



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** October 17, 2019

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed resolution to accept the highest bid for the sale of Carson City property located on Brown Street, known as APNs 008-303-15, -16, -21, -36, -37 and -39, totaling approximately 2.78 acres, and to authorize the Mayor to execute a deed and to deliver it upon performance and compliance by the purchaser with all the terms or conditions. (Darren Schulz, DSchulz@carson.org; Dan Stucky, DStucky@carson.org)

Staff Summary: On September 19, 2019, the Board of Supervisors adopted a resolution declaring intention to sell Carson City property known as APNs 008-303-15, -16, -21, -36, -37 and -39, totaling approximately 2.78 acres at public auction under NRS 244.281 and 244.282. The resolution set the fair market value and minimum purchase price of the property at \$300,000 and allowed for sealed, written bids to be submitted to the City Manager until 8:30 am on October 17, 2019, at which time a public meeting of the Board of Supervisors will be held during which sealed bids will be received and considered.

Agenda Action: Formal Action / Motion **Time Requested:** 20 minutes

Proposed Motion

I move to accept the highest bid from _____ and adopt Resolution No. _____.

Board's Strategic Goal

Efficient Government

Previous Action

June 6, 2013 - Board of Supervisors approved a motion to authorize the Mayor to sign a Quit Claim Deed and Declaration of Value to accept the transfer of properties on Brown Street, APNs 008-303-15, -16, -21, -36, -37, and -39, from Lyon County to Carson City.

January 17, 2019 - Board of Supervisors approved a motion to direct staff to initiate due diligence in preparation of a proposed resolution declaring the intent to sell City property located on Brown Street known as APNs 008-303-15, -16, -21, -36, -37 and -39 and to perform all preparatory tasks for compliance with NRS.

September 19, 2019 - Board of Supervisors adopted a resolution declaring intention to sell Carson City property known as APNs 008-303-15, -16, -21, -36, -37 and -39, totaling approximately 2.78 acres at public auction under NRS 244.281 and 244.282.

Background/Issues & Analysis

In 2005, the Western Nevada HOME Consortium (WNHC) funded the purchase of properties on Brown Street using federal HOME funds in order to construct 45 units of affordable, for-ownership low-income housing. This

project failed to materialize due to the economic downturn and the eventual bankruptcy of the developer. As a result Lyon County, a member of WNHC, offered to give the property to Carson City since Carson City was a member of the WNHC and would have benefited from its development. All federal funds were paid back prior to WHNC transferring the property to Carson City. Additionally, a Phase 1 Environmental Site Assessment was performed prior to the transfer and there was no evidence at the time of recognized environmental conditions in connection with the property.

On August 29, 2013, a quit claim deed transferring the property to Carson City was recorded by the Carson City Clerk-Recorder as document 439409. When the City accepted the transfer, it was discussed that the City would be able to either keep the property for public use, auction the property for private development, or donate the property to an organization for affordable housing. For the past several years, there have been discussions with Nevada Rural Housing regarding using this site for affordable housing. However, due to the limited acreage, no project has come to fruition. The City does not need to retain these parcels for public use; therefore, it is in the best interest of the City to dispose of the surplus property.

On January 17, 2019, the Board of Supervisors directed staff to initiate due diligence in preparation of a proposed resolution declaring the intent to sell City property located on Brown Street known as APNs 008-303-15, -16, -21, -36, -37 and -39 and to perform all preparatory tasks for compliance with NRS. Since this time staff has obtained a title report, had an appraisal prepared and had a Phase 1 Environmental Site Assessment completed. The appraisal valued the property at \$300,000. The Phase 1 Environmental Site Assessment revealed no evidence of recognized environmental conditions in connection with the property.

On September 19, 2019, the Board of Supervisors adopted a resolution declaring intention to sell Carson City property known as APNs 008-303-15, -16, -21, -36, -37 and -39, totaling approximately 2.78 acres at public auction under NRS 244.281 and 244.282. The resolution set the fair market value and minimum purchase price of the property at \$300,000 and allowed for sealed, written bids to be submitted to the City Manager until 8:30 am on October 17, 2019, at which time a public meeting of the Board of Supervisors will be held during which sealed bids will be received and considered. Pursuant to NRS 244.282, a notice of the adoption of the resolution and of the time and place of holding the meeting was posted in three public places not less than 15 days before the meeting and published once per week for three successive weeks in the Nevada Appeal.

At the October 17, 2019, Board of Supervisors meeting:

- (1) the Board will open any sealed, written bids, examine them, and state the bidder and the amount;
- (2) the Board must declare the highest bid from a responsible bidder that conforms to the terms and conditions of the Board's September 19, 2019 resolution of intent to sell the property;
- (3) the Board must call for oral bids, which must begin at a price exceeding the highest written bid by five percent (or 105% of the highest written bid);
- (4) if there are oral bids, the highest oral bid by a responsible bidder that offers to buy the property upon the terms and conditions specified in the September 19 resolution becomes the highest qualifying bid;
- (5) the Board may then:
 - (a) accept the highest bid by resolution stating the terms of the acceptance and directing the Mayor to execute a deed and to deliver it upon performance and compliance by the purchaser with all the terms or conditions of the purchase; or
 - (b) if the Board deems it to be for the best public interest, the Board may reject any and all bids and withdraw the property from sale.

A resolution accepting a bid must authorize and direct the Mayor to execute a deed and to deliver it upon performance and compliance by the purchaser with all the terms or conditions of the purchase. The conditions of the sale delineated in the September 19 resolution of intent to sell the properties are as follows:

- The offer may be all cash, or for 25 percent cash down and financing as the bidder may obtain.

- A \$15,000 security deposit from the highest and second highest bidder is required. The security deposit must be paid within two days of notification of selection as the highest and second highest bidder, and must be made payable to the Carson City Treasurer. The security deposit will be credited against the purchase price.
- Payment in full must be received from the highest bidder within 30 days of the date of the resolution approving the highest bidder.
- The City will hold the security deposit of the second highest bidder until payment is received from the highest bidder and the City provides a quitclaim deed to the buyer for recording. The City will then refund the security deposit of the second highest bidder.
- If the highest bidder fails to submit the full payment within 30 days, the security deposit will be forfeited to the City as liquidated damages, not as a penalty, and the property will be offered to second highest bidder.

All money from the auction of real property under NRS 244.282 must be deposited with the county treasurer to be credited to the county general fund. Staff will be bringing forward a separate item in the future about how the proceeds could be used, including whether the proceeds should be used for affordable housing programs.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.281 and 244.282

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: General Fund Surplus Sales - 1010090-482080

Is it currently budgeted? No

Explanation of Fiscal Impact: These parcels were previously transferred to the City at no cost. Proceeds from the sale will go into the General Fund. However, Health and Human Services will be bringing forward an item to discuss how these funds may be used in the future to support affordable housing programs.

Alternatives

Do not adopt a resolution and provide alternative direction to staff.

Attachments:

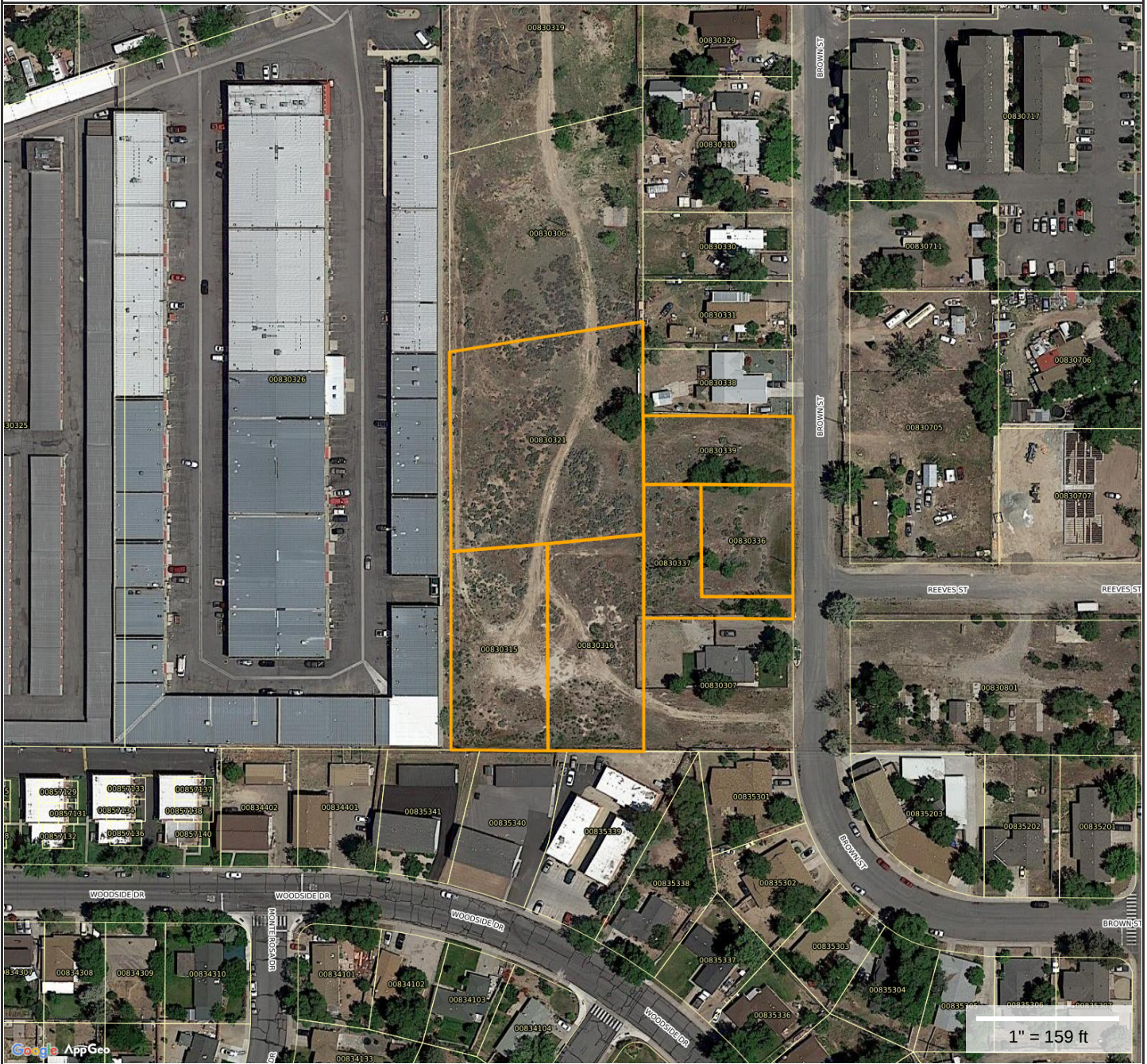
1. [Exhibit A to Resolution Brown Street Properties Map.pdf](#)
2. [NRS 244.282 Resolution for Disposal Brown Street Properties.docx](#)
3. [Brown Street Properties Deed.doc](#)
4. [Exhibit A - Property Description.pdf](#)
5. [Real Property Purchase Contract - Sale of Brown Street.docx](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

Brown Street Properties Location Map



[CLICK LOGO FOR TUTORIAL](#)

**MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT**

Carson City , NV makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 11/17/2018
Data updated 11/17/2018

RESOLUTION NO. 2019-R-_____

A RESOLUTION ACCEPTING THE HIGHEST BID FOR THE SALE OF CARSON CITY PROPERTY KNOWN AS APNs 008-303-15, -16, -21, -36, -37 AND -39, TOTALING APPROXIMATELY 2.78 ACRES, AT PUBLIC AUCTION UNDER NRS 244.281 and 244.282, AND AUTHORIZING THE MAYOR TO EXECUTE A DEED AND TO DELIVER IT UPON PERFORMANCE AND COMPLIANCE BY THE PURCHASER WITH ALL THE TERMS OR CONDITIONS.

WHEREAS, in 2005 the Western Nevada HOME Consortium (WNHC) funded the purchase of properties on Brown Street using federal HOME funds in order to construct 45 units of affordable, for-ownership low-income housing; and

WHEREAS, this project failed to materialize due to the economic downturn and the eventual bankruptcy of the developer and WNHC transferred APNs 008-303-15, -16, -21, -36, -37 and -39 to Carson City on August 29, 2013, via quitclaim deed as recorded by the Carson City Clerk-Recorder as document 439409, as illustrated in Exhibit A hereto; and

WHEREAS, NRS 244.281 and 244.282 allows the City to dispose of real property through public auction for not less than fair market value if the City determines that the sale of the property is in the best interests of the City; and

WHEREAS, On September 19, 2019, the Board of Supervisors adopted a resolution declaring intention to sell Carson City property known as APNs 008-303-15, -16, -21, -36, -37 and -39, totaling approximately 2.78 acres, at public auction under NRS 244.281 and 244.282.

WHEREAS, the resolution included the following terms and conditions:

- (1) the fair market value of the property is \$300,000;
- (2) the minimum price of the auction shall be \$300,000;
- (3) sealed bids may be submitted to the City Manager until 8:30 am on October 17, 2019, at which time a public meeting of the Board of Supervisors shall be held during which sealed bids will be received and considered;
- (4) the conditions of this sale include:
 - (a) The offer may be all cash, or for 25 percent cash down with financing as the bidder may obtain.
 - (b) a \$15,000 security deposit from the highest and second highest bidder is required. The security deposit must be paid within two days of notification of selection as the highest and second highest bidder, and must be made payable to the Carson City Treasurer. The security deposit will be credited against the purchase price.
 - (c) Payment in full must be received from the highest bidder within 30 days of the date of the resolution approving the highest bidder.

EXHIBIT "A"

Parcel 1:

All that certain tract, piece or parcel of land situate, lying and being in the North 1/2 of the Southwest 1/4 of Section 10, Township 15 North, Range 20 East, M.D.B.&M., Carson City, State of Nevada, and being more particularly described as follows:

Commencing at the South 1/16th section corner common to Sections 9 and 10, Township 15 North, Range 20 East, M.D.B.&M., from which said point the section corner common to Sections 9, 10, 15 and 16, Township 15 North, Range 20 East, bears South 0°00'05" West, a distance of 1323.54 feet, and running thence along the 1/16 Section line South 89°48'41" East, a distance of 1728.04 feet to the True Point of Beginning, being the Southwest corner of the parcel of land described in Deed to Wesley Cresswell recorded May 13, 1968, in Book 75, Page 547, Official Records of Carson City, thence North along the West line of said parcel of land, a distance of 207.31 feet; thence North 85°31'49" East, a distance of 103.06 feet; thence South to a point on the aforementioned 1/16 section line; thence North 89°35'42" West along said line, a distance of 101.68 feet more or less, to the True Point of Beginning.

Parcel 1A:

A non-exclusive easement for roadway and utility purposes over and across the following described parcel, as an appurtenance as to Parcel 1, above:

All that certain tract, piece or parcel of land situate, lying and being in the North 1/2 of the Southwest 1/4 of Section 10, Township 15 North, Range 20 East, M.D.B.&M., Carson City State of Nevada, and being more particularly described as follows:

Commencing at the South 1/16 section corner common to Sections 9 and 10, Township 15 North, Range 20 East, M.D.B.&M., from which said point the Section corner common to Sections 9, 10, 15 and 16, Township 15 North, Range 20 East, bears South 0°00'05" West, a distance of 1323.54 feet, and running thence along the 1/16 Section line South 89°48'41" East, a distance of 1728.04 feet to the Southwest corner of the parcel of land described in Deed to Wesley Cresswell recorded May 13, 1968 in Book 75, Page 547, Official Records, of Carson City; thence North along the West line of said parcel of land, a distance of 207.31 feet to the True Point of Beginning; thence continuing North to a point on the Southerly line of the parcel of land described in Final Judgment and Decree recorded December 30, 1954 In Book 62, Page 524, Powers, Plats and Miscellaneous, of Carson City, Nevada records; thence North 71°33'17" East along said South line, a distance of 20 feet; thence South to a point on the Northerly line of Parcel 1 above described; thence South 85°31'49" West along the Northerly line of said parcel 1 to the True Point of Beginning.

Note: The legal description previously contained in Document No. 388522, recorded April 14, 2009, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 008-303-15

Parcel 2:

All that certain tract, piece or parcel of land situate, lying and being in the North 1/2 of the Southwest 1/4 of Section 10, Township 15 North, Range 20 East, M.D.B.&M., Carson City, State of Nevada, and being more particularly described as follows:

Commencing at the South 1/16 section corner common to Sections 9 and 10, Township 15 North, Range 20 East, M.D.B. & M., from which said point the section corner common to Section 9, 10, 15 and 16, Township 15 North, Range 20 East, bears South 0°00'05" West, a distance of 1323.54 feet, and running thence along the 1/16 Section line South 89°48'41" East, a distance of 1828.72 feet to the True Point of Beginning, being the Southeast corner of a parcel of land described In Deed to Katherine Pine, recorded May 13, 1968, in Book 75, Page 549, Official Records, Carson City, Nevada; thence from said Point of Beginning along the 1/16 section line South 89°48'41" East, a distance of 101.69 feet to the Southeast corner of the parcel of land described in Deed to Wesley Cresswell, recorded May 13, 1968, in Book 75, Page 547, Official Records, Carson City, Nevada; thence along the East line thereof, a distance of 224.60 feet; thence South 85°31'49" West a distance of 103.06 feet to the Northeast corner of the aforesaid Pine parcel; thence along the East line thereof, South to the True Point of Beginning.

Note: The legal description previously contained in Document No. 388522, recorded April 14, 2009, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 008-303-16

Parcel 3:

Situate in the Northeast 1/4 of the Southwest 1/4 of Section 10, Township 15 North, Range 20 East, M.D.B.&M., and described as follows:

Commencing at the section corner common to Sections 9, 10, 15 and 16 Township 15 North, Range 20 East, M.D.B.&M.; thence North 0°00'05" East, 1,323.54 feet along the section line to a sixteenth corner; thence South 89°35'42" East, 1,728.04 feet to a point along the sixteenth line to a half-Inch iron pipe monument marked RE#334; thence North 207.31 feet to the True Point of Beginning; thence North 207.30 feet; thence North 80°52'18" East, 208.87 feet; thence South 224.61 feet; thence South 85°31'49" West, 206.12 feet to the True Point of Beginning.

Included In the above, is a 20 foot road easement along the Westerly boundary of said parcel.

Said land is also shown as Parcel 3 of Record of Survey recorded August 21, 2006 as Document No. 357699, Record of Survey No. 2615.

Note: The legal description previously contained in Document No. 388521, recorded April 14, 2009, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 008-303-21

Parcel 4:

Lot 28-A as shown on Parcel Map No. 1886 for Frank and Evelyn Westsmith, recorded August 8, 1991 in Book 7, Page 1886 as File No. 118751 of the Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 008-303-36

Parcel 5:

Lot 28-B, as shown on Parcel Map No. 1886 for Frank and Evelyn Westsmith, recorded August 8, 1991, in Book 7, Page 1886 as File No. 118751 of the Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 008-303-37

Parcel 6:

Parcel 2 as shown on Parcel Map for Adel C. Stanley and Anna L. Montagano, filed in the office of the Carson City Recorder, State of Nevada on August 12, 1992 in Book 7, Page 1951 as File No. 132911, Official Records.

Assessor's Parcel No. 008-303-39

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

This Agreement for Purchase and Sale of Real Property (“Agreement”) is made by and between Carson City, Nevada, a Consolidated Municipality (“Seller”), and

_____ (“Buyer”) for the sale of APNs 008-303-15, -16, -21, 36, -37 and -39. Buyer and Seller may be individually referred to as “Party” and collectively referred to as “Parties.”

RECITALS:

WHEREAS, in 2005 the Western Nevada HOME Consortium (WNHC) funded the purchase of properties on Brown Street using federal HOME funds in order to construct 45 units of affordable, for-ownership low-income housing; and

WHEREAS, this project failed to materialize due to the economic downturn and the eventual bankruptcy of the developer and WNHC transferred APNs 008-303-15, -16, -21, 36, -37 and -39 to Carson City on August 29, 2013, via quitclaim deed as recorded by the Carson City Clerk-Recorder as document 439409, as illustrated in Exhibit A hereto; and

WHEREAS, NRS 244.281 and 244.282 allows Carson City to dispose of real property through public auction for not less than fair market value if Carson City determines that the sale of the property is in the best interests of Carson City; and

WHEREAS, on September 19, 2019, the Carson City Board of Supervisors adopted a resolution declaring intention to sell Carson City property known as APNs 008-303-15, -16, -21, 36, -37 and -39, totaling approximately 2.78 acres, at public auction under NRS 244.281 and 244.282; and

WHEREAS, notice of the adoption of the resolution and of the time and place of holding the meeting has been duly given by posting copies of the resolution in more than three public places in Carson City not less than 15 days before the date of the meeting, and by publishing the required notice on the three successive Saturdays in the Nevada Appeal before the date set for the meeting at which the Board of Supervisors will open bids; and

WHEREAS, on October 17, 2019 the Board of Supervisors received written bids, called for oral bids, and determined the highest responsive bidder;

///

///

///

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and conditions contained in this Agreement, the Parties do agree as follows:

1. Offer to Purchase

Buyer hereby offers to purchase from "Seller" the real estate located at 1630 Brown Street, 1636 Brown Street, 1650 Brown Street, 3679 Gordon Street, and 3689 Gordon Street in Carson City, Nevada, the legal description of which is: APNs 008-303-15, -16, -21, 36, -37 and -39 (the "Property") upon the following terms and conditions. The Property is comprised of empty lots of land.

2. Purchase Price and Conditions of Payment

The purchase price shall be _____ dollars (\$ _____) to be paid in accordance with subparagraph A or B below.

A Cash. The purchase price shall be paid in its entirety in cash at the time of closing the sale.

B Cash Subject to Mortgage or Financing. The purchase price shall be paid in cash at the time of closing the sale subject, however, to Buyer's ability to obtain a mortgage loan or other financing with a 25 percent cash down payment within 30 days after the Seller's acceptance of Buyer's Bid.

3. Time for Closing

Regardless of payment arrangements, payment in full must be received by Seller within 30 days of the date of Seller's acceptance and approval of Buyer's bid.

4. Deposit

Buyer shall make a \$15,000 security deposit with the Seller within two days of Seller's acceptance of Buyer's bid as the highest responsible bid. The security deposit will be credited against the purchase price at the time of closing the sale. In the event that the Seller fails to submit full payment within 30 days of the date of Seller's acceptance and approval of Buyer's bid, the security deposit will be forfeited to the Seller as liquidated damages, not as a penalty, and the property will be offered to second highest bidder.

5. Real Estate Taxes

As City-owned Property, the Property is not currently subject to real estate taxes. Once the purchase price is paid and the deed recorded, Buyer shall pay all real estate taxes subsequently assessed against the Property.

6. Title to the Property

Buyer acknowledges and agrees that the auction of this Property shall be "as is", "where is", "with all faults", and accepts the Property on that basis. Seller shall provide Buyer with a quit claim deed transferring all right, title, and interest of Seller to Buyer.

Seller makes no warranties of title and has no obligation to repair any damage to or defect in the property or to otherwise remedy any matter affecting the condition of the Property.

8. Brokerage Fees

The Parties represent that neither party has employed the services of a real estate broker or agent in connection with the sale of this Property, or that if such an agent has been employed, the Party employing the agent shall pay any and all expenses outside of this Agreement.

9. Proper Authority

The Parties represent and warrant that the person executing this Agreement on behalf of each Party has full power and authority to enter into this Agreement and that the Parties are authorized by law to engage in the action set forth in this Agreement.

10. Notice

All notices or other communications required or permitted to be given under this Agreement must be in writing and will be deemed given if delivered: personally by hand; by facsimile with simultaneous regular mail; or mailed certified mail, return receipt requested, and addressed to the other Party at the following address:

SELLER

BUYER

Attn: Carol Akers
Purchasing and Contracts Administrator
Carson City
201 N. Carson St., Suite #2
Carson City, Nevada 89701
(775) 283-7362

11. Limited Liability

The parties do not waive and intend to assert available liability limitations, including NRS Chapter 41, in all cases. Contract liability of both parties shall not be subject to punitive damages. Actual damages for any breach shall never exceed the purchase price of this Contract.

12. Remedies

Except as otherwise provided for by law or this Agreement, the rights and remedies of the Parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity. The Parties agree that, in the event attorney's fees are awarded for any reason, the rate applied to recoverable attorney's fees shall not exceed the rate of \$125 per hour.

///

///

13. No Waiver of Breach

Failure to declare a breach or the actual waiver of any particular breach of this Agreement or its material or nonmaterial terms by either Party shall not operate as a waiver by such Party of any of its rights or remedies as to any other breach.

14. Successors; Assignment

This Agreement shall bind the successors and assigns of the respective Parties. The Parties may not assign, transfer, or delegate any rights, obligations, or duties under this Agreement without the prior written consent of the other Party.

15. Governing Law; Jurisdiction

This Agreement and the rights and obligations of the Parties shall be governed by and construed according to the laws of the State of Nevada. The Parties consent to the jurisdiction of, and agree that disputes will be resolved by, the courts of the First Judicial District Court of the State Of Nevada in Carson City.

16. Force Majeure

Neither Party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the Party asserting such an excuse, and the excused Party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.

17. Entire Agreement

This Agreement constitutes the entire agreement of the Parties and is the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof.

18. Severability

If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement will be construed as if the provision did not exist, the provisions will not be construed to render any other provision or provisions of this Agreement unenforceable, and the remaining terms of this Agreement will continue in full force and effect.

19. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which, taken together, shall constitute one and the same agreement.

(Remainder of this page is blank, signature blocks follow on next page)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates written below.

BUYER:

Signature

Date

Printed Name

Title

SELLER:

Robert Crowell, Mayor

Date

Attest:

Aubrey Rowlett, Clerk-Recorder

Date

Approved as to form:

Deputy District Attorney

Date