

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

SS December 10, 2013

The City Council of the City of Elko, State of Nevada met for a regular meeting beginning at 4:00 p.m., Tuesday, December 10, 2013.

This meeting was called to order by Mayor Chris Johnson.

NOTE: The order of the Agenda has been changed to reflect the order business was conducted.

Mayor Present: Chris J. Johnson

Council Present: Councilman John Rice
 Councilwoman Mandy Simons
 Councilman Reece Keener
 Councilman Robert Schmidlein

City Staff Present: Curtis Calder, City Manager
 Delmo Andreozzi, Assistant City Manager
 Dawn Stout, Administrative Services Director
 Shanell Owen, City Clerk
 Dennis Strickland, Public Works Director
 Ryan Limberg, Utilities Director
 Scott Wilkinson, Development Manager
 Jay Paxon, Environmental Coordinator
 Matt Griego, Fire Chief
 Jeremy Draper, Civil Engineer
 Doug Gailey, Human Resources Manager
 Ben Mangeng, Information Systems Manager
 Karen Walther, Animal Shelter Manager
 Rick Magness, City Planner
 Ted Schnoor, Building Official
 Ben Reed Jr., Police Chief
 Ty Trouten, Police Lieutenant
 Rich Genseal, Police Lieutenant
 Mark Gibbs, Airport Director
 Dave Stanton, City Attorney
 Debbie Henseler, Business License Technician

ROLL CALL

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**

There were no public comments.

APPROVAL OF MINUTES: November 26, 2013 **Regular Session**
FOR POSSIBLE ACTION

November 19, 2013 **Special Session**
FOR POSSIBLE ACTION

The minutes were approved by general consent.

I. PRESENTATIONS

A. WRF Aerotor Project Update –

JD Simmons, Forsgren Associates, gave a presentation (Exhibit “A”).

Ryan Limberg, Utilities Director, said the reasons for delay are the original concrete submittal did not pass and they had to resubmit. That cost us about 40 days delay. The Aerotor assembly was not factored into the bid so they are looking for 16 days for assembly. The contractor feels the low temperatures last year cost them 31 days and now more days due to winter weather. There is a \$2,000 a day provision for liquidated damages. The City intends to hold or retain that money as stated in the contract. Unresolved items such as the aerator assembly; we feel those items were adequately addressed in the bid docs. We will continue to attempt to resolve those issues but those may come back to council for a final decision if needed.

Councilman Keener asked if the delays have cost the city anything.

Mr. Limberg answered there were some electrical concerns early on. We will be looking at project manager’s time, the engineer’s time and since their cost was originally for 365 days and those need to be factored in. We wanted to have the new upgrade on line now. There are some additional costs but we haven’t clearly defined them just yet.

Councilwoman Simons asked when are you planning on putting the project online.

Mr. Simmons answered the current schedule for the October update shows a final completion of April 14, 2014.

Mayor Johnson asked if the contractor has been notified that they are behind the contract scheduling.

Mr. Limberg answered yes he is working on drafting a letter and it has been brought up in prior meetings as well. There has been prior notification.

B. Exit 298 Artisan Agreement Update

Mr. Limberg gave a presentation (Exhibit "B").

Councilman Schmidlein asked with the \$450,000 you are talking about roadways subgrade work and culverts or just strictly subgrade work.

Mr. Limberg answered the money would be for culverts and one-half of the grading and a portion of the engineering cost and the construction staking cost. That would be pulling out the roadbase and leaving the other costs in there. We are looking at eliminating as much of the roadbase work as we can. He continued with his presentation.

Pam Borda, NNRDA, gave a presentation (Exhibit "C").

Mr. Limberg finished his presentation. The sales tax doesn't pay back our waterline fund. The connection fees in the Enterprise Fund are used to pay back that waterline.

Councilwoman Simons asked if Mr. Limberg had looked at the new grant software to see if there are any feasible grants that could come into play.

Mr. Limberg answered that they have discussed the 595 grant as a possibility. There may be some other possible funding possibilities.

Pam Borda said she looked into catalyst funds. With those you would have to tie actual jobs to it but they cannot do that. She also considered CDBG funds as well. A 3rd option is bonding.

Travis Gerber, Attorney, representing Artisan, said this is an important project and will allow the city to capitalize on Exit 298 to encourage businesses to come into the City limits and relocate here. It is even more ideal than the Railport or Carlin. This would benefit the City and the entire area with new jobs and wealth. The project would fulfill the city's commitment to Artisan. The proposed development agreement would allow the City to connect to the new city well that has already built at this site. The development agreement would allow for the construction of Cattle Drive. They encourage the city to continue to work on this to help close the funding gap. If they do not receive approval soon they may not continue. They need this as a top priority.

Councilman Rice said the city has already committed \$1.5 million to this project. We are looking for a way to come up with another \$900,000. He wants development at Exit 298 but we are going to need to see Artisan coming towards us as we are moving towards them, as well. That is going to be key to this happening.

II. APPROPRIATIONS

B. Review and possible approval of a Real Estate Commission & Listing Agreement with Kimberly Owen, Vice President, NAI Alliance for the payment of a

commission upon the successful leasing of property located at the Elko Regional Airport, and matters related thereto. **FOR POSSIBLE ACTION**

803 Murray Way commonly referred to as the old terminal building, is currently unoccupied after Four Square Church vacated the property in August of 2013. The Building Department has informed the Airport that the 803 Murray Way building no longer meets current codes and requires approximately \$300,000 in upgrades before they will allow a building occupancy certificate. The code issues address provisions in fire suppression, and Americans with Disabilities access. The building built in 1970, also requires significant remodeling to repurpose. The airport enterprise fund does not have the available capital to make these improvements and knows that an empty property of this size is a long term maintenance liability. NAI Alliance has agreed to assist in marketing the property for lease. The “as-is” leasable rate per square foot for the building would be in the range of \$0.20-0.25. A market ready rate for the building would lease at a per square foot price of \$1.50-2.00. The listing commitment between the City of Elko and NAI Alliance on the property at 803 Murray Way would be 12 months. MG

Mark Gibbs, Airport Director, explained currently the building is unoccupied. That is not a good thing. Leaving it unoccupied it then becomes long term liability. The building is heated. This is a good location and Mr. Gibbs recommended that the City work with NAI to find a possible tenant. It is about 8,000 sq. ft.

Councilman Schmidlein asked how does it work when an occupant moves out of building. Does it automatically need an upgrade before a new tenant can move in?

Ted Schnoor, Building Official, answered if it is an existing building and the occupancy and use of that building remains the same then it can remain as is. Once you change the use or occupancy of that building then it needs to come into compliance and that is what they are looking at.

John Carpenter asked does this mean that if he wanted to pay .25 cents a square foot and improve the building then he can use it for 25 years.

Mr. Gibbs answered the airport would then negotiate. The airport is a unique facility for a city. They outlast retail malls and pretty much any other land use. If you lease the property for 25 years the lease provisions would have increases and adjustments in the price like we have done with other long-term ground leases. The cost won't be .25 cents 25 years from now.

John Carpenter noted that over 25 years you would receive \$525,000 and would have to pay a commission of \$26,250. If you got a short-term loan on it for four years and fix it up yourself you may not get \$2.00 or \$1.50. He felt it would be better for the city to invest a little bit and make some money on the thing.

Mr. Gibbs said this project is not a high priority for the City at this time.

Kimberly Owen, NAI Alliance, said \$1.50 to \$2.00 is an achievable lease rate. They would capture any leads that came in whether developer or tenant.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to approve a commission agreement with Kimberly Owen of NAI Alliance for the payment of commission upon successfully leasing property located at the Elko Regional Airport; commission in the amount of 5% of the total lease value, payable in cash at lease execution.**

The motion was withdrawn.

There was some discussion about the lease agreement and it was discovered that a page was missing from the packet.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to table the discussion until the scheduled special meeting on December 17, 2013.**

The motion passed unanimously. (5-0)

C. Review, consideration, and possible approval of a revised agreement between the City of Elko and Dr. Anele Kandawasvika, for the provision of part-time veterinary services, and matters related thereto. **FOR POSSIBLE ACTION**

The Local Animal Shelter Support Organization (LASSO) wishes to continue funding additional veterinary services at the Dumke-Weeks Spay/Neuter Clinic, located at the City of Elko Animal Shelter. As such, the City of Elko will act as a pass-through entity, receiving funds from LASSO and disbursing funds to Dr. Kandawasvika. A copy of the proposed agreement has been included in the agenda packet for review. CC

Curtis Calder explained this is a basic agreement that was approved last year. It expired November 15th. It is the same agreement as was previously approved. We compensate Dr. A and then we are reimbursed by LASSO for those funds. Staff recommends approval as drafted.

Councilman Schmidlein said he didn't have a copy of the agreement in his packet and wasn't sure what he would be approving.

Mr. Calder offered to look through the packet to see if it had been put in the wrong section. He found the agreement and made copies for everyone.

Council moved on to the next agenda item until copies of the agreement could be handed out.

**** A motion was made by Councilman Schmidlein, seconded by Councilwoman Simons, to table this agenda item.**

The motion passed unanimously. (5-0)

D. Review, consideration, and possible approval to purchase five (5) fully equipped patrol vehicles through the Nevada State Purchasing Program, and matters related thereto. **FOR POSSIBLE ACTION**

As a political subdivision of the State of Nevada, the City of Elko is able to utilize the State of Nevada Purchasing Division for equipment and fleet acquisition. This acquisition has been included in the Fiscal Year 2013/2014 Budget. BR

Chief Reed explained this item was budgeted for this year for the purchase of five new patrol vehicles and one unmarked vehicle. The unmarked vehicle has been purchased already leaving a balance of roughly \$275,000 left in that line item.

Councilwoman Simons asked what vehicles are you looking to get rid of.

Chief Reed answered that some cars were already disposed of in the auction. We may be trying to keep two or three that are old for special occasions. We find ourselves running short on vehicles. We just had one totaled this weekend.

John Carpenter asked what is the savings through the state rather than the local dealers.

Dennis Strickland, Public Works Director, said he doesn't have an exact number. They have tried to get local bids and sometimes don't get that. The cars come fully equipped and that is the plus instead of tying up our shop mechanics. This has worked very well for us. The amounts are very competitive. The state has already conducted the bidding.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to authorize staff to purchase five fully equipped patrol vehicles from the Nevada State Purchasing Division.**

The motion passed unanimously. (5-0)

- E. Review, discussion, and possible action regarding the ranking and selection of alternative Police Department Facility locations and/or facilities, as presented by Lombard-Conrad Architects, and matters related thereto. **FOR POSSIBLE ACTION**

The City Council reviewed alternative Police Department Facility locations on August 13 & 27, 2013. Although no selection was made at that time, Staff was directed to draft a new Request for Information and re-advertise for proposals. Proposals were due November 1, 2013.

Lombard-Conrad Architects assisted in the development of the proposal criteria and the evaluation of alternative locations and/or facilities. Copies of the Request for Information (RFI) and the submitted proposals have been included in the agenda packet for review. Additionally, Lombard-Conrad representatives will be present at the City Council meeting to discuss their findings and recommendations. CC

Mayor Johnson disclosed he has a business association with one of the entities that has provided a proposal for the Police Station. He abstained from the discussion and vote. Another council member may abstain. If another member abstains then this action item could be approved with 2 members.

Councilman Schmidlein disclosed he is a partner with Canyon Construction and they have submitted a proposal. He abstained from the discussion and removed himself from chambers.

Councilman Rice took over the meeting as Mayor Pro Tempore.

Curtis Calder, City Manager, explained Byron Smith will be giving a presentation first. All of the proposals were included in the packet so everyone should have had a chance to review them.

Byron Smith, Lombard Conrad Architects, explained the City reissued a Request for Proposals (RFP) in October. There were three scenarios that were asked for under this request. One was to purchase a suitable undeveloped site for constructing a single police building. The second option would be the city purchasing an existing building that can be developed and adapted for police department reuse. We did not receive any proposals under that scenario. The third option was for the city to lease to purchase an undeveloped site that and a single police building in accordance to the documents that were provided by Lombard Conrad Architects. We received a total of five applications/proposals and each is different. He indicated on a map where each site was located, including the Kittridge Canyon site. He went over each site separately as follows:

1. The Silver Street Business Park submitted by the Capps Group. This option has two different sites right next to each other. Both sites are 3 acres with access off Silver Street. These are adequate site areas and they meet all the department's present needs. Required utilities are at or near the site. The site is being raised to get out of the FEMA flood plain. There is an option for geothermal access using the Stitzel Ponds for waste water. The proposal reflected prevailing wages. There are some overhead power lines.

2. Geothermal Industrial Park site submitted by Geothermal Partners. This site is located behind the existing Barrick building and the existing County Jail. The access is good off Main Street and there is another proposed access off Silver Street. It is centrally located between the Airport and City Hall. This is an adequate site and meets all requirements. It does have geothermal heating available. There are multiple purchase and lease options that have been offered by the applicant. The building is proposed to be raised above the flood plain. We need clarification on value engineering suggestions made in the proposal. The lease rate proposed is subject to a rate increase every three to five years.

3. 12th Street Associates proposed a location at 12th Street and Opal. Site development is ongoing on part of the site. The location is average with good visibility off 12th Street. The site is adequate to meet all the requirements. The utilities are at or near the site except for fiber optics. The lease rate is subject to change every five years and is tied to interest rate increases. There are apartments nearby. The site didn't indicate any type of impound yard but there is enough extra space on the site to accommodate that.

4. Elko Junction at Meridian Pacific located along Connolly Drive. We consider the location to be average with good visibility and good access. It meets the needs of the department but expansion would be a challenge due to the drainage channel. It is in a busy area. There is no fiber optics available at the site. The lease rate will increase every 3-5 years.

5. Submitted by Robert and Susan Black located on North 5th Street. We did not rank this on the scoring matrix because this is the only option to sell the site without building a building. It is adjacent to property the City owns and didn't feel it made sense to purchase additional property next to a site that the City already owned and was already analyzed previously.

He had a scoring matrix based on certain criteria. It comes down to the cost on each development.

Councilman Keener asked if the facility is built on city owned land, does that trigger prevailing wage if it is privately financed.

Mr. Smith wasn't sure. The site behind the Convention Center is owned by the Convention Center. Can a private developer come in and build on that and not pay prevailing wages? We don't know.

Dave Stanton, City Attorney, said these are going to be project specific and so we would need to know the details of the proposal to be able to see if prevailing wage applies or not. Sometimes it is a close call on these types of developments.

Councilwoman Simons asked in reference to the Geothermal site, the cost of the site less to buy the land is \$700,000. The cost of the building; do they want us to build or do they want us to lease it?

Mr. Smith answered they give a couple of different options. One was to purchase the site for \$700,000; 2) to lease the site with a purchase at end which would amount to \$1.325 million; 3) to lease purchase; 4) build to lease \$7.8 million plus yearly maintenance costs.

Councilwoman Simons asked regarding Silver Street, we can buy the land for \$315,000 and then we can pay them the \$4.6 million and we would own the building as well. There would be no leasing or yearly fees on that? (yes)

Mr. Calder said he received a question from a councilman regarding the Union Pacific property located near W. Idaho and Silver Street that is currently a vacant lot. He reached out to Union Pacific to find out the status of that property and the railroad would lease the property and currently it is under lease for 35,000 sq. ft. of the land. That location would have geothermal heat however, the rate wouldn't be too bad but the lease would have a 30 day termination clause. This is for every lease for Union Pacific property.

Chief Ben Reed said they looked at these options from their standpoint and they have talked and discussed the various locations and options and they chose the CAPPs site as their first choice.

Councilman Keener asked if the staff selection was independent of the LCA report.

Chief Reed answered it was. They made their decision before he talked to Mr. Smith

Mayor Pro Tem Rice noted that the officers are not typically responding from the Police Department.

Chief Reed said typically the officers are already out. Occasionally there are calls that come in at shift change. If there is a significant emergency then officers inside the building will also be dispatched. We look more at compatibility with the neighborhood, safety and the perimeter.

Councilwoman Simons asked if any of these were to the point where if we took a couple years to build out that we could pay for it and not have to finance. Are we in a position to do that with any of these?

Mr. Calder answered even under the Kittridge Canyon scenario (which would be the least expensive scenario) you would have to save the amount and that could take a minimum of three years. You may be able to set aside a million a year and that could set that project out another three years. Since there is a sense of urgency to get the facility built we could look at existing tax rates in place. We could reallocate the existing funds to finance the balance of the project. He discussed some funding/bonding options, including selling the current building to help off-set the costs.

Mayor Pro Tem Rice asked if it was possible to dispose of the Kittridge Canyon property and use those revenues to help off-set some of the costs.

Mr. Calder answered the money can go towards this project. The School District has expressed an interest in purchasing that property. No idea on an estimate of the value of that property. Bond rates are as low as they will ever be so it is a matter of the direction that the Council wants to go.

Pat Walsh, CGA Architects representing the Geothermal Industrial Park proposal. They have a concern about the 3rd criteria. He questioned why that criterion put them into second place and why it is superior to the geothermal requirement. Retention for the geothermal is already in place and it doesn't have to be on the site. Fill material can be mitigated. It is in the floodplain and they know what will be required and most of the fill they need is already on the site.

Robert Capps, CAPPS Group, said they would be doing a Silver Street extension as part of this project. The fill to be used is on site. They are prepared to break ground in the spring. Their cost was with prevailing wage. They have suggested all along that the most cost effective way is to own the property from day one. Municipal financing is so much cheaper than what they can get. They have offered a first right of refusal for additional space if needed. This land price is for a finished site cost. Whether or not this becomes a public works job depends on the deal itself.

Councilman Keener asked according to the exhibit, yours is the only proposal that does not include lease escalators.

Mr. Capps answered yes. If the city wants an option to purchase the property, you need to pick out the option time on the front end so we can customize the financing.

Mayor Pro Tem opened up the discussion for public comment.

Pedro Ormaza, 777 Elm St., said he didn't know there was geothermal on Silver.

Mayor Pro Tem Rice explained it is a disposal line that heads out in that direction. It is still at least 120 degrees.

Mr. Ormaza asked if the developer would develop both sides of Silver Street.

Mr. Calder answered typically the developer will only develop his side of the frontage but that may be open to negotiation.

John Carpenter said he wanted to muddy the water more. If you are going to build this on City land you could go out there by the airport where the National Guard was going to go. Maybe even go up the food-chain and see if Union Pacific will donate that piece of land to you. The city needs to look at other alternatives. In his opinion a bond issue will not pass.

Mayor Pro Tem Rice closed the public comments and asked Council if they had any further questions or discussion.

Councilwoman Simons felt it would be wise to look at the options and say in six or seven years they are done with it and we own it. Most of the sites, the location is feasible and need to look at the cost. She was not in favor of a 20 year payment plan.

Mayor Pro Tem Rice felt they should narrow this down. He agreed that a 20 year lease is not something that they want to get into but they do not have the cash in hand. If they narrow it down to a couple of prospects and then they get more details from the developers on the financing. They need to make significant progress on this and they cannot let the police force remain in that building for much longer. They could make a single recommendation. Narrowing it down to 2 is probably the thing to do.

Mr. Ormaza recommended that they allow the submittals an hour to give a presentation and refine their numbers and their proposals. Give them all one more chance.

Councilman Keener said he was in favor of narrowing it down to two. They put their best numbers forward to begin with. If they keep everyone in the game then they are not making progress.

Mayor Pro Tem Rice liked the idea of moving forward with two of the proposals and then have them come back for another presentation.

**** A motion was made by Councilman Keener, seconded by Councilwoman Simons, to that Council select as finalists for the new Police Station headquarters: Silver Street Business Park, CAPPs Group and the Geothermal Industrial Park.**

The motion passed. (3-0 Mayor Johnson and Councilman Schmidlein abstained.)

After the vote Mayor Pro Tem Rice said we need to give staff direction to work with the two finalists to come back with a proposal and be given a time limit to give the proposal at the first meeting in January. It was decided to have a special meeting on January 7, 2014 at 4:30 p.m.

BREAK

III. UNFINISHED BUSINESS

- A. Review and possible selection of an engineering firm to provide engineering services at the Elko Regional Airport, and matters related thereto. **FOR POSSIBLE ACTION**

The current Professional Services Agreement for engineering services at the airport expires December 23, 2013. However, Kimley-Horn, the current airport engineer, will finish out two remaining awarded AIP projects that were scheduled to commence in the summer 2013 during the last year of their contract period. These two AIP grant projects never began due to a very late FAA award date. Kimley-Horn will complete the remainder of their engineering services on FAA Airport Improvement Program Grants #3-32-0005-043 & #3-32-0005-042 which were initiated during their contract period.

The airport has been coordinating a selection process for airport engineering services for the next five year period as required under FAA Advisory Circular 150/5100-14D. The Airport selection committee held interviews on November 15, 2013 and interviewed four engineering firms: Kimley-Horn and Associates, Inc., J.U.B. Engineering, CH2MHill, and Jviation. The selection committee recommends that the Council select Jviation for the next five year engineering services contract. Upon selection, Staff will negotiate a Professional Services Agreement with the successful firm. This new agreement will be brought back to Council for review and approval. MG

Mark Gibbs, Airport Director, explained the selection committee was unanimous in their recommendation. Jviation is the Wendover consultant and Jviation is willing to assist with air service development at no additional cost. Their headquarters are in Denver, CO and they have an office in Salt Lake City, UT.

Councilman Keener asked if there has been some dissatisfaction with Kimley-Horn.

Mr. Gibbs answered there were a few mistakes but it may have been because of not having an airport director for a while.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to select Jviation for engineering services at the Elko Regional Airport and direct staff to negotiate a Professional Services Agreement which will be brought back to council for review and possible approval.**

The motion passed unanimously. (5-0)

IV. NEW BUSINESS

- A. Review, consideration, and possible appointment of a Council Representative to serve on the Storm Water Advisory Committee (SWAC), and matters related thereto. **FOR POSSIBLE ACTION**

In 2012, members of the Storm Water Advisory Committee (SWAC) recommended Council to approve revised bylaws. The request was intended to enable the committee to perform its work more effectively, and in a timelier manner. Council approved the revised bylaws on August 28, 2012. One of the changes requires that Council appoint one of its own members to serve on the SWAC. During the past two years former Councilman Rich Perry served as the

City Council representative. Mr. Perry's recent resignation from Council requires that Council appoint a Council member to fill the open position. JP

Jay Paxson, Environmental Coordinator, explained the bylaws that were re-written and approved by council last year specified that council needs to appoint someone to sit with them and help them make decisions.

Mayor Johnson noted that Councilman Keener has expressed an interest.

**** A motion was made by Mayor Johnson, seconded by Councilman Rice, to appoint Councilman Keener to the Storm Water Advisory Committee (SWAC).**

The motion passed unanimously. (5-0)

- B. Review, consideration, and possible approval to authorize Staff to submit a letter of request to the Regional Transportation Commission (RTC) of Elko County for funding of a traffic signal at the intersection of Errecart Boulevard and Silver Street, and matters related thereto. **FOR POSSIBLE ACTION**

The City of Elko contracted with Solegui Engineering to conduct a traffic warrants study and the City conducted their own independent traffic counts in this area in the summer and fall of 2012. Both studies depict that a traffic signal is warranted at this intersection. The estimated cost of the signal is approximately \$275,000.00. Staff is proposing the City fund half of the cost and RTC Fund the remainder of the project cost. Staff would draft a letter, on behalf of the City Council, requesting funding from the RTC safety fund, as Silver Street is a regional roadway and is eligible for RTC funding.

This item is not currently budgeted and will need to be considered in the FY 2014/15 Budget. The RTC meets on a quarterly basis and this request would need to be considered during the January 2014 meeting, in order to receive possible funding. If funding is not allocated in the FY 2014/15 Budget, Staff will ask to be placed on the agenda of the subsequent RTC meeting to provide them with the project's status. DS

Dennis Strickland, Public Works Director, explained due to the scheduling of the meetings for RTC we would like them to consider this. If we are not able to get it budgeted for in our budget this year we would simply go back and rescind our request to the RTC.

Councilman Rice disclosed he is a member of the RTC Board as the City Liaison.

Councilman Keener disclosed he owns property on that intersection. He didn't think there was anything to be gained financially.

**** A motion was made by Councilman Schmidlein, seconded by Councilwoman Simons, to authorize staff to draft a letter of request for funding of a traffic signal at the**

intersection of Errecart Boulevard and Silver Street to the Regional Transportation Commission.

The motion passed unanimously. (5-0)

- C. Review, discussion, and possible approval of the transfer of Airport Hangar L4 Lease from A.K. Diversified, LLC to Kraus Enterprises, LLC, including approval of the appropriate "Consent to Assignment and Assumption of Airport Hangar L4 Lease Agreement," and matters related thereto. **FOR POSSIBLE ACTION**

The City of Elko has been notified that Hangar L4 was recently sold. The appropriate consent agreement, transferring the land lease, is included in the agenda packet for review. MG

Mark Gibbs, Airport Director, explained Mr. Kraus was present to answer any questions.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to transfer the Airport Hangar lease agreement for hangar L4 to Kraus Enterprises, LLC and approve the assignment and assumption agreement.**

The motion passed unanimously. (5-0)

- D. Review and possible action to accept a Letter of Intent (LOI) from Jon Bailey, on behalf of Northeastern Nevada Regional Properties LLC (NNRP) and Dr. Douglas Debenham, regarding a proposal to purchase approximately 6.9 acres of City owned property under the economic development exclusion, which is located generally southeast of Errecart Boulevard approximately 470 feet west of Lamoille Highway (S.R. 227) (a portion of APN 001-770-004), and to direct Staff to acquire an appraisal, and matters related thereto. **FOR POSSIBLE ACTION**

The parcel in question is listed in the City of Elko Land Inventory as available for sale. The property is approximately 60.75 acres and is zoned PC (Planned Commercial). An LOI is enclosed outlining economic expectations. If the City accepts the LOI, an appraisal must be acquired and a subsequent public hearing to confirm the fair market value must be held. Pursuant to NRS 268.063, the Council must adopt a resolution which finds that it is in the best interest of the public to sell property without first offering it for sale to the general public under the economic development exclusion. Upon confirmation of the fair market value and adoption of the resolution, the City may then enter into sale negotiations with NNRP and Dr. Debenham. RM

Rick Magness, City Planner, explained a representative was present in the audience. The location of the parcel was indicated on the overhead screen.

Delmo Andreozzi, Assistant City Manager, said when this property was parceled off, there were a number of agreements and there is an intersection agreement that would require the City to reimburse \$75,000 to PHC, LLC if we sell or lease property that we own in this area. Some research needs to be made on this especially since PHC, LLC doesn't own the hospital anymore.

Mayor Johnson disclosed he has provided a bid for Bailey's company for radiant floor heat and also worked for his company in the past. In this case he wanted to just disclose and still vote in the matter and render an objective opinion as a reasonable person.

Councilman Keener said we do move forward to direct staff to acquire a bid on this, nothing kills a deal like time. He has seen long delays getting commercial appraisals. He would like a period of performance to have the appraisal completed within 60-90 days.

Mr. Calder said typically when we look at a land purchase we inquire with several different appraisers to see if they are available and see what the cost is and the time frames. We let the applicant make the decision since they are going to be paying for it. In the past the applicant with choose the least expensive but that is the one that takes the longest to get back. Ninety days is reasonable and given the status of the market, more appraisers are willing to come to Elko. We are not aware of any commercial appraisers in Elko at this time. The city owns two parcels along Errecart. If the council chooses to parcel off the larger parcel that is going to be an action the City Council will have to take separately and modify the land inventory. We would be asking an appraiser to appraise the parcel as if it was already parceled.

Councilwoman Simons asked is the economic development exclusion the same thing we did for the land across from the Smith's center.

Mr. Calder answered it is. The city has done this twice before. We will have to come back with findings in order to meet that exclusion.

Mr. Andreozzi said that Mr. Limberg brought to his attention that there may also be some sewer line credits that also need to happen. Not all of this can be served with water. The lower portion can.

Pedro Ormaza, 777 Elm Street, said he owns the Golden Health Clinic and he thinks the city needs to follow what the city has always done because he may be interested in buying property over there as well. For the City it is better that it is put up for sale and then receive at least the appraised value and maybe more.

Jon Bailey, 1250 Lamoille Hwy, said they have spent time with staff on finding a location that would work with their plan. The economic development is important in this instance in order to be able to move forward. This would be a regional cancer treatment facility. This would be a real community benefit. Dr. Debenham has strong ties to the community and extensive family here.

Dr. Doug Debenham explained he is a Board Certified Radiation Oncologist. He has a brother living in Spring Creek; the Bailey's are in-laws; and an uncle and a cousin that own property in the area. He met with the CEO of the hospital and heard stories of people that have to go to SLC and Reno and Idaho to get radiation treatment. The hospital is willing to partner with him and so is the Huntsman. He would also move to Elko. During radiation treatments, patients can work full or part-time but not if they have to be in another town. Key to make this work would be watching the capital expenditures.

Dave Stanton said the city would need a commitment in the contract to purchase and can't just sell it and then hope it happens. The intent needs to be specific enough to meet the NRS criteria. Council can require that it be what was presented here.

John Carpenter said he supports this request.

Mr. Ormaza noted he has been working with an oncologist for about eight months. They have some design done but no signatures yet. This oncologist is from Atlanta Georgia and he has numerous facilities on the east coast in rural areas.

Dr. Debenham said there is a trend in radiation oncology for entrepreneurial positions. In most cases they are not planning on moving where the treatment center is. They just want to build a portfolio and make a profit. He personally would move here and he has direct ties. He felt that would bring a lot of value to the community and that there may not be room for two treatment centers.

Jon Bailey said the hospital has seen a couple of others wanting to come in and for whatever reason they do not follow through.

Gil Hernandez said the land belongs to the citizens in Elko and they need to follow the rules as the City Attorney explained. It is not fair and we need to be fair to everyone. Just because he wants to live here and has family here, doesn't make him any better than anyone else. They need to abide by the rules already set forth.

Jon Bailey said there is plenty of property here and other doctors could come in also and request the same consideration.

Councilman Schmidlein thought this would be a huge asset and the future is going towards medical.

Councilman Rice said he filled out a survey from the University of Nevada School of Medicine that day. The State of Nevada is ranked 48th in terms of health care provision for the entire state. It is to the point where the Nevada System of Higher Education is looking at including Las Vegas. Rural Nevada is especially challenged in terms of medical care. If we can help with a process that is fair to everyone (which he felt this is) then we cannot be speculating. There is a performance requirement of going this route. It is an emotional one for him because it hits home and he believes they would be stepping in the right direction accepting the LOI.

Councilman Reece asked if there is support for parceling this out and use the piece required for the clinic then can that be raised at a future meeting.

Mr. Calder said the assumption would be that the parceling would happen and would be a condition of the appraisal.

Councilman Schmidlein asked if they go with LOI then solely going with Dr. Debenham or will it come back as appraisal and auction.

Mayor Johnson answered if the City accepts this and goes down that path then it becomes unique to whoever makes the request. The City could put it up for public auction. This proposal is asking that it not go to public auction and they will pay fair market price.

Mr. Stanton said this LOI does not commit the city to the economic development. The city still needs to make the decision of what is in the best interests for the city.

Councilman Keener asked do you have a high degree of confidence that you be able to work out a partnership with Huntsman Institute or another prominent cancer treatment hospital.

Dr. Debenham answered yes it would service the local community well. If they can have a presence would like to have an oncologist for chemo here at least once a week. He has a high degree of confidence.

John Carpenter asked where will the surgery be done.

Dr. Debenham answered his specialty is radiation oncology so no he doesn't do the surgery. Surgery could be done locally unless the surgeons here don't feel they want to do it. He would like to make the commitment and make it happen.

Travis Gerber, Gerber Law Offices, said the way he understands the Letter of Intent (LOI) has been submitted. If council moves forward by ordering an appraisal then it would move it forward and we would find out what the value of that land is. As this process moves forward, if someone else wants to come in they could let the city know of their intentions. The city would need to make a finding that this would be for community benefit. Anyone else with ideas or talking about it would be required to put their ideas to work or step aside and allow the project to continue. By accepting the LOI it would allow the process to move forward and the parties can get more information and bring it back.

**** A motion was made by Councilman Rice, seconded by Councilman Keener, to accept the Letter of Intent and direct staff to acquire an appraisal with 90 days for the appraisal to be completed and bring the item back for public hearing.**

The motion passed unanimously. (5-0)

- E. Review, consideration, and possible action to approve a Memorandum of Understanding (MOU) between the City of Elko and Friends in Service Helping (FISH) to implement the adopted City of Elko Policy, Procedure, and Action Plan for Emergency Cold Weather and other Weather-Related Life Threatening Events, and matters related thereto. **FOR POSSIBLE ACTION**

The City of Elko adopted a Policy, Procedure, and Action Plan for Emergency Cold Weather and other Weather-Related Life Threatening Events, as suggested in a recent report, to address emergency shelter provisions during extreme cold weather.

Staff has been working with a local service provider FISH, to identify a suitable location that could be utilized for this purpose. A predetermined location within

FISH's complex has been evaluated by Staff for possible use as an emergency cold-weather shelter; however, the GI zoning does not support that type of use. The City has initiated a zoning code amendment to possibly enable the establishment and use of such emergency shelters in the C, LI and GI zones via the Temporary Use Permit process. The MOU as drafted does not specify a location and gives flexibility regarding a location; such as a local church, that might otherwise comply with zoning codes. DA

Delmo Andreozzi, Assistant City Manager, explained regarding our Cold Weather Policy, the first thing we needed to do was identify a service provider. We did that and then we needed to identify a location. We ran into some zoning issues. We are working through those issues. We drafted a new MOU and kept the location as a sort of secret. This MOU isn't specific to a location. We have talked about providing cots and transportation but this MOU only requires the city to say that we have sub-zero temperature. This last weekend we had sub-zero weather and another group did provide shelter and the Red Cross provided cots for them. Last night as many as 15 people used that shelter.

Gil Hernandez, VFW, said they let the homeless come into their facility at the VFW. They do not have shower facilities but they received cots and some hygiene kits. They can only do this for 3 nights because they have other contracts to honor. He is pleased the city is stepping up and doing this service.

Mayor Johnson said the Red Cross is a great resource and can assist with many services including cots and mobile units.

Travis Gerber, Attorney and FISH Chairperson, thanked the VFW and supported and encouraged adoption of the MOU.

**** A motion was made by Councilman Keener, seconded by Councilman Rice, to approve the Memorandum of Understanding between the City of Elko and Friends In Service Helping to implement the adopted City of Elko Policy Procedure and Action Plan for Emergency Cold Weather and other Life Threatening Events.**

The motion passed unanimously. (5-0)

V. RESOLUTIONS AND ORDINANCES

- A. First Reading of Ordinance No. 778, an ordinance Amending Title 1, Chapter 5, Entitled "2013 Elections Code Amendment," by requiring the period to declare candidacy to be on the same dates as those established for Statewide General Elections, providing further that the provisions of State Law govern City elections, and matters related thereto. **FOR POSSIBLE ACTION**

Ordinance No. 778 amends the Elko City Code to more closely follow the laws for statewide general elections and provide for uniform procedures that will assist the City Clerk and staff in providing for City elections. SO

Shanell Owen, City Clerk, explained this is a housekeeping item. This changes our City Code to meet the State's designated dates for filing for local offices. We also wanted to clean up the designation of precincts and polling places. The city doesn't make that designation, the county does.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to conduct the first reading of Ordinance No. 778 and direct staff to set the matter for Public Hearing, Second Reading and Possible Adoption.**

The motion passed unanimously. (5-0)

VI. PETITIONS, APPEALS, AND COMMUNICATIONS

- A. Review, consideration, and possible approval of a variance for development in a floodplain pursuant to section 3-8-6 of the Elko City Code, and matters related thereto. **FOR POSSIBLE ACTION**

The developer of 562 Front Street has recently removed an older building and is in the process of submitting plans for a new residential building. Section 3-8-5 of the Elko City Code requires that the finished floor elevation of the building be elevated two feet above the base flood elevation in an effort to reduce the damage potential in the event of a flood. The developer has proposed to construct the finish floor of the building to be at the same elevation as the base flood elevation and is requesting a variance from having to elevate the building the additional two feet above the base flood elevation. JD

Jeremy Draper, Civil Engineer, recommended denial of the variance. In the review of Section 3-8-6 (conditions for variances) they could not find a hardship for this.

Jonathon Flores, property owner, asked how often these codes change. There are 40-50 properties around him that don't meet the requirement at all. He will have to sit on a hill.

Mr. Draper noted those were built prior to the flood maps being adopted by the City of Elko in the 1970's. Those homes from that time forward needed to meet those requirements.

**** A motion was made by Councilman Rice, seconded by Councilman Schmidlein, to deny the application for a variance for development in a flood plain pursuant to Section 3-8-6 of the Elko City Code and the application is for Mr. Jonathon Flores at 562 Front Street.**

The motion passed unanimously. (5-0)

- B. Consideration of an appeal from Ghazal Abbas, Thunderbird Motel, regarding a penalty of \$270.86 for delinquent room tax, and matters related thereto. **FOR POSSIBLE ACTION**

Per City Code Section 4-6-12, "If the transient lodging tax is not paid on or before the fifteenth day of the month in which it becomes due, or if such day falls on a Saturday, Sunday or legal holiday, on the next succeeding day not a Saturday,

Sunday or legal holiday, then the licensee shall pay a penalty of fifteen percent (15%) of the unpaid, due and delinquent transient lodging tax, and the licensee shall also pay the costs of collection of the tax, penalty, court costs and attorney fees.” A letter has been enclosed in the in the agenda packet for review. SO

Ms. Owen explained that the Thunderbird Motel sold August 21, 2013. Debbie Henseler, Business License Technician, worked with Dana Byrd on the new license and explained the procedures for changing the license. Dana Byrd handles room taxes for a couple of other motels in Elko and she is very familiar with the due dates and other procedures. The room tax for the month of August was due on September 15th. Through an email on September 13th, the question was asked if the room tax for the Thunderbird Motel could be paid on Monday the 16th. The answer back was yes. The city received payment for the Thunderbird Motel on September 23rd. The late fee of \$270.86 was included. The payment was received through a wire transfer from the same company that pays numerous other motels for room tax and the same one that Ms. Byrd takes care of. The due date was very clear. In the past the city has not waived penalty fees as noted in the back up information provided to the council. We have Cheryl Henning representing Ghazal Abbas (Exhibit “D” is a letter from Ghazal Abbas) is present.

Cheryl Henning, General Manager Thunderbird Motel, explained she was representing Ghazal Abbas. Ms. Abbas was not aware about the transient tax and was hoping that council would waive the penalty fees. Ms. Abbas is a first time owner of a motel and is living in Texas.

Councilwoman Simons said that since they asked if they could pay on the 16th then they were well aware of the dates. That implies that they did understand the dates.

Councilman Rice thought it was made pretty clear and it is an important part of the operations of the hotel and the city. He was not in favor of a waiver.

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to decline the request to waive the penalty for delinquent room tax to Ms. Ghazal Abbas of the Thunderbird Motel.**

The motion passed unanimously. (5-0)

VII. REPORTS

A. Mayor and City Council

Councilwoman Simons reported that Mr. Calder, Mr. Gibbs and she attended a meeting with the FAA.

Councilman Keener attended the Recreation Board Meeting earlier that day. Mayor Johnson reported on the same meeting. He received a request from a property on Front Street for Neighborhood Watch. On the 16th they will be having the Golf Course Committee meeting.

Councilman Schmidlein reported on the Volunteer Fire Department meeting last Thursday night.

Councilman Rice met with NNRDA last week where he explained Exit 298.

B. City Manager

Curtis Calder reported there is a California Trail Advisory Board meeting Thursday morning at 7:30 a.m. They will also be posting the agenda for the workshop for Exit 298 at 9:00 a.m.

- C. Assistant City Manager
- D. Utilities Director
- E. Public Works

Ryan Limberg thanked everyone for the Holiday Party.

- F. Airport Director
- G. City Attorney
- H. Fire Chief

Chief Griego handed out the December Newsletter (Exhibit "E"). He thanked Councilman Schmidlein for attending the Volunteer Fire Department meeting and discussed the volunteer recruitment. He has had some meetings regarding the future Fire District and mutual aid.

- I. Police Chief

Chief Reed thanked Council for advancing the issue of the new Police Station.

- J. City Clerk

- K. City Planner

Rick Magness reported that RAC will not be meeting this month due to a lack of a quorum.

- L. Development Manager

- M. Administrative Services Director

- N. Parks and Recreation Director

- O. Civil Engineer

Jeremy Draper reported on the Swimming Pool project. He also met with the VA, toured Elko and looked at potential cemetery sites.

II. APPROPRIATIONS

- A. Review and possible approval of Warrants. **FOR POSSIBLE ACTION**

**** A motion was made by Councilman Rice, seconded by Councilwoman Simons, to approve the warrants.**

The motion passed unanimously. (5-0)

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 Chris Johnson adjourned the meeting.

Mayor Chris Johnson

Shanell Owen, City Clerk