

**CARSON CITY BOARD OF SUPERVISORS**  
**Minutes of the October 4, 1994 Informational Meeting**  
**with the Tri County Railway Commission and the Western Nevada**  
**Development District Board**

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An informational meeting was held by the Carson City Board of Supervisors, the Tricounty Railway Commission and the Western Nevada Development District Board on Tuesday, October 4, 1994 in the Community Center Sierra Room, 851 East William Street, Carson City, NV at 1:00 p.m.

**PRESENT:**

**BOARD OF  
SUPERVISORS:**

Mayor Marv Teixeira  
Greg Smith  
Janice Ayres

**TRICOUNTY RAILWAY:**

Chairperson Greg Smith  
Ron Allen  
Janice Ayres  
Larry Prater

**WNDD BOARD:**

Vice Chairperson Rick Lattin  
Bob Allgeier  
Bob Hadfield  
Weldon Lary  
Larry Prater  
Cyril Schank  
Greg Smith  
Bob Wolf

**STAFF:**

Norm Williams, Special Projects Coord.  
WNDD  
Mary Lou Bentley, Executive Director  
WNDD  
Linda Latasa, Administrative Assistant  
WNDD  
Fran Smith, Recording Secretary  
Carson City  
(WNDD/TRICOUNTY 10/4/94 1-0000)

**A. CALL TO ORDER** - WNDD Board Chairperson Rick Lattin called the meeting to order at 1:10 p.m. A roll call was taken of the WNDD Board and a quorum was present.

A roll call of the Board of Supervisors was taken and a quorum was present.

A roll call of the Tricounty Railway Commission was taken and a quorum was present.

**B. AGENDA ITEM - Presentation of "Feasibility and Economic Impact of the Expanded V&T Railway" by Northwest Engineering**

(1-0073) Mr. Williams introduced Mr. Gary Landrio, Vice President

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of Northwest Engineering of Tidioute, Pennsylvania. Mr. Landrio reported that Northwest had been hired by WNDD to do an evaluation of whether it make sense, with the economies of this region, to take the old grade of the V&T up through the Carson River Canyon to Virginia City and rebuild it.

He talked about heritage tourism and how tourist railroads, transit, commuter rail operations, and freight short lines have been developed in recent years. He felt that tourism is the focus of what is being considered here. He reviewed V&T's history and commented on how successful it had been.

Mr. Landrio said the existing short line run by Bob Gray in Virginia City accommodates 65,000 - 70,000 tourists each year. He said a survey of passengers had been taken and had resulted in their desire for a longer trip, were willing to pay more for a longer trip, and were amicable about overnight stays. He provided figures as to how many people the proposed railway can handle, how many overnight hotel stays there can be, how many jobs this can create, side benefits to gaming and shopping, and how much revenue can be generated for the area.

Mr. Landrio expressed his position that the total payoff in the area will be \$34 million in economic impact and 750 jobs in the first two years. After that it is \$11.8 million annually in economic impacts and about 300 jobs added to the economy on a sustained basis. In concluding his remarks Mr. Landrio stated it is his company's recommendation to reconstruct the railroad. Mr. Landrio then discussed other railroads of this type, the type of equipment they use, and cited examples of how well they are doing. He also emphasized the importance of gift shop revenue and how they are situated in/at these tourist railroads.

He felt that an action plan is needed and talked about the funding, construction, and operation of the railroad. He said that partners in the project are needed and referred to the proposed one quarter percent tax increase (\$1,500,000 annually) that can be used to pay for the principal and interest on the bonds to develop the project. He felt there will still be a gap between the ISTEA enhancement funds already allocated and the potential that the project can tie into with sponsorship and either foundations or corporate grants. He recommendation is that the railroad be developed as a state agency or non-profit corporation, and that the organization own the property, track, and the additional equipment that is necessary. He felt that this type of organization offers many benefits because it is eligible to receive government and private grants, low interest loans, and donations. He also said the State and the Gaming Commission will benefit from the additional revenue as well. He felt this non-profit corporation could contract with a third party to actually operate the trains and that the operator in

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this case could be the current operator of the railroad in Virginia City. He did not see a definitive reason why that cannot be and cited how other operations of this type are doing well. He concluded his remarks by stating that the project is not just building the railroad, but building an attraction for the area and that the goal is tourism.

(1-0927) Vice Chairperson Lattin then solicited questions from the WNDD Board and the public. Board Member Smith asked Mr. Landrio to compare this project with other projects. Mr. Landrio explained that there is a very large number of tourist railroad enthusiasts in the country and how they visit and support all these ventures.

Board Member Wolf asked Mr. Landrio for his assessment of the bottom line profit and loss of the operation, with or without the accessory operations such as the gift shops. Mr. Landrio explained that tourist attractions do not usually make a profit the first year but felt this will come close to breaking even the first year. He said by the third year it should show between \$150,000 - \$200,000 in profit.

Board Member Schank expressed his feeling that cooperation among the involved entities will greatly help in the success of the project.

Citizen Armand Arnett did not feel a tax increase will pass in Lyon County because they will not receive much benefit. Mr. Landrio explained if the bond does not pass another funding mechanism must be found and explained how this can happen. Mayor Teixeira expressed his belief that even if it does not pass in Lyon or Storey Counties there is a good opportunity for it to pass in Carson City. He felt that the revenue generated in Carson City will enable the project to become a reality.

Citizen Steve Bowers said he owns property in Lyon County and requested a copy of Mr. Landrio's report. Board Member Smith said it will be available from WNDD and City offices October 7.

Citizen Carolyn Soll supported the project and felt comfortable with a possible \$20.00/trip fare.

Vice Chairperson reminded the audience that the recommendations heard here today will be turned over to the Tricounty Railway Commission for further action.

There being no further business, Vice Chairperson Lattin adjourned the meeting at 2:10 p.m.

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The Minutes of the informational meeting between the Western Nevada Development District and the Tricounty Railway Commission

ARE SO APPROVED \_\_\_\_\_, 1994

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Marv Teixeira, Mayor

**ATTEST:**

\_\_\_\_\_  
Kiyoshi Nishikawa  
Clerk-Recorder