

**City of Carson City
Agenda Report**

Date Submitted: November 25, 2013

Agenda Date Requested: December 5, 2013

Time Requested: 30 Minutes

To: Mayor and Supervisors

From: City Manager

Subject Title: For Possible Action: Secure the employment of Lee B. Smith, MAI-ARA, of Lee B. Smith & Associates, a competent licensed real estate appraiser to appraise the Empire Ranch Golf Course real property.

Staff Summary: The Empire Ranch Golf Course real property is an asset of a bankruptcy estate in an ongoing bankruptcy case; Empire Ranch Golf Course, LLC, Case No. 12-51565-btb Chapter 11. It is an integral part of the City's sewer system through its use of reclaimed irrigation water.

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: I move that we appoint and have Mr. Lee Smith sworn, pursuant to NRS 244.275, to appraise the Empire Ranch Golf Course real property, facilitating the City's consideration of a possible purchase of such land.

Explanation for Recommended Board Action:

This is in alignment with the City's goal from the 2012/13 Strategic Plan to provide a clean and healthy environment. Achieving a more balanced land use pattern requires a focus on "[b]alancing future growth with available water resources and sewer capacity." Master Plan at Chapter 2, p. 2-2 and see pp. 3-1 – 3-2. Authorizing the City Manager to hire Mr. Smith to appraise the Empire Ranch Golf Course real property, as addressed above, will secure the City's position and expedite and facilitate a possible City purchase of such land. Mr. Smith must be appointed and sworn by this Board for such purpose before a purchase. See NRS 244.275. Without City favorable restrictions on this golf course land, its sale to another could present difficulties in the future for the City's sewer system. An acquisition of this land by the City could enable it to use such property as it deems fit, facilitating a fiscally prudent operation of its sewer system by ensuring a perpetual disposal area for reclaimed water during wet years and making reclaimed water more available during drought years. Lee B. Smith, MAI-ARA, of Lee B. Smith & Associates, is a competent licensed Nevada Certified General Appraiser who has an office at 1761 College Parkway, Suite 111, Carson City, Nevada 89706, phone 883-8008.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 244.275

Fiscal Impact: Unknown at this time.

Explanation of Impact: Eventually, although Debtor Dwight Millard exercised an option to allow the continued discharge of the City's reclaimed wastewater on this golf course, there is no guarantee that a subsequent owner would allow this. The City needs to explore possible ways to ensure the ability to

perpetually use this property for disposing its excess wastewater to facilitate the proper operation of its sewer system. Having the appraisal accomplished will facilitate any consideration by the City of its possible purchase of such land.

Alternatives: Do nothing in this regard and hope that whoever acquires the Empire Ranch Golf Course real property will cooperate with the City in this regard.

Supporting Material: Agreement and addenda.

Prepared By: City Manager

Reviewed By:

[Signature]
(Public Works Director)
[Signature]
(City Manager)
[Signature]
(District Attorney)
[Signature]
(Finance Director)

Date: 11-25-13

Date: 11/25/13

Date: 11/25/13

Date: 11/25/13

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

A G R E E M E N T

This Agreement made this 17th day of MARCH, 1983, between Carson City, Nevada, a consolidated municipality, hereinafter referred to as "CITY", and MICHAEL DARLING, hereinafter referred to as "DARLING".

WHEREAS, CITY will construct and operate a wastewater treatment plant which will make reclaimed water usable and available for irrigation; and

WHEREAS, CITY is in need of a site for the disposal of its wastewater; and

WHEREAS, DARLING owns certain real property utilized for agricultural purposes and described in Exhibit "A"; and DARLING desires to use said reclaimed water for irrigation of said lands; and

WHEREAS, DARLING has certain water rights, more specifically described in Exhibit "B" attached hereto and by this reference incorporated herein, which he utilizes for purposes of irrigating the land described in Exhibit "A";

NOW, THEREFORE, CITY and DARLING agree as follows:

1. DARLING shall use all reclaimed water supplied under this Agreement for irrigation of farmlands; provided, however, that in the event said reclaimed water may be utilized for other purposes specifically approved by any governmental agencies having jurisdiction in connection with the uses of said reclaimed water, that DARLING, at his option, may utilize said reclaimed water for such other approved uses. Said use shall be confined to those lands described in Exhibit "A" which is attached hereto and incorporated herein; provided, however, that the land described in Exhibit "C", which comprises a portion of the land described in Exhibit "A", may be withdrawn by DARLING, upon two (2) years written notice to CITY, at any time during the term of this Agreement with respect to the applicability of the terms of this Agreement.

2. Except as otherwise provided herein, DARLING shall not use said reclaimed water in the production of crops for human consumption.

FILED FOR RECORD
AT THE REQUEST OF
TED THORNTON
CARSON CITY CLERK
1983 MAR 17 PM 3:36
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