

**Commission for Cultural Centers and Historic Preservation
July 30, 2015 9:00 a.m.
Meeting Minutes**

Teleconferenced:

Department of Conservation and Natural Resources
Bryan Building, First Floor, Director's Office Conference Room
&
Conference Calling

- 1. Call to order by Chairman Robert Ostrovsky, (*Chair Ostrovsky*) at 9:00 am.**
- 2. Roll Call:**

Commissioners:

Robert Ostrovsky, Chairman (Board of Museums and History, Governor's Appointee) **Present via Phone**
Robert Stoldal, *Vice Chair* (Board of Museums and History) **Present Via Phone**
Judy Michaels Simon (State Council on Library and Literacy) **Present in Conference Room, Bryan Building**
Michael Hillerby (At-Large, Governor's Appointee) **Present via Phone**

Staff Present:

Rebecca Palmer, Historic Preservation Office **Present**
Shane Chesney, Nevada Attorney General's Office **Present via Phone**

Public Present:

John Ekman, Goldfield Historical Society.

Chair Ostrovsky asked if the meeting was posted in accord with the Open Meeting Law. *Palmer* replied that was properly posted. *Chair Ostrovsky* asked if the change in the alternate meeting location, from the Bristlecone on the fifth floor of the Bryan Building to the Director's Office meeting room on the first floor, was clear to the public. *Palmer* replied that it was and that signs were clearly directing the public to the new location.

3. Public comment:

Chair Ostrovsky asked for any public comment. There were no comments.

4. Approval of minutes:

4.A Motion to approve March 6, 2014 minutes as submitted: Vice Chair Stoldal; second by Commissioner Hillerby. There were no public comments.

Commissioners Ostrovsky, Stoldal, and Hillerby voted to approve the minutes as submitted. Commissioner Simon abstained, as she was not present during the March 6, 2014 meeting.

4.B Motion to approve January 6, 2015 minutes as submitted:

Palmer notified the Commissioners that Commissioner Varela-Wynants has previously provided a correction to the minutes requesting that she be identified as the representative for the Nevada Arts Council and that Commissioner John Rice be identified as the representative for Nevada Humanities.

Vice Chair Stoldal; second by Commissioner Hillerby. No public comment.

With the correction, the motion to approve January 6, 2015 minutes as submitted passed unanimously.

4.C Motion to approve February 3, 2015 minutes as submitted:

Palmer notified the Commissioners that Commissioner Varela-Wynants has previously provided a correction to the minutes requesting that she be identified as the representative for the Nevada Arts Council and that Commissioner John Rice be identified as the representative for Nevada Humanities.

Vice Chair Stoldal; second by Commissioner Hillerby. No public comment.

With the correction, the motion to approve February 3, 2015 minutes as submitted passed unanimously.

5. Review and approval of two draft documents required for the Commission for Cultural Centers and Historic Preservation (CCCHP) grant cycle for fiscal years 2016 and 2017:

Item 5A:

Chair Ostrovsky asked if the two draft documents have been significantly modified since the previous grant cycle.

Palmer stated that there were some modifications, the primary one being the name change that was globally replaced throughout. There weren't any substantive changes but she had a question for Commissioners. On the Letter of Intent Package, page 6 there was a question about whether the Commission would be requiring a Letter of Intent during this grant cycle.

Chair Ostrovsky stated that the Commission has previously required this document and asked if there was a concern about the document.

Palmer stated that since there was more time this cycle to sell bonds, unlike in FY14 where the Treasurer's office was constrained by a July 1, 2014 deadline. Since the Letter of Intent process was suspended in FY14 due to the short time frame, this cycle has no such deadline and therefore more time to vet new applicants.

Commissioner Simon stated that she thought that the Letter of Intent was helpful and recommended adding it back into the application process.

Commissioner Hillerby concurred that the Letter of Intent was helpful and he had been responsible for suggesting this document as there were new applicants coming into the process who had clearly not done their basic homework, therefore wasting everyone's time including the applicant's.

Vice Chair Stoldal asked if the Commission was receiving \$1,000,000 per year or \$1,000,000 for the biennium.

Palmer responded that the Commission was receiving \$1,000,000 for the biennium.

Chair Ostrovsky stated that there is one grant cycle. He concurred that the Letter of Intent was a useful tool for first-time grant applicants. He asked if when the Commission votes on the applications that they would include the Letter of Intent.

Palmer stated that yes the application package would include the Letter of Intent process requirement.

Chair Ostrovsky asked if there were any other changes to be highlighted.

Palmer stated that there were no other changes.

Chair Ostrovsky stated he would entertain a motion to accept the draft documents for use during this cycle with the inclusion of the Letter of Intent.

***Commissioner Hillerby* made a motion to accept the draft document Agenda item 5A for use during this cycle with the inclusion of the Letter of Intent.**

***Commissioner Simon* seconded the motion made by Commissioner Hillerby.**

Chair Ostrovsky asked for comments from the Commissioners. There were none.

Chair Ostrovsky asked for comments from the Public. There were none.

The vote was held and it was unanimous with all Commissioners voting to approve the draft documents Agenda Items 5A for use in the FY16-17 grant cycle.

Item 5B:

Chair Ostrovsky asked if Palmer could explain the draft manual document.

Palmer stated that the draft manual did have a few changes. The manual includes a draft Funding Agreement that was also individually posted on the website and made available to the Commissioners. Staff included language to remind the grantees that reimbursements can't occur until the funding agreements are completed. In FY14, staff withheld processing requests for reimbursements until the Funding Agreements were completed.

Chair Ostrovsky asked if Commissioners had questions about the grant manual.

Vice Chair Stoldal requested that in the future if changes are made to draft documents that the documents be annotated to show where the changes were made.

Palmer agreed to ensure that future drafts included show the changes.

Commissioner Simon asked where the changes were made.

Palmer stated that the changes were made in the funding agreement sections 7 "Requests for Reimbursement". There were also changes made to the Funding Agreement itself, Section 4, where adequate progress is required to ensure communication. To avoid situation that occurred in FY14 where grantees did not communicate with SHPO for a substantial period.

Chair Ostrovsky asked if the new Funding Agreement would require a grantee to communicate with SHPO at least once every two quarters.

Palmer stated that yes, that would be required and then if a grantee didn't comply staff would need to notify the Commission of the lack of communication.

Chair Ostrovsky asked if this was on the only annotated section and the only change in the Funding Agreement.

Palmer stated that yes that was only change to the Funding Agreement.

Commissioner Simon stated that she thought they were good changes.

Chair Ostrovsky asked if anyone would like to make a motion to accept the draft “grants manual project director & financial manager’s general administrative guidelines” for use during this grant cycle.

***Commissioner Simon* made a motion to accept the draft “grants manual project director & financial manager’s general administrative guidelines” for use during this grant cycle.**

***Vice Chair Stoldal* seconded the motion made by Commissioner Simon.**

Chair Ostrovsky asked for comments from the Commissioners. There were none.

The vote was held and it was unanimous with all Commissioners voting to approve the draft document Agenda Items 5B for use in the FY16-17 CCCHP grant cycle.

6. Discussion and scheduling of application submission deadline and grant hearing for CCCHP grants for fiscal years 2016 and 2017

Chair Ostrovsky asked if Palmer had a suggested deadline for applications.

Palmer stated that she recommended that applications be submitted to the office or postmarked by December 4, 2015. She would put the announcement out the day after this meeting.

Chair Ostrovsky stated that this would give applicants four months to prepare and submit an application. He asked if any Commissioners believed that four months would be too short of a period. He asked what the rest of the schedule might be for the grant cycle.

Palmer stated that she hoped all partners and SHPO staff would have comment compiled by the first week in May. Staff would then package up the applications and distribute all of them to the Commissioners in the second week of May with a proposed end of June hearing meeting.

Chair Ostrovsky stated that once the grants were awarded what is the schedule of bond sales and preparation of the funding agreement.

Palmer stated that after the Commission awarded grants she would request the Treasurer’s office to sell bonds in the amount awarded plus administrative costs. She has been told by the Treasurer’s office that the next sale of bonds would be September of 2016. Once the sale occurs and the proceeds have been deposited into the account, staff will notify the successful grantees and begin developing funding agreements. Hopefully, staff will have already received a revised scope of work and budget to reflect the actual awards.

Commissioner Simon asked if during the agency reviews is there any communication with the applicants.

Palmer stated that no, staff reviews the applications only. However, if something substantive is missing then staff will work with applicant to try to find a way to provide the information.

Commissioner Simon asked if the applicants are present during the Commission hearing.

Palmer stated that it was an open public meeting and that the applicants are required to attend the hearing and provide a presentation.

Chair Ostrovsky stated that after the presentation the Commissioners can ask as many questions as they wish but that the Commission does not allow the applicants to provide any additional supporting documents at the hearing. Commissioners base their decisions on the written grant application and the verbal presentations. However, the Commission takes emergency concerns into consideration. The hearings last from one to two days and no applicant has ever failed to appear. He reminded Commissioners that this was a very public process and to comply with the Open Meeting Law each Commissioner should conduct their own review of the applications and not to discuss the applications amongst other members outside of the hearing. There will be plenty of time to discuss the application, ask questions, and share information during the hearing.

Chair Ostrovsky asked if there were any other questions about the deadline date set for the submission of applications. No additional questions were asked.

Chair Ostrovsky stated that he would accept a motion to set the December 4, 2015 application deadline date for use during this grant cycle.

***Commissioner Hillerby* made a motion to approve the December 4, 2015 application deadline date for use during this grant cycle.**

***Commissioner Simon* seconded the motion made by Commissioner Hillerby.**

Chair Ostrovsky asked for any further discussion on the motion. There was none.

The vote was held and it was unanimous with all Commissioners voting to approve the December 4, 2015 application deadline date for use during this grant cycle.

7. The return of a CCA Grant Award to Sparks Heritage Museum and Cultural Center in the amount of \$35,000

Chair Ostrovsky stated that Sparks Heritage Museum has chosen not to proceed with accepting the grant. He asked *Palmer* for additional details.

Palmer stated that she didn't have additional details except what was contained within the letter sent by the Sparks Heritage Museum and Cultural center to the Commission. Staff was not informed of the contents prior to its arrival. She noted that covenants already exist on the building from previous grants.

Chair Ostrovsky explained the covenants that the Commission applies to successful grantees. The model comes from the National Park Service, but the length of time varies by award amount. Under current rules, the Commission can't disperse money to the building without covenants.

Vice Chair Stoldal stated that he looked favorably upon the applicants since they are taking the covenants seriously enough to decline accepting the existing grant award especially in light of other projects where such consideration was not given to the covenants.

Chair Ostrovsky asked if any action was needed on the letter received from the Sparks Heritage Museum and Cultural Center.

Chesney stated that there were a number of options that the Commission could take such as negotiating a different duration for the covenants with the applicant that they might be comfortable, but whatever alternative the Commission chooses his opinion is that action is needed.

Palmer stated that there isn't sufficient time remaining in the schedule to expend the bond proceeds to permit negotiation with the Sparks Heritage Museum and Cultural Center.

Commissioner Simon agreed since the letter wasn't even received until July 17. To hold the funds didn't seem wise.

Chair Ostrovsky asked for the date when the funds must be expended.

Palmer stated that the statutory reversion date is October 6. Staff noted that the original funding agreements contained an error in the date and staff has sent out updated funding agreements that terminate at the end of September.

Vice Chair Stoldal stated that there were two decisions to be made. The first was to accept the letter from the Sparks Heritage Museum and Cultural Center and the second was to decide how to spend that money.

Chair Ostrovsky agreed that item A was to accept the letter and then item B was to find an applicant who could expend the funds by the end of September.

Vice Chair Stoldal [inaudible]

Chair Ostrovsky stated that Vice Chair Stoldal's opinion was that he would not support changing the covenants, as they had been carefully vetted and sacrosanct and that negotiating with them or changing the covenants was a major policy change that he wouldn't support. Chair Ostrovsky stated that he tended to agree with Vice Chair Stoldal. He stated he would take other comments from other Commissioners if they had any.

Commissioner Simon made a motion to accept and file the letter from the Sparks Heritage Museum and Cultural Center.

Commissioner Hillerby seconded the motion made by Commissioner Simon.

Chair Ostrovsky asked if they had signed a funding agreement.

Palmer stated that she believed they had signed a funding agreement so that staff would just terminate the document.

Chair Ostrovsky asked for any further discussion on the motion. There was none.

The vote was held and it was unanimous with all Commissioners voting to accept the letter from the Sparks Heritage and Cultural Center declining the grant award and approving the return of grant funds.

Chair Ostrovsky stated that he would be willing to add a discussion of covenant duration to the agenda of the next meeting of the Commission if any Commissioners requested.

8. Discussion and award of all or a portion of the \$35,000 in reverted funds to remaining unfinished projects and administrative costs for CCA/CCCHP award management

Chair Ostrovsky stated that Commissioners had the list of supplemental requests made for the last award of reverted funds (\$43,000 from the Indian Commission). He asked if the Commission wanted to ask again for additional supplemental applications, use the existing list already generated from the previous reverted funds, or chose another option.

Palmer stated that following the passage of SB27 the Commission has the ability to use a part of the proceeds to defray administration costs if it chooses. She provided a spreadsheet titled "Projected Administration Costs for FY14-16" with two options, \$11,000 - \$12,000.

Chair Ostrovsky reminded Commissioners that in prior years various bond proceeds were not allowed to be used to support the administrative costs and that other sources were used to support the work of the Commission and staff.

Commissioner Hillerby asked what deadlines would be placed on the proceeds if used for administrative costs. Is it considered expended when move out of the account?

Palmer stated that the plan was to purchase airline flights for the hearing with some of the funds to ensure that they can be secured. The bulk of the administrative expenses now are for Susie's time to handle the paperwork for the many outstanding grant awards remaining to be processed. Staff has been assured that all funds will be expended by the grantees by the end of September, but processing the paperwork will need to be funded.

Commissioner Hillerby noted that flights on Southwest Airlines cannot be made past March at this time. In addition, he is inclined to support some money for funding administrative costs. The second item was to determine where the Commission might award the remaining funds. He wanted to hear from staff and other Commissioners which grantees might be able to expend the remaining funds in two months, but he had his own thoughts as well.

Chair Ostrovsky stated that if \$11,300 were used for travel to Carson City for a hearing which is the traditional location since it is closest to most of the applicants then the remaining funds would be about \$23,700 to spend on grants under option 2 of the expenses sheet. He asked if any of the Commissioners had any concerns or questions about the idea of using a portion of the remaining funds to cover the expenses of the agency.

Vice Chair Stoldal stated that he agreed with the idea.

Commissioner Simon stated that she was agreed with the idea as well.

Chair Ostrovsky stated that those agreements would be taken into consideration when the motion was made. That leaves \$23,700 to be allocated. He asked Commissioner Hillerby to start the discussion.

Commissioner Hillerby stated that there were several applicants that could spend the money relatively quickly and had serious needs were the Thunderbird Lodge, would like an update on the where the Nevada Indian Commission is and what final funding they might have received from the Legislature since they were receiving funding for exhibits and operational concerns but not construction. Where is Thunderbird Lodge in their project and could they do this. He would like to hear staff comments on any other grantees that were moving along and could get the money spent in a short period.

Chair Ostrovsky asked Palmer to provide comment on the Nevada Indian Commission, the Goldfield High School, and the Thunderbird Lodge, as they appear to be the only supplemental requests that were not fully funded. Also will ask if any applicants' representatives on the phone will comment as well.

Palmer stated that Nevada Indian Commission has gone through the process of awarding the contract for the project and were making progress after the grant was modified from a construction project to a document project. She expected the money to be expended by the end of the funding agreement date and she doesn't have any information on what they received during the last session but that she agreed it wasn't for construction. Goldfield Historical Society was making progress and communications with the awardee in March have revealed that they can accept any amount of funding rather than just large awards to move on phases of the project.

Commissioner Simon asked about the condition of the roof.

Palmer stated that there were structural issues with the wall as well as the roof. However, the work on the wall can be scaled to whatever amount of funding could be awarded.

Commissioner Simon was concerned about the building being weather tight until the next cycle.

Chair Ostrovsky asked about Thunderbird Lodge.

Palmer stated that she believed the project was complete and closed.

Chair Ostrovsky asked there was anyone from the Nevada Indian Commission who would like to make public comment. There were no comments. Chair Ostrovsky asked if there was anyone from the Goldfield Historical Society who would like to make comments.

Ekman stated that they can use any amount and yes the roof was a problem but the leaking roof was what caused the wall to collapse in 2005. Half of the original CCA grant last time went into rebuilding the foundation. They were currently putting the finishing touches on the building specifications for rebuilding the wall up the roofline. That will support the roof. Mel Green was suggesting steel reinforcement in the wall. They continue to fundraise and the County was looking into CDBG funds as well.

Commissioner Hillerby asked how much the Goldfield Historical Society could spend in the next two months.

Ekman stated that they needed to rebuild the southeast wall that was in scope with the original request. All of which will be done this week with requests for quotes next week.

Commissioner Simon asked how much of the original \$90,000 grant had been expended.

Ekman stated that \$45,000 of the original grant had already been spent and the remainder was on track to be expended before September. The new structural steel at a cost of \$2,500 had not been anticipated and they would need to raise funds for this expense but if the Commission could offer a portion of the reverted funds for this element they would be willing to take it.

Chair Ostrovsky asked if the project was awarded more funds would they continue their current project.

Ekman stated that yes, they would continue with the same phase of the project previously awarded funds.

Vice Chair Stoldal asked if the Thunderbird Lodge project had been completed.

Chair Ostrovsky stated that staff indicated that the project was complete. He asked if there was anyone on the call from the Thunderbird Lodge who would like to make comment. No comments were made. He asked Palmer if the project was located in the boathouse.

Palmer stated that yes; the project was in the boathouse.

Commissioner Hillerby asked if the project was complete or was there still work going on.

Palmer stated that her understanding was that the project was complete.

Vice Chair Stoldal asked if the Nevada Indian Commission had expended the funds they were awarded.

Palmer stated that to date the Nevada Indian Commission had not requested reimbursement.

Chair Ostrovsky stated that the Nevada Indian Commission did not receive the \$43,000 dollars.

Palmer stated that their current award was \$137,000.

Commissioner Hillerby asked if they needed more money for the design documents or were they able to get all of the work done with the current award.

Palmer stated that she had not been informed that they have needs for additional funds.

Chair Ostrovsky stated that it appeared that the only two eligible projects remaining from the supplemental grant request list were the Nevada Indian Commission and the Goldfield High School Project.

Palmer stated that yes, that was a correct interpretation of the current status of projects.

Chair Ostrovsky asked the Commissioners what their preference might be.

***Vice Chair Stoldal* made a motion to redistribute the \$35,000 from the original Sparks grant as follows: \$11,270.64 for administrative expenses associated with the FY14 grant allocation and the hearing for FY16 grants as displayed on the supplementary materials and the remainder of the \$35,000 to be distributed to the Goldfield High School Project.**

***Commissioner Hillerby* seconded the motion made by Vice Chair Stoldal.**

Chair Ostrovsky asked for any further discussion on the motion.

Commissioner Hillerby asked if there was more work on the crumbling wall that the additional funding could be complete.

Ekman asked if matching funds were essential.

Chair Ostrovsky stated that matching funds are not required.

Ekman stated that with this information they would accept the grant funds and hold back the private funds for the next phase of the project.

Commissioner Hillerby asked if he was confident that they could expend the funds by September 30, 2015.

Ekman stated that yes, they will be able to expend the funds as the estimate was at \$70,000 so they can indeed spend the funds.

Commissioner Simon asked if the Commission needed to make the motion a little more general for the flexibility of staff.

Chair Ostrovsky asked if the estimates were good for the administrative expenses (\$11,270.64).

Palmer stated that if the Commission chose to have the meeting in Carson City, the lower figure (Option 2) of \$11,270.64 was a solid number. If the Commission chose this number than the remainder for redistribution was \$23,729.36.

Commissioner Hillerby stated granting with just two month left to expend funds is risky with any grantee. He was appreciative of the hard decision the Sparks Heritage Museum and Dr. Simmonds made to return the funds but waiting this late put this Commission in a conundrum. His was comfortable with Vice Chair Stoldal's motion but is fully prepared to hear that at the end they weren't able to spend all of it, through no fault of their own with only two months notice.

Chair Ostrovsky asked if there was any further discussion. There was none.

The vote was held and it was unanimous with all Commissioners voting to allocate \$11,270.64 for administrative expenses and \$23,729.36 to be distributed to the Goldfield High School Project.

Chair Ostrovsky thanked Ekman for attending the meeting and wished him well on this important project that will take a long time but was a valuable resource for Nevada.

9. Discussion of unauthorized replacement of historic windows at Piper's Opera House, Virginia City, Storey County by the current owners, the Storey County School District

Chair Ostrovsky wanted to bring this issue with Piper's Opera House to the attention of the Commission and asked for a summary of the issues to date.

Palmer stated that on June 3 or 4 staff was informed by a member of the public that approximately 6 windows in Piper's Opera House had been replaced. Staff had not received notification of this replacement and the windows are in the front of the building on the second floor in a prominent location. The windows date to the 1860's and may have been part of the previous Opera House. Staff notified the current owner of the property, the Storey County School District, that this was a violation of the covenants and that the window replacement would have required a letter of permission from her office.

Storey County School District purchased the building in 2013 when staff sent a letter to them notifying them of the existing covenants that are in effect until 2060. Building was also inside the jurisdiction of the Comstock Historic District Commission that would have required a Certificate of Appropriateness for the window replacement. In addition, staff updated the covenants with the name of the new owner that wasn't legally required but was a courtesy for the property owner. The package also included letters documenting violations of state statutes NRS 384 and photographs of the windows and the sashes stored in the building and were not destroyed. Staff indicated that the sashes and windows can be rehabilitated consistent with federal preservation standards.

Chair Ostrovsky asked if staff had heard from any of the parties, the Storey County School district, Piper's Opera House, the Operators of the Opera House, the Comstock Historic District Commission, or the Storey County Commission.

Palmer responded that yes, on the Comstock Historic District Commission's normally scheduled meeting of June 8, 2015 the Storey County School District representative (Toni McTimmonds) attended and indicated that they were unaware of the presence of covenants. The individual who made this statement was the same individual who had previously recorded the amended covenants in 2015. She also stated that they were unaware that the covenants required permission from SHPO for any structural or visual modifications to the building.

Chair Ostrovsky asked if the owner had communicated with staff since the letters were sent.

Palmer stated that no additional communications in any form had been received by SHPO staff.

Chair Ostrovsky asked if Commissioners had any questions for staff. He also stated that he would request comments from any representatives of the organizations and agencies associated with this matter.

Commissioner Simon asked what would induce the School District to replace these windows.

Palmer stated that staff has been told by Toni McTimmonds the glass was falling out of the windows, but that this was repairable and not surprising given the age of the sashes.

Commissioner Hillerby asked about the quality of the replacement.

Palmer stated that from a nonprofessional's perspective, the replacements were acceptable and the public wouldn't necessarily notice a significant difference. However, the original historic material was replaced when the preservation standard is to rehabilitate the existing windows if possible.

Commissioner Hillerby was concerned about placing the building in jeopardy by the replacement. NRS 384 has a provision for a \$500 per day penalty for violations of statutes. Asked if the covenants alone gave the Commission the authority to require the property owner to return the original windows and sashes, should the Commission give

staff the authority to negotiate with the property owner, what route the Commission should take here.

Palmer stated that her interpretation of the covenants led her to believe that the Commission could seek to cure the violation (returning the sashes to the original location correctly rehabilitated and weather tight). She requested permission to seek to cure the violation first.

Chesney stated that he concurred with this statement.

Commissioner Simon concurred with this statement as well. She asked if in replacing the windows they replaced the glass as well.

Palmer stated that she believed that replacement windows have new glazing as well, but she will inquire of the current owners.

Commissioner Hillerby expressed his frustration that individuals and agencies working in Storey County should be well aware of the Comstock Historic District rules even if they try to make an argument that they were unaware of the covenants even though they themselves filed the document.

***Commissioner Hillerby* made a motion to direct staff to move forward to seek a remedy that would consist of rehabilitating the former sashes and to work with the Comstock Historic district to move forward and if the Comstock Historic District Commission moved to seek fines than the Commission would support that as well.**

***Commissioner Simon* seconded the motion made by Commissioner Hillerby.**

Chair Ostrovsky asked if there was anyone from Comstock Historic District, Storey County School District, or the Storey County Commission on the call. There were no replies. He asked for any public comment on the motion. There were no replies.

Vice Chair Stoldal asked if there were any outstanding funds from previous grants to the Piper's Opera House that had not been expended.

Palmer stated that there were no outstanding funds for Piper's Opera House. However, this building has been the recipient of the largest cumulative award amount in the history of Commission's existence at \$2.7 million dollars.

Vice Chair Stoldal stated that he was supportive of reaffirming the importance of the covenants and the letter writing and perhaps communication from the Attorney General's office would be helpful.

Commissioner Hillerby stated his concern about the significance of the building, how much of an investment the Commission already had in the building, and how much expense the Storey County School district will have incurred in remedying the violation when

consultation with staff and the Comstock Historic District Commission would have easily resolved the issue.

Commissioner Simon expressed the desire that staff, in any future communications with Storey County School District, indicate the level of chagrin the Commission felt over this issue.

Palmer noted this concern for the record.

Chair Ostrovsky asked if there were any further comments. There were none.

The vote was held and it was unanimous with all Commissioners voting to direct staff to move forward to seek a remedy that would consist of rehabilitating the former sashes and to work with the Comstock Historic district to move forward. If the Comstock Historic District Commission moved to seek fines than the Commission would support that as well.

Commissioner Hillerby also stated that if staff determined that a letter from the Commission were needed he would support that as well.

Chair Ostrovsky stated that he would look forward to seeing an action plan for the issue.

10. Public comment

Chair Ostrovsky asked for public comment from anyone on the phone or from anyone in the room. Hearing none, he stated that all agenda items had been addressed.

Commissioner Hillerby asked about the status of action on the Huntridge Theater.

Chesney stated that a court date was scheduled for March and he was reaching out to the current owners to discuss settlement options that would include possibly extending the covenants to make them 40-year covenants and/or attempting to get the owners to agree to expedite the sale of the property to the group that wanted to preserve it. However, he had not heard back. When there was movement by the owners, he might request another closed meeting to discuss the legal issues with the Commission.

Vice Chair Stoldal [inaudible]

Chesney stated that the group intending to buy the property was also intending on preserving and rehabilitating it and the current owner obviously wasn't. Remedy under the covenants had two options, either return the money or remediate the damages which now would actually be more expensive than returning the money. In court, we might get the grant money back but that doesn't help the building. If the goal was to help the building than expediting the sale of the property to the group that wanted to preserve it would be an option or extending the covenants since they are either expired or about to expire.

Vice Chair Stoldal stated that he believed it was July of 2017.

Chesney stated that yes that was the expiration date and that the goal was always to preserve the building and not get the money back. So that extending the covenants would theoretically preserve the building and so would expediting the sale, but getting the money back would not save the building.

Vice Chair Stoldal stated that the money could be used to preserve some other building and that there were serious questions about the City of Las Vegas granting money to a privately owned company. This would put in doubt the ability of that company to move forward on the rehabilitation of the Huntridge. In addition, that getting some of the money back would be a plus.

Chesney stated that one thing to remember that even if the State won the case and received a judgment, collecting the judgment would be another issue. Given the property owner's track record, he would try to avoid paying the judgment up to and including declaring bankruptcy. Just winning the judgment didn't mean we would get the money back.

Vice Chair Stoldal stated that it was important to move forward with the case as it demonstrated the serious of the situation and whatever came out of the case would be beneficial. In addition, that the preservation of the building was the most important and it was of a great historical value.

Chair Ostrovsky stated that if a closed meeting were needed that he hoped *Chesney* would let the Commission know.

Chesney stated that he would.

Commissioner Hillerby thanked the Chair for allowing the Commission to receive this update on the Huntridge.

11. Adjournment

Chair Ostrovsky adjourned the meeting at 10:344 AM, July 30, 2015.