

WASHOE COUNTY

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STAFF REPORT BOARD MEETING DATE: May 27, 2025

- **DATE:** April 22, 2025
 - TO: Board of County Commissioners
- **FROM:** Dwayne Smith, P.E., Division Director, Engineering and Capital Projects Community Services Dept., 775-328-2043, <u>desmith@washoecounty.gov</u>
- **THROUGH:** Eric Crump, Director, Community Services Dept., 775-328-3625, <u>ecrump@washoecounty.gov</u>
 - SUBJECT: Recommendation to: (1) approve the disbursement of bond liquidation proceeds [in the amount of \$103,625.83] from Western Insurance Company which is the final disbursement received by Washoe County as part of a bond liquidation resulting from Washoe County Claim No. 400935 against Bond No. BDS30398, Halprine Road, Record of Survey Map 4843; and, (2) approve the accompanying Agreement and Release of All Claims between Washoe County and the property owners of Assessor Parcel Numbers 016-881-01, 016-881-02, 016-881-03 and 016-881-04, releasing Washoe County of any and all liability associated with the use of the bond liquidation proceeds to correct private roadway deficiencies that were the subject of the original Bond No. BDS30398; and (3) direct the Comptroller's Office to issue a check to Sierra Stripers & Asphalt Paving Inc., [in an amount not to exceed \$103,625.83] upon the completion of the work and with the written acceptance of the property owners. The private roadway is located in the Southeast Truckee Meadows and provides access to four (4) residential land parcels and is connected to Geiger Grade Road. (Commission District 2.)

SUMMARY

As part of the approval process for the Parcel Map, a private party action to divide one large parcel into four smaller parcels, including creation of a private roadway to access the four parcels, Washoe County was named as beneficiary of a private-party performance bond for the roadway construction. The developer (Halprine) paid for Bond No. BDS30398, and initiated construction, but ultimately walked away from the project during the economic recession of 2010. At a later time, the new property owners requested that Washoe County, as beneficiary to the performance bond, pay for the roadway improvements. Subsequently the bond company approved a release in the amount of \$44,411.07, which was conveyed to Granite Construction Company, on behalf of the property owners in August 2020 (initial disbursement). Recently, Washoe County received the second and final disbursement from the bond company in the amount of \$103,625.83. It is requested that the County Commission approve the final disbursement of bond liquidation proceeds in the amount of \$103,625.83 and approve the accompanying Agreement and Release of All Claims, identifying the disbursement of \$103,625.83 to Sierra Stripers and Asphalt Paving Inc. (Contractor) once the work has been completed and upon written acceptance of the property owners. The Agreement also identifies that the property owners are responsible to direct the work of the Contractor and are solely responsible to compensate the Contractor for work in excess of the final disbursement amount of \$103,625.83. Execution of the Agreement will hold Washoe County harmless from any and all actions and outcomes associated with the disbursement of the final bond proceeds.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability: Long-term sustainability.

PREVIOUS ACTION

On August 31, 2020, the Boad of County Commissioners approved the disbursement of bond liquidation proceeds from Western Insurance Company to pay Granite Construction for work to be performed on Gieger Grade Road in the amount of \$44,411,07.

BACKGROUND

Alfred and Rosana Halprine (the developers) submitted a parcel map to develop land on Geiger Grade Road. A parcel map improvement agreement was recorded January 18, 2007, Record of Survey Map 4843, in connection with the properties located on what is commonly known as Geiger Grade Road, Washoe County, Nevada. Certain road improvements were required in connection with the development of the area included in the parcel map. The developers were required to make those road improvements as a contingency of approval of the parcel map. Washoe County obtained bond BDS 30398 through Western Insurance Company to ensure that the road improvements were completed.

Construction on the road improvements was started by the developers, but never completed, and was effectively abandoned by the developers. Through the parcel map process, the development of the property resulted in four separate parcels. Those parcels are currently owned as follows:

Bradley and Teresa Schriewer are the current owners of the following parcels: Parcel No. 016-881-01, commonly known as 1992 Geiger Grade Road, Washoe County Parcel No. 016-881-02, commonly known as 1990 Geiger Grade Road, Washoe County Parcel No. 016-881-03, commonly known as 1994 Geiger Grade Road, Washoe County

The Roff Living Trust (Timber and Angela Roff, trustees) are the current owners of Parcel No. 016-881-04, commonly known as 1996 Geiger Grade Road, Washoe County

Sometime after the developers abandoned the project, Western Insurance Company went into liquidation proceedings. On November 21, 2011, at the request of the property owners, Washoe County submitted a demand on the Western Insurance Company Bond No. BDS30398 in the amount of \$210,625.80 to have the road improvements completed.

Pursuant to the Liquidator's Determination dated July 15, 2013, the Liquidator approved a payment of \$148,036.90 as payment on Washoe County claim no. 400935 arising from Western Insurance Company Bond No. BDS30398 in the total amount of \$210,625.80 relating to the project of Alfred and Rosana Halprine.

In October 2019, Washoe County received the first disbursement of funds in the amount of \$44,411.07 in connection with that approved payment, which represents a "payment of 30% of the approved payment." Those funds were disbursed to Granite Construction for roadway improvements, by way of Board approval on August 31, 2020.

In October of 2024, Washoe County received a second and final disbursement of funds in the amount of \$103,625.83, which represents the remaining 70% of the approved payment.

Washoe County does not have any stake, claim or interest in the funds received, as the road improvements required will not result in a dedication of the road to Washoe County. Instead, the funds are intended for the sole purpose of completing the road improvements and to correct the road construction deficiencies.

The property owners have obtained a quote from a contractor, Sierra Stripers & Asphalt Paving Inc. to perform the work on the road. The funds that will be used for road construction remain in the possession of Washoe County on behalf of the property owners.

FISCAL IMPACT

There is no fiscal impact. The funds received from the bonding company will be conveyed to Sierra Stripers & Asphalt Paving Inc., upon completion of the road improvements and upon acceptance by the property owners, Roff and Schriewer.

RECOMMENDATION

It is recommended that the Board of County Commissioners: (1) approve the disbursement of bond liquidation proceeds [in the amount of \$103,625.83] from Western Insurance Company which is the final disbursement received by Washoe County as part of a bond liquidation resulting from Washoe County Claim No. 400935 against Bond No. BDS30398, Halprine Road, Record of Survey Map 4843; and, (2) approve the accompanying Agreement and Release of All Claims between Washoe County and the property owners of Assessor Parcel Numbers 016-881-01, 016-881-02, 016-881-03 and 016-881-04, releasing Washoe County of any and all liability associated with the use of the bond liquidation proceeds to correct private roadway deficiencies that were the subject of the original Bond No. BDS30398; and (3) direct the Comptroller's Office to issue a check to Sierra Stripers & Asphalt Paving Inc., [in an amount not to exceed \$103,625.83] upon the completion of the work and with the written acceptance of the property owners. The private roadway is located in the Southeast Truckee Meadows and provides access to four (4) residential land parcels and is connected to Geiger Grade Road.

POSSIBLE MOTION

Should the board agree with staff's recommendation, a possible motion would be: "Move to: (1) approve the disbursement of bond liquidation proceeds [in the amount of \$103,625.83] from Western Insurance Company which is the final disbursement received by Washoe County as part of a bond liquidation resulting from Washoe County Claim No. 400935 against Bond No. BDS30398, Halprine Road, Record of Survey Map 4843; and, (2) approve the accompanying Agreement and Release of All Claims between Washoe County and the property owners of Assessor Parcel Numbers 016-881-01, 016-881-02, 016-881-03 and 016-881-04, releasing Washoe County of any and all liability associated with the use of the bond liquidation proceeds to correct private roadway deficiencies that were the subject of the original Bond No. BDS30398; and (3) direct the Comptroller's Office to issue a check to Sierra Stripers & Asphalt Paving Inc., [in an amount not to exceed \$103,625.83] upon the completion of the work and with the written acceptance of the property owners. The private roadway is located in the Southeast Truckee Meadows and provides access to four (4) residential land parcels and is connected to Geiger Grade Road."