

City of Carson City
Agenda Report

Item # 7B

Date Submitted: 12/9/08

Agenda Date Requested: 12/18/08

Time Requested: 20 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: Action to approve a Second Addendum to the 2002 Lease Agreement between Carson City and the Carson City Municipal Golf Corporation.

Staff Summary: Section 5.6 of the Lease Agreement between Carson City and the Carson City Municipal Golf Corporation (CCMGC) sets out the amount of debt payments associated with the Eagle Valley Golf Course. The debt is in Carson City's name, however, and is reimbursed by CCMGC. Because of the current economic climate, and necessary improvements that were needed at Eagle Valley Golf Course that have been paid for by CCMGC, CCMGC would like to defer the 2009 payments due to Carson City and extend the term of the payments until January 1, 2021. There is sufficient fund balance in the Debt Service Fund to make the FY 2009 debt payments. Members of the CCMGC will be available for a short presentation and to answer any questions.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (XX) No

Recommended Board Action: I move to approve a Second Addendum to the 2002 Lease Agreement between Carson City and the Carson City Municipal Golf Corporation.

Explanation for Recommended Board Action: This action would allow CCMGC to defer the FY 2009 payment due to the City and extend the term of the payments until January 1, 2021. The FY 2009 payment would be made out of the Fund Balance of Carson City's Debt Service Fund.

Applicable Statute, Code, Policy, Rule or Regulation: n/a

Fiscal Impact: \$200,000

Explanation of Impact: The fund balance of the Debt Service Fund will be reduced by \$200,000 in FY 2009 and will not be replenished until FY 2021.

Funding Source: Debt Service Fund

Alternatives: 1) Do not approve

Supporting Material: Lease Addendum and Lease Agreement between Carson City and Carson City Municipal Golf Corporation.

Prepared By: Nick Providenti, Finance Director

Reviewed By: *Mark Shonkts*
(Department Head)

Date: 12-9-08

: *[Signature]*
(City Manager)

Date: 12/9/08

: *Melanie Busetta*
(District Attorney)

Date: 12-9-08

: *Mark Shonkts*
(Finance Director)

Date: 12-9-08

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)

SECOND ADDENDUM TO THE 2002 LEASE AGREEMENT

This Second Addendum is made and entered into by Carson City, a consolidated municipality ("Carson City"), and the Carson City Municipal Golf Corporation, a non-profit corporation ("CCMGC").

WHEREAS, in 2002, Carson City entered into a Lease Agreement whereby Carson City agreed to lease its golf course properties to CCMGC ("Lease Agreement"); and

WHEREAS, on January 17, 2008, Carson City and CCMGC agreed to amend paragraph 5.6 of the Lease Agreement to read as follows:

CCMGC shall pay \$80,000 to Carson City on January 1 of each year and shall pay \$120,000 to Carson City on July 1 of each year. Such payment shall end on January 1, 2020. Carson City acknowledges that it does not intend to profit from the Lease Agreement and will either shorten the term that the payments are due or reduce the amount of the payment if the circumstances arise that would make their continued payment profit to Carson City.

WHEREAS, Carson City and CCMGC desire to amend section 5.6 of the Lease Agreement due to CCMGC's inability to make the payment on July 1, 2008 and January 1, 2009 and to extend the lease for a one-year period.

NOW THEREFORE, Carson City and CCMGC desire to amend the Lease Agreement and First Addendum as follows:

1. Paragraph 5.6 shall now read:

CCMGC shall pay \$80,000 to Carson City on January 1 of each year, excluding January 1, 2009, and shall pay \$120,000 to Carson City on July 1 of each year, excluding July 1, 2008. Such payments shall end on January 1, 2021. Carson City acknowledges that it does not intend to profit from the Lease Agreement and will either shorten the term that the payments are due or reduce the amount

of the payment if the circumstances arise that would make their continued payment profit to Carson City.

2. The remainder of the Lease Agreement remains unchanged and the First Addendum is no longer valid.

DATED this ___ day of December, 2009.

CARSON CITY MUNICIPAL GOLF COURSE

By: _____

CARSON CITY, NEVADA

By: _____
MARV TEIXEIRA, Mayor

Attest:

By: _____
ALAN GLOVER, Clerk/Recorder

Approved as to Form:

By: _____
Carson City District Attorney's Office