

CARLIN CITY COUNCIL
CITY OF CARLIN, STATE OF NEVADA
SPECIAL SESSION MEETING
CARLIN CITY HALL
101 SOUTH EIGHTH STREET
CARLIN, NEVADA
August 28, 2012, 7:00 p.m.

Call to Order and Roll Call:

Mayor Cliff Eklund called the meeting of the City Council to order at 7:05 p.m.

Council Members Present: Mayor Cliff Eklund
Vice Mayor Donnetta Skinner
Councilperson Steve Feasel
Councilperson Lee Griswold
Councilperson Lincoln Litchfield

Absent:

1. Administrative Staff: City Manager Glenn Trust, City Clerk LaDawn Lawson, City Attorney Bob Goicoechea
2. Present: Garret Leahey, Rick Wroblieski

Pledge of Allegiance

- I. Review, discussion and possible approval of Resolution 2012 - 13, a Resolution in conjunction with cities, counties and local government entities across Nevada in support of post-secondary educational services provided by Great Basin College to Nevada citizens in rural Nevada, and all related matters. (Action Item)**
1. City Manager Glenn Trust explained Pam Borda, the Administrator of the Northern Nevada Regional Development Authority, who requested that this Resolution funding of post-secondary education services by Great Basin College be presented.
 2. Mayor Cliff Eklund inquired that the only thing that can be discussed at a Special Meeting is the reason it was called.
 3. City Attorney Bob Goicoechea stated that the item was agendaed and could be discussed, as the proper procedure had been followed.
 4. City Manager Glenn Trust read Resolution 2012-13 into the record: ***A RESOLUTION BY THE CARLIN CITY COUNCIL IN CONJUNCTION WITH CITIES, COUNTIES AND LOCAL GOVERNMENT ENTITIES ACROSS NEVADA IN SUPPORT OF POST SECONDARY EDUCATIONAL SERVICES PROVIDED BY GREAT BASIN COLLEGE TO NEVADA CITIZENS IN RURAL NEVADA. IT IS RESOLVED THAT, that the City of Carlin joins with Cities, Counties and Local Governments across Nevada in support of efforts to assist rural institutions of higher learning in their mission to provide quality post-secondary education services to rural Nevada; and THAT, the City of Carlin does not support severe funding reductions to the rural post-secondary education budgets and encourages the Governor, the Nevada Legislature and the Nevada Board of Regents to consider the importance of rural higher education services to students that may not be able to seek other higher education options due to financial and long geographical distance considerations.*** He noted this does not require any additional funds from the City of Carlin.
 5. Councilperson Lincoln Litchfield inquired if this is a response to the reduction decrease of across the board.
 6. City Attorney stated the funds are “going to be cut quite a bit” and this resolution is for the legislature to get money for all, not only Great Basin College.
 7. **Councilperson Lincoln Litchfield moved for approval of Resolution 2012 - 13, a Resolution in conjunction with cities, counties and local government entities across Nevada in support of post-secondary educational services provided by Great Basin**

College to Nevada citizens in rural Nevada, and all related matters. Councilperson Steve Feasel seconded the motion. The motion carried unanimously.

II. Public Hearing to review the Appraisal Report of property described as Assessor Parcel Numbers 002-210-019, (40.00 +/- ac.), 002-210-021 (7.798 +/-ac.), 002-210-022 (5.00 +/- ac.), 002-210-023 (3.585 ac.), 002-210-025 (7.340 ac.), 002-210-026 (1.649 ac.), 002-210-028 (1.076 ac.), 002-210-030 (11.460+/- ac.) and 002-210-032 (184.644 +/- ac.) a total of 262.552 +/- acres as shown on the Elko County Assessor's Parcel Map referencing parcel maps 580722, 591021, 599091, 646792 and 649492 and to establish the fair market value of the property, and all related matters. (Action Item)

1. Mayor Cliff Eklund opened the Public Hearing at 7:13 p.m.
2. City Manager Glenn Trust stated William M. Tessler, a Nevada Certified Appraiser, who appraised the total 262,552 acres at \$861,000.
3. City Attorney Bob Goicoechea stated he has a map which has each parcel numbered. He stated the #1 piece is the 40-acre parcel that was the Floge parcel, which has been emailed to Denis Floge and he has agreed to it, but he does not have any interest in it. He explained #2 is the 7.7 acres, #3 the 5 acres, #4 is the road that goes "all the way in", #5 is the 7.3 acres of City property, #6 is the road that goes around to connect with the private property, #7 is the piece set aside for Tonya Roland and she was given her money back so the City has clear title, and #8 was never involved in the prior sales, and #9 is the large parcel of 184 acres.
4. **Councilperson Lincoln Litchfield moved for approval of the Appraisal Report of property described as Assessor Parcel Numbers 002-210-019, (40.00 +/- ac.), 002-210-021 (7.798 +/-ac.), 002-210-022 (5.00 +/- ac.), 002-210-023 (3.585 ac.), 002-210-025 (7.340 ac.), 002-210-026 (1.649 ac.), 002-210-028 (1.076 ac.), 002-210-030 (11.460+/- ac.) and 002-210-032 (184.644 +/- ac.) a total of 262.552 +/- acres as shown on the Elko County Assessor's Parcel Map referencing parcel maps 580722, 591021, 599091, 646792 and 649492 and to establish the fair market value of the property at \$861,000, and all related matters. Vice Mayor Donnetta Skinner seconded the motion. The motion carried unanimously.**
5. Mayor Cliff Eklund closed the Public Hearing at 7:21 p.m.

III. Review, discussion and possible approval of City of Carlin Resolution 2012 -14, a resolution finding it in the best interest of the public to sell city owned real property without offering the property for sale at public auction, and all related matters. (Action Item)

1. Mayor Cliff Eklund reported Rick Wroblieski has agreed to pay the fair market value.
2. City Attorney Bob Goicoechea explained the Resolution is binding for economic development, which is an exception of going to bid per Nevada Revised Statutes. He stated they have done this kind of Resolution in the past and the buyers have agreed to the price and also includes Exhibit B, the development and construction schedule.
3. Mayor Cliff Eklund reported that Murrieta Land LLC agreed to the cost of the land at \$861,000, as well as \$481,658 for a cash bond and performance, which would be refunded in stages as they complete the construction.
4. City Manager Glenn Trust read Findings on Page 2 of Resolution 2012-14 into the record: 2. *The City has obtained one appraisal of the property. The appraisal value of the property was **Eight hundred sixty-one thousand dollars (\$861,000.00).*** 3. ***MURRIETA LAND, LLC** has made an offer to purchase the property for the purchase price of **Eight hundred sixty-one thousand dollars (\$861,000.00)** together with bearing all costs for improvements to the property.* 4. ***MURRIETA LAND, LLC** has agreed to pay an additional approximate amount of **Four hundred eighty-one thousand six hundred fifty-eight dollars (\$481,658.00)**, representing the City's estimated cost (by NDOT) for improvements to Nevada State Road 766 north from Interstate 80 required by the Nevada Department of Transportation.* 5. ***MURRIETA LAND, LLC** has agreed to place **Four hundred thirty thousand five hundred dollars (\$430,500.00)**, into an escrow or client trust account of Goicoechea, Di Grazia,*

- Coyle & Stanton at the time of closing. Should **MURRIETA LAND, LLC** fail to provide the required funding for the State Road 766 improvements as detailed in Paragraph 6 of the Purchase Contract executed with the City of Carlin, or fail to develop the property within the required period of time as contained in Paragraph 12, and according to the detailed schedule in Exhibit "B" of the Purchase Contract, the funds in the escrow account will be transferred to the Seller as damages at the end of the required time period.*
6. **MURRIETA LAND, LLC** will pay an additional amount of the **Twenty-six thousand dollars (\$26,000)** at closing to reimburse the City cost of securing title to all parcels of property.
7. **MURRIETA LAND, LLC** will obtain building permits and begin the construction of the proposed Project consisting of Retail Commercial and Multi Family Residential ("Project Vertical Phase 1") within one (1) year of the execution of this contract and agrees to complete construction of the Project Vertical Phase 1 and obtain occupancy permits in accordance with the schedule detailed in Exhibit "B" of the Purchase Contract.
5. Councilperson Lincoln Litchfield inquired if Mr. Goicoechea would keep the money in one of his escrow accounts.
 6. City Attorney replied affirmatively, noting they have agreed to put it into his firm's trust account, which can be audited at any time.
 7. Councilperson Lincoln Litchfield confirmed that the funds would be paid out upon performance.
 8. City Attorney replied affirmatively.
 9. City Manager Glenn Trust confirmed the procedure.
 10. City Attorney Bob Goicoechea replied that there is no title company in Elko who would do it and therefore their firm agreed to do this.
 11. Mayor Cliff Eklund explained that if they do not perform, the City would keep the bond. He noted Rick Wroblieski is putting up this money to guarantee the construction will be done in a timely fashion, which is really a good faith bond.
 12. Discussion was held on the building permits and construction of Phase 1.
 13. **Councilperson Steve Feasel moved for approval of City of Carlin Resolution 2012 -14, a resolution finding it in the best interest of the public to sell city owned real property without offering the property for sale at public auction, and all related matters. Councilperson Lincoln Litchfield seconded the motion. The motion carried unanimously.**

IV. Review, discussion and possible approval of a Land Purchase Contract selling Assessor Parcel Numbers 002-210-019, 40.00 +/- ac.), 002-210-021 (7.798 +/-ac.), 002-210-022 (5.00 +/- ac.), 002-210-023 (3.585 ac.), 002-210-025 (7.340 ac.), 002-210-026 (1.649 ac.), 002-210-028 (1.076 ac.), 002-210-030 (11.460+/- ac.) and 002-210-032 (184.644 +/- ac.) a total of 262.552 +/- acres, owned by the City of Carlin to Murrieta Land, LLC, and all related matters. (Action Item)

1. Mayor Cliff Eklund reported an item of concern on Page 3, Item 13 of the Contract was discussed, wherein *the buyer is responsible for and will bear all costs to repair improvements, including, but not limited to, roads, streets, water, sewer and any other improvements necessary for the construction of buildings and other development of the property, to include bringing water and sewer to the development property.* He explained that based on previous engineering design and studies, at some point a water tank has to be built and that is not addressed in the contract. He stated they discussed this with City Attorney Bob Goicoechea and the developers prior to the meeting and they will have to amend the contract as to the responsibility of Murrieta Land LLC concerning their share of the cost of the water tank. He stated since the last studies were done, the City has expanded a lot of businesses at the Industrial Park, which will take water from that study. He explained they could be in a position of requiring the water storage system sooner than the previous study showed, because of water going into the Industrial Park. He stated they agreed to have an additional contract negotiating the responsibilities of Murrieta Land LLC. He stated the cost is

- approximately \$1.00 a gallon and to build the tank it was estimated with the 400 homes and businesses to be approximately \$1 million. He stated this should be addressed along with any future large development projects that come to the City.
2. City Attorney Bob Goicoechea concurred, stating the contract does say they will bear all costs of required improvements, including but not limited to...so it is vague. He stated they have to work out the details with both parties and bring back a contract on November 30 and a motion could be made to that effect. He stated this would tie into the same date as the escrow closing, when they actually have to have the money.
 3. Mayor Cliff Eklund stated they do not hold two meetings in November.
 4. Rick Wroblieski requested they move the contract to the first meeting of November.
 5. Mayor Cliff Eklund stated he agreed.
 6. City Attorney Bob Goicoechea stated what the developers are suggesting and he agrees that they have the contract done so it can be on the agenda for the November meeting prior to the escrow closing.
 7. **Mayor Cliff Eklund moved that a separate contract to determine the obligations of the City, as well as Murrieta Land LLC, as to the responsibilities of the construction of the water tank to be completed by October 30, 2012 and brought to the City Council Meeting at the second meeting in November. Councilperson Lincoln Litchfield seconded the motion. The motion carried unanimously.**
 8. Councilperson Steve Feasel inquired if this action is legal.
 9. City Attorney Bob Goicoechea stated that the items are already in the contract under Paragraph 20 and more specifically Paragraph 13, which states buyer is responsible and will bear all costs required for required improvements, included, but not limited to..."and that makes it a matter related exactly thereto and because it is, we can agree to this date to bring it back". He stated they have no details in the contract right now, which are necessary.
 10. Mayor Cliff Eklund discussed the reimbursement after completion of the phases.
 11. City Manager Glenn Trust stated the escrow amounts are returned after the phases are completed.
 12. Mayor Cliff Eklund introduced the council members to Rick Wroblieski and noted that throughout the negotiation process, there were no hurdles and they found a way around each problem. He stated at all times they were very thorough and professional and this negotiation only took 3-4 hours to come to a decision. He thanked Mr. Wroblieski.
 13. Discussion was held on Phase 1.
 14. Rick Wroblieski introduced himself and stated this pertains to the development of the property and he does not have Phase 1, 2 or 3, but the City Manager and he worked out the completion dates that are listed here. He stated he met with City Engineer Tom Ballew and there are still quite a few things to do this month and he would like to tie all of that in with the contract on October 30.
 15. Mayor Cliff Eklund discussed Exhibit B and the timelines noted there.
 16. Rick Wroblieski noted he does not have the acreage size, but is suggesting that it is basically infrastructure and he would like Mr. Ballew to work with his engineers to get an actual size of acreage by October 30 they would have a good idea. He explained he already has people talking to him about commercial property.
 17. City Manager Glenn Trust explained the history of projects that have been brought to the counsel and in fairness to Mr. Wroblieski, they do not have the history and they have not made promises on things they could not deliver; "it has been pretty straightforward". He stated they would put cash up front and a deposit.
 18. Mayor Cliff Eklund stated he did not see if the developer misses a date, that we do not retain at the same percentage level.
 19. Discussion was held on clarifying some of these points in the next contract.
 20. Councilperson Lincoln Litchfield stated they could amend this contract also.
 21. Rick Wroblieski explained his development experience goes back to 1975 in Irvine California when he was the director of land acquisition. He stated they moved to the Reno area in 1987

and more recently they donated property on the Truckee River to the Nature Conservancy between Reno and Fernley for the restoration of the river and he met with Cabela's and negotiated a star bond through the legislature and they moved to Nevada. He stated Carlin has a "huge opportunity to take advantage of the Interstate with a travel center, hotels and others. He stated Garrett Leahey, his partner and who is with him, came from Los Angeles to attend this meeting".

22. Vice Mayor Donnetta Skinner expressed her concern.
23. City Attorney Bob Goicoechea stated, "This one really ties it down where the money is given up front" and the closing of escrow date, which needs to be included in the motion. He stated he brought an additional contract where he added one paragraph at the end that this contract is being executed with two (2) originals so seller and buyer will each have an original and that would be signed tonight using the November 30 date. He stated there are two blanks that would be the same, should there be any issue beyond the control of the buyer, a reasonable extension would be granted not to be reasonably withheld. He stated the paragraph was negotiated, which addresses something like the earthquake that Wells had. He recommends that both blanks, Paragraphs 6 and 18 be filled with the November 30 date.
24. Councilperson Steve Feasel discussed by the end of May and the 15%, should also include "the reasonable amount of time".
25. City Attorney Bob Goicoechea stated he would like to get the contract signed now. He stated we could expand the contract that is going to be brought back.
26. Discussion was held on extension of time.
27. City Manager Glenn Trust stated, "If we get to that point and they have 90% completed, and it is apparent that you would be agreeable to hear some of those issues if they requested an extension".
28. Mayor Cliff Eklund stated that an extension would not be based on completed work.
29. **Councilperson Lincoln Litchfield moved for approval of a Land Purchase Contract selling Assessor Parcel Numbers 002-210-019, 40.00 +/- ac.), 002-210-021 (7.798 +/-ac.), 002-210-022 (5.00 +/- ac.), 002-210-023 (3.585 ac.), 002-210-025 (7.340 ac.), 002-210-026 (1.649 ac.), 002-210-028 (1.076 ac.), 002-210-030 (11.460+/- ac.) and 002-210-032 (184.644 +/- ac.) a total of 262.552 +/- acres, owned by the City of Carlin to Murrieta Land, LLC with the purchase price of \$861,000 payable in cash or certified check at close of escrow on or before November 30, 2012, the performance guarantee of \$430, 500 for escrow for the trust account of Goicoechea, DiGrazia, Coyle & Stanton, a reimbursement of \$26,000 to the seller at closing and escrow will close on November 30, 2012, and all related matters. Vice Mayor Donnetta Skinner seconded the motion. The motion carried unanimously.**

- V. **Comment by the General Public: Pursuant to NRS 241.020(2C) this time is devoted to comments by the general public and discussion of those comments. No action may be taken upon a matter raised under this item until the matter has been included on a successive agenda and identified as an action item. (Non-Action Item)**

1. Rick Wroblieski expressed his appreciation to the Council for their hard work.

VI. **Adjournment. (Action Item)**

Vice Mayor Donnetta Skinner moved for adjournment with Councilperson Lincoln Litchfield seconding the motion. The motion carried. The meeting was adjourned at 8:20 p.m.

APPROVED:

MAYOR CLIFF EKLUND

ATTEST:

CITY CLERK LADAWN LAWSON