

City of Elko)
County of Elko)
State of Nevada)

SS July 28, 2020

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, July 28, 2020. Due to the restrictions found in the State of Nevada Emergency Directive 006, the meeting was held in the Silver Room of the Elko Convention and Visitors Authority, 700 Moren Way, Elko.

This meeting was called to order by Mayor Reece Keener.

CALL TO ORDER

ROLL CALL

Mayor Present: Reece Keener

Council Present: Councilwoman Mandy Simons
 Councilman Robert Schmidlein
 Councilman Chip Stone
 Councilman Bill Hance

City Staff Present: Curtis Calder, City Manager
 Scott Wilkinson, Assistant City Manager
 Kelly Wooldridge, City Clerk
 Dave Stanton, City Attorney
 Paul Willis, Computer Information System Coordinator
 DJ Smith, Computer Information System Coordinator
 Dennis Strickland, Public Works Director
 Ty Trouten, Police Chief
 Diann Byington, Recording

Attending via call-in line:

Jan Baum, Financial Services Director
Michele Rambo, Development Manager
James Wiley, Parks and Recreation Director
Cathy Laughlin, City Planner
Mike Haddenham, WRF Superintendent
Jim Foster, Airport Manager
Jack Snyder, Deputy Fire Chief

PLEDGE OF ALLEGIANCE

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item

on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

Mayor Keener noted as of 11:00 am today, there were no COVID hospitalizations at Northeastern Nevada Regional Hospital and that is really good news for the community. Hopefully we will stay in that status. He gave a shout out to all the first responders and the hospital workers for putting themselves in harm's way right now. It has taken a toll but the community can be proud of what they do.

APPROVAL OF MINUTES: July 14, 2020 Regular Session

The minutes were approved by general consent.

I. PRESENTATIONS

- A. Presentation by Nevada Gold Mines, Community Broadband Project Update, and matters related thereto. **INFORMATION ONLY – NON ACTION ITEM**

Greg Walker, Executive Managing Director of Nevada Gold Mines, spoke about the Community Broadband Project. He has been working on this since last year. Nevada Gold Mines is an important part of the community and we build our community support on a base. The base is around education, health and services. When he came to Elko last year, one of the areas he saw that was very deficient on was broadband. There was already a broadband committee formed that the Mayor was part of. Nevada Gold Mines started talking to the committee to see how they can get involved. There was a project well underway with a service provider, Safelink. Safelink was interested in coming into Elko/Spring Creek/Lamoille area. The project was going to struggle because of the size of it. Nevada Gold Mine committed to putting in \$10 million seed capital to help this project get off the ground. Safelink has put together a project charter that will cover all of Elko, Spring Creek and Lamoille. This project is critical especially in light of the COVID crisis we have this year. The idea of working at home or learning from home is flawed without good internet service. They started pushing the project even harder. The plan is to execute in the next three months and start laying fiber. The first areas will be downtown Elko and Spring Creek. After that they will spread out. This project will take between 3 and 5 years to complete.

- B. Presentation by CEO Mary Kerner, Rural Nevada Development Corporation, and matters related thereto. **INFORMATION ONLY – NON ACTION ITEM**

Mary Kerner, CEO Rural Nevada Development Corporation, passed out some paperwork (Exhibit "A") and explained what they do and the I-80 Fund Small Business Relief and Recovery Loans.

II. CONSENT AGENDA

- A. Review, consideration, and possible approval of the City of Elko Fiscal Year 2019/2020 Indebtedness Report, Debt Management Policy, and Five-Year Capital Improvement Plan as required by NRS 350.013, and matters related thereto. **FOR POSSIBLE ACTION**

Pursuant to NRS 350.013, all entities must file the Indebtedness Report, an updated Debt Management Policy, and the Five-Year Capital Improvement Plan. The updated reports are included in the agenda packet for your review. JB

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidtlein, to approve the consent agenda.**

The motion passed unanimously. (5-0)

III. PERSONNEL

A. Employee Introductions:

- 1.) Derek Glennon, Landfill Equipment Operator, Landfill

Present and introduced.

IV. APPROPRIATIONS

- E. Consideration and possible authorization for Staff to solicit bids for a Revenue Collection System for the public parking lot at the Elko Regional Airport, and matters related thereto. **FOR POSSIBLE ACTION**

The public parking lot at the Elko Regional Airport is controlled by an automated ticketed pay system that was installed in 2003. Currently, the system is past its useful life and needs to be replaced. The vendor that supplied the system is no longer able to provide assistance when issues arise from the different components failing. In addition, the current system does not meet the national standard for credit card chip reader acceptance. JF

Curtis Calder, City Manager, explained the request. This project was budgeted out of the regular budget and does not qualify for AIP grant funds. It is hard to believe that the old system has been in place for 17 years.

**** A motion was made by Councilman Stone, seconded by Councilman Schmidtlein, to authorize staff to go to bid for a Revenue Collection System for the public parking lot at the Elko Regional Airport.**

The motion passed unanimously. (5-0)

- F. Review, consideration, and possible issuance of final acceptance for the WRF East Primary Clarifier Recoating Project 2020, and matters related thereto. **FOR POSSIBLE ACTION**

MMI Tank and Industrial Services has completed the Clarifier Recoating Project. Staff recommends the issuance of final acceptance. There was one change order deduction in the amount \$8,478.75. MH

Mike Haddenham, WRF Superintendent, recommended approval.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to issue Final Acceptance of the WRF East Primary Clarifier Recoating Project 2020, in the amount of \$87,231.30.**

The motion passed unanimously. (5-0)

V. NEW BUSINESS

- A. Review, consideration, and possible ratification of Staff's approval for Faulstich and Rand Construction to cut a street, which is on the Five Year No Cut List, located at the intersection of Hot Springs Road and STP Road, and matters related thereto. **FOR POSSIBLE ACTION**

Due to the construction of the new Water/Waste Water Shop, this street cut was unavoidable. DS

Dennis Strickland, Public Works Director, explained the request. The work has been completed over the last few days and now Council needs to ratify the decision.

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to ratify the staff's approval for Faulstich and Rand Construction to cut the intersection of Hot Springs Road and STP Road.**

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible approval of a Ratification of Transfer of Airplane Hanger Buildings (B5 & B6) and agreement to Transfer a Lease at Elko Airport, and matters related thereto. **FOR POSSIBLE ACTION**

On June 19, 2020, the City of Elko sent a Notice of Default to the Galen Schorch, Trustee for Park R. Blair Trust regarding Hangers B5 and B6 giving them 30 days to cure the defaults. A ratification and agreement was reached between all parties and the hangar lease is being transferred to Mr. Jeff Dalling. CC

Curtis Calder, City Manager, explained the request. Council needs to ratify the transfer of the airplane hangar building and improvements and agree in concept of the transfer of the lease to Jeff Dalling, with direction to City Staff to bring back the assignment to him.

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidtlein, to ratify the transfer of airplane hangar buildings B5 and B6, and agree to the transfer of the lease at Elko Airport and to also direct staff to bring back the assignment.**

The motion passed unanimously. (5-0)

VI. PETITIONS, APPEALS, AND COMMUNICATIONS

- A. Ratification of the Police Chief issuing a Regular Packaged Liquor License to Pedro Romero-Gaeta, DBA Tacos Las Brisas, located at 2172 Pinion Rd, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

Chief Trouten explained the request and the containers that will be used to serve alcohol from the taco wagon. Mr. Romero-Gaeta is setting a good example for other businesses to follow.

Mayor Keener thought it was a terrific product.

**** A motion was made by Councilman Stone, seconded by Councilman Schmidtlein, to approve a Regular Packaged Liquor License to Pedro Romero-Gaeta, dba Tacos Las Brisas, located at 2172 Pinion Road, Elko, Nevada, 89801.**

The motion passed unanimously. (5-0)

- B. Ratification of the Police Chief issuing a 30-day Temporary Packaged Liquor License and issue a Regular Packaged Liquor License, to Samra Gurpreet and Ethan Lipparelli, DBA Delivery Boys, LLC, located at 1657 Mountain City Highway Suite 104, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

Chief Trouten explained this is a unique business coming out of COVID. These young men started a business delivering groceries from the store to homes. It creates concerns when they are delivering alcohol to someone that purchased it. He sat down with them and went over some scenarios regarding deliveries and how they would verify a person's ID. He recommended approval.

Councilman Hance asked if they will be required to do some TIPS training.

Chief Trouten answered no because they are merely delivering packaged items and not serving open drinks.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to approve ratification of the Police Chief issuing a 30-day temporary packaged liquor license and issue a Regular Packaged Liquor License to Samra Gurpreet and Ethan Lipparelli, dba Delivery Boys, LLC, located at 1657 Mountain City Highway, Suite 104, Elko, Nevada, 89801.**

The motion passed unanimously. (5-0)

- C. Ratification of the Police Chief issuing a 33-day Temporary Retail and Caterer's Liquor License and issue a Regular Retail and Caterer's Liquor License, to Gary Lamb and Ted Lamb, DBA Shutters Hotel Elko, located at 3650 E. Idaho Street, Elko, NV 89801, and matters related thereto. **FOR POSSIBLE ACTION**

Chief Trouten explained the request. This business was formerly known as the Hilton Garden Inn. He recommended approval.

**** A motion was made by Councilman Schmidtlein, seconded by Councilman Stone, to ratify the Police Chief issuing a 33-day temporary retail and caterer's liquor license and issue a Regular Retail and Caterer's Liquor License to Gary Lamb and Ted Lamb, dba Shutters Hotel Elko, located at 3650 E. Idaho Street, Elko, Nevada, 89801.**

The motion passed unanimously. (5-0)

- D. Review, consideration and possible approval for White Cloud Communications Incorporated (White Cloud) to occupy approximately 4,700 feet of City owned conduit as shown on its plans for the Phase II Aspen and Murray Way project, generally extending from the northwest (I-80) corner of the airport security fence to Murray Way, and matters related thereto. **FOR POSSIBLE ACTION**

White Cloud Communications Incorporated (White Cloud) is requesting the utilization of City owned conduit extending from the northwest corner of the airport security fence to Murray Way under its franchise agreement with the City. White Cloud is proposing the installation of a 48 pair fiber cable in the conduit. White Cloud will be required to have at least one customer within 90 days of installation. White Cloud has indicated in its letter dated July 10, 2020 that the cable will occupy approximately 20% of the 2-inch conduit. SAW

Scott Wilkinson, Assistant City Manager, explained the request. Representatives from White Cloud were present to answer questions. At the airport, there is a fiber cable sitting on the security fence. One thing we should consider is while the work is being completed, and if the City were to purchase a fiber cable, would White Cloud consider having their contractor pull that City fiber from the communication vault near Terminal Way back up to a communication vault near Dispatch. The City would reimburse White Cloud for that. We need to consider getting that fiber off the fence and into a conduit.

Dave Skinner, White Cloud Communications, Twin Falls, Idaho, explained they would like to use one of the conduits as explained in the application. They have no problem pulling the City's fiber through their conduit. There are two conduits all the way down to Murray Way. Their conduit would go in one and the City's would go in the other.

Councilwoman Simons asked when do you foresee actually hooking up customers.

Mr. Skinner answered they will have two customers by Labor Day this year, provided the project moves forward.

Councilwoman Simons asked if we needed to amend the motion about pulling our fiber.

Mr. Wilkinson made some suggestions regarding the motion.

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to approve White Cloud Communications Inc, (White Cloud) to occupy approximately 4,700 feet of City owned conduit as shown on its plans, for the Phase II Aspen and Murray Way Project, generally extending from the northwest (I-80) corner of the airport security fence to Murray Way. The occupancy of the conduit does not prohibit an override by other providers or the City, which do not interfere with White Cloud's operations. We also direct White Cloud to work with City Staff to install fiber from a communications vault near Terminal Way to the termination vault near Dispatch with reimbursement from the City to White Cloud for the fiber cable.**

The motion passed unanimously. (5-0)

- E. Review, consideration, and possible approval of a construction timeline proposed by TEB Properties, LLC/Snyder Mechanical with regard to completion of public improvements on Manzanita Lane frontage located at 4745 Manzanita Lane, and matters related thereto. **FOR POSSIBLE ACTION**

The previous occupant of the building located at 4745 Manzanita Lane, Redburn Tire Company, agreed to pave the portion of Manzanita Drive adjacent to their property in 2012, with the condition that the curb, gutter, and sidewalk be installed by the Ormaza Family Trust as agreed to in Deferral Agreement 3-02. A portion of the curb, gutter, and sidewalk was constructed in 2019, but has not yet been completed. Staff has reached out to representatives of the Ormaza Family Trust and has requested that the remaining portion of improvements be completed in 2020.

Snyder Mechanical will be occupying the building starting in the Fall of 2020 and has asked to enter into a similar agreement as Redburn Tire Company to install the asphalt paving of Manzanita Lane within 12 months of completion of the curb, gutter, and sidewalk. MR

Michele Rambo, Development Manager, spoke about the request.

Gary Morfin, Century 21 Realty, offered to answer any questions.

Jared with Snyder Mechanical and TEB Properties was on the phone to answer questions as well.

Mr. Wilkinson said the Public Works Department is planning on paving a major part of Manzanita this construction season. All the parties should wrap this issue up in late September.

Mayor Keener asked if the family trust has committed to the improvements.

Mr. Wilkinson said he believed the family trust is committed to getting this done. Ms. Rambo has been in contact with all the parties to get this done.

**** A motion was made by Councilman Schmidtlein, seconded by Councilman Hance, to approve the construction timeline proposed by TEB Properties, LLC/Snyder Mechanical in their letter dated July 20, 2020,**

The motion passed unanimously. (5-0)

VIII. REPORTS

- A. Mayor and City Council

Councilwoman Simons said she got an invitation to join in on a call, a Telephone Town Hall about COVID-19, what the pharmaceutical industry is doing, where we are at with testing and the response. It is tomorrow evening and by invitation only.

Councilman Stone said the School District is meeting tonight about school starting up. He encouraged everyone to wear their masks.

Mayor Keener made some comments about washing hands and social distancing. It is important to keep the population as healthy as possible so we don't get shut down. Wearing a mask is a small thing to ask. Mayor Keener had a conference call with Congressman Amodei about being in the Red Zone. He commented on that call about how long it takes to get test results back. We have one testing unit that gives results quickly in our community. He was hoping we could get more of them.

Councilwoman Simons said there are people that do not want to wait for the test results so they go out and then get their test results later. You are supposed stay home until you get your results but people are not wanting to do that.

Mayor Keener thought 14 days is a long time to be waiting for test results. If you go to APlus Urgent Care and pay for the test, you can get test results back in three days. He had the opportunity to have lunch with the CEO of NV Energy and discussed some of the issues in the City of Elko. He mentioned there is a fundraiser for the homeless that is being sponsored by Academy Mortgage and being held at Marvel & Marvel Law Office at 217 Idaho Street. He went over the items they are looking to get donated. The City Manager review needs to be completed by Council.

B. City Manager

Curtis Calder mentioned the White House reports that are coming out seem to be running simultaneously with the Governor's Reports. We are in compliance with the Governor's directives. The White House reports have valid recommendations and we are trying to implement the recommendations where we can. It is difficult to change meeting formats when meetings are set so far in advance. If we stay in the Red, future meetings may go back to virtual meeting formats. If we go back to yellow then we can continue to do it this way. We are trying to stay in compliance with open meeting law but it can be difficult to manage.

C. Assistant City Manager

D. Utilities Director

E. Public Works

Dennis Strickland reported on the progress on Cedar Street. The contractor is doing a great job. All the work on the School District side of the project should be completed today. There is still some work that needs to be done on Country Club. We are not scheduled to pave until September. He touched on staffing and new hires. He thanked his guys for all their hard work.

F. Airport Manager

G. City Attorney

H. Fire Chief

Jack Snyder reported the volunteers have been busy helping out the County at some of the recent fires. They received their new radios and everyone is super happy with them.

I. Police Chief

Chief Trouten reported there was a child hit while skateboarding. The incident occurred on a public street. He encouraged the public to pay attention. There was an OHV incident just yesterday. There were children on board and there were injuries even though the children were wearing helmets. The second

Special Session should be beginning soon and he encouraged the public to contact their legislatures and let them know we don't want all these changes. Regarding COVID restrictions, there were some concerns with businesses in town that are not complying and they are not heeding warnings. We may have to take this to the next step at the next Council Meeting.

- J. City Clerk
- K. City Planner
- L. Development Manager
- M. Financial Services Director

Jan Baum reported they will be submitting the High Level Expenditure Plan to the State for the CARES Relief tomorrow. This report needed to be in ASAP without a due date. The report that was due August 1st has been extended to September 1st.

Mayor Keener said he understood that she had a conversation with the Governor's Office to see if they were willing to consider some language changes in the application. He thought they were willing to look at it and considering some changes.

Ms. Baum answered they were willing and we will put language in the cover letter that we would be asking for some changes.

Scott Wilkinson said they also indicated that since the changes were substantial enough that they needed to kick it up the ladder a bit. This may delay the funding a bit. We are not sure how long it will get bogged down in reviews.

- N. Parks and Recreation Director

James Wiley gave a shout out to Nevada Gold Mines for loaning the Parks Department some of their interns to help put together bleachers at the Sports Complex. They were a great help.

Mayor Keener said there was a windstorm that blew through the golf course. Was there much damage on the course?

Mr. Wiley answered they lost several trees and they needed to be removed. They have also lost some large branches on the course that have been cleaned up.

Mayor Keener thought pruning would help improve the health of the trees.

Mr. Wiley said they have plans to do more pruning later this summer.

- O. Civil Engineer
- P. Building Official

VII. 5:30 P.M. PUBLIC HEARINGS

- A. Public hearing pursuant to NRS 268.059(1)(a) regarding the fair market value and possible sale at public auction of approximately 3,073 sq. ft. of City-owned property located generally northeast of the intersection of Sewell Drive and Sage Street, designated APN 001-013-018. Discussion and possible motion determining that the fair market value of the property is \$14,500 in accordance with the appraisal of Jason Buckholz of CBRE, Inc., appraiser, and possible adoption of Resolution No. 14-20, a resolution of the Elko City Council finding it is in the best interest of the City to sell APN 001-013-018, and hereby declaring its intention to sell such

property at public auction pursuant to City Code Section 8-1-3 and NRS 268.062, and matters related thereto. **FOR POSSIBLE ACTION**

Two adjacent neighbors petitioned the City of Elko to sell a city owned parcel formerly known as Well 16 parcel. Council accepted the petition and authorized Staff to obtain the required appraisal and proceed with the statutory process of selling the parcel at public auction as required by NRS 268.062. CL

Michele Rambo, Development Manager, explained this is the abandoned Well 16 parcel. We have had two adjoining neighbors interested in purchasing this property from the City. We have gone through the appraisal process and the appraisal is attached to the agenda packet. We are requesting that you accept the fair market value as determined and then adopt Resolution No. 14-20. If anything changes with all the regulations and COVID requirements, between now and the action, that is contrary to the Resolution, we will have to start over with a new public hearing.

Curtis Calder, City Manager, made a suggested change. The way the Resolution is drafted right now, remove the reference to the location of the auction, keep the date and reference the City Council Meeting and the time, and add the location to be determined. He asked Mr. Stanton if that prevent us from starting the process over.

Dave Stanton, City Attorney, thought Council could do that. The motion would be to approve the notice of adoption subject to that one provision that the location of the auction might be subject to change.

Mayor Keener called for public comment without a response.

**** A motion was made by Councilman Hance, seconded by Councilwoman Simons, to accept the fair market value as determined at the public hearing and adopt Resolution No. 14-20, with the change that the auction will be at a location to be determined.**

The motion passed unanimously. (5-0)

- B. Public hearing pursuant to NRS 268.059(1)(a) regarding the fair market value and possible lease at public auction of approximately 8.69 acres of City-owned property located generally north of West Idaho Street, designated APN 006-09G-027. Discussion and possible motion determining that the annual market rent value of the property is \$19,000 in accordance with the appraisal of Jason Buckholz of CBRE, Inc., appraiser, and possible adoption of Resolution No. 15-20, a resolution of the Elko City Council finding it is in the best interest of the City to lease APN 006-09G-027, and hereby declaring its intention to lease such property at public auction pursuant to City Code Section 8-1-3 and NRS 268.062, and matters related thereto. **FOR POSSIBLE ACTION**

ESM2, LLC petitioned the City of Elko to lease a City-owned parcel designated APN 006-09G-027. The petitioner's current lease on that property expires June 30, 2020. Council accepted the petition and authorized Staff to obtain the required appraisal and proceed with the statutory process of leasing the parcel at public auction as required by NRS 268.062. CL

Councilman Schmidtlein recused himself and left the room.

Scott Wilkinson explained Pam Lattin sent a letter (Exhibit “B”) expressing her concerns with the appraisal. The access from the NDOT Right-of-Way has been a concern. NDOT has expressed their concern to the City of Elko. The appraiser was informed of the issue and he has accounted for that in his appraisal. He discussed limited access. One of the issues brought forward in the letter was that he didn’t include this limited access in the extraordinary assumptions. That would be uncertain information used in their analysis which, if found to be false, could alter the appraiser’s opinions and conclusions. He asked the appraiser in an email (Exhibit “C”) if it was determined through NDOT or the City that there was no access, would that change his appraisal. His answer was: Very little, if any. He didn’t believe that rose to the level to be an extraordinary assumption. The appraiser has indicated in several emails that he believes his appraisal is sufficient and accurate. Ms. Lattin has asked that the appraisal be reviewed and corrected for accuracy.

Pam Lattin, ESM 2 LLC, spoke about the appraisal and limited access. They don’t have a problem with the value of the property but rather about the access. As a leasee of the property, they need clarification that they can or cannot have access to SR535. One of the emails said the leasee would have to handle the access but the property belongs to the City of Elko. It would be her assumption that the City of Elko would go to NDOT and say this land has been out there for many years, it has access, it can be grandfathered in. The appraiser said it is a long-standing custom for access. She would like the City to step up and get this resolved. She disagrees with NDOT because they cannot deny access to landlocked parcels. They have rented this for 15 years and the value of the property has gone up. She requested a draft of the agreement that the City would have with the successful bidder and she has not seen one yet. She wanted to know what the terms would be.

Rich Barrows, Attorney, Wilson, Barrows, Salyer & Jones, said if the appraisal value is not the issue, then he recommended Council adopt the Resolution 15-20 and that the Council further direct staff to draft the lease and it should be sent to the bidders. The lease should expressly say that it is the City’s position and NDOT’s position that there is no access to the state route and it should be stated that it be up to the successful bidder to go to NDOT for access. There are many letters from NDOT stating that the access is not legal and should not be used. The City should not get involved with the argument with NDOT.

Mayor Keener said it was his understanding that with a landlocked piece of property, that NDOT cannot shut off access.

Mr. Barrows didn’t agree with that assumption. Landlocked properties exist all the time and they depend upon the circumstances leading to it. He has read communications regarding this matter talking about a prescriptive easement for the right to continue to use it. He hasn’t researched that question but he would be shocked that the law says you cannot acquire a prescriptive easement against the State.

Ms. Lattin asked if a leasee would have standing with NDOT to bargain on behalf of the City.

Mr. Barrows answered yes.

Ms. Lattin asked if NDOT would require a letter from the City, could they get a letter stating they have authority to do that.

Mr. Barrows answered he would recommend that.

Mr. Wilkinson said they would authorize that in the lease.

Mayor Keener asked 15 years ago, when this lease was initiated, was the drive right next to that property there at that time.

Mr. Wilkinson wasn't sure. They have looked at maps to see if they can tell when the driveway was there. They have not found anything where NDOT approved that.

Curtis Calder, City Manager, said if Council chooses to approve this Resolution, similar to the last Resolution, if they could just make the amendment regarding the location to be determined for the actual auction. This is unique compared to other properties in our inventory. This is actually part of the Elko Regional Airport and all lease revenues go to the airport per the FAA. Keep in mind, even though it is an increase in rent, it is only \$19,000 a year and we have spent more than \$10,000 in legal costs to this point on this issue.

Mayor Keener was in favor of this auction and resolution. He called for public comment without a response.

Mr. Calder said the successful bidder can negotiate the fine points of the lease. Not every bidder wants or needs the same things. We can add a clause in the lease that the access is up to the leasee to deal with NDOT.

Mr. Barrows added that the lease expressly say that the lessor guarantees no access to the State Route and it is up to the leasee to deal with NDOT to acquire access and the City authorizes the leasee to do that.

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to accept the annual market rent value of the 8.69 acres of City owned property, generally north of West Idaho Street, APN 006-09G-027, in accordance of the appraisal of Jason Buckholz, and adopt Resolution No. 15-20, which finds it is in the best interest of the City to lease this lot. We also need to amend the location to read, to be determined for the actual auction.**

The motion passed. (4-0 Councilman Schmidlein abstained.)

- C. Review, consideration, and possible action to name field # 3 at the Elko Sports Complex after Ms. Linda Trontel, and matters related thereto. **FOR POSSIBLE ACTION**

The Council reviewed a petition from Ms. Brandi Davis and other community members regarding the possible naming of field # 3 at the Elko Sports Complex after Ms. Linda Trontel on July 14, 2020. Pursuant to the criteria for naming City of Elko Facilities and Parks, staff requested additional public comment from organizations and citizens utilizing the facility. Subject to comments and

information presented during this public hearing, the City Council may take action to name the facility as requested in the petition. JW

James Wiley, Parks and Recreation, explained the process outlined in the policy. We have received 4 comments from the public, all in favor of naming the facility after Linda Trontel. He read the emails into the record (included in packet).

Mayor Keener called for public comment without a response.

**** A motion was made by Councilman Stone, seconded by Councilwoman Simons, to name Field No. 3 at the Elko Sports Complex after Mrs. Linda Trontel, with great honor.**

The motion passed unanimously. (5-0)

IV. APPROPRIATIONS (Cont.)

- A. Review and possible approval of Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Schmidtlein, to approve the general warrants for 2019/2020 and 2020/2021.**

The motion passed unanimously. (5-0)

- B. Review and possible approval of Print n' Copy Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to approve the Print 'N Copy warrants for both 2019/2020 and 2020/2021.**

The motion passed. (4-0 Mayor Keener abstained.)

- C. Review and possible approval of Great Basin Engineering Contractors, Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Stone, to approve Great Basin Engineering Contractors warrants.**

The motion passed. (4-0 Councilman Schmidtlein abstained.)

- D. Review and possible approval of Canyon Construction Warrants, and matters related thereto. **FOR POSSIBLE ACTION**

**** A motion was made by Councilwoman Simons, seconded by Councilman Hance, to approve the Canyon Construction warrants for both 2019/2020 and 2020/2021.**

The motion passed. (4-0 Councilman Schmidtlein abstained.)

COMMENTS BY THE GENERAL PUBLIC

Pursuant to N.R.S. 241, this time is devoted to comments by the public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified as an item for possible action. **ACTION WILL NOT BE TAKEN**

There were no public comments.

There being no further business, Mayor Reece Keener adjourned the meeting.

Mayor Reece Keener

Kelly Wooldridge, City Clerk



Shirley Alen-Kellerman
Business Lending Representative
Rural Nevada Development Corporation
775-900-9036 www.rndcnv.org

July 2020

Who We Are:

The Rural Nevada Development Corporation (RNDC) is a private non-profit doing non-traditional lending in Nevada. We have been in existence for 28 years. Some statistics in that time include a loan portfolio of \$24,000,000 with more than 1,400 jobs created and/or retained in Rural Nevada. RNDC maintains a less than 1% default rate.

General Information:

RNDC can do standalone deals, provide gap financing, do participation loans with conventional lenders and more. The goal is to create or retain jobs and promote economic development. The micro program can be partnered with the regular program. RNDC receives funding from USDA-Rural Development, Economic Development Administration through the US Treasury, SBA-Small Business Administration, as well as individual financial institutions and some state funded programs. We also have established some private partnerships like the most recent one with Nevada Gold Mines.

In Elko County we have done 52 loans totaling over \$4.3 million

Qualifying Components:

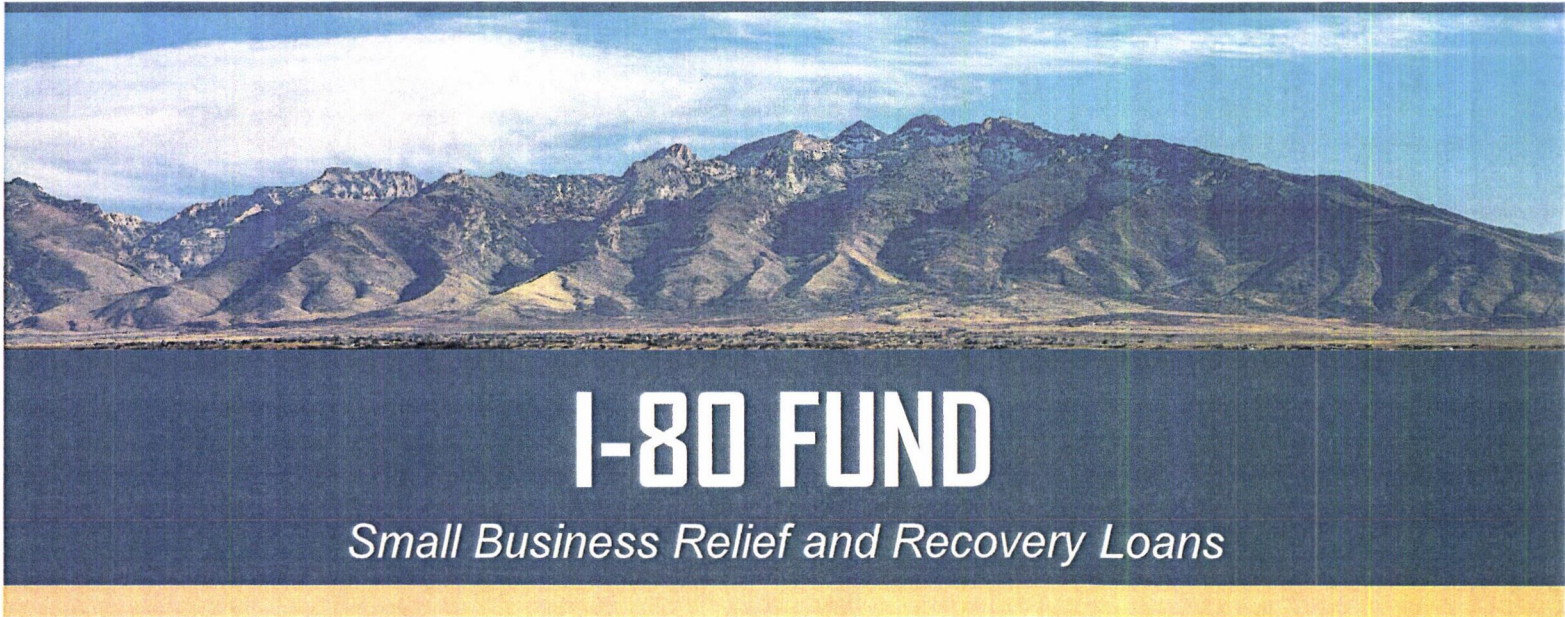
- **Credit:** We do not credit score our borrowers; however, we DO take credit into consideration. This means, we do not just look at the number on the credit score, we dig deeper to see if the client has been on track recently with paying obligations and such.
- **Collateral:** We do require some form of collateral to secure the loan. We don't have to use the collateral for the business if they have other personal assets they are willing to pledge.
- **Business Sense:** Borrowers should have some experience in this field.
- **Amount:** Loans range from \$500 - \$250,000 per project.
- **Rates and Terms:** 6% - 12% depending on degree of risk factors in the deal (i.e. credit, cash flow, collateral, repayment schedules etc.) The term can be amortized up to 25 years (some exclusions). Under our disaster relief and recovery loans, rates are as low as 2%.
- **Applications** are on the website: www.rndcnv.org or we can email it.

Exhibit A

| 4th Quarter 2019-20 | | | | Accumulative since 1992 | | | |
|---------------------|--|--------|---------|-------------------------|---------------|------------------|--|
| | Homes | People | Dollars | Homes | People | Dollars | |
| Housing | Rehabilitations | 0 | \$ - | 71 | 132 | \$ 1,167,340.38 | |
| | Down Payment Assist. | 0 | \$ - | 116 | 391 | \$ 1,343,679.95 | |
| | Weatherization | 0 | \$ - | 729 | 1516 | \$ 2,259,203.49 | |
| | | | | 42 | *Stone Creek | \$ 3,635,571.00 | |
| | | | | 24 | *Woodlands | \$ 1,100,000.00 | |
| Lending | | | | 60 | *Quail Run | \$ 2,800,000.00 | |
| | | | | 8 | Wells Village | \$ 970,000.00 | |
| | Total Housing Dollars | | \$ - | | | \$ 13,275,794.82 | |
| | Business Financed | 0 | \$ - | | 52 | \$ 4,340,153.16 | |
| | Jobs Created | 0 | | | 103 | | |
| Business Counseling | Jobs Retained | 0 | | | 241 | \$ 10,320,000.00 | |
| | Income Injection | | \$ - | | | | |
| | Number of Clients Counseled (Since 2018) | 1 | | | 5 | | |
| | Total Lending Dollars | | \$ - | | | \$ 14,660,153.16 | |
| | | | | | | | |
| Total Contributions | SERVICES CURRENTLY PROVIDED BY NSBDC 775-784-1717 | | | | | | |
| | Housing Dollars | | \$ - | | | \$ 13,275,794.82 | |
| | Lending Dollars | | \$ - | | | \$ 14,660,153.16 | |
| | Economic Development | | \$ - | | | \$ - | |
| | Total County Contributions | | \$ - | | | \$ 27,935,947.98 | |

* *Contribution consists of partnerships and development groups.*

***The accumulative number of homes and people are understated due to reconveyances not in the computer. Once these numbers are entered into the system, they will be update. The dollar amounts are correct.**



I-80 FUND

Small Business Relief and Recovery Loans

FOUNDED BY NEVADA GOLD MINES

Support for small businesses in rural northern Nevada
negatively impacted by the COVID-19 pandemic

WHO IS ELIGIBLE

Small businesses located in Humboldt, Lander, Eureka, and Elko counties in operation prior to January 1, 2020

LOAN INFORMATION

Small business loans ranging from \$5,000 to \$100,000 with a fixed interest rate of 2%

FOR MORE INFORMATION ON HOW TO APPLY

WWW.RNDCNV.ORG

Shirley Alen-Kellerman • shirley@rndcnv.org • (775) 900-9036

RNDC is an Equal Opportunity lender and does not discriminate on the basis of age, race, sex creed, or disability. RNDC is a non-profit 501(c)(3).

Mayor Reece Keener

July 24, 2020

Reece, I am emailing you since the Market Rent Estimate by CBRE, Inc. was addressed to you as Mayor, City of Elko. This appraisal references the 8.69 acres of land which ESM 2, LLC is currently leasing from the City of Elko and which we want to bid on at the public auction in August. In reviewing the rental appraisal, I am concerned with one item particularly as it appears to be incorrect as to what the City of Elko has told ESM 2, LLC regarding the usage of the said property, as follows:

1. City of Elko Resolution 07-20, Paragraph 5 states, "*WHEREAS, the Property does not have legal access to the Nevada Department of Transportation right-of-way known as West Idaho Street and SR 535; and . . .* signed by you as Mayor.
2. Elko City Council Agenda Action Sheet Created on 2/2/2020, Item 5, which states:
Background information: On June 20, 2005 the City and Canyon Construction entered into a land lease identified as APN 006-09G-027. The term of lease is 15 years beginning on July 1, 2005 and terminating at midnight on June 30, 2020. Additionally, the Nevada Department of Transportation notified the City on August 25, 2016 and October 27, 2016 that the approach utilized for access to the property was not a legal approach and presented safety concerns due to the proximity to an abutting legal approach. SAW

I responded to both of these statements, which are really one and the same, in an email to Scott Wilkinson on March 9, 2020 which basically stated the original lease included the access to SR535 and at no time during the term of our lease with the City of Elko were we notified by the City of this issue that we had no access to SR535.

This being said, brings me to my concern regarding this rental appraisal of the 8.69 acres prepared by Jason Buckholz, Senior Appraiser, page 6:

COMMENTS/CONCLUSION

The site is adequate in terms of size and utility to support a variety of industrial uses yet has limited street frontage and access. However, the site features I-80 visibility.

Mr. Buckholz is stating that "*The site . . . has limited street frontage and access.*" Which appears to contradict what the City of Elko has stated above. It is apparent that Mr. Buckholz was not advised by the City that NDOT notified the City '*that the approach utilized for access to the property was not a legal approach and presented safety concerns due to the proximity to an abutting legal approach.*'

In addition, Page iv states,

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment -specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."¹

Mr. Buckholz's appraisal includes 'access' which makes the property more valuable. If the Nevada Department of Transportation says there is no legal access than the appraisal contains '*assumptions which are false*' then the property has less value.

Exhibit B

ESM 2, LLC requested the City renew the lease with ESM 2, LLC for the 8.69 acres, and the City of Elko requested an appraisal per NRS, we question that by the omission of information to the appraiser that the appraisal is inaccurate and on the high side for property that is land locked and has no access according to the City of Elko and NDOT.

I am requesting that the appraisal be reviewed and corrected for accuracy.

Per the above, the City Council Agenda for Tuesday, July 28, 2020, Item VII, B

Discussion and possible motion determining that the annual market rent value of CRBE, Inc. appraiser, and possible adoption of Resolution No. 15-20 . . .

The adoption of the resolution may be premature as the appraisal states access and the City and NDOT says there is no access.

In addition, in an email to Cathy Laughlin dated Wednesday, July 1, 2020, 10:13 AM, I requested "to see the final agreement the City would have the successful bidder for the property sign . . ." As I stated in that email, any bidder would want to see the agreement BEFORE bidding on any property. As of this date, I have NOT received that agreement. If you would ask the City to provide that agreement as soon as possible I would appreciate it.

I hope you understand my concerns regarding the value of the appraisal and the contradictions between the appraisal and the statements of NDOT and the City of Elko.

Scott A. Wilkinson

From: Scott A. Wilkinson
Sent: Monday, July 27, 2020 11:53 AM
To: Buckholz, Jason @ Reno
Subject: RE: West Idaho Property Access

Jason,

Thank you for the clarification.

Scott A. Wilkinson
Assistant City Manager
775.777.7211
sawilkinson@elkocitynv.gov

From: Buckholz, Jason @ Reno <Jason.Buckholz@cbre.com>
Sent: Monday, July 27, 2020 11:42 AM
To: Scott A. Wilkinson <sawilkinson@elkocitynv.gov>
Subject: RE: West Idaho Property Access

Probably not much, if any. A parcel cannot be denied access, therefore an easement would be obtained one way or another from one of the surrounding parcels.

Jason Buckholz | Senior Appraiser
CBRE | Valuation Advisory Services
6900 S. McCarran Boulevard, Suite 3000
Reno, NV 89509
T 775 823 6931 | F 775 356 6181 | C 775 842 2530
jason.buckholz@cbre.com | www.cbre.com

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From: Scott A. Wilkinson <sawilkinson@elkocitynv.gov>
Sent: Monday, July 27, 2020 11:26 AM
To: Cathy Laughlin <claughlin@elkocitynv.gov>; Buckholz, Jason @ Reno <Jason.Buckholz@cbre.com>
Subject: RE: West Idaho Property Access

External

Jason,

Exhibit "C"

If NDOT and or the City determined there was not a prescriptive access would that change your valuation for the lease rate?

Thank you,

Scott A. Wilkinson
Assistant City Manager
775.777.7211
sawilkinson@elkocitynv.gov

From: Cathy Laughlin <claughlin@elkocitynv.gov>
Sent: Friday, July 24, 2020 10:51 AM
To: Buckholz, Jason @ Reno <Jason.Buckholz@cbre.com>
Cc: Scott A. Wilkinson <sawilkinson@elkocitynv.gov>
Subject: West Idaho Property Access

Jason,
You provided us an appraisal for market rent value and you state in the appraisal that there is limited access. Can you confirm that by limited access you accounted for no access to West Idaho Street due to the uncertainty from NDOT? By stating limited access, are you confirming that access is limited from adjacent properties?

Cathy Laughlin
City Planner

(775)777-7160 ph
(775)777-7219 fax
claughlin@elkocitynv.gov

City of Elko
1751 College Avenue
Elko, NV 89801