WEST WENDOVER CITY COUNCIL, MINUTES OF THE
REGULAR MEETING OF MAY 01, 2018

1. CALL TO ORDER AND ROLL CALL

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<tr>
<th>Attendee Name</th>
<th>Title</th>
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<th>Arrived</th>
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<tbody>
<tr>
<td>Jerry Anderson</td>
<td>Councilman</td>
<td>Present</td>
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<td>Nick Flores</td>
<td>Councilman</td>
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<tr>
<td>Izzy Gutierrez</td>
<td>Councilman</td>
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<td>John B. Hanson</td>
<td>Councilman</td>
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<td>Jasie Holm</td>
<td>Councilwoman</td>
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<td>Daniel J. Corona</td>
<td>Mayor</td>
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<td>Bryce Kimber</td>
<td>Public Works Director</td>
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<td>Burdel Welsh</td>
<td>Police Chief</td>
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<td>Chris Melville</td>
<td>City Manager</td>
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<td>Jeff Knudtson</td>
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Others Present: Kathy Durham, Brenda Claiborne, Jess Wiberg, Corinne Copelan, Kelly Eveleth, Donald Lininger, Altea Kimber and Amee Gutierrez

Mayor Corona called the meeting to order at 7:00 p.m. in the West Wendover City Hall, Council Chambers #137. All those present and excused are noted above.

2. PLEDGE OF ALLEGIANCE

Mayor Corona led those present in the Pledge of Allegiance.

3. COMMENTS FROM THE GENERAL PUBLIC

None offered or received.

4. APPROVAL OF THE MINUTES (No Minutes for Approval)

5. PRESENTATION

a. Mayor's Youth Award - West Wendover Elementary, Middle and High Schools (For Possible Action)

No presentation of the Mayor's Youth Award was given.

6. NEW BUSINESS

a. Discussion and Decision to Authorize the City Manager to Proceed with the Drafting of an Ordinance to Address Pertinent Code Changes with Regard to Wholesale Recreational
Marijuana, Specifically Such Codes and Regulations Regarding the Authorization of Recreational Marijuana Cultivation, Production/Manufacturing, Wholesale Distribution and Testing/Laboratory Facilities as Defined Under Nevada Revised Statutes and Other Matters Appropriately Related Thereto (For Possible Action)

Report By Chris Melville
Review/Comment/Action: City Council

Chris Melville explained the proposed ordinance change to include specific recreational marijuana establishment activities but not a retail dispensary. Chris explained the different types of marijuana establishments as defined by the Nevada Department of Taxation which include Retail Marijuana Store, Marijuana Cultivation Facility, Marijuana Production Manufacturing Facility, Marijuana Testing Facility and Marijuana Distribution Facility. Chris stated that he was asking for approval to draft an ordinance that would add specific types of recreational marijuana establishments excluding a retail marijuana store. Chris explained that Department of Taxation has tentatively awarded separate medical cultivation and production registration certificates to 3 separate companies with one having contacted him regarding completing their licensing process with the City. Chris stated that this business would like to conduct both medical and recreational components as it relates to wholesale activities. The business would not be conducting retail sales in the community but would do wholesale cultivation and production activities and then sell/ship within the State. Chris explained that the wholesale activities for recreational marijuana would have similar licensing requirements including licensing and fees as medical marijuana. Chris stated that there are three companies that were awarded the cultivation and production with two of them contacting the City to move forward. Chris stated that it still needs to be determined if we are going to license more than one cultivation and production facility.

Council Member Anderson asked if the location of the cultivation and production facilities would be in the Industrial Park. Chris stated that yes it would be in the Industrial Park. Council Member Holm asked if there was still only the one medical marijuana dispensary license. Chris stated that there is only the one medical dispensary license but there could be more wholesale facilities. Chris explained that the code allowed for one dispensary for every 25,000 population. Council Member Holm asked how many employees would there be for the cultivation facility. Chris stated that the one company indicated that there would be forty employees with the size operation. Mayor Corona asked if there had been any discussion on what the wage would be for the employees. Chris stated that there has not been any discussion regarding the wages.

Chris stated that there was time to work on this ordinance and not have any issues.

Council Member Anderson made the motion to authorize the City Manager to proceed with the drafting of an ordinance to address the pertinent code changes with regard to wholesale recreational marijuana, specifically such codes and regulations regarding the authorization of recreational marijuana cultivation, production/manufacturing, wholesale distribution and testing/laboratory facilities as defined under Nevada Revised Statutes. The motion was seconded by Council
b. **Discussion and Decision to Authorize the City Manager to Prepare and Submit a Grant for the USDOT BUILD Program in Regards to the City’s Proposed Amtrak Station Project and Other Matters Appropriately Related Thereto (For Possible Action)**

Report By Chris Melville  
Review/Comment/Action: City Council

Chris Melville explained that this was the Amtrak Station project that had been up before the Council several times before. Chris stated that the new administration has changed the TIGER grant to BUILD (Better Utilizing Investments to Leverage Development) and changed how the grant functions by having a larger percentage go to rural projects. The grant now funds 30% to rural projects versus 20% and has available $1.5 billion in funds available. Chris stated that he was asking for approval in order to apply for the grant which if awarded would require the City to match 20% or $1.2 million. Chris stated that the project is supported by our Congressional Delegation. Chris is reaching out to both Amtrak and Union Pacific Railroad regarding the project and to see if there is still support for the project. Chris stated that if the project is awarded our funding would not be needed until 2021 and the expenditures for the project being completed by 2025. Mayor Corona stated that Carson City had received a TIGER grant and they are very excited about it.

Council Member Holm made the motion to authorize the City Manager to prepare and submit a grant for the USDOT BUILD Program in regards to the City's proposed Amtrak Station Project. The motion was seconded by Council Member Anderson and passed unanimously.

c. **Discussion and Decision to Approve the Proposal Submitted by Silver Zone Construction LLC for the Purchase of the City’s 14 Housing Lots Located along Tibbets Boulevard and Authorize the City Manager to Cause to be Prepared the Necessary Resolutions, Agreement and Other Documents Required to Effectuate the Sale of Such Properties for Purposes of Economic Development as Provided for Under NRS 268.063 and Other Matters Appropriately Related Thereto (For Possible Action)**

Report By Chris Melville  
Review/Comment/Action: City Council

Chris Melville stated that the memo outlined the pros and cons of the proposal. Chris stated that the proposal was provided by Silver Zone Construction. Council Member Gutierrez asked what type of homes would be built and when would construction begin. Chris stated that the cost would be between $230,000.00 to $290,000.00 and the start time would be summertime. Jess Wiberg explained that they are currently building homes in Wendover Utah and after completion would have a better idea of cost. Jess stated that construction would begin as soon as possible as they have had several people interested already. Council Member Hanson stated that there has been a discount rate offered on these lots before and nothing has happened would this discount be passed on to the buyer or kept as profit. Jess stated that they are concerned about hitting the market and getting the price right as to build houses here is about 20-30% higher. Jess stated that if they were to sell a home with the lots at the current price it would drive people out of the market. Council Member Hanson asked how long the lots have been there. Chris stated that they have been there since
around 2001 with the City acquiring the lots in 2007. Mayor Corona stated that in the past have talked about affordable housing with $230,000.00 being on the high end and is concerned with that being the low end of houses here. Mayor Corona stated that the houses at the higher $200,000.00 just seem to sit there and he is afraid that if you build the 14 lots at the higher end they will just sit there. Jess stated that they would like to pre-sell the homes and they have 6 people pre-qualified. Chris stated that they have also purchased property to build duplex and triplexes on which would allow for more types of homes and different costs. Council Member Holm stated that her concern is the amount the City has invested which is $522,600.00 and at the proposed purchase price would be a $312,000.00 loss. Council Member Holm asked if the costs could be taken down or is that just going to be profit. Jess stated that he does know what their cost is and they are doing everything they can to keep costs down. Council Member Anderson asked if they would be hiring local workers. Jess stated that they would love to hire locally including any local contractors. Council Member Gutierrez asked what would happen to the remaining lots after the pre-sold homes were purchased; what if they could not be sold because they are priced out of the market would that put the City at a liability. Jess stated that they would buy all the lots and they would need to do everything they can to build and sell homes. Jess stated that as they build here the hope is that costs would go down as they would have more local employees and contractors. Chris stated that if we sell all the lots we would not be responsible anymore from that point forward. Council Member Holm stated that if we sold the lots at $20,000.00 it still gives a $220,000.00 equity in the lots. Jess stated that they are looking at it as an individual home with the individual person saving that amount. Jess stated that the City would be receiving building permit fees for each home and as each is developed the property taxes would increase. Mayor Corona asked how much property taxes would be for homes on those lots. Chris stated that the City could receive approximately $750.00 for an average home.

Chris read the pros and cons of his memo regarding the proposed sale of the 14 residential lots into the minutes.

Pros:

- The City has owned the lots since 2007 (11 years) and since that time for a myriad of reasons we have been unable to attract a builder/developer to actually construct homes using those lots. In every case it had to do with the project penciling out properly for the contractor. In all the previous cases the contractor was from out of the area and coming in to do the work. Here, we have a contractor (Silver Zone Construction, LLC) who will be local in most respects.

- Silver Zone Construction, LLC is part of the Spillman Development initiative Bomarc. Bomarc’s record is very clear with regard to making investments and completing projects. Bomarc Phase 1 and 2 commercial buildings are now complete. What Richard Spillman told me (and you) they are going to do exactly what they did and the project is a great addition to the community. I’m certain their residential project(s) will be the same.
Silver Zone Construction, LLC is a Nevada licensed contractor.

Completing a sale would place the lots into private ownership from public thus tax generation would begin to occur even without homes initially on the lots. Though obviously property tax with a home on the lot is much higher, the tax generated on a vacant lot is around $160.00 per year for the City, versus $0 tax generation under our ownership. That is about $2,200.00 a year in additional revenue to the City without homes on the lots. With homes on the lots, the tax generation for the City jumps to an average of around $750.00 per year per home.

The City would receive additional revenues from the issuance of the building permits and impact fee payments for water/sewer connection that comes with each permit. Additionally, with new home ownership comes water use, sewer use and garbage use. Thus, the related enterprise funds would also have new accounts creating revenue.

The proposal accounts for the purchase of all 14 lots at once versus the purchase being spread out over years. This gets the lots off our books and off my plate which has been the case since 2007 and in the hands of private ownership. Their vested interest is building and selling them to get a return on that investment.

Home construction could certainly be underway this summer bringing needed housing supply to our market. When population growth and new business investments now occurring in the community bringing new employment we are in great need of new/additional housing.

Honestly, on a personal note, by us completing a sale, it would end the continuous complaints I receive from the public that the City doesn’t care about housing because we never do anything with the lots we own. I know of course this isn’t true as we have tried every avenue possible; but it wears thin hearing this year in and out.

Cons:

The purchase price being offered is $210,000.00 for 14 lots. That puts the per lot sale price at $15,000.00 which is between 39% to 45% of fair market value depending on which lot. The most recent appraisal the City had completed provided values at $33,000.00 and $38,000.00, depending on the particular lot. In total the market value for all 14 lots per appraisal was $502,000.00.

The City acquired the lots for $450,000.00 and spent an additional $72,000.00 on interest for financing the purchase. Even setting aside the interest paid and only considering the principal, the City will be losing $240,000.00 in its principal investment.

Given we do not pay tax as a public entity, there is no expense occurred for the City to hold onto the lots and potentially wait for a better deal.

Per the most recent appraisal valuing the lots at $502,000.00, the Ascent Construction Development agreement, which did not result in success, provided a discount to Ascent of approximately $73,000.00. The discount under the current proposal would be $292,000.00.

The proposal requests the City to defer the water/sewer and building permit fees until
closing on the lots. It would be best if proceeding with the proposal to be able to wash our hands of the lots and require fees to be paid as permits are pulled as with any other project.

Council Member Gutierrez stated that he would like to send a counter offer back to Silver Zone Construction requesting $20,000.00 per lot. Mayor Corona asked if the counter offer would kill the project. Jess stated that he was not sure as he would have to take it back to the team and discuss it. Council Member Hanson stated that the Spillmans not just talking they do what they say they are going to do. Council Member Holm agrees but it is such a loss to the City she thinks they should also do a counter offer. Council Member Gutierrez stated that if we countered at $260,000.00 it would be half the City cost and the lots would be $18,000.00 apiece. Council Member Gutierrez stated that he would hate to see the project killed. Chris stated that they could authorize him to negotiate for the Council. Mayor Corona stated that the discount would be harder to swallow if it was anyone other than the Spillmans but you will have to be able to defend the decision to the public. Mayor Corona stated that it would be nice to see something happen with the proposal. Council Member Anderson stated that it gives you heartburn taking a loss but need to go ahead with the proposal.

Council Member Anderson made the motion to approve the proposal submitted by Silver Zone Construction LLC for the purchase of the City’s 14 housing lots located along Tibbets Boulevard and authorize the City Manager to cause to be prepared the necessary resolutions, agreement and other documents required to effectuate the sale of such properties for the purposes of economic development as provided for under NRS 268.063 with a purchase price of $15,000.00 per lot and not deferring the building permits. The motion was seconded by Council Member Hanson and passed; Council Members Gutierrez and Holm voted nay.

d. Discussion and Decision to Authorize Staff to Proceed with Developing and Implementing Proposed Changes to the Procedures and Policies of the West Wendover Police Department Animal Control as it Relates to Pet Adoption, Pet Foster Homes, Required Forms, Payments/Fees and Coordination with the WendRover Pet Connection (WPC) and Other Matters Appropriately Related Thereto (For Possible Action)

Report By Council Member Holm
Review/Comment/Action: City Council

Council Member Holm stated that she and Brenda Claiborne started WendRover Pet Connection (WPC) in February and in meeting with the City Manager and the Chief of Police some of the things just need to be updated. Brenda Claiborne stated that they saw a need as animal lovers and concerned citizens were they could come together and offer support and services. Brenda stated that they are trying to help animals that maybe running at large find their home or a new home. Brenda stated that the group is a non-profit and is an arm of the JAS Foundation. Council Member Holm stated that there have been 9 adoptions since February 15th. Brenda stated that they have looked at other cities to see what programs there are and use euthanizing as a last resort. Brenda further stated that they would like to work with foster groups to help network in finding homes for the animals. Brenda explained their proposal...
would be to extend the holding time up to 3 days, waive adoption fees for rescue groups, update website to answer questions, provide forms and payments, and make someone available on weekends. Brenda stated that they would also like to have more enforcement and clear fines for bad animal owners. Brenda stated that they are a non-profit group and are getting donations that they will be able to use at the animal control facility. Brenda explained that they would also like to do fostering of the animals which allows people to foster animals for a period of time until they are adopted. Mayor Corona asked if fostering animals would cause any liability to the City. Chris Melville stated that it would cause the City to have liability if the animals did anything during the fostering period. Brenda stated that they could see how other places handle the liability during the fostering period. Council Member Holm stated that they are able to tell when an animal is popular or not and they are trying to work on getting transport to a rescue group that could than work on getting the animal adopted. Mayor Corona stated that he is a cat person and does not want to see this just focused on dogs and have a lot of cats get euthanized. Brenda stated that there are rescues for cats but most of the cats here are feral cats. Council Member Holm stated some of the items just need to be updated to our current situation. Council Member Holm stated that we just want to help get the animals to the right place.

Chris Melville stated that this agenda item was to allow the Council to authorize the staff to work with the WendRover Pet Connection group to solve some of the issues. Council Member Anderson asked if they were approving a dollar amount. Chris stated that no dollar amount would be approved just authorize negotiation and bring back a proposal. Burdel Welsh stated that they see this as an opportunity to have some discussion to improve our services that would hopefully result in more adoptions. Burdel stated that their goal is on the 4th business day be able to turn the animal over to a rescue group at no cost and be done with the animal. Burdel stated that the rescue group would house, feed and then get the animal adopted out. Burdel stated that fostering animals is not an option at this time due to liability and would take a change to the insurance and a background of the fostering family. Burdel stated that the longer we keep an animal the more care that is needed as well as time for the animal control officer to care for them and less patrol time on the street. Burdel further stated that on weekends the police officers are the ones who care for the animals. Burdel stated that some of the other locations have more staff in animal control. Council Member Anderson asked if there are rescue groups here. Burdel stated that the WPC is working on becoming a rescue group or getting other groups here. Brenda stated that they are working on getting other rescue groups here to help.

Council Member Holm stated that there is lots of interest in the animals on social media. Burdel stated that not all of them have been positive as there have been threats to the police department regarding euthanizing the animals. Burdel further stated that they need to reserve the right to euthanize as if needed. Chris stated that a discussion needs to happen with Wendover Utah regarding potential changes that will also affect them. Mayor Corona asked if it is possible to have someone else own the animal shelter. General discussion was had regarding the potential for a group to take over the animal shelter. Council Member Flores thanked everyone involved in this project as animals are important and need good homes.
Council Member Hanson made the motion to authorize staff to proceed with developing and implementing proposed changes to the procedures and policies of the West Wendover Police Department Animal Control as it relates to pet adoption, pet foster homes, required forms, payments/fees and coordination with the WendRover Pet Connection (WPC). The motion was seconded by Council Member Flores and passed unanimously.

7. DEPARTMENT REPORTS
   1. Youth City Council
   Mayor Corona stated that they are still looking for students to take the upcoming vacant positions.
   2. Fire Chief
   Jeff Knudtson stated that the painting of the fire station in now finished except for some touchups. Jeff stated that Bomarc had their grand opening on April 28th.
   Council Member Gutierrez asked if the company that painted the fire station would paint the fire logo on the side of the building. Jeff stated he could ask them.
   3. Police Chief
   Burdel Welsh stated that Officer Pete Turner has announced his retirement on July 22nd.
   Chris Melville and Mayor Corona congratulated Officer Turner on his retirement.
   4. City Clerk/Records Officer
   Anna Bartlome stated that the City has issued 29 marriage licenses with 12 over the past month.
   Mayor Corona wanted to say good job to Anna Bartlome and Robyn Smith for making the marriage license process go smooth.
   5. Chief Financial Officer
   Michelle Giovo stated that the Consolidate Tax is coming in around budget amount and it has been a good year with an increase over prior year. Michelle thanked the Council for responding to a special meeting request for the budget hearing due to a change in the legislation. Michelle stated that the special meeting would be May 22, 2018 at 7:00 p.m. in the Council Chambers.
   6. Public Works Director
   Bryce Kimber stated that spring cleanup went well this year and was more intense than previous years. Bryce stated that the water leak on the transmission line was a little more complicated than they thought.
   7. City Manager
   Chris Melville explained that Governor Sandoval did nominate West Wendover for the Opportunity Zone Designation which will provide some entities who invest in the community
with additional tax breaks. Chris stated that Deep Roots Medical Marijuana is moving forward on their medical marijuana dispensary. Chris stated that he may have an agreement from the Local 4041 for review at the next meeting which would have no changes and be for only one year due to them not meeting the negotiation requirement. Chris stated that the Wendover Christian Fellowship Church has one more issue to clear up with the site plan which has to do with the dumpster location and access. Chris explained that Congressman Amodei’s staff had a conference call with the Air Force and the BLM with the Air Force finalizing the environmental work. Chris stated that he will be meeting with the BLM representative handling the City Center/Downtown Project and should hopefully be completed by the end of 2018. Chris stated that there is no new information regarding the CDBG application as they have not received their HUD allocation yet. Chris stated that there was nothing new on the NDOT application regarding the Downtown Infrastructure Phase 1 project. Chris explained that the working group is still meeting with Newmont regarding Phase 2 of their project and there will be some public meetings during the summer months.

Chris stated that he had provided the stats regarding the state of the library from Librarian Kelly Eveleth. Chris explained that the recruitment for the new CFO closes on May 4th with 6 applications currently submitted. Chris further explained that applications for the 2 police officer and one dispatcher positions are under review. Chris stated that he has two applicants for the sergeant position.

8. COMMUNICATIONS

Reports by Elected Officials

Council Member Holm stated that she is not against Bomarc on the residential lot sale but the loss to the budget. Council Member Holm stated that she loves what Bomarc is doing. Council Member Holm stated that she does not want it to seem like they are not on the same page but that they could have possibly made more money for the City.

Council Member Anderson thanked the Department Heads for everything they do and to Chris Melville for moving the City forward. Council Member Anderson wished Officer Turner good luck on his retirement. Council Member Anderson congratulated Silver Zone regarding the housing lots and we will gain by getting the houses built.

Council Member Flores thanked the Department Heads for the work they do and for Officer Turner for his service. Council Member Flores thanked the WPC for what they are trying to do and he appreciates the great job they are doing. Council Member Flores reminded everyone of the upcoming Cinco de Mayo event on Sunday May 6th at the Welcome Center and Scobie Park.

Council Member Gutierrez stated that his decision regarding the residential lots is nothing against Bomarc and he will work with them as much as we can and support them. Council Member Gutierrez thanked Officer Turner for his hard work. Council Member Gutierrez stated that he does like the WendRover Pet Connection. Council Member Gutierrez stated that he would be meeting with Mr. Lee on May 2nd if there were any comments or concerns the Council would like him to relay.
Council Member Hanson stated that he does not hold anyone’s decision against them and he respects their position if they respect his. Council Member Hanson thanked all those working with the WPC for everything they are doing. Council Member Hanson thanked Silver Zone Construction for their interest in the community and the work they are going to do. Council Member Hanson stated that he is working on a potential dog park for the community. Council Member Hanson stated that he is having plans done for the dog park and is going before the West Wendover Recreational District for use of their property. Council Member Hanson stated that the dog park will be no cost to the City or Recreation District.

Mayor Corona thanked the WendRover Pet Connection as he hates to hear of any animal being put down. Mayor Corona stated that it is a tough pill to swallow regarding the salt of the residential housing lots to Silver Zone Construction but they have shown a commitment to the community. Mayor Corona stated that he was in Reno a few weeks ago for the POOL/PACT meeting. Mayor Corona stated that he had meet with the Reno Mayor and discussed affordable housing; he would like to look at some zoning options for tiny homes. Mayor Corona stated he was excited to hear about the dog park.

9. APPROVAL OF THE CLAIMS
   a. Claims for May 1, 2018 (For Possible Action)

   Council Member Gutierrez made the motion to approve the claims of May 1, 2018. The motion was seconded by Council Member Flores and passed unanimously.

10. COMMENTS FROM THE GENERAL PUBLIC

   Mike Katsonis stated that Elko will be holding a Cinco de Mayo event on Saturday May 5th with a parade and other activities in their park.

   Council Member Hanson stated that he would also be meeting with Mr. Lee.

   Mayor Corona stated that he would also be meeting with Mr. Lee.

   Council Member Gutierrez stated that it is a long drive between here and Reno and he and the Mayor had some lengthy discussions regarding the tiny homes.

11. NEXT MEETING DATE AND ADJOURNMENT
   a. Adjournment (For Possible Action)

      1. Motion to: Adjournment Adopted

      The next meeting date is a regular meeting on May 15, 2018 in the West Wendover City Hall, Council Chamber #137. The next special meeting date will be May 22, 2018 at 7:00 p.m. in the West Wendover City Hall, Council Chambers #137. Council Member Gutierrez made the motion to adjourn at 8:43 p.m. The motion was seconded by Council Member Anderson and passed unanimously.

ATTEST: