

CITY OF ELKO
REDEVELOPMENT AGENCY
REGULAR MEETING MINUTES
3:00 P.M., P.S.T., TUESDAY, FEBRUARY 23, 2021
ELKO CONFERENCE CENTER
724 MOREN WAY, ELKO, NEVADA
<https://global.gotomeeting.com/join/921248589>

CALL TO ORDER

The meeting was called to order by Reece Keener, Chairman of the City of Elko Redevelopment Agency (RDA).

ROLL CALL

Present: Mayor Reece Keener
Councilman Clair Morris
Councilwoman Mandy Simons
Councilman Chip Stone
Councilman Bill Hance

City Staff Present: Curtis Calder, City Manager
Cathy Laughlin, City Planner
Bob Thibault, Civil Engineer
DJ Smith, IT Technician
Diann Byington, Recording Secretary
Shelby Knopp, Planning Technician

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

There were no public comments made at this time.

APPROVAL OF MINUTES

November 10, 2020 – Regular Meeting **FOR POSSIBLE ACTION**

The minutes were approved by general consent.

I. NEW BUSINESS

- A.** Review, consideration, and possible action to accept the 2020 Redevelopment Agency Annual Report, and matters related thereto. **FOR POSSIBLE ACTION**

Pursuant to the provisions of NRS 279.586, the agency shall submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, and to the legislative body

an annual report on a form prescribed by the Committee on Local Government Finance.
CL

Cathy Laughlin, City Planner, explained that a copy of the letter that is sent to the Legislative Counsel Bureau was included in the packet, as well as the annual report. The Annual Report shows the tax increment for 2020 and the net assessed value.

*****A motion was made by Councilwoman Mandy Simons, seconded by Councilman Clair Morris, to accept the 2020 Redevelopment Agency Annual Report.**

**Motion passed unanimously. (5-0)*

B. Review, consideration, and possible approval for an extension to the Storefront Grant Program participant Braemar Construction. **FOR POSSIBLE ACTION**

The participant agreement signed by Dusty Shipp and recorded on July 7, 2020 states that the project would be completed within nine (9) months of the date of approval by the RDA Grant Review Committee. The grant was approved on April 28, 2020 and therefore would have been required to be completed by January 28, 2021. Included in the packet is an email dated November 12, 2020 asking for an extension. An additional letter was received from Braemar asking for an extension until August 11, 2021. CL

Ms. Laughlin explained that the email dated November 12th was received after the November 10th RDA Meeting and there was not another Agency Meeting scheduled after that. Staff verbally communicated with Braemar in regards to the extension of their grant. They were in the design process and thought that they could get it permitted and started. Due to the restraints of Covid they reached back out and asked if they could an extension until August 11, 2021. Ms. Laughlin recommended approval of the extension. A onetime extension is allowed in the Participation Agreement.

Mayor Keener mentioned that Braemar had been very busy with projects around town, and that Mr. Shipp pointed out the various challenges related to the pandemic.

*****A motion was made by Councilman Bill Hance, seconded by Councilwoman Mandy Simons, to approve an extension to the Storefront Grant Program participant Braemar Construction to be completed by August 30, 2021.**

**Motion passed unanimously. (5-0)*

C. Review, consideration, and possible approval of an amendment to the Storefront Improvement Grant Program guidelines and participant agreement, and matters related thereto. **FOR POSSIBLE ACTION**

Proposed revisions to the Program Guidelines and Participation Agreement are included. Clarification has been added to the timeline and term of the grant. CL

Ms. Laughlin explained there were a few corrections that were included in the agenda packet information in both the Program Guidelines, as well as the Participation Agreement. It is just

adding some clarification to the timeline and having a deadline for the Agreement to be executed by, as well as adding that the project needs to be executed in a certain amount of time. Previously there was a term limit of three years, which is for the maintenance period after the project is complete. What we have found is we are approving these projects and they are lingering from year to year. There are still projects that were approved in 2017 that have not been reimbursed. What we are trying to accomplish with this is to make it easier on the participants, by giving them a defined timeline, and easier for the City to manage it from budget year to budget year. In order to be consistent with the annual budget process staff feels that these projects need to be started and completed within a timely manner, which has not been the case for the last four years. Ms. Laughlin then went through the changes to the documents that were included in the packet.

Mayor Keener pointed out that March has 31 days. He asked why the application deadline was listed as March 30th?

Ms. Laughlin explained that it had been listed as the 30th from the beginning, probably because the first year the program was in place the 30th fell on the last Friday of the month. That can be changed to the 31st and add that if it falls on a Saturday or Sunday that the deadline would be the next business day.

Mayor Keener thought that would be more logical.

Ms. Laughlin asked the Agency to include that change in the motion.

*****A motion was made by Councilwoman Mandy Simons, seconded by Councilman Clair Morris, to approve the amendments to the Program Guidelines and Participant Agreement, to include changing the deadline to March 31st.**

**Motion passed unanimously. (5-0)*

D. Review, consideration, and possible award of or authorization to rebid the Block Ends Project, and matters related thereto. FOR POSSIBLE ACTION

At the November 10, 2020 meeting, the RDA took action to authorize staff to solicit bids for the Block Ends Project. Bids were received until 3:00 p.m. on February 10, 2021. A bid tabulation is included in your packet. Five of the six bids received were over budget. One bid was within budget but it was determined to be nonresponsive. CL

Ms. Laughlin explained that the one bid that was received that was within the budget was determined to be non-responsive because it was missing one of the forms that is a requirement in the bid package. There is a significant difference between the low bid and the next bid up, which was over the engineer's estimate by quite a bit. Mr. Thibault is on the phone and available to answer questions in regards to the design or the engineer's estimate. There is still plenty of time if it is decided that this project needs to go back out to bid.

Mayor Keener asked if it was staff's recommendation to rebid the project.

Ms. Laughlin said it would be her recommendation, because the difference is around \$100,000. Very little income comes into the Redevelopment Agency, so that \$100,000 could be two years' worth of Storefront Grant Programs. It is unfortunate that there was such a large difference between the low bid and the next bid up.

Mayor Keener asked what Mr. Thibault's estimate was.

Ms. Laughlin thought it was \$496,000. She also explained that the expenditure that was in the Resolution was listed at \$675,000, because there are various fees for testing, QA/QCs, and a variety of other fees. Looking at the overall picture it is quite a difference in cost.

Mayor Keener said it would be his inclination to put the project back out to bid, but he wanted to see what the rest of the Agency thought.

Ms. Laughlin pointed out that one of the bidders was present, but she wasn't sure if they wanted to comment.

Gary Isamen, MKD Construction, explained that he put their estimate together. If the low and the high bids are thrown out, the other four bidders are in line for the scope of work. He said he would understand if the Agency decided to put the project back out to bid, but he felt that they gave a very good number for the scope of work.

Councilwoman Mandy Simons asked for Mr. Thibault's opinion. She asked if he thought there was a reason that the bids were coming in high, or if they would get lower bids if they put the project out to bid again.

Mr. Thibault explained that the City would expect that the bidders would submit a bid in a similar fashion, at a similar number, and hopefully get their ducks in a row and all their paperwork in order. Staff has no reason to believe that they wouldn't submit a very similar bid. Mr. Thibault said for the engineer's estimate he was working with numbers that were received from projects over the last two or three years. He explained that he tries to use current projects, but even that is outdated. These contractors know what the market is doing now. Mr. Thibault recommended that the project go back out to bid.

Councilman Chip Stone asked Ms. Laughlin if there was still plenty of time to put the project back out to bid.

Ms. Laughlin said yes, there was.

Councilman Bill Hance said his only concern was that it was starting to get to the time of year where all the contractors were getting all their projects booked and they might come back and the bids might flip, to where there might not be a low bidder because they have already booked out and moved on. It is getting late in the bidding season already.

Mayor Keener asked Mr. Thibault if his estimate was at \$495,000.

Mr. Thibault said that was correct.

Mayor Keener asked Ms. Laughlin what kind of revenue the RDA was bringing in each fiscal year.

Ms. Laughlin said so far, this year the RDA has brought in \$245,447, and anticipating revenue around \$333,000 for the year.

Councilman Stone said that what Ms. Laughlin was trying to say was very important to hear, that the difference could be \$100,000 in Improvement Grants for Storefronts. He asked Ms. Laughlin if she thought if the ricochet factor was a big deal right now.

Ms. Laughlin said it was hard to say. She thought they would just have to wait and see. She wasn't sure what the scope of work was for other contractors. There was a good set of bids for the 5th Street Project, which will be starting soon. Staff didn't put a short timeline on this project. It gives them a little extra time to complete the project, so it might be of interest to contractors. She thought Mr. Thibault might have some other comments on that.

Mr. Thibault added that Ms. Laughlin made a good point with the flexibility and the timeline. Right now, there is 120 days to complete the project. That could be extended. We could give them as much time as we can, but we will have to look to see when the end of construction season will be. If time is on our side, we can be flexible in that, which does appeal to bidders.

Councilman Stone asked if they could approach the six bidders and let them know what our budget is.

Ms. Laughlin explained that the bidders are familiar with the engineer's estimate when they bid on the project. It is reviewed with them.

Mayor Keener said the public works projects have to go through a protocol, where the project is advertised and a few other things. He said there were no short cuts of getting around that.

Mr. Calder said only if there were no bidders there is some flexibility in the Statute, but that is not the case for this project. He added that they might want to consider is that there is an interest rate risk, the risk of oil prices going up, so there are things out there that are outside of our control that can drive up costs. We might end up going through the trouble of rebidding the project and not getting a better bid than we have today. You won't know unless you do it, but don't be surprised if the low bid is in this range, if there is a low bid. Mr. Hance has a valid point on not knowing how many contractors have jobs out there. There is some risk involved in going out to rebid.

Councilman Morris asked how long it would take to rebid.

Mr. Thibault explained that it would take a week to get it advertised; there is a three-week bidding process, and then another week to get it in front of the RDA.

Councilman Morris said they could easily be into the middle of April before the new bid could be awarded.

Mayor Keener said if contractors had other jobs lined up, they wouldn't be as aggressive, so there is a risk.

Councilwoman Simons said they've had problems with low bidders in the past ending up with a lot of change orders, and in the end, it comes out to be around the same as the next lowest bidder. She said she was a little worried that they were that much under. With that concern, she thought maybe they should award the bid to the next lowest bidder.

Mayor Keener asked Mr. Thibault if this was the type of project that he thought there would be a lot of change orders on. He asked if there would be a lot of unknowns once they start peeling things back downtown.

Mr. Thibault explained that anytime work is done in the downtown corridor, and this previously being railroad property, it is unknown exactly what would be encountered underground. That would be the case regardless of which bidder is chosen. There are some unknowns, but Mr. Thibault didn't think a low bidder would be able to justify change orders any more than a high bidder would.

Councilman Stone asked if there was a percentage limit on change orders.

Mr. Thibault said no.

*****A motion was made by Councilwoman Mandy Simons to authorize a rebid for the Block Ends Project.**

**With lack of a second the motion died*

***** A motion was made by Councilman Chip Stone, seconded by Councilman Clair Morris to accept the bid from MKD in the amount of \$589,999.**

**Motion passed. (4-1, Councilwoman Simons voted no)*

II. REPORTS

A. Budget

Ms. Laughlin went over the budget report that was included in the packet.

B. NV Energy Lighting in Corridor

Ms. Laughlin reported that NV Energy and Staff have been working diligently together for many years to get the lights replaced in the corridor from 3rd Street to 7th Street. NV Energy owns the lights from 3rd to 7th Street and they are on their roll, so the City could not do the work to replace the bulbs to LEDs. Staff asked NV Energy to convey the lights to the City of Elko. They came back with a depreciated expense of over \$57,000 that they wanted the City to pay for the lights. Staff declined and explained that the goal was just to get the lights improved, to get better lighting. Staff finally got with the proper people; they have a grant that they tapped into to pay the expenses to replace the bulbs. They

spent about \$15,000 and they recently replaced all the bulbs, with the exception of one. It was planned originally that they were also going to have new lenses made, so they could replace the old ones with new clear ones. They were going to leave the covers off, but the old ones have been put back on. Ms. Laughlin said she planned to reach out to see what they will be doing about the lens covers. There have been reports that it is much brighter downtown and that they are happy with the switch to LED bulbs.

Mayor Keener said he was pleased to see the work being done down there. He said if the old lenses were replaced it would be a vast increase in the amount of light downtown.

Ms. Laughlin added that those light were on a flat rate, and she was going to request that the rate be reduced due to the new LED bulbs.

Mayor Keener asked if NV Energy did a lot of work downtown with replacing some of the power lines.

Ms. Laughlin said the only thing she was aware of was the project they had been working on with the Grant that the City was awarded. We went through the design process and that's where it has stopped. She planned on reaching out to them and asking them what the status is of that project. They were going to be bring the lines underground from the Post Office, down Commercial Street to 4th Street, over from 4th and then the City was taking all the poles down along the Stockmen's parking lot and going underground from that point to 5th Street. NV Energy was then going to bore under 5th Street and dead end the new underground line behind Capriola's. Staff will be reaching out to find out what the status of the project is. They never told the City what our portion of the project cost would be.

There was discussion regarding the Lamoille Power Building. It is getting an interior and exterior remodel. It will be a great addition to the Downtown, as well as additional tax increment.

Ms. Laughlin reported that there had been quite a bit of interest in the Storefront Grant Program. There had already been two applications turned in, which were each requesting \$25,000. The applications were for The Star Hotel and Mike Lostra's Building on the corner of 6th and Silver. She was anticipating at least one more application.

There was discussion regarding the Wells Fargo Building and the Nevada State Bank Building that were going to be vacant.

COMMENTS BY THE GENERAL PUBLIC

There were no public comments made at this time.

NOTE: The Chairman or Vice Chairman reserves the right to change the order of the agenda and if the agenda is not completed, to recess the meeting and continue on another specified date and time. Additionally, the Redevelopment Agency reserves the right to combine two or more agenda items, and/or remove an item from the agenda, or delay discussion relating to an item on the agenda at any time.

ADJOURNMENT

There being no further business, the meeting was adjourned.



[Reece Keener \(Aug 6, 2021 17:22 PDT\)](#)

Mayor Reece Keener, Chairman
Redevelopment Agency






02-23-21 RDA Minutes

Final Audit Report

2021-08-07

Created:	2021-08-06
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