



## STOREY COUNTY COMMISSIONERS' OFFICE

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*Jay Carmona, Chair*  
*Clay Mitchell, Vice-Chair*  
*Lance Gilman, Commissioner*

August 11, 2021

Attn.: SCR 11 Legislative Joint Special Session Committee on Innovation Zones

**Re: Timeline Related to "Innovation Zones", Painted Rock, Blockchains, and Storey County**

Honorable Joint Session Committee Members:

We respectfully provide you the following timeline summarizing events from 2000 – 2021 in Storey County relating to land use and zoning regulations, master planning, and development at Painted Rock and the Tahoe-Reno Industrial Center, and the recent proposal by Blockchains, LLC to create "innovation zones" in which to perform research-and-development exercises and develop a "smart city". The timeline also highlights conversations and actions during the 81<sup>st</sup> legislative season and over the past several years demonstrating the county's consistent support for large-scale residential development at Painted Rock.

Storey County finds that development proposals by Blockchains, LLC dovetail well into the county's vision and 2016 Master Plan for long-term economic diversification and sustainable residential growth.

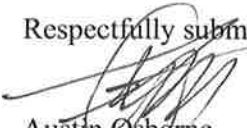
Carving out a separate government within the county is not necessary to advance innovative industries, technology, experimentation, or residential "smart city" development. Storey County has for 20 years been Nevada's leader in attracting, permitting, and supporting technology, manufacturing, and energy sectors, and transforming northern Nevada from dependence on gaming to the diversified economic powerhouse it is today. The evidence suggests that Storey County already is the "innovation zone."

The Storey County Master Plan and zoning designations facilitate proper residential development, complete with revenue-generating commercial and industrial uses to offset services costs for the county's residents and businesses. Bifurcating the county into two governments will result in persistent fiscal instability in the region and may weaken the county's ability to provide public safety, social services, and other core functions to current and future stakeholders in the county.

We look forward to an opportunity to work with the joint session committee on ways to fulfill long-term sustainable development goals for northern Nevada and Storey County within existing local and state regulatory framework and the county's master plan.

We will gladly accept any questions or comments that you may have. Thank you for your consideration.

Respectfully submitted,

  
Austin Osborne  
Storey County Manager

Enc.:           Timeline of Events 2000 – 2021 (ascending order)  
                  Map Illustrating "Innovation Zone" Area  
                  April 6, 2021, Letter to Honorable Governor Sisolak and GOED

**Enclosure A: Timeline of Events 2000 – 2021 (ascending order)**

DATE OF EVENT	DESCRIPTION OF EVENT
02/02/00	<b>Development Agreement between Storey County and Tahoe-Reno Industrial Center ratified, thus freezing zoning, permit requirements, and fees for 50-years creating a predictable environment for businesses to grow into the future</b> without interference from government or future county leadership changes. Uses allowed without special use permits include commercial, light and heavy industrial and manufacturing, research-and-development, data and "cloud" centers, laboratories, lithium manufacturing, autonomous and electric vehicle development, biotechnology, renewable energy, and many others.
06/15/06	<b>Planning commission approved Painted Rock</b> mixed-use residential development of roughly 3,600 homes.
07/05/06	<b>County commission approved Painted Rock</b> mixed-use residential development of roughly 3,600 homes.
07/05/09	Three years passed with <b>no development activity at Painted Rock likely due to national economic recession</b> . County code required land to return to former zoning and master plan designation.
01/01/09 (~)	<b>County initiated comprehensive master plan rewrite</b> and community workshops. <b>Painted Rock mixed-use residential development remained forefront desire</b> throughout master plan development process.
12/08/15	<b>County presents draft master plan to Storey County School District</b> with emphasis on a <b>Painted Rock regional school facilitating K-12, post-secondary, and vocational education tailored to tech companies at TRI, and being a "magnet school" for the region including Washoe and Lyon counties</b> . School board directed the county to proceed with its <b>endorsement</b> .
08/16/16	<b>2016 Storey County Master Plan adopted by county commission</b> . Special section devoted solely to Painted Rock becoming mixed-use commercial-residential community. <b>No master plan amendment needed</b> to apply for a zone change, subdivision map, or planned unit development at Painted Rock.
01/18/18	<b>Blockchains purchased 68,000 acres of land</b> in Storey County, including roughly 2,000 acres at Painted Rock. Land was also purchased on 02/07/18 by Blockchains' affiliate Mass Land Acquisition.
02/16/18	<b>New subdivision ordinance and planned unit development ordinances</b> approved by county commission.
02/16/18	<b>New subdivision ordinance amended at request of Painted Rock development representative to lessen burden on obtaining and proving water availability</b> during development application process.

12/31/18	Confirmed that <b>no development or applications occurred thus far at Painted Rock</b> properties owned by Blockchains or its affiliates.
12/31/19	Confirmed that <b>no development or applications occurred thus far at Painted Rock</b> properties owned by Blockchains or its affiliates.
12/31/20	Confirmed that <b>no development or applications occurred thus far at Painted Rock</b> properties owned by Blockchains or its affiliates.
01/16/21	<b>Governor Sisolak announced the creation of "innovation zones" and "smart city"</b> development in northern Nevada during his 2021 State of the State Address.
01/29/21	<b>R&amp;R Partners presented "innovation zones" concept by Zoom to Storey County staff, district attorney, and county commissioner.</b> County was told that a bill will press forward and was asked if the county had any questions.
02/01/21	<b>Nevada 81st Legislative Session began.</b>
02/02/21	County staff updated commission on possible innovation zone legislation with <b>little known at this point.</b>
02/16/21	County staff updated commission on possible innovation zone legislation with <b>little known at this point.</b> Commission took <b>"neutral" position at this point.</b>
02/18/21	<b>R&amp;R Partners met with the TRI-General Improvement District (TRIGID)</b> to go over questions and concerns.
02/26/21	<b>Governor hosted "roundtable" televised meeting with GOED and Blockchains' representative Applied Analysis (J. Aguero)</b> regarding innovation zones.
03/02/21	<b>County commission reviewed highlights of BDR 1109 and expressed support for residential growth at Painted Rock, cryptocurrency, high-tech development, and innovative industries in the county.</b>
03/02/21	<b>R&amp;R Partners gave presentation to NACO</b> and stated that Storey County is not interested in residential development at Painted Rock. <b>Storey County, in attendance, stated its disagreement and stated that the county master plan supports residential development at Painted Rock</b> including uses proposed by Blockchains.
03/04/21	<b>R&amp;R Partners gave presentation to Nevada Taxpayers' Association</b> and stated that they talked with Storey County and the county is not interested in residential development. <b>Storey County, in attendance, rebutted the statement</b> and asked the presenter to answer questions. Answers were not provided.
03/07/21	<b>County sent the governor a commission-approved letter stating county's position on innovation zones</b> including by supporting technology and Painted Rock residential development, and by opposing separatist government. <b>The letter requested a meeting with the governor and his staff,</b> and it was sent to him and to GOED via email and USPS mail.

03/16/21	<b>County commission discussed BDR 1145 and expressed support for residential growth, cryptocurrency, high-tech uses,</b> but expressed opposition to separation of government from Storey County.
03/17/21	<b>County sent a letter to the governor reaffirming the commission's March 2 position</b> on innovation zones including by supporting technology and Painted Rock residential development, and by opposing separatist government. <b>The letter requested a meeting with the governor and his staff,</b> and it was sent to him and to GOED via email and USPS mail.
03/23/21	<b>County agreed to meet with R&amp;R Partners, TRIGID, and TRI-Center</b> to discuss innovation zones. R&R Partners asked the county to propose written questions ahead of the meeting.
03/24/21	<b>County furnished written questions to R&amp;R Partners</b> ahead of scheduled meeting as requested.
03/25/21	<b>County met with R&amp;R Partners, TRIGID, and TRI-Center. County asked R&amp;R Partners if a copy of a draft bill will be made available for review before it is introduced to the legislature. R&amp;R Partners said that it would look into this.</b>
03/26/21	<b>R&amp;R Partners in an email asked Storey County if residential development at Painted Rock is capped at 3,500 or 5,000 units per the master plan.</b>
03/29/21	<b>Blockchains sent a letter to Storey County responding to its questions from the 03/25/21 meeting with R&amp;R Partners.</b> The letter expressed need for full self-autonomy and cited Disney World and Songdo, South Korea as examples of self-governance; discussed eminent domain concerns; and confirmed no possibility for Storey County to review a draft bill before it is introduced to the legislature.
04/02/21	<b>County responded to R&amp;R Partners' 03/26/21 question in a letter stating that "there is no cap or limit on the number of residential units specified for Painted Rock in the [master] plan."</b>
04/06/21	<b>R&amp;R Partners met with TRIGID</b> to go over questions and concerns.
04/06/21	<b>County sent a commission-supported letter updating</b> its position on innovation zones and requesting a meeting with him and his staff. The letter <b>elaborated on the county's support for technology, research-and-development, the referenced "sandbox" environment in which creative minds of Blockchains may invent and experiment, and the "smart city" at Painted Rock.</b> The letter was sent to the Governor and to GOED by email and USPS mail.
04/20/21	<b>County commission directed staff to pause engagement</b> with R&R Partners and Blockchains' affiliates because conversations, requests for a draft bill, and requests to the Governor and his staff to meet were yielding no success.

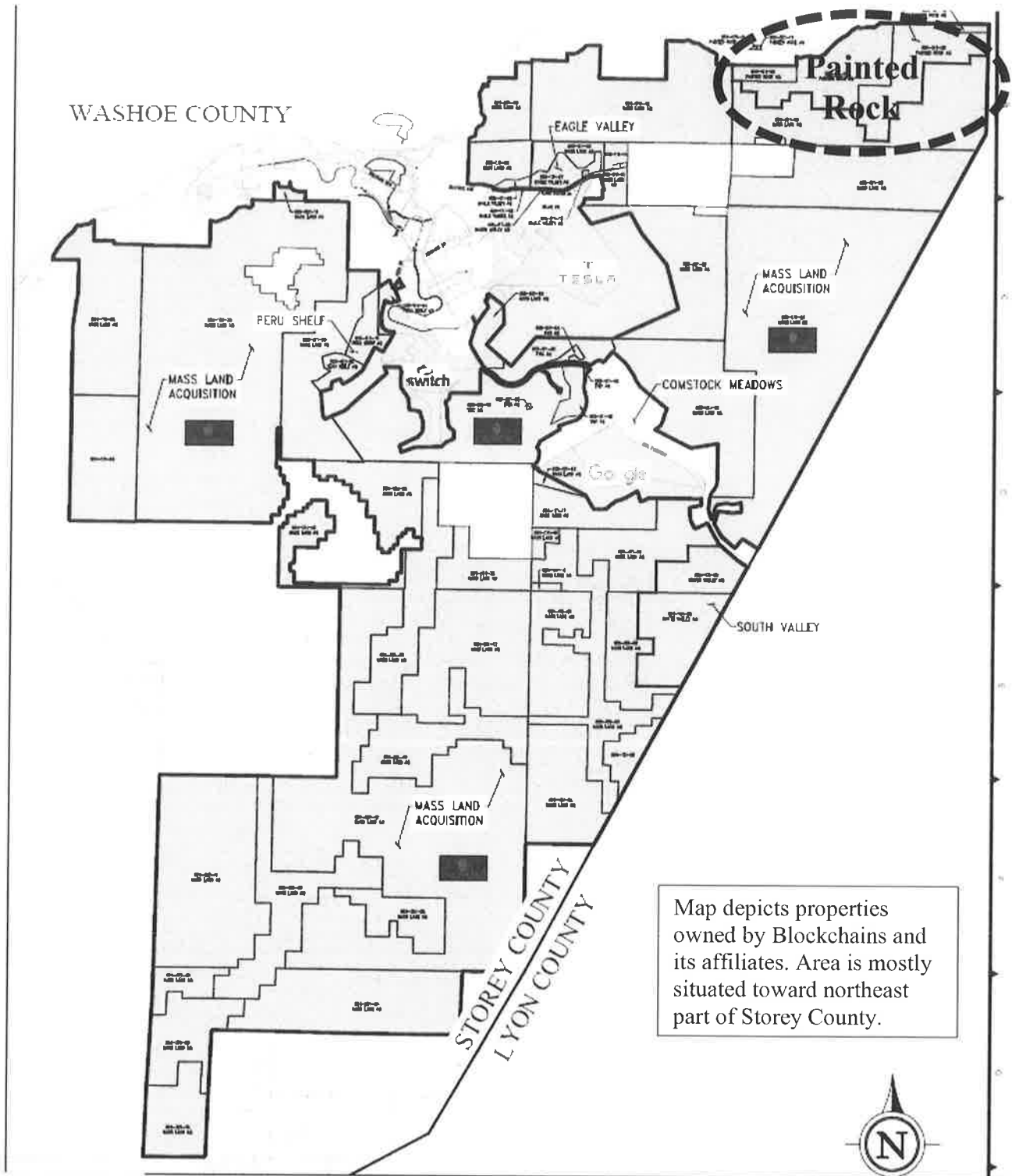
04/20/21	<b>County manager received a phone call and voice message from Governor's Office Senior Advisor Scott Gilles during the 04/20 commission meeting and immediately following Commissioner Mitchell's direction to staff to pause engagement with Blockchains.</b> A message was left requesting a conversation about innovation zones. The meeting was televised by Zoom.
4/25/21 (~)	<b>County manager returned the call from Mr. Gilles. The county manager was given a verbal summary of BDR 1148 and its likely participants.</b> Not much more was said to be known at that point.
04/26/21	<b>Governor issued a press release on "innovation zones"</b> suggesting an upcoming special joint committee of the legislature to study a draft bill.
04/27/21	<b>BDR 1148 was submitted to create a joint special committee to conduct a study concerning innovation zones.</b>
05/04/21	<b>County commission reaffirmed its prior letters to the governor</b> stating its position on innovation zones by supporting technology and Painted Rock residential development, and by opposing separatist government.
05/06/21	<b>SCR11 was referred to Committee on Legislative Operations and Elections</b> creating a joint special committee to conduct a study concerning innovation zones.
05/11/21	<b>County testified to Senate Legislative Operations and Elections Committee its support</b> for Blockchains technology, Painted Rock residential developments, and "smart city" concept, but <b>opposed separatist governance structure.</b> County cited its fast permitting, allowable innovative uses, desire for mixed-use residential development, and its performance record.
05/11/21	<b>During Assembly Revenue Committee on SCR 11, Governor Sisolak's Senior Advisor Scott Gilles stated</b> that the hope is <i>"to have at least a final product by the end of [legislative] session for the committee then to look at and treat it as an actual bill that would go through that joint special committee. So, that piece of proposed legislation is not finalized yet but again, the idea is that we would have a place to start at least for those discussions going forward."</i>
05/18/21	<b>County sent commission-supported letter to the governor stating the county's position on innovation zones</b> including support for technology and Painted Rock residential development, and opposition to separatist government. <b>The letter requested a meeting with the governor and his staff.</b>
05/25/21	<b>County testified to Assembly Revenue Committee its support</b> for Blockchains technology, Painted Rock residential development, and "smart city" concept, but its <b>opposition to separatist governance structure.</b> County cited its fast permitting, allowable innovative uses, desire for mixed-use residential development, and its performance record as the reason to not need innovation zone legislation.
06/01/21	<b>County commission reaffirmed its letters to the governor</b> stating its position on innovation zones: support technology, support Painted Rock residential development, oppose separatist government.

06/15/21	<b>County commission reaffirmed its letters to the governor</b> stating its position on innovation zones by supporting technology and Painted Rock residential development, and by opposing separatist government.
06/16/20	<b>County met with Jeff Berns and Blockchains. County encouraged Blockchains to submit an application for a planned unit development at Painted Rock</b> , confirmed that a master plan amendment is not required, stated that the new subdivision ordinances better facilitate the "smart city" concept, and stated that the county approved a large-scale development at Painted Rock in 2006. The county agreed to fulfill Blockchains' request for a written outline of the PUD/subdivision application process, and the county <b>agreed to facilitate a public meeting with the county commission, planning commission, and/or both jointly so that Blockchains may present its Painted Rock plan and scope the board and public.</b>
06/29/21	<b>County sent Blockchains a written outline of the subdivision and planned unit development process and offered to facilitate a public meeting with the commission and public</b> on any Thursday of July or August per the request of Blockchains during the 06/16/21 meeting with the county.
06/29/21	<b>Blockchains confirmed receipt</b> of the county's 06/29 written outline and offer to hold public meeting.
07/06/21	<b>County commission reaffirmed its letters to the governor</b> stating its position on innovation zones by supporting technology and Painted Rock residential development, and by opposing separatist government.
07/06/21	<b>County sent an email to Blockchains offering a July 29 joint-session meeting of the county commission and planning commission</b> so that Blockchains may present its Painted Rock plan to the board and public as it requested. The meeting was to be posted per NRS to allow both commissions to engage in deliberation.
07/14/21	<b>Blockchains replied to the county by email that it was unavailable on July 29 for the offered public meeting.</b>
07/19/21	<b>County replied to Blockchains with three more dates (August 19 and 26, and September 2) to facilitate the joint-session meeting</b> , and asked Blockchains to propose three more dates if those suggested by the county were unavailable.
07/20/21 (~)	A Blockchains representative contacted the county manager by phone and <b>stated that more autonomy is needed by the company to fulfill its needs</b> than what would be provided within existing regulations.
07/20/21	<b>County commission reaffirmed letters to the governor</b> stating position on innovation zones by supporting technology and Painted Rock residential development, and by opposing separatist government.

07/22/21	<b>Blockchains via email declined the county's offer to facilitate a public meeting and said “in lieu of our participation in a workshop, we think the appropriate next step is for us to provide a detailed letter identifying the framework for our plan to pursue our project while remaining a part of the county.”</b> County has not yet received this letter.
08/03/21	<b>County commission reaffirmed letters to the governor</b> stating position on innovation zones by supporting technology and Painted Rock residential development, and by oppose separatist government.
08/09/21	Agenda posted for legislative interim committee.
08/11/21	<b>Confirmed no development applications received</b> from Blockchains or its affiliates for Painted Rock development.
08/12/21	First scheduled <b>legislative interim committee</b> meeting.

Please direct questions or comments to Storey County Manager Austin Osborne at 775.847.0968 or aosborne@storeycounty.org. The foregoing timeline is a summary of events, is not exhaustive, and is for discussion purposes only.

**Enclosure B: Maps of Proposed “Innovation Zone” in Storey County**



**The map above illustrates parcels owned by Blockchains and its affiliate companies and which would be included in the proposed “innovation zone” of Storey County. Painted Rock is circled toward the top right of the map.**

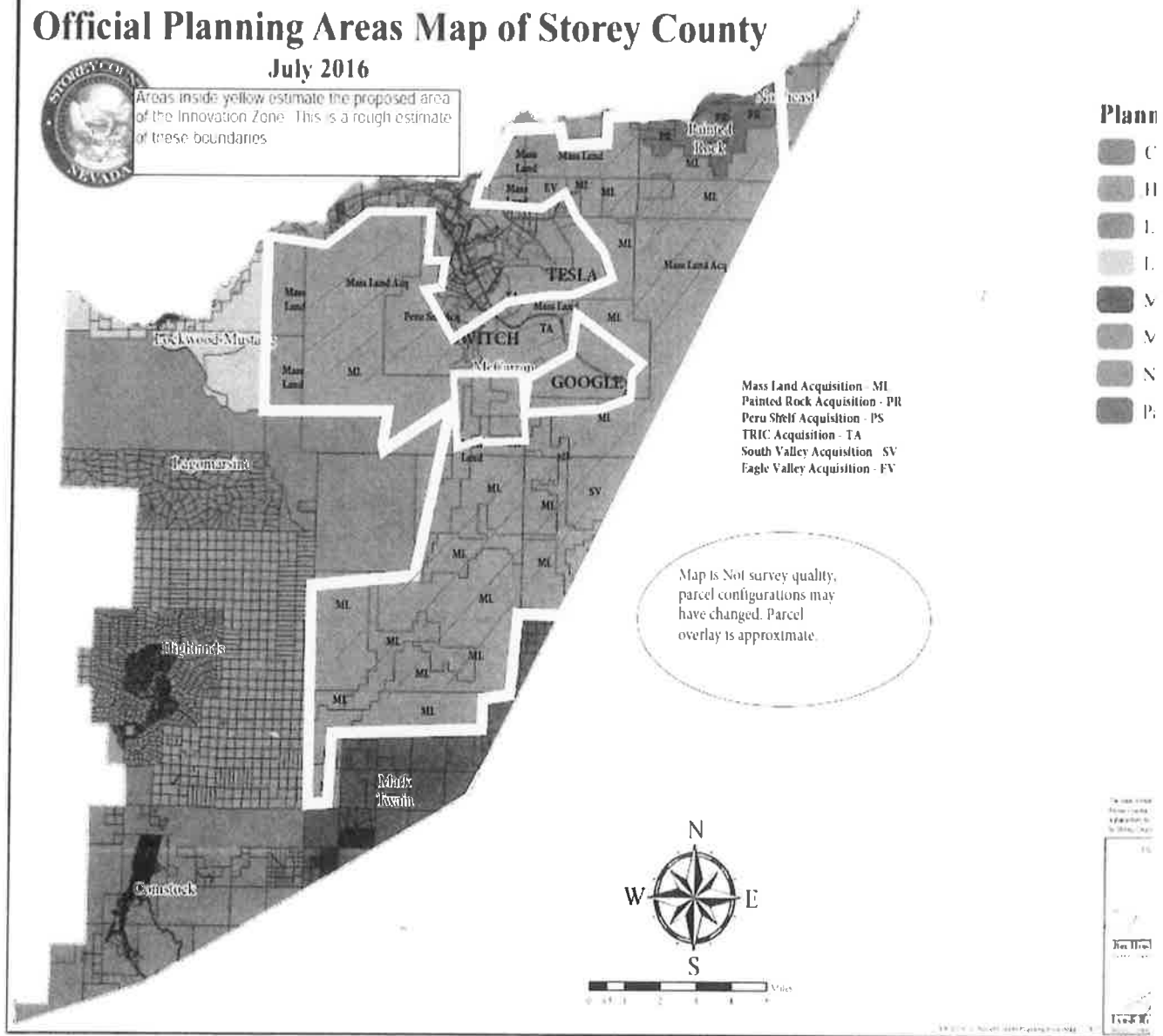


# Official Planning Areas Map of Storey County

July 2016



Areas inside yellow estimate the proposed area of the Innovation Zone. This is a rough estimate of these boundaries.



The above map depicts a rough estimated area of the proposed “innovation zone” representing approximately 30 percent of Storey County.

## Enclosure C: Letter to Honorable Governor Sisolak and GOED on April 6, 2021



GOVERNOR OF NEVADA  
P.O. BOX 170, Virginia City, Nevada 89440  
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communications@state.nv.gov

Clay Mitchell, Vice Chair  
Labor Council, Commissioners

April 6, 2021

Honorable Governor Steve Sisolak  
State Capitol Building  
101 N. Carson Street  
Carson City, NV 89701

**Re: Storey County's Position on Innovation Zone bill draft as of 04/06/21**

Governor Sisolak:

The Board of Storey County Commissioners on March 2 and 16, and April 6, 2021, directed county staff and lobbyists to take certain positions on BDR 1109-related draft legislation providing for the creation of Innovation Zones. Storey County opposes the Innovation Zone bill as presented thus far; however, the board finds merit in certain elements of the bill including expanding technology uses across the county and developing a mixed-use residential community at Painted Rock. The following summarize the board's directives and provides further explanation on the county's position on the matter.

1. ***Technology – Support and work with legislature and applicable elected officials to explore Blockchain, cryptocurrency, stable-coin, and other such technological advances and currency.***

Storey County is Nevada's forerunner in embracing and utilizing new technologies, and the board finds that new digital platforms such as stable-coin and Blockchain to be the potential digital capital of the future. We will seek guidance from the Nevada Department of Taxation; county recorders, clerks, and treasurers; and other such agencies and associations to evaluate the viability of these technologies and develop appropriate framework for their implementation.

2. ***Residential "Smart City" – Continue to support 2016 Storey County Master Plan as applicable to neo-traditional and new-urbanistic design as proposed by Blockchains' "Smart-City".***

The Storey County Master Plan supports large-scale residential development at Painted Rock. A mixed-use community integrating commercial, residential, and live-work use patterns is preferred over suburban sprawl. Graphic renditions by Blockchains, LLC and R&R Partners illustrating high-rise buildings clad in stainless-steel and glass, situated within clustered high-density nodes, and supported by multi-modal transit and "smart" infrastructure are aligned with the goals and objectives of the plan for this area.

Storey County to-date has received no development application from Blockchains or its affiliates for the Painted Rock area. We engaged with representatives of Blockchains about the draft bill and stated that an application for a mixed-use development may be submitted for consideration in accordance with Title 16 Subdivisions, Title 17 Zoning, the master plan, and other local and state statutes. The representatives were reminded that a master plan amendment is not required, and they were also reminded that a mixed-use residential development application by another developer at Painted Rock was approved by the board with action by the planning commission in 2006.

3. ***Separate Local Government – Oppose separatist governing control and carving up Storey County.***

Carving out a separate government within Storey County is not necessary for the advancement of technology, innovative industries, or residential "smart city" development. Storey County has for 20 years been Nevada's leader in attracting, permitting, and supporting technology, manufacturing, and energy sectors, and transforming northern Nevada from dependence on gaming to the diversified economic powerhouse it is today.

Tesla, Panasonic, Switch, Google, Fulcrum Bioenergy, and nearly 20 million square-foot of other companies made Storey County their home because of fast and simple permitting, easy access to

electd and appointed officials, and a dedicated team capable of finding innovative ways to overcome economic, social, environmental, and geographic obstacles. The proponents of the Innovation Zone envision a "sandbox" in which inventive minds are free to develop advanced technologies through expression and experimentation. We respond that this vision dovetails seamlessly into our current master plan, zoning allowances, development agreements, and proven business-friendly culture.

Storey County's master plan, zoning designations, and ordinances facilitate a wide range of land uses. Diverse zoning encourages residential and community development, while also providing for revenue-generating commercial and industrial uses that offset costs of providing services to the county's residents and businesses. The draft legislation stripping Storey County of roughly one-third of its land, much of which is commercial and industrial designated, will result in persistent fiscal instability potentially causing its inability to provide public safety protections, social services, and other core functions to current and future residents and businesses.

Storey County has been a proven leader in the state in economic development. Removing the county from the proven calculus it formulated may cause adverse economic, social, and environmental impacts to the county and region, and, moreover, may cause the same for the proposals identified in the draft bill. We will continue exploring ways in which objectives for residential and tech development in the draft legislation may be achieved within existing local and state regulatory framework.

4. ***Planning & Development – Reach out to Governor, Blockchains, and others for meaningful and authentic good-faith discussion to coordinate planning and oversight within existing governing framework.***

Conversations about the proposed legislation must consider state and local regulations, and binding agreements in-place in Storey County such as the Tahoe-Reno Industrial Center (TRI-Center) development agreement, TRI-Center infrastructure payback agreement, the TRI General Improvement District regulations and responsibilities, the inter-county effluent water line Tax Increment Area agreement, economic development and diversification districts for technology and manufacturing sector abatements, court decrees, utility and other easements and rights-of-ways, and government services agreements. These obstacles to Innovation Zone legislation have been shared with Blockchains representatives, and there remains unanswered questions as to how the proposed legislation will function properly within these frameworks.

5. ***Progress – Periodically update the Storey County Board of County Commissioners on the status of Innovative Zone BDR and bill, to and seek amended direction as conditions change and are known.***

We will periodically update the board on research findings into the Innovation Zone matters and seek direction as conditions change and more is known about the draft bill.

We respectfully request a meeting with you and your team to openly discuss the Innovation Zone bill. We look forward to being part of a conversation about the potential benefits in the draft bill, and ways to overcome challenging aspects of the proposed legislation within existing fiscal, economic, environmental, and land use regulatory structures.

Respectfully submitted,

Austin Osborne  
Storey County Manager

Enc.: Storey County Master Plan - <https://www.storeycounty.org/292/Master-Plan>

Cc.: Storey County Commissioners  
Storey County District Attorney  
Storey County Lobbyists

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