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Supreme Court: Lazy 8 project settlement upheld

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The City of Sparks, 12 locals and John Ascuaga's Nugget received a long-awaited answer from the Nevada Supreme Court Tuesday regarding the contentious Lazy 8 casino, planned for Spanish Springs.

The court ruled that the city of Sparks acted lawfully when, in September 2006, it settled a lawsuit by Lazy 8

developer Red Hawk Land Co. The lawsuit accused the city of Sparks of violating a 1994 development agreement when the City Council denied Red Hawk's Lazy 8 casino project. Rather than fight the \$100 million suit, the city settled with the developer. The settlement agreement essentially approved the casino.

The settlement agreement ordered the city to, "Comply in good faith with the provisions of the 1994 development agreement ... and grant plaintiff's (Red Hawk) application no. PH.PCN 05073."

According to the settlement agreement, PH.PCN 05073 is the formal application number to transfer an unused resort hotel/casino entitlement from a plot in Wingfield Springs to a location on Pyramid Highway, just north of Lazy 5 Regional Park.

The settlement didn't sit well with many Spanish Springs residents or the Nugget. They claim that Red Hawk Land Co., and Harvey Whittemore as the company's president, did not follow due planning process in their casino approval. A suit contesting the settlement agreement followed.

Tuesday's court ruling stated, "There is no evidence on the record indicating that the city acted arbitrarily or capriciously by choosing to settle a lawsuit that could have cost the city millions of dollars."

The ruling also handed a \$13,000 bill to the Nugget in legal costs, according to Sparks City Attorney Chet Adams.

"We respect the process and thank the justices for their consideration," said Nugget spokesman Michael Traum. "However, we are very disappointed in the decision. We have maintained with sincerity that the public process has been manipulated throughout this entire course of action by those who wish to build a neighborhood casino in Spanish Springs. We certainly were confident that the Supreme Court would agree with us. We are still reviewing the complexities of the ruling and we plan to meet once again with the citizens who joined us in this action to determine the best course upon which to proceed."

And while Tuesday's ruling puts the lid on one court case involving the Lazy 8, another lawsuit is still waiting for a decision.

Sparks City Councilman Mike Carrigan has filed suit with Nevada's Second District Court, asking to be able to vote on Lazy 8 when it comes before the council Monday.

Carrigan has been barred from voting on anything related to the Lazy 8 project since April, when the Nevada Commission on Ethics decided Carrigan had too many ethical conflicts with the casino project. The commission gave its April opinion verbally, and on July 15 the commission "formalized and reaffirmed" its decision in writing, according to Adriana Fralick, general counsel for the ethics commission.

Carrigan's ethical dilemma, according to the commission's written ruling, is a product of his relationship with Carlos Vasquez. Vasquez works for Red Hawk Land Co., is Carrigan's close friend and managed the councilman's most recent reelection campaign.

Carrigan argues that he should be able to vote on the project because Vasquez is no longer doing work on the Lazy 8 casino project. Carrigan also argues in the suit that since he is not currently running for reelection his business relationship with Vasquez has disappeared.

The court was asked in Carrigan's suit to deliver its ruling before the council's Monday meeting.

The meeting will include discussion and possible action on a proposed master plan amendment requested by Whittemore. The amendment would make a casino possible by changing the land use designation on 20 acres located on Pyramid Highway from general commercial to tourist commercial.

If the City Council approves the master plan amendment on Monday, the project would then go to the Regional Planning Commission for a final approval.