

Carson City Board of Supervisors
Agenda Report

Date Submitted: March 22, 2013

Agenda Date Requested: April 4, 2013
Time Requested: 30 Minutes

To: Mayor and Supervisors

From: Public Works

Subject Title: For Possible Action: Pursuant to Resolution No. 2013-R-11, A RESOLUTION DECLARING INTENTION TO SELL EASEMENTS on City property APN 008-523-09 located immediately adjacent to 5951 Highway 50 East (Capitol City Loans), duly posted and published, sealed bids not less than the fair market value of \$30,000 that are timely delivered to the Carson City Clerk Recorder at 8:30 a.m. on April 4, 2013, or before the Board's consideration of this matter at the Carson City Community Center Sierra Room 851 East William Street, Carson City, Nevada on that day, with an immediate ability to pay at the time of the bid, will be opened, examined and declared to the public by the Board of Supervisors; prior to any decision on the written bids the Mayor will call for any oral bids from responsible persons in compliance with NRS 244.282; after which the Board may deliberate and accept the highest written bid, or accept the highest oral bid that exceeds by at least 5% the highest written bid, or reject all bids and instruct new bids be solicited, or reject all bids and withdraw the easements from sale, or defer its decision to a future public meeting within 10 calendar days. (Jeff Sharp)

Staff Summary: If the Board accepts any bid duly paid it will also adopt a resolution accepting the bid and authorizing the Mayor to execute the easements. The subject 1.0 acre parcel APN 008-523-09 came into city ownership in 2011 by way of a federal land patent. The parcel is a triangular shaped piece of land squeezed on one side by Highway 50, on another side by Sheep Drive, and on the third side by private commercial property. The parcel is encumbered by existing driveway access, parking, signage, drainage, vehicle display area and building improvements associated with the Capitol City Loan business at 5951 Highway 50 East, built many years prior to the City taking ownership. The authorizing Resolution allowed the City to sell a set of five easements for not less than the total price of \$30,000 which is the fair market value. It is in the City's best interest to sell these easements over existing encroachments in order that property taxes can be levied on the improvements.

Type of Action Requested: (check one)

() Resolution () Ordinance
 () Formal Action/Motion () Other (Specify)

Does This Action Require A Business Impact Statement: () Yes () No

Recommended Board Action:

With respect to the sale of easements on City property fully set forth in Resolution No. 2013-R-11 located on APN 008-523-09, I move to:

Option 1: accept the highest written bid of _____, in the amount of \$_____.

Option 2: accept the highest oral bid of _____, in an amount of \$_____, which exceeds by at least 5% the highest written bid.

Option 3: deem it in the best public interest to reject all bids and instruct new bids be solicited by reposting and republication of Resolution No. 2013-R-11.

Option 4: deem it in the best public interest to reject all bids and withdraw the easements from sale.

Option 5: defer the Board's decision to a future public meeting within 10 calendar days following today.

Explanation for Recommended Board Action: The subject 1.0 acre parcel APN 008-523-09 came into

city ownership in 2011 by way of a federal land patent. The parcel is a triangular shaped piece of land squeezed on one side by Highway 50, on another side by Sheep Drive, and on the third side by private commercial property. The parcel is encumbered by existing driveway access, parking, signage, drainage, vehicle display area and building improvements associated with the Capitol City Loan business at 5951 Highway 50 East, built many years prior to the City taking ownership. The City may dispose of these easements by competitive bid, for not less than fair market value, in accordance with the reversionary clause contained in the federal land patent. An appraisal update was performed by Johnson-Perkins & Associates, Inc. with an effective date of August 23, 2012, and a public hearing was held at the October 18, 2012 Board of Supervisors meeting to determine the fair market value of the easements at \$30,000.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 244.2795 through 244.282

NRS 244.282 Sale of certain real property at auction: Resolution declaring intention to sell property; requirements; notice; procedure for conducting sale; deposit to cover certain costs; effect of sale or lease in violation of section.

1. Except as otherwise provided in NRS 244.279, before ordering the sale at auction of any real property, the board shall, in open meeting by a majority vote of the members, adopt a resolution declaring its intention to sell the property at auction. The resolution must:

- (a) Describe the property proposed to be sold in such a manner as to identify it.
- (b) Specify the minimum price and the terms upon which it will be sold.
- (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed bids will be received and considered.

2. Notice of the adoption of the resolution and of the time and place of holding the meeting must be given by:

- (a) Posting copies of the resolution in three public places in the county not less than 15 days before the date of the meeting; and
- (b) Causing to be published at least once a week for 3 successive weeks before the meeting, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the real property is located, a notice setting forth:
 - (1) A description of the real property proposed to be sold at auction in such a manner as to identify it;
 - (2) The minimum price of the real property proposed to be sold at auction; and
 - (3) The places at which the resolution described in subsection 1 has been posted pursuant to paragraph (a), and any other places at which copies of that resolution may be obtained.

Ê If no qualified newspaper is published within the county in which the real property is located, the required notice must be published in some qualified newspaper printed in the State of Nevada and having a general circulation within that county.

3. At the time and place fixed in the resolution for the meeting of the board, all sealed bids which have been received must, in public session, be opened, examined and declared by the board. Of the proposals submitted which conform to all terms and conditions specified in the resolution of intention to sell and which are made by responsible bidders, the bid which is the highest must be finally accepted, unless a higher oral bid is accepted or the board rejects all bids.

4. Before accepting any written bid, the board shall call for oral bids. If, upon the call for oral bidding, any responsible person offers to buy the property upon the terms and conditions specified in the resolution, for a price

exceeding by at least 5 percent the highest written bid, then the highest oral bid which is made by a responsible person must be finally accepted.

5. The final acceptance by the board may be made either at the same session or at any adjourned session of the same meeting held within the 10 days next following.

6. The board may, either at the same session or at any adjourned session of the same meeting held within the 10 days next following, if it deems the action to be for the best public interest, reject any and all bids, either written or oral, and withdraw the property from sale.

7. Any resolution of acceptance of any bid made by the board must authorize and direct the chair to execute a deed and to deliver it upon performance and compliance by the purchaser with all the terms or conditions of the purchaser's contract which are to be performed concurrently therewith.

8. All money received from sales of real property must be deposited forthwith with the county treasurer to be credited to the county general fund.

9. The board may require any person requesting that real property be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the board in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded whenever the person making the deposit is not the successful bidder. The costs of acting upon the application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.

10. If real property is sold in violation of the provisions of this section:

(a) The sale is void; and

(b) Any change to an ordinance or law governing the zoning or use of the real property is void if the change takes place within 5 years after the date of the void sale.

(Added to NRS by 1987, 203; A 2003, 424; 2007, 2830)

Fiscal Impact: None.

Explanation of Impact: Proceeds of the sale will be distributed 5% to the State for schools and 95% to the Department of the Interior for use at their discretion in accordance with the reversionary clause in the federal land patent that gave the City ownership of the property in question.

Funding Source: N/A

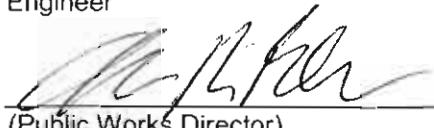
Alternatives: Set forth in recommended action.

Supporting Material: Resolution No. 2013-R-11 and Exhibits "A", "B", "C", "D", "E", "F", "G", "H", "J", and "K";

Appraisal Update Letter by Johnson~Perkins & Associates, Inc.;
Carson City Board of Supervisors Minutes of the October 18, 2012 Meeting

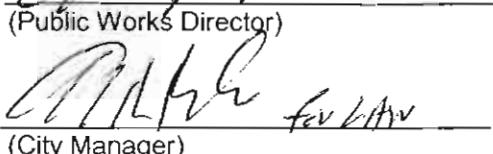
Prepared By: Randal R. Munn, Chief Deputy District Attorney and
Jeff Sharp, City Engineer

Reviewed By:



(Public Works Director)

Date: 3-26-13



(City Manager)

Date: 3-26-13

Willie A. Pruitt
(Finance Director)

Date: 3/26/13

Frankly Flann
(District Attorney)

Date: 3/26/13

Board Action Taken:

Motion:	1)	Aye/Nay
	2)	
	3)	
	4)	
	5)	

(Vote Recorded By)

RESOLUTION NO. 2013-R-11

A RESOLUTION DECLARING INTENTION TO SELL EASEMENTS.

WHEREAS, Carson City has been granted land patent number 27-2011-0019 from the federal government which provides that Carson City is the fee title owner of, among other lands, Assessor's Parcel Number (APN) 008-523-09 consisting of approximately 1.0 acres of land; and

WHEREAS, said land patent is subject to a reversionary interest which states that if the City sells, leases, or otherwise conveys any portion of the land, that the sale, lease, or conveyance of land shall be through a competitive bidding process and not for less than fair market value; and

WHEREAS, said reversionary interest further requires that five percent of the gross proceeds from the sale, lease, or conveyance shall be paid directly to the State for use in the general education program of the State and the remainder shall be deposited in a special account in the Treasury of the United States, to be known as the 'Carson City Special Account' and shall be available without further appropriation to the Secretary of the Interior; and

WHEREAS, the subject 1.0 acre parcel APN 008-523-09 is a remnant of a much larger parcel divided by Highway 50 East and Sheep Drive; and

WHEREAS, the subject 1.0 acre parcel APN 008-523-09 is a triangular shaped parcel containing multiple easements of record, as well as existing overhead power transmission lines and various underground utilities which may or may not be located in recorded easements, all of which would tend to severely limit potential economic use by anyone other than the adjacent property owners; and

WHEREAS, the adjacent property owner, WILLIAM BURNAUGH TRUST, DATED OCTOBER 9, 2008, doing business as Capitol City Loans, 5951 Highway 50 East, has existing improvements along the frontage of Highway 50 East that encroach onto the subject 1.0 acre parcel. These improvements consist of driveway access, parking, signage, drainage, vehicle display area and building improvements that were all constructed prior to the City taking fee title ownership from the federal government; and

WHEREAS, NRS 244.2795 through 244.282 provides for the sale of certain real property owned by the City; and

WHEREAS, appraisals were performed by Johnson-Perkins & Associates, Inc., with an effective date of August 23, 2012, which concluded that the fair market value of proposed easements covering the Burnaugh encroachments is \$30,000. A public hearing was held on October 18, 2012 to set the fair market value at \$30,000 in accordance with NRS 244.281; and

WHEREAS, it is in the City's best interest to sell easements for the existing encroachments in order that property taxes can be levied on the improvements.

NOW, THEREFORE, BE IT RESOLVED, that the City will accept competitive bids to sell easements as described in the attached exhibits "A", "B", "C", "D", "E", "F", "G", "H", "J" and "K", for not less than the fair market value of \$30,000, payable in full at the time of bid; and

BE IT FURTHER RESOLVED, that sealed written bids are due at the regularly scheduled Carson City Board of Supervisors meeting of April 4, 2013, located at the Community Center, Sierra Room, 851 East William Street, Carson City, Nevada. The meeting begins at 8:30 a.m. The Clerk Recorder will hold the sealed bids until the appropriate time when the item comes up on the agenda. At that public meeting there will also be an opportunity for oral bids in accordance with NRS 244.282.

BE IT FURTHER RESOLVED, that in accordance with NRS 244.282, notice of the adoption of this Resolution will be posted at three public places in the City, namely City Hall, the Carson City Library, and the Carson City Community Center. These postings will occur for not less than 15 days prior to the date of the public bid. The City will also publish in the Nevada Appeal newspaper for three successive weeks prior to the date of the public bid a description of the easements to be sold as well as the minimum sales price, along with a description of where this Resolution has been posted and where a copy may be obtained.

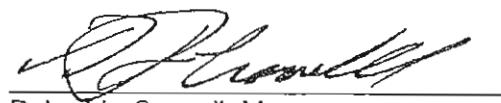
Upon motion by Supervisor Karen Abowd, seconded by Supervisor John McKenna, the foregoing Resolution was passed and adopted this 21st day of February, 2013 by the following vote

AYES: Supervisor Karen Abowd
 Supervisor John McKenna
 Supervisor Brad Bonkowski
 Supervisor Jim Shirk
 Mayor Robert Crowell

NAYS: None

ABSENT: None

ABSTAIN: None.



Robert L. Crowell, Mayor

ATTEST

for: Kathleen King, Deputy
Alan Glover, Clerk - Recorder
Carson City, Nevada



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Job No. 09004.07.CM

EXHIBIT "A" Access and Drainage Easement No. 1

An Easement, situate within a portion of the Southeast 1/4 of Section 2, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point on the North line of Parcel B of that Parcel Map for LJ Dossey Jr. and Edward R. Weninger recorded on January 25th, 1980 in Book 3, Page 798 as File No. 93910 in the Official Records of Carson City, NV, from which the Northeast corner of said Parcel bears South 89°16'46" East, 139.92 feet;

THENCE from the POINT OF BEGINNING, along said North line, North 89°16'46" West, 42.19;

THENCE departing said North line, North 27°27'12" West, 41.32 feet;

THENCE South 62°32'48" West, 77.14 feet to a point on said North line of Parcel B;

THENCE along said North line, North 89°16'46" West, 31.77 feet;

THENCE departing said North line, North 62°32'48" East, 77.27 feet;

THENCE North 27°27'12" West, 63.97 feet to a point on the Southerly right-of-way line of U.S. Highway 50;

THENCE along said Southerly right-of-way line, North 62°30'37" East, 28.28 feet;

THENCE departing said Southerly right-of-way line, South 36°09'32" East, 74.92 feet to the beginning of a non-tangent 20.00 foot radius curve, from which a radial line bears South 28°56'34" East;

THENCE 31.92 feet along said curve, through a central angle of 91°25'47";

THENCE South 85°53'28" East, 11.92 feet;

THENCE South 20°00'23" East, 40.29 feet to the POINT OF BEGINNING;

Contains 5614 square feet, more or less.

The basis of bearings for this description is North 89°16'46" West, being the bearing of the North line of Parcel B of the above-mentioned Parcel Map for LJ Dossey Jr. and Edward R. Weninger.

Prepared by:
TRI STATE SURVEYING, LTD.



Charles Ken Iwamura, P.L.S.
Nevada Certificate No. 12991

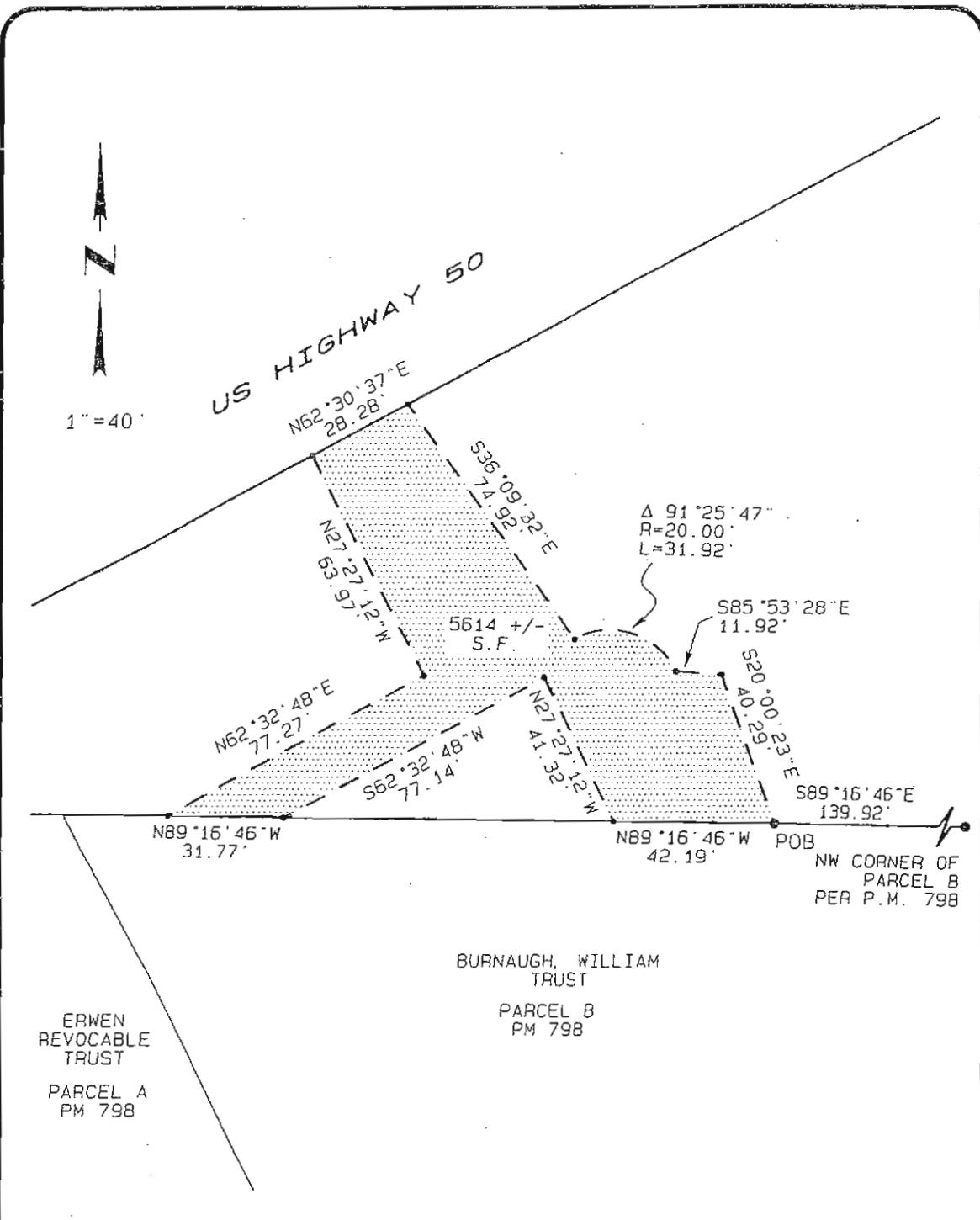


EXHIBIT 'B'

A PORTION OF THE SE 1/4 OF
SECTION 2, T. 15 N. R. 20 E.,
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EXHIBIT "C" Access and Drainage Easement No. 2

An Easement, situate within a portion of the Southeast 1/4 of Section 2, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point on the North line of Parcel B of that Parcel Map for LJ Dossey Jr. and Edward R. Weninger recorded on January 25th, 1980 in Book 3, Page 798 as File No. 93910 in the Official Records of Carson City, NV, from which the Northeast corner of said parcel bears South 89°16'46" East, 312.48 feet;
THENCE from the POINT OF BEGINNING, along said North line, North 89°16'46" West, 31.86;
THENCE departing said North line, North 27°45'37" West, 43.62 feet to a point on the Southerly right-of-way line of U.S. Highway 50;
THENCE along said Southerly right-of-way line, North 62°30'37" East, 28.00 feet;
THENCE departing said Southerly right-of-way line, South 27°45'37" East, 58.68 feet to the POINT OF BEGINNING.

Contains 1432 square feet, more or less.

The basis of bearings for this description is North 89°16'46" West, being the bearing of the North line of Parcel B of the above-mentioned Parcel Map for LJ Dossey Jr. and Edward R. Weninger.

Prepared by:
TRI STATE SURVEYING, LTD.

Charles Ken Iwamura, P.L.S.
Nevada Certificate No. 12991



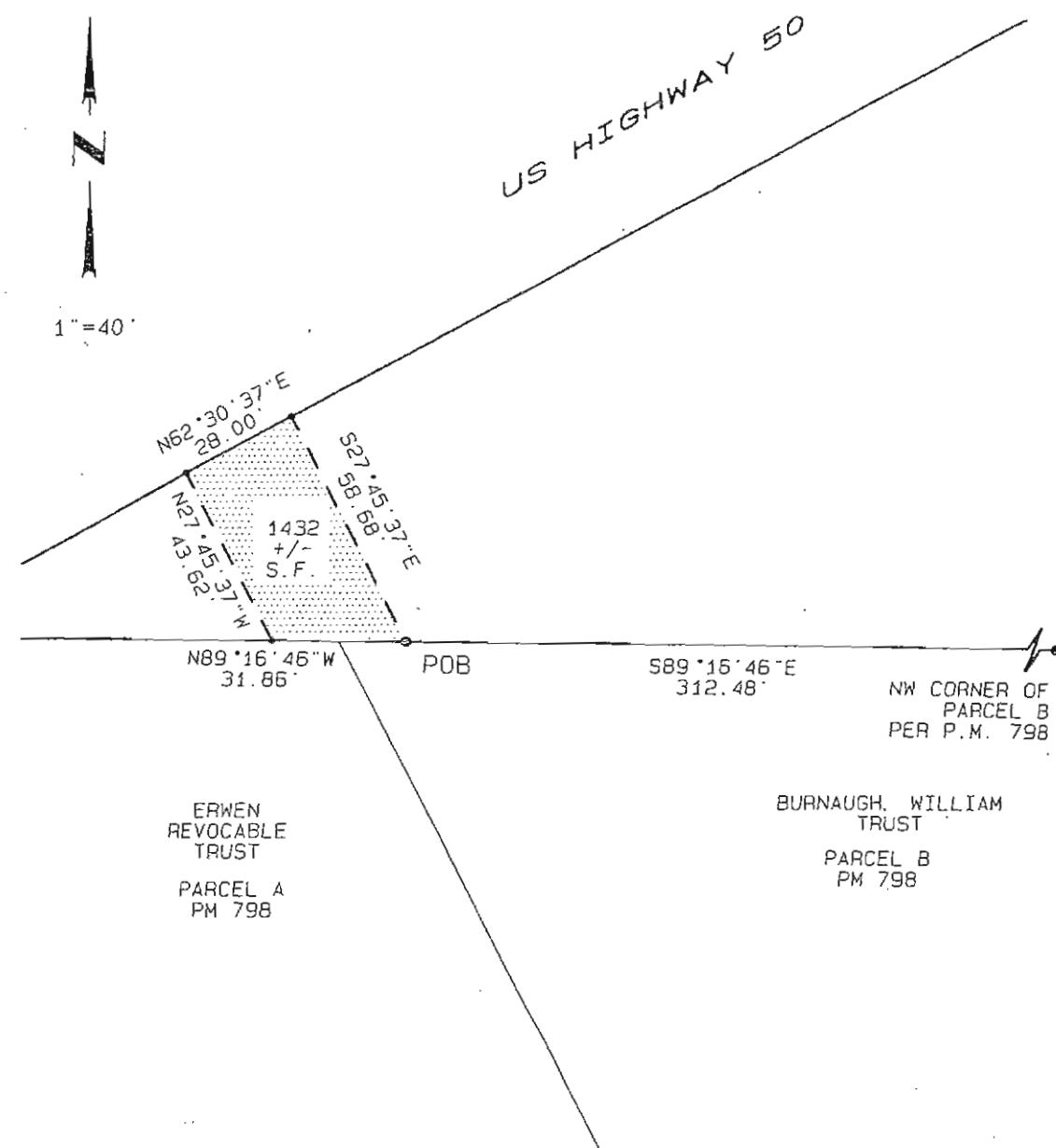


EXHIBIT "D"

A PORTION OF THE SE 1/4 OF
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EXHIBIT "E" Building Easement

An Easement, situate within a portion of the Southeast 1/4 of Section 2, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point on the North line of Parcel B of that Parcel Map for LJ Dossey Jr. and Edward R. Weninger recorded on January 25th, 1980 in Book 3, Page 798 as File No. 93910 in the Official Records of Carson City, NV, from which the Northeast corner of said parcel bears South 89°16'46" East, 182.12 feet;

THENCE from the POINT OF BEGINNING, along said North line, North 89°16'46" West, 45.15 feet;

THENCE departing said line, North 62°32'48" East, 39.80 feet;

THENCE South 27°27'12" East, 21.32 feet to the POINT OF BEGINNING.

Contains 424 square feet, more or less.

The basis of bearings for this description is North 89°16'46" West, being the bearing of the North line of Parcel B of the above-mentioned Parcel Map for LJ Dossey Jr. and Edward R. Weninger.

Prepared by:
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Charles Ken Iwamura, P.L.S.
Nevada Certificate No. 12991



1° = 40'

US HIGHWAY 50



N62°32'48"E
39°80' S27°27'12"E
21.32'

N89°16'46"W POB S89°16'46"E
45.15' 182.12'

NW CORNER OF
PARCEL B
PER P.M. 798

BURNAUGH, WILLIAM
TRUST

PARCEL B
PM 798

ERWEN
REVOCABLE
TRUST

PARCEL A
PM 798

EXHIBIT "F"

A PORTION OF THE SE 1/4 OF
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EXHIBIT "G" Parking Easement

An Easement, situate within a portion of the Southeast 1/4 of Section 2, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point on the North line of Parcel B of that Parcel Map for LJ Dossey Jr. and Edward R. Weninger recorded on January 25th, 1980 in Book 3, Page 798 as File No. 93910 in the Official Records of Carson City, NV, from which the Northeast corner of said parcel bears South 89°16'46" East, 227.27 feet;

THENCE from the POINT OF BEGINNING, along said North line, North 89°16'46" West, 42.36 feet;

THENCE departing said North line, North 62°32'48" East, 77.14 feet;

THENCE South 27°27'12" East, 20.00 feet;

THENCE South 62°32'48" West, 39.80 feet to the POINT OF BEGINNING.

Contains 1169 square feet, more or less.

The basis of bearings for this description is North 89°16'46" West, being the bearing of the North line of Parcel B of the above-mentioned Parcel Map for LJ Dossey Jr. and Edward R. Weninger.

Prepared by:
TRI STATE SURVEYING, LTD.

Charles Ken Iwamura, P.L.S.
Nevada Certificate No. 12991



1° = 40'

US HIGHWAY 50



N82°32'48"E
77.14' S27°27'12"E
20.00'
1169 +/- S.F.
S82°32'48"W
39.80'
N89°16'46"W POB
42.36' S89°16'46"E
227.27'

NW CORNER OF
PARCEL B
PER P.M. 798

BURNAUGH, WILLIAM
TRUST

PARCEL B
PM 798

ERWEN
REVOCABLE
TRUST
PARCEL A
PM 798

EXHIBIT "H"

A PORTION OF THE SE 1/4 OF
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EXHIBIT "J" Sign and Exhibit Easement

An Easement, situate within a portion of the Southeast 1/4 of Section 2, Township 15 North, Range 20 East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point on the North line of Parcel B of that Parcel Map for LJ Dossey Jr. and Edward R. Weninger recorded on January 25th, 1980 in Book 3, Page 798 as File No. 93910 in the Official Records of Carson City, NV, from which the Northeast corner of said parcel bears South 89°16'46" East, 301.40 feet;

THENCE from the POINT OF BEGINNING, along said North line, North 89°16'46" West, 11.08;

THENCE departing said North line, North 27°45'37" West, 58.68 feet to a point on the Southerly right-of-way line of U.S. Highway 50;

THENCE along said Southerly right-of-way line, North 62°30'37" East, 87.35 feet;

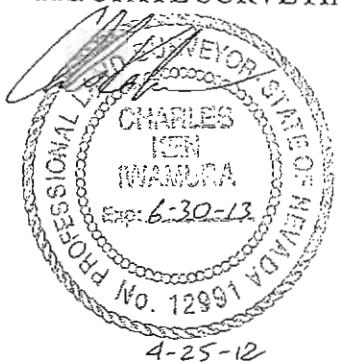
THENCE departing said Southerly right-of-way line, South 27°27'12" East, 63.97 feet;

THENCE South 62°32'48" West, 77.27 feet to the POINT OF BEGINNING;

Contains 5555 square feet, more or less.

The basis of bearings for this description is North 89°16'46" West, being the bearing of the North line of Parcel B of the above-mentioned Parcel Map for LJ Dossey Jr. and Edward R. Weninger.

Prepared by:
TRI STATE SURVEYING, LTD.



Charles Ken Iwamura, P.L.S.
Nevada Certificate No. 12991

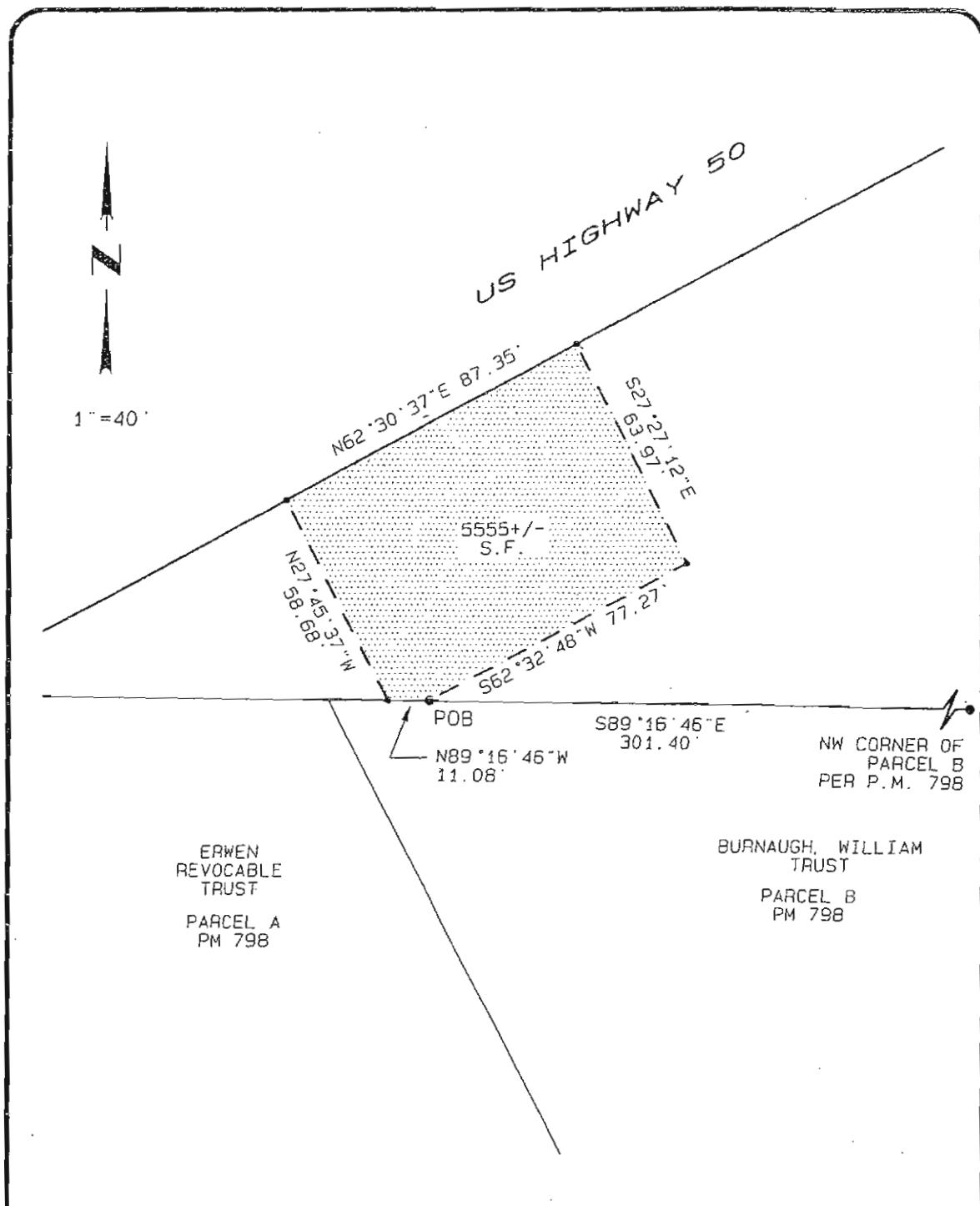


EXHIBIT "K"

A PORTION OF THE SE 1/4 OF
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JOHNSON-PERKINS & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

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Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787
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Cynthia Johnson, SRA
Cindy Lund Fogel, MAI
Scott Q. Griffin, MAI
Daniel B. Oaks, MAI
Benjamin Q. Johnson, MAI

Karen K. Sanders
Gregory D. Ruzzine
Chad Gerken

August 31, 2012

Mr. Juan Guzman
Open Space Manager
Carson City Parks and Recreation Department
3303 Butti Way, Building 9
Carson City, Nevada 89701

Re: Update Valuation of Proposed Easements/U.S. Highway 50 East and Sheep Drive
(Asphalt Drive), Carson City, Nevada

Dear Mr. Guzman:

This is in response to your request for an updated valuation of the proposed easements which are planned to be placed on the property situated on the southwest corner of U.S. Highway 50 and Sheep Drive (Asphalt Drive), Carson City, Nevada. The subject property is identified as Carson City Assessor's Parcel Number 008-523-09 and is owned by Carson City. The subject site contains a total land area of 44,627± square feet or 1.0245± acres of land area. Although there are a number of existing easements encumbering the subject property, Carson City is currently considering granting additional easements which will further encumber the subject property. The proposed easements include a Building Easement, Parking Easement, a Display and Sign Easement, and an Access and Drainage Easement.

On July 21, 2011, this firm issued a summary appraisal report addressing the Market Value of the subject property. We subsequently conducted an updated appraisal with an effective date of valuation of August 23, 2012. These appraisals addressed the subject property as encumbered by the existing easements. Based upon the analysis set forth in the updated appraisal, the Market Value of the subject property, in its "as-is" condition as of August 23, 2012, was estimated to be \$145,000. It is noted that the Market Value conclusions for the subject property, as of the effective updated date of valuation, remain the same as set forth in the original summary appraisal report.

Reno ■ Lake Tahoe

JOHNSON-PERKINS & ASSOCIATES, INC.
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On March 30, 2012 this firm issued a supplemental letter to the original summary appraisal report addressing the proposed easements which are planned to be placed on the subject property. The effective date of valuation was June 23, 2011, the date utilized in the original summary report. This letter is intended to be an addendum to the original summary appraisal, the updated appraisal report and the supplemental letter. It is assumed that the reader has access to and has carefully reviewed the original summary appraisal report, the update appraisal as well as the supplemental letter, as a result, the descriptive information and valuation analyses set forth in the prior appraisal analyses will not be repeated in this update letter.

The purpose of this letter is to update the estimated Market Value of the proposed new easements as they relate to the subject property. The intended use of this update valuation analysis is to assist Carson City in establishing a price for possible sale of the easements to an adjacent property owner.

The proposed easements involve a Building Easement containing $424\pm$ square feet, a Parking Easement which will involve $1,169\pm$ square feet, a Display and Sign Easement which will encumber $5,555\pm$ square feet and an Access and Drainage Easement which will encumber $5,614\pm$ square feet. The above land area calculations have been prepared by Ken Iwamura, P.L.S., with Tri State Surveying LTD, of Carson City, Nevada. For the purposes of this valuation analysis, it is assumed that the land area calculations as provided by Tri State Surveying LTD are accurate. For a detailed description of the proposed new easements the reader is referred to the supplemental letter of March 30, 2012 addressing the valuation of the proposed easements.

As previously noted, the Market Value conclusions for the subject property, as of the August 23, 2012 updated date of valuation, remain the same as set forth in the original summary appraisal report.

Based upon a careful review of our supplemental letter of March 30, 2012 and update analysis, it is our opinion that the Market Value of the proposed new easements, as part of the subject's larger parcel, as of August 23, 2012, remain the same as set forth in the supplemental letter at \$30,000. Set out following is a chart summarizing the valuation of the subject's four proposed easement areas and a final estimate of the value of these easements.

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Summary of Valuation of Proposed Easements

Proposed Building Easement	
(424± sf @ \$8.00 x 95%)	\$ 3,222
Proposed Parking Easement	
(1,169± sf @ \$8.00 x 50% x 90%)	\$ 4,208
Proposed Display Sign Easement	
Previously Encumbered	
(3,854± sf @ \$8.00 x 50% x 90%)	\$ 13,874
Not Previously Encumbered	
(1,701± sf @ \$8.00 x 90%)	<u>\$ 12,247</u>
Value of Display and Sign Easement	\$ 26,121
Proposed Access and Drainage Easement	
Previously Encumbered	
(4,133± sf @ \$8.00 x 50% x 80%)	\$ 13,226
Not Previously Encumbered	
(1,481± sf @ \$8.00 x 80%)	<u>\$ 9,478</u>
Value to Access and Drainage Easement	<u>\$ 22,704</u>
Total Value (Before Water and Sewer)	\$ 56,255
Rounded To	\$ 55,000
Less Allowance for Water and Sewer Extensions	<u>\$ (25,000)</u>
Final Value Conclusion of Proposed Easements	<u>\$ 30,000</u>

As is set out on the previous chart, the value of the subject's proposed Building Easement was estimated to be \$3,222; the value of the Parking Easement was estimated to be \$4,208; the value of the proposed Display and Sign Easement was estimated to be \$26,121; and the value of the proposed Access and Drainage Easement was estimated to be \$22,704. This totaled an indicated value for the subject's four proposed easements of \$56,255, which was rounded to \$55,000. Deducting the proportional allowance for water and sewer extensions of \$25,000, results in a final indication of the value of the subject's proposed easements of \$30,000.

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Based upon a careful review and analysis of all data available and these appraisers' understandings of the intent of the proposed easements, it is our opinion that the Market Value, as part of the subject's larger parcel, as of August 23, 2012, is \$30,000.

FINAL UPDATED MARKET VALUE CONCLUSION **\$30,000**
(Four Proposed Easements as of August 23, 2012)

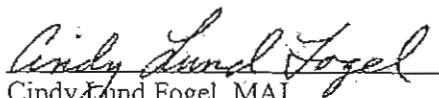
The reader is reminded that this updated valuation analysis is intended to be an addendum to the original summary appraisal, the updated appraisal report and the supplemental letter addressing the proposed new easements, therefore, this letter should only be utilized in conjunction with the prior appraisals.

We appreciate the opportunity of preparing this appraisal and should you have any additional questions, please do not hesitate to contact us.

Respectfully Submitted,



Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG

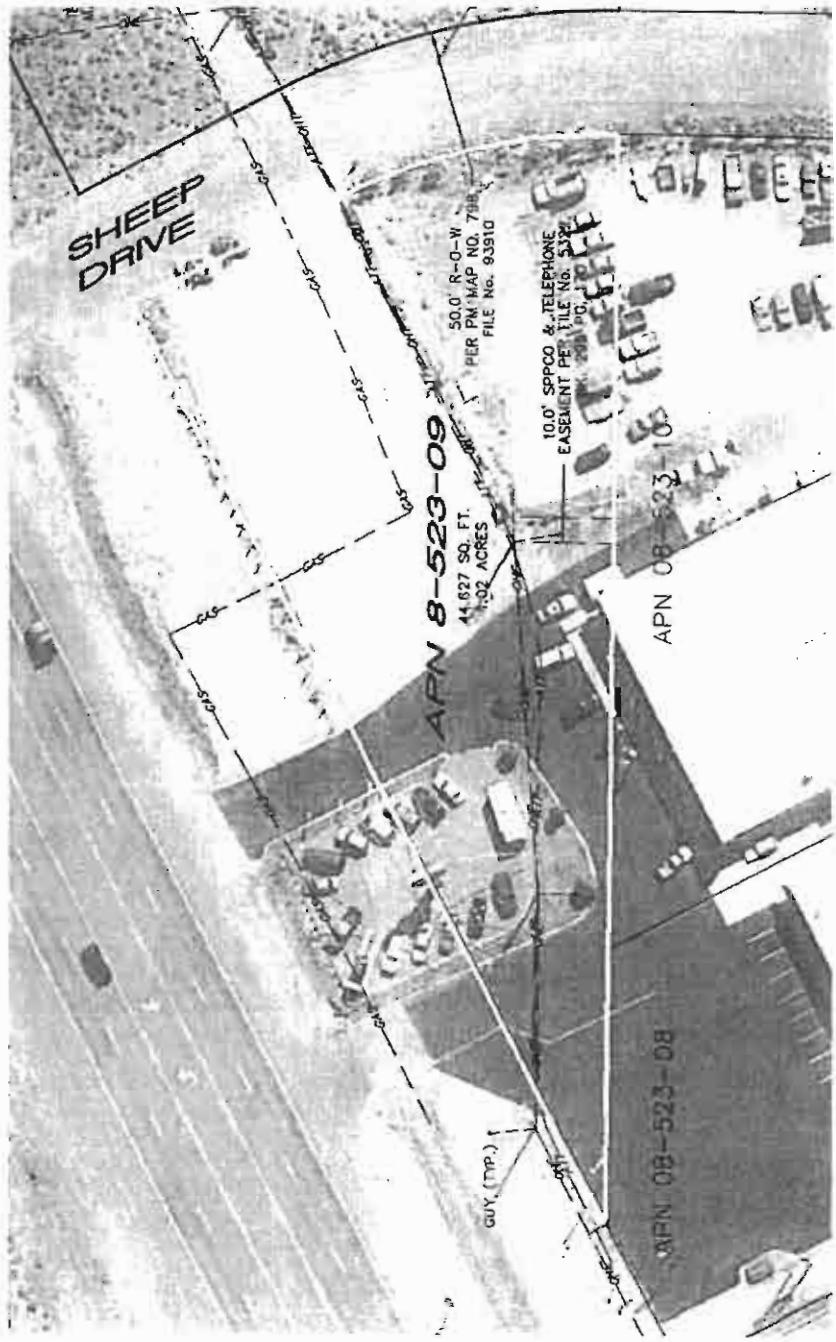


Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-CG

Reno ■ Lake Tahoe

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SUBJECT AERIAL PHOTOGRAPH



Subject Outlined in Yellow

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GRAPHIC SCALE

$$1'' = 50'$$

~~SHEEP
DRIVE~~

7368 S.F.
UNECUMBERED
AREA + PUE

10° PUP

PARCHE 2
0.98 AC

176

8265 S. F.
UNECUMBERED
ABE + 811

1100 SPOCO TELEPHONE
EASEMENT PILE No. 5322.
BK. 295 PG. 176.

APN Ut-523-10

APN 08-523-08

50.0 HUIP
50.0 PH MAP
PER 798.93910
NO. NO. 798
FILE

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her at the podium, and presented her with the 2012 Christmas ornament, together with various historic documentation relative to the First United Methodist Church. Chairperson Aldean reviewed a number of retail outlets at which the 2012 ornament will be available for sale.

(8:54:22) First United Methodist Church Pastor Dixie Jennings-Teats thanked the Redevelopment Authority, noting that the church has “the oldest continuous congregation in Nevada, beginning in 1859. This building is one of the oldest ... used buildings in Nevada.” She noted that the ornament honors the past for which the church is “very thankful, ... but it also represents the future.” She discussed Pastor Rob’s absence from the meeting due to his involvement in Circles Initiative training.

22. PUBLIC COMMENT (8:56:14) - Chairperson Aldean entertained public comment; however, none were forthcoming.

23. ACTION TO ADJOURN REDEVELOPMENT AUTHORITY (8:56:25) - Member Crowell moved to adjourn the Redevelopment Authority meeting at 8:56 a.m. The motion was seconded and carried 5-0. Chairperson Aldean returned the gavel to Mayor Crowell.

24. RECONVENE BOARD OF SUPERVISORS (8:56:37) - Mayor Crowell reconvened the Board of Supervisors at 8:56 a.m.

25. PARKS AND RECREATION DEPARTMENT, OPEN SPACE DIVISION - POSSIBLE ACTION ON A PUBLIC HEARING TO DETERMINE, PURSUANT TO NRS 244.281(1)(c), THE FAIR MARKET VALUE OF APN 008-523-09, CONTAINING 1.02 ACRES IS \$115,000 AND THAT THE FAIR MARKET VALUE OF EASEMENTS IS \$30,000 FOR COUNTY REAL ESTATE LOCATED IN THE VICINITY OF CAPITAL LOANS, AT 5951 HIGHWAY 50 EAST (8:56:37) - Mayor Crowell introduced this item. Open Space Property Manager Juan Guzman provided background information and reviewed the agenda materials in conjunction with a displayed aerial photograph. At Mayor Crowell’s request, Mr. Guzman pointed out the location of the subject and adjacent property lines using a displayed aerial photograph. Mr. Guzman acknowledged that a portion of the parking lot is within the right-of-way. In response to a further question, he clarified “actually it is more exhibit area than parking lot although a portion of it is also used for a parking lot.” He explained that it is being perfected “through proposed easements that will be running ... to the south.” He further acknowledged this is not the subject of today’s public hearing. He responded to additional questions of clarification regarding the property lines, as depicted on the displayed photograph. He acknowledged the intent to “try to sell the entire wedge but before we sell the entire wedge, in a subsequent meeting, we’re going to try to ask the Board to consider to sell only easements and those are the ones in color. We’ll do that in order to accomplish two things; number one, to clear the record so everybody knows what easements are there appurtenant to the land and, number two, because it’s a triangular piece that appears to meet the definition of the Nevada Revised Statutes of being primarily of service to the parcel adjacent to it.” Supervisor McKenna pointed out the easements to the northwest and to the south and inquired as to the possibility of “get[ting] rid of the ... easements to the south.” Mr. Guzman explained that the easements benefit the subject property as well as “all of Carson City. ... The best thing that we could do ... is ... recognize that they are there and let everybody know ... and if they want to put a bid on the land, they know then what they are buying. They’re buying land that has an easement already ...” Mr. Guzman surmised the intent

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of Supervisor McKenna's question relative to whether the "white area" is large enough to sustain a use by itself and, thus, be sold free and clear. Mr. Guzman suggested, "That's debatable. Our conclusion is that ... whoever puts a bid on this land is going to know that it's heavily encumbered with all these easements."

(9:08:38) Appraiser Stephen Johnson introduced himself for the record. Supervisor Aldean advised that the manner in which the property has been appraised has been questioned "because it has been alleged ... that by conveying these easements ... [which] have not been previously established, you are diminishing the value of the property but you're appraising it as though ... the easements that we are considering today ... already exist." She inquired as to whether this is common practice in appraisal. Mr. Johnson explained that this was an instruction he was given relative to the appraisal. In response to a further question, he provided background information on the appraisal and reviewed the same. He and Mr. Guzman responded to corresponding questions of clarification. Following discussion, Supervisor Aldean suggested creating temporary easements for the gas lines "to give the ultimate owner the option of relocating them at his or her expense." Additional discussion followed, and Mr. Johnson cautioned against a temporary easement, "from an appraisal standpoint," but suggested granting a relocatable easement.

In response to a question, Mr. Johnson explained that he had valued the new easements and added them to the residual value for the total value of the triangle. He stated, "I think I've covered the triangle in total as an independent parcel." He advised of not having built in an "over the barrel factor because ..., obviously, Mr. Burnaugh would have substantial consequences if the City said, 'Remove your building from our property.' And I haven't considered ... that; that's beyond the appraisal." In response to a further question, Mr. Johnson advised that the parcel and the utility lines have been in place "for a long time. Obviously, the building's been in place for as long as the building's been there and ... the parking area the same." In response to a further question, he pointed out the course of the utility lines to the west. In response to a further question, Mr. Guzman provided background information on ownership of the easements prior to passage of the federal lands bill.

In response to a question, Mr. Guzman advised that no other property owners were specifically notified, other than by publication of the agenda. "This case has been so controversial and we have contacted, through the appraiser and through our efforts, the City Engineer Jeff Sharp. Everybody else, all the surrounding properties are aware that this is happening but there none specifically notified of this meeting." Mr. Johnson responded to questions regarding access.

Supervisor Abowd disclosed that Mr. Burnaugh had contributed to her campaign, but that, as a reasonable person, she intended to participate in discussion and action on this item. Mr. Johnson acknowledged that the property in front of Capitol Loans has more value to Mr. Burnaugh. "Because of the shape ..., it's less usable ... It would still have some value if you put this on the market without any of these encumbrances ..." In response to a further question, Mr. Guzman explained that, under State law, the Board could grant Capitol Loans an exclusive preference to purchase the subject property. The lands bill prevents this, however, and requires the sale by public auction. "... that's why we thought, we sell easements to Bill Burnaugh and that clears the slate, that establishes the best line, ... and Bill doesn't have to buy them. It's just an offer. The second step, then, we put the whole thing for bid in a public process. And everybody can bid." Mr. Johnson advised caution in the current real estate market. Mr. Werner suggested considering that the value of the property, without granting the easements, "would probably not come anywhere near what you'd see in the loss of income from the business."

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Mr. Johnson reviewed the most current values of the property and the easements. He acknowledged that the easements were designed to accommodate existing use. Mr. Guzman advised that the City issued a building permit for the sign and required the landscaping. "So we have contributed to what we see there to a certain extent. Mr. Guzman acknowledged an existing title report which indicates that Capitol Loans is the fee title owner of the property. In response to a question, Mr. Werner advised of having been notified by the federal government "that this was a trespass situation about twelve years ago and we've been working with them since then. We were working through the standard procedure with BLM to actually have the land disposed. Along this method, we were going through the normal disposal and BLM was going with that and then we did the lands bill and ... we then included this property in the lands bill which stopped the normal process through BLM. They had to stop because now we had all the lands bill conditions that we had to comply with and then we had to restart ... everybody in the world is on notice that this is ... a trespass situation. We brought it before this Board to identify it as a trespass situation. The Board said, '... we're not going to do anything now, but we want this resolved.' And that's what's brought it back to you." Mr. Werner suggested "this is the fairest way to do it. The value of the land stays the same. ... It does solve the problem with having Capitol City Loan being on all its appropriate easements and lands. That resolves that issue. If, in fact, a third party buys the remaining pieces, they're aware of what's going on there. ... If [Mr. Burnaugh] buys it, and he buys it at appraised value it, that resolves it; it's gone. So we think this is truly the best way to do it and we don't see that there's any diminishment in value to the City or to the federal government."

Supervisor Abowd expressed concern that Capitol Loans would have to pay an inflated price in consideration of the divisiveness of the matter. Mr. Werner discussed the requirement to sell the property at public auction. Mr. Johnson responded to questions of clarification regarding the appraised values. In response to a further question, he recommended selling the land. "I don't know why you'd want to keep it."

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. Supervisor Aldean commented on the "convoluted process. A lot of missteps were made. ... In order to protect an existing business and do ... the morally correct thing," **Supervisor Aldean moved to determine, pursuant to NRS 244.281(1)(c) that the fair market value of APN 008-523-09, containing 1.02 acres is \$115,000 and that the fair market value of easements, as noted on the record, is \$30,000 for county real estate located in the vicinity of Capitol Loans at 5951 Highway 50 East. Supervisor Abowd seconded the motion.** In response to a question, Supervisor Aldean clarified that the referenced easements are as set forth in the appraisal and as further explained by staff and the appraiser at this meeting. Mayor Crowell entertained discussion and, when none was forthcoming, called for a vote on the pending motion. **Motion carried 5-0.** A brief discussion took place regarding the action taken and the requirement for a Board action to sell the property. Mr. Guzman provided additional clarification of the procedure.

26. PARKS AND RECREATION DEPARTMENT - POSSIBLE ACTION TO APPROVE THE SUBMITTAL OF A SOUTHERN NEVADA PUBLIC LANDS MANAGEMENT ACT ("SNPLMA") GRANT APPLICATION FOR CAPITAL IMPROVEMENTS TO THE LOWER SPORTS COMPLEX AT JOHND WINTERS CENTENNIAL PARK, TO AUTHORIZE PARKS AND RECREATION DIRECTOR ROGER MOELLENDORF TO SIGN THE GRANT APPLICATION ON BEHALF OF CARSON CITY, AND TO AUTHORIZE THE MAYOR TO SIGN A LETTER OF SUPPORT FOR THE PROJECT (9:47:08) - Mayor Crowell introduced this item, and Recreation Division Operations Supervisor Joel Dunn reviewed the agenda materials in conjunction with a PowerPoint