

**EUREKA COUNTY BOARD OF COMMISSIONERS**  
***Special Meeting – June 29, 2011***

STATE OF NEVADA    )  
                              :SS  
COUNTY OF EUREKA )

**CALL TO ORDER**

The Board of Eureka County Commissioners met pursuant to law for a special meeting regarding the Eureka Canyon Subdivision on June 29, 2011. Present were Chairman Leonard Fiorenzi, Vice Chairman Mike Page, Member Jim Ithurralde, and Clerk & Treasurer Jackie Berg. The meeting was called to order at 8:00 a.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

**APPROVAL OF AGENDA**

Chairman Fiorenzi made one small adjustment to the agenda, changing the order of items under Nevada Rural Housing scheduled at 1:00 p.m. With that change, Commissioner Ithurralde motioned to approve the agenda; Commissioner Page seconded the motion; motion carried 3-0.

**PUBLIC COMMENT**

Chairman Fiorenzi called for public comments; there were none.

**PUBLIC WORKS**

Water & Sewer Service Options for 991 S. Main Street, Eureka: Public Works Director, Ron Damele, received inquiries regarding what utilities were available to the property located at 991 South Main Street in Eureka. The last municipal water service was in 1997, but that service is no longer functional, and the property has never had sewer service. Mr. Damele estimated that 700 ft. of water line and 546 ft. of sewer line would be required to extend utilities to this property. Mr. Damele recommended that the County consider extending service to the RV Park on the south end of town, which would increase the extension to 1970 ft. of water line and 1800 ft. of sewer line. A right-of-way must be obtained from Nevada Department of Transportation.

Chairman Fiorenzi felt water should be provided since it would be restoring a previous service, but County Code requires the property owner to pay for sewer extensions in excess of 75 ft. Since the RV park is outside the town boundaries, he felt the utility lines should be sufficient to provide future service, but didn't feel the County should bear the full cost of installation at this time. Commissioner Ithurralde motioned to furnish water to the parcel located at 991 South Main Street by extending the water line approximately 700 ft.; Chairman Fiorenzi seconded the motion; motion carried 3-0.

**ECONOMIC DEVELOPMENT PROGRAM**

Department Assistant Position: Cultural, Tourism, & Economic Development Director, Andrea Rossman, requested authorization to fill the Economic Development Program Department Assistant position which will become vacant on July 1<sup>st</sup>. Commissioner Ithurralde motioned to authorize hiring a Department Assistant for the Economic Development Program; Commissioner Page seconded the motion; motion carried 3-0.

**EUREKA CANYON SUBDIVISION**

Multifamily Documents: The Board conducted a thorough review of the following documents related to the multifamily portion of the subdivision, which contained the latest

agreed-upon changes: Real Property Agreement, Grant Agreement, Deed of Trust and Security Agreement, and the Promissory Note. One correction was noted where the wrong attachment was referenced, and all blanks were filled in except for those that would be determined by the title company. Jack White, JL White & Associates, was called to confirm some of the dates and figures inserted to complete blanks in the documents, and to confirm the development fee paid to date. Gary Longaker, Executive Director for NRHA, was called to request that the documents signed by the NRHA Board be transmitted electronically.

Resolution Authorizing Grant to NRHA: The Board reviewed the Resolution authorizing a grant to Nevada Rural Housing Authority for placement of the 50 previously purchased townhomes at the subdivision. The interest rate listed in the resolution was changed from 5% to 3% to reflect the agreed upon interest in the Promissory Note.

**RECESS FOR LUNCH**

The Board recessed for lunch at 11:15 a.m. and reconvened the meeting at 1:00 p.m.

**NEVADA RURAL HOUSING AUTHORITY**

Approval of Resolution: Commissioner Ithurralde motioned to approve the Resolution authorizing a refundable grant to Nevada Rural Housing Authority, upon certain conditions, to be used for placement of 50 pre-purchased townhomes in the Eureka Canyon Subdivision; as part of the motion Commissioner Ithurralde declared that Eureka County has sufficient money in the general fund to support this, the money is unrestricted, the grant will not compromise the economic viability of the general fund, the money from the refundable grant is only to be used by NRHA to carry out the work that is described and to repay the grant with an annual interest rate no greater than 3%, and that the grant monies will only be made available with written consent of the Board. Commissioner Page seconded the motion. Motion carried 3-0.

Eureka, Nevada

June 29, 2011

**RESOLUTION OF THE EUREKA COUNTY COMMISSIONERS  
AUTHORIZING A REFUNDABLE GRANT OF \$4,656,511.00  
TO THE NEVADA RURAL HOUSING AUTHORITY  
UPON CERTAIN CONDITIONS**

WHEREAS, beginning on January 20, 1988, the Board of Eureka County Commissioners recognized the need to place housing near the town of Eureka to reduce the burden on taxpayers from building and operating additional public utility systems; and

WHEREAS, in 1997, Eureka County received patents for 164 acres of land within the townsite of Eureka suited for additional housing; and

WHEREAS, on July 20, 2008, Eureka County leased this 164 acres to Eureka Moly, LLC for the placement of temporary construction worker housing and Eureka Moly, LLC did perform tree removal and dirt work to prepare the site for use; and

WHEREAS, on July 6, 2010, by mutual agreement, the lease between Eureka County and Eureka Moly, LLC was terminated to allow Eureka County the opportunity to explore other ways to provide additional housing in a timely manner, because the work by Eureka Moly, LLC at the 164 acre site had stopped; and

WHEREAS, on July 6, 2010, Eureka County and Nevada Rural Housing Authority (NRHA) entered into a Memorandum of Understanding to work together on development of the 164 acres; and

WHEREAS, on July 6, 2010, Eureka County and NRHA executed a Contract for Services with NRHA as an Independent Contractor to plan and execute development of real property for housing and commercial sites at a cost not to exceed \$250,000.00; and

WHEREAS, the Board of Eureka County Commissioners conducted a Community Housing public meeting with NRHA on July 21, 2010, to inform the public about NRHA's role and the efforts made to develop the 164 acres; and

WHEREAS, on August 12, 2010, Eureka County conducted a special meeting of the Board of Eureka County Commissioners and invited both NRHA and Nevada State Bank representatives to discuss ways to fund the development of this property owned by Eureka County and learned private funding for such developments is scarce and federal funding is limited; and

WHEREAS, NRHA contracted with Vogt Santer Insights to conduct a Market Feasibility Analysis to confirm and quantify the current demand for housing near Eureka, Nevada, and Vogt Santer Insights issued their final report November 3, 2010; and

WHEREAS, a Tentative Subdivision Application and Map was filed with Eureka County Public Works December 2, 2010, which identifies the project area as the 164 acres, names the project the Eureka Canyon Subdivision, lists NRHA as the developer and Eureka County as the owner, describes 13 acres set aside for multifamily development, 20 acres for commercial development, 93 acres of open space, 122 lots planned for single family and duplex residences, and includes Development Standards applicable to the Eureka County Subdivision; and

WHEREAS, on December 20, 2010, the Board of Eureka County Commissioners approved the concept of granting NRHA funds to purchase 50 townhome units from Guerdon Homes in Boise, Idaho that had already been constructed, signed a Resolution January 3, 2011 authorizing this grant, and during a special meeting January 7, 2011 approved the terms of a promissory note for \$1,700,000.00 at 5% interest for 21 months that NRHA approved effective January 10, 2011 to be repaid no later than September 30, 2012; and

WHEREAS, on January 26, 2011, during a special meeting of the Board of Eureka County Commissioners, Eureka County presented the revised estimates of the cost to Eureka County for the improvements necessary to build the Eureka Canyon Subdivision of approximately \$18,000,000.00 with the understanding that some portion of that cost would be refunded over time by NRHA; and

WHEREAS, on February 1, 2011, the Eureka County Planning Commission approved the Eureka Canyon Subdivision Tentative Map, and the Board of Eureka County Commissioners approved the Planning Commission's recommendations and the Tentative Map February 7, 2011; and

WHEREAS, on May 4, 2011, Eureka County and NRHA signed an Interim Agreement to immediately make available funds to NRHA in an amount not to exceed \$2,969,335.00 at 3% interest for work to proceed on the Eureka Canyon Subdivision, reduce the interest rate on the \$1,700,000.00 promissory note from 5% to 3%, and unconditionally accept the 50 townhomes purchased by NRHA to be placed on the 13 acres identified for a multifamily development in the Eureka Canyon Subdivision; and

WHEREAS, NRHA and EUREKA COUNTY recognize the need to sign documentation that consolidates the \$1,700,000.00 grant of January, 2011 to purchase the 50 townhome units and all portions of the \$2,969,335.00 already disbursed to NRHA to commence work on the Eureka Canyon Subdivision, and provide an additional grant to accomplish the work of the placement of the 50 townhome units on the Eureka Canyon subdivision site; and

WHEREAS, NRHA and Eureka County recognize the Eureka Canyon Subdivision is exempt from the usual requirements of appraisal before the sale or transfer of government property because Eureka County is jointly developing this area with NRHA, and because of the authority granted by NRS 244.2795 (appraisal exceptions) and NRS 315.550(2) (powers respecting housing projects); and

WHEREAS, NRHA and Eureka County recognize the authorization for expenditure of local government funds to build the improvements and do the work necessary for the Eureka Canyon Subdivision are permitted by NRS 244.1505(1) (expenditure of public money), NRS 244.189 (development of affordable housing), and NRS 315.550 (powers respecting housing projects); and

WHEREAS, NRHA has requested a grant in the amount of \$4,656,511.00 to consolidate previous disbursements and complete the placement of the 50 rental units at the Eureka Canyon Subdivision;

NOW THEREFORE BE IT RESOLVED THAT:

FIRST, a sufficient amount of money is available from the general fund for this grant of \$4,656,511.00; and

SECOND, the money is not otherwise restricted in its use; and

THIRD, the grant will not compromise the economic viability of the general fund; and

FOURTH, the money from this refundable grant may only be used by NRHA to carry out the work described in the Multifamily Real Property Agreement and Multifamily Grant Agreement contemplated to be signed by NRHA and Eureka County June 29, 2011, and

FIFTH, no money of this refundable grant will be made available unless and until the Board receives a promissory note obligating the NRHA to repay the grant with interest at an annual rate of not greater than three percent (3%); and

SIXTH, no money of this refundable grant will be made available unless and until the Board receives written confirmation by NRHA that the refundable grant with interest will be repaid in full or converted to permanent financing.

Adopted this 29<sup>th</sup> day of June, 2011.

/s/ Leonard J. Fiorenzi  
Leonard J. Fiorenzi, Chair  
Eureka County Board of Commissioners

/s/ Mike Page  
Mike Page, Vice Chair  
Eureka County Board of Commissioners

/s/ J.P. Ithurralde  
J.P. Ithurralde, Member  
Eureka County Board of Commissioners

Attest: /s/ Jackie Berg  
Jackie Berg, Eureka County Clerk

Approval of Multifamily Real Property Agreement: Jack White was called again for a final review of the dates and figures inserted in the document blanks so that he could provide those figures to counsel at Jones Vargas. Commissioner Ithurralde motioned to approve the Multifamily Real Property Agreement with the minor changes and the dates and amounts inserted by the Board, adding that certain dates and figures were to be supplied at a later date by the title company, as well as attachment of whatever map was deemed acceptable by the title company. Commissioner Page seconded the motion. Motion carried 3-0.

Approval of Multifamily Grant Agreement: Commissioner Ithurralde motioned to approve the Multifamily Grant Agreement with the minor changes and insertion of dates and figures, with closing dates and dollar amounts to be provided by the title company; Commissioner Page seconded the motion; motion carried 3-0.

Approval of Promissory Note and Deed of Trust/Security Agreement: The Promissory Note and Deed of Trust and Security Agreement will both be signed just prior to close of escrow. Commissioner Ithurralde motioned to approve the Promissory Note and Deed of Trust and Security Agreement and to authorize the Chairman to sign the documents prior to close of escrow; Commissioner Page seconded the motion; motion carried 3-0.

Update on Single Family Documents: The Board agreed that Chairman Fiorenzi will continue working with NRHA Board representative, Roger Mancebo, on the single family documents. Mr. White will forward the approved changes made in the multifamily documents to Jones Vargas so they can be incorporated into the single family documents as well.

Extension of Interim Agreement: Commissioner Ithurralde motioned to extend the Interim Agreement between Eureka County and Nevada Rural Housing Authority to August 5, 2011; Commissioner Page seconded the motion; motion carried 3-0.

**PUBLIC COMMENT**

Chairman Fiorenzi called for public comments; there were none.

**ADJOURNMENT**

Commissioner Ithurralde motioned to adjourn the meeting at 1:25 p.m.; Commissioner Page seconded the motion; motion carried 3-0.

Approved this 19<sup>th</sup> day of August, 2011.

/s/ Leonard Fiorenzi

Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk