Item # 9A

City of Carson City
Agenda Report

Date Submitted: 12-11-07

Agenda Date Requested: 12-20-07
Time Requested: 10 minutes

To: Mayor and Supervisors

From: Carson City District Attorney

Subject Title: Discussion and possible action to approve the Settlement Agreement between Carson City Nugget, Inc., Carson Nugget, Inc. and Carson City Regarding Abandonment of Streets.

Staff Summary: The City sought judicial review of its decision to charge for the abandonment of streets in the part of the city that encompassed the federal townsite. Capital City Entertainment joined in the suit seeking reimbursement. Following its decision to seek reimbursement, two other owners of property which had paid for the abandonment of streets also sought relief. The District Court held that the City should not have charged for the abandonment of the streets that were a part of the Federal Townsite Act. The City appealed the decision to the Nevada Supreme Court, which upheld the District Court decision, but stated that there were some defenses to repayment of the purchase price of the streets. The City pursued those defenses in the District Court and lost. The case was again appealed to the Nevada Supreme Court but settled in the Supreme Court settlement program.

In 2000, Carson City Nugget, Inc. sued Carson City for damages and injuries it claimed to have suffered due to the payment for the abandonment of certain portions of Plaza Street, recorded November 1, 1974 and certain portions of Spear Street, recorded November 10, 1980. This agreement settles all claims the Nugget has against the City due to the abandonment of the streets.

Type of Action Requested: (check one)
(____) Resolution (____) Ordinance
(X) Formal Action/Motion (____) Other (Specify)

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

Recommended Board Action: I move to approve the Settlement Agreement between Carson City Nugget, Inc., Carson Nugget, Inc. and Carson City Regarding Abandonment of Streets.

Explanation for Recommended Board Action: This settlement will settle all claims regarding the abandonment of portions of Plaza Street in 1974 and Spear Street in 1980. The settlement requires the following:

1. The City to pay to Nugget $252,576.00 as reimbursement for the amounts