

TAHOE-RENO INDUSTRIAL CENTER PROJECT OVERVIEW

Section 1. Location

The Tahoe-Reno Industrial Center ("TRI Center" or "project") is located in Storey County, Nevada, approximately seven miles east of the Reno-Sparks area on the I-80 freeway. The project is a 15-minute drive from the Reno-Tahoe International Airport. The main entrances to the project are the Patrick and Tracy Interchanges from I-80. The Union Pacific Railway and the Burlington Northern Santa Fe Railway tracks border the project on the north and serve selected areas of the project.

Section 2. Background

TRI Center is a portion of the former Asamera Ranch, a 102,000-acre tract of private land owned by one of the project master developers, Tahoe-Reno Industrial Center, LLC, comprising approximately 54% of the land area of Storey County. Storey County is a sparsely populated rural Nevada county. Its small population is primarily centered in the Virginia City area, southwest of the project, which is not connected to the TRI Center by paved roads. Enclosed maps show the general location of the project, and the project area at a larger scale. TRI Center currently consists of approximately 6,000 acres zoned for industrial use, and may expand in the future, subject to Storey County approval.

TRI Center is intended to be a mixed-use, nonresidential development, consisting of a wide range of industrial, office and commercial businesses. The Conceptual Land Use map enclosed illustrates the plans for a portion of the project.

Development of the project is guided by a development agreement between the master developers and the county, which incorporates the Development Handbook and the Storey County Zoning Ordinance.

The entire project is zoned "I-2 Heavy Industrial" under the zoning ordinance, which allows almost all types of industrial and commercial uses. The terms of the development agreement and the zoning ordinance allow maximum flexibility for land uses, but provide for a consistent, compatible development theme among the various land use possibilities in the actual project siting. The project CC&Rs and this Handbook further refine the uses allowed in the development process. In the spirit of "performance zoning," any use that complies with the zoning and the CC&Rs, and any development plan which complies with the Development Handbook, is permitted to be developed.

Section 3. Project Entitlements And Approvals

On July 1, 1999, the Storey County Zoning Ordinance was adopted. As mentioned above, all of the TRI Center was zoned at that time "I-2 Heavy Industrial," which allows most industrial uses without any further discretionary permits, such as special use permits or conditional use permits. A few high-impact heavy industrial uses require special use permits (e.g. blast furnaces, explosives manufacture, chemical production). Most industrial uses can go straight to architectural review and building permits in order to develop. Commercial uses are allowed subject to county site plan review in an amount not to exceed 10% of the total land area and also require no additional permitting.

On February 1, 2000, the Development Agreement for the project was approved by Storey County, executed by the parties and incorporated into ordinance. The Development Handbook is a part of the Development Agreement. The agreement has several other components, including: limitations on new county development regulations, fees and exactions; county commitments for services (streets, flood control, parks, police and fire safety, administrative support) and for infrastructure reimbursement (streets, freeway bridges and ramps, flood control, parks, public safety improvements, rail facilities); approval of private water and sewer service; and development processing.

As a result of these entitlements, TRI Center has no state or local government development fees or exactions (e.g., no special government impact fees or connection fees to pay for schools, roads, utilities, sewer or water, or any other purposes). The only connection fees of any kind are charged by the private water and sewer provider, TRI Water And Sewer Company, and these fees are fixed under the Development Agreement and the Company Rules.

The master developers are allowed, at their discretion, to develop under the industrial subdivision map process proscribed by the state law. These maps will not adversely affect industrial site development requirements.

The CC&Rs are recorded provisions governing use and development in the project. The CC&Rs establish the TRI Owners Association to own and maintain common area (primarily landscaping, rail facilities and open space), as well as the Architectural Review Committee ("ARC") to process and approve all development proposals for conformance with design guidelines. The CC&Rs provide for assessments payable by TRI Center owners, prohibit and restrict uses, and provide enforcement standards and procedures to insure, protect and preserve quality development and operation of uses in the project.

Once the ARC has approved a site development plan, a building permit can be submitted to Storey County. County staff will then review the site plans for consistency with the development agreement standards and county ordinances.

Section 4. Project Issues.

When assessing development feasibility of any specific site in any development project, certain topics usually arise for review, including wetlands, seismic activity, street access, storm drainage, water and sewer service, other utility services, environmental status, soils and site preparation constrains, environmental issues and permitted uses. These project issues are introduced below, with references to sources for additional or more specific information.

Subsection 4.1 Wetlands. TRI Center is located in a high desert environment. There are no delineated wetlands in TRI Center. The Truckee River flows near the northern project boundary. There are no streams or springs on building sites in the project. Several washes and gullies run water during storm events and spring runoff, but building sites generally are not located in these areas. The master developer does not intend to sell as development sites, any areas which are classified as wetlands under federal law, if any exist in the project.

Subsection 4.2 Seismic Activity. There is no known earthquake damage potential on the project any different from anywhere else in the surrounding area. Faulting and earthquake potential exists in Northern Nevada. No special construction techniques will be needed on most sites in the TRI

Center to mitigate the variable earthquake damage potential, but site specific investigations with appropriate geotechnical and structural recommendations may be necessary for each individual development project.

Subsection 4.3 Traffic and Access. Streets within the project will be designed and constructed to carry traffic adequately as development occurs. Generally, individual sites have street access when sold, or the master developer constructs necessary off-site access prior to completion of site development. Storey County accepts dedication of all improved public streets and maintains them (including snow removal) after completion.

The Patrick and Tracy Interchange of I-80 provide freeway access to the project. Both interchanges are anticipated to be upgraded when needed as traffic volumes rise. The Tracey Interchange is planned to be relocated to the east of its current location in order to be the primary project entry. Storey County has committed, through the project development agreement, to financing all interchange and access road construction costs, if state and federal funding sources are not provided.

Subsection 4.4 Storm Drainage. Major storm drainage improvements (i.e., flood channels and basins) are constructed by the master developer as development occurs. Storey County has committed to reimburse these construction costs. Site developers are required to design and construct on-site storm drain facilities to contain the 5-year flood event on site, which are not reimbursable. Storey County will maintain major storm drainage improvements. Parcel owners will own and maintain on-site improvements.

Subsection 4.5 Water and Sewer Service. A private utility company, the TRI Water And Sewer Company, supplies community water and sewer service. The water resources come from groundwater approved by existing state permits and pumped from wells on the project. Additional wells, tanks and distribution lines are constructed as development occurs. Sewage treatment is provided for TRI Center from treatment plant facilities within the project and the effluent disposal system is designed for reuse in irrigation or industrial applications. The state approves all water and sewer facility designs and the county has approved the company's operating rules and regulations, including connection fees and rates, which are available upon request. The Nevada Public Utility Commission does not regulate the private water and sewer purveyor as a public utility.

Subsection 4.6 Other Utility Services. Sierra Pacific Power Company provides electrical power and natural gas from main transmission lines at the north end of the project. Line extensions for power and gas meeting normal industrial demands are supplied to individual sites by the master developers. Sierra Pacific Power Company is a regulated public utility.

Telephone and cable TV (as well as power) are supplied from overhead lines to individual sites. Nevada Bell provides telephone service and TCI supplies cable TV.

Subsection 4.7 Soils and Site Grading. Soils testing and site grading design for each site must be performed by each site developer. In general, extraordinary soil problems for industrial and commercial uses have not been encountered with soils in TRI Center. Industrial site characteristics, however, will vary.

Subsection 4.8 Environmental Status. Most areas in the project are arid undeveloped open space and have not been previously used by man, except for sparse livestock grazing, so man-

caused environmental problems are generally not an issue. The master developers will make available blanket "Phase I" site evaluations on the Project. Air quality permitting by the Nevada Department of Environmental Protection may be required for uses which discharge pollutants into the air.

Subsection 4.9 Zoning/Permitted And Prohibited Uses. As mentioned above, the Storey County Zoning Ordinance defines the "I-2 Heavy Industrial Zone," which is the zoning classification for the entire project. The ordinance incorporates light industrial zoning and commercial zoning (up to 10% of total land area). Most types of industrial uses are permitted outright. Only a few uses require special use permits, so the vast majority of industrial users in TRI Center can develop individual sites with a county building permit.

Commercial uses are specified in the Storey County Zoning Ordinance. No special use permits are required of commercial uses. Site plans for commercial uses are reviewed by county staff as part of the building permit process for conformance with the zoning code.

The CC&Rs do not prohibit industrial uses beyond the minimal zoning code prohibitions, but contain some restrictions on certain allowed uses. The site design guidelines in the Development Handbook further proscribe how allowed uses may be developed.