeting.
Dr. Waters seconded.**

Mr. Darby said he didn't see how any Board member couldn't fill out any of the forms included in the backup at that point in time therefore he did not feel a time constriction

No members of the public chose to comment.

Motion carried, 5-0.

13. Discussion and Possible Decision Consent agenda items:

- h. Action – Approval of Town Vouchers.*
- i. Action – Approval of Town Board Minutes for September 13, 2011.*
- j. Action – Approval of Request for the Pahrump Powwow Grant in an Amount Not to Exceed \$3,500 provided that the funds aren't used for any of the Prohibited items and provided that the reimbursement doesn't exceed 50% of the event short fall as specified in the guidelines payable from the State Tourism Room Tax Fund, as presented in the attached materials.*
- k. Action – Approval to Accept Mr. David Yoder to the Community Center Taskforce AB.*
- l. Action – Approval to Accept Mr. Patrick K. Michel to the Pahrump Tourism & Convention Council AB.*
- m. Action – Approval to Accept the Resignation of Bill Dolan from the Pahrump Veterans Memorial Advisory Board.*
(item was heard as 3.5)

14. Future Meetings/Workshops: Date, Time and Location

- a. Special Town Board Meeting to review Contour Report: October 3, 2011 7:00 p.m.*
- b. Town Board Retreat: October 4, 2011 Noon to 8:00 p.m. Mesquite, NV.*

Mr. Darby made mention the October 3rd meeting had been cancelled.

Mr. Kohbarger asked the Board be at the Meeting area in Mesquite for the October 4th retreat by 11:30am taking into consideration an approximate three hour drive.

15. Staff's Comments

Mrs. Endersby asked for clarification as to the Bob Ruud Community Center and any efforts to look at Brownfield grants.

Mr. Kohbarger said Mr. Luis would meet with Beck the following day and had already contacted Converse for an RFP on the roof repairs.

Mrs. Endersby inquired as to how the pool concrete would be repaired.

Mr. Kohbarger stated the deck was part of the warranty and contract therefore it would be repaired at no additional cost to the town.

Mrs. Endersby also asked about the business license ordinance and if there was a timeline.

Mr. Kohbarger said it would be done by the last meeting in October.

Mr. Kulkin asked if Mr. Kohbarger could find some Detroit Diesel motors the following morning. He also mentioned the meeting cancelation to hear the final report from Contour Entertainment.

Mr. Kohbarger said he would look into Detroit Diesels the next time he was in the office as he had scheduled to be out until the following Monday.

Mr. Meich stated the recommendation was for the Board to hear the Contour report on October 11th in a regular public meeting.

Mr. Kohbarger said it was requested that public questions be submitted to the Town Board and/or staff in writing so they could be answered in writing from the Board or Contour Entertainment. A report would be submitted in conclusion with questions and answers.

Mrs. Parker said people seemed to appreciate receiving written responses and suggested the questions and answers be available online for all to read.

16. Town Board Member's Comments

Dr. Waters said he had spoken with the warden and received information concerning the Southern Nevada Detention Center. He mentioned the NCSO had offered to do parade control however the Sheriff had said they were not trained or qualified to do this. He also requested they make sure when PTO 35 was revised it be easier for all agencies to be in compliance with the Business License Ordinance.

17. Adjournment

Mr. Darby adjourned the meeting at 11:22pm.

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

DATE AGENDA ITEM SUBMITTED
9/26/2011

DATE OF DESIRED BOARD MEETING
10/11/2011

CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:

Approval to accept Ms. Kim Clendenen to the Pahrump Boundary Line Advisory Board.

Consent Agenda Item #11c.

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

See attached application for Ms. Clendenen.

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board/PBLAB

SPONSORED BY:

Mr. Kulkin, Town Board Member

Print Name


Signature

400 N. Hwy 160

Mailing Address

(775) 727-5107

Telephone Number

PLEASE READ BACK OF APPLICATION BEFORE COMPLETING

Town Advisory Board (TAB) Application

Name of Board: Boundary Line

Applicant Name: Kim Clendenen

Home Address: 2280 N. Kittyhawk City: Pahrump Zip: 89060

Mailing Address: - same - City: _____ Zip: _____

Home Phone: 702-375-5429 Unlisted? Yes No Fax: _____

Cell #: 702-375-5429 Work #: -

E-Mail Address: ccbkr2@hotmail.com

Please provide a brief description of your qualifications, experience, or interests that would be considered an asset to this Advisory Board: 4 1/2 year Pahrump resident Have attended a few of this boards meetings and I feel I am up to speed on what they are trying to accomplish and would like to help.

Are you currently employed by a public entity? Yes No If yes, which entity? _____

I have attached my resume/letter of interest: Yes No

I certify that I am a QUALIFIED ELECTOR, that my primary RESIDENCE is WITHIN THE BOUNDARIES of the Town Advisory Board area to which I am applying, and that the information provided is true and accurate to the best of my knowledge.

Kim Clendenen
Signature

8-26-11
Date

The Pahrump Town Manager will receive and have all applications placed on the Pahrump Town Board's Agenda. You may mail or deliver this application to the Pahrump Town Manager's Office, Pahrump Town Office at the following address:

**Pahrump Town Manager
400 North Highway 160
Pahrump, Nevada 89060**

(This document becomes a public record once it has been received by the Town of Pahrump.)

AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2001	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Future Meetings/Workshops: Date, Time and Location

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u><i>Pahrump Town Board</i></u> Signature
---	---

<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107</u> Telephone Number
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AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Staff's Comments

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Staff

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u><i>Pahrump Town Board</i></u> Signature
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<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107</u> Telephone Number
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AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Town Board Member's Comments

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u><i>Pahrump Town Board</i></u> Signature
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<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107</u> Telephone Number
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AGENDA ITEM REQUEST

Requests and backup must be into the Town Office by **3:00 p.m. ten (10) business days before the preceding Town Board meeting** you wish the item presented. Town Board meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the County Complex.

<u>DATE AGENDA ITEM SUBMITTED</u> 9/26/2011	<u>DATE OF DESIRED BOARD MEETING</u> 10/11/2011
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CIRCLE ONE: Action Item Non-Action Item Presentation

ITEM REQUESTED FOR CONSIDERATION:
Adjournment

If request for funding is approved by the Town Board, an invoice or letter from the requestor to Town of Pahrump/Accounts Payable is required to receive funding.

BRIEF SUMMARY OF ITEM:
Good Night Town Board, Citizens and Staff.

BACKUP ATTACHED: YES NO

NAME OF PRESENTER(S) OF ITEM: Pahrump Town Board

SPONSORED BY:

<u>Pahrump Town Board</u> Print Name	<u><i>Pahrump Town Board</i></u> Signature
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<u>400 N. Hwy 160</u> Mailing Address	<u>(775) 727-5107</u> Telephone Number
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