

City of Carson City
Request for Board Action

Item # 9B

Date Submitted: 12/13/2007

Agenda Date Requested: 12/20/07

Time Requested: 20 minutes

To: Mayor and Supervisors

From: District Attorney

Subject Title: Possible action to declare The Seasons Limited Partnership in breach of the Ground Lease between Carson City and the Seasons Limited Partnership for a portion of APN 002-121-09 in Carson City, Nevada for failure to pay property taxes as required pursuant to the terms of the lease and to authorize staff to send a Notice of Default to The Seasons Limited Partnership.

Staff Summary: Carson City and The Seasons Limited Partnership entered into a ground lease for a portion of APN 002-121-09 in Carson City, Nevada. The Seasons Limited Partnership built the Autumn Village Senior Housing project on the land that was the subject of the ground lease. Pursuant to the terms of the ground lease, The Seasons Limited Partnership contractually agreed to pay all real property taxes. After constructing the Autumn Village Senior Housing project, the Seasons Limited Partnership applied for and was approved for a statutory exemption (NRS 361.082) from real property taxes for low income senior housing. The Seasons Limited Partnership has failed to pay real property taxes, as required pursuant to the terms of the ground lease, since having been granted the statutory exemption.

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 to declare The Seasons Limited Partnership in breach of the Ground Lease between Carson City and the Seasons Limited Partnership for a portion of APN 002-121-09 in Carson City, Nevada for failure to pay property taxes as required pursuant to the terms of the lease and to authorize staff to send a Notice of Default to The Seasons Limited Partnership.

Explanation of Recommended Board Action: The Board of Supervisors needs to declare the Seasons Limited Partnership in breach of the terms of the ground lease and to authorize staff to send a Notice of Default to The Seasons Limited Partnership. Pursuant to the terms of the ground lease, once The Seasons Limited Partnership receives the Notice of Default, The Seasons Limited Partnership has an opportunity to remedy the breach of the lease.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 361.082

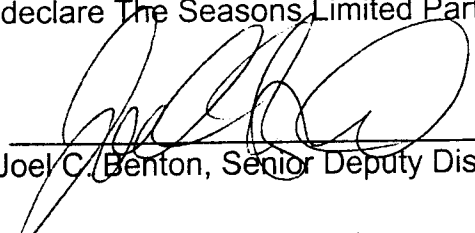
Fiscal Impact: -0-

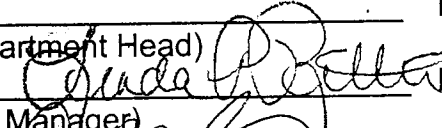
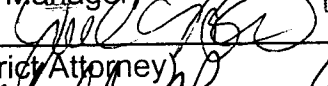
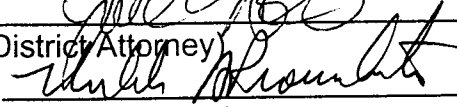
Funding Source: -0-

Explanation of Impact: -0-

Alternatives:

1. Not declare The Seasons Limited Partnership in breach of the ground lease.

Prepared By: 
Joel C. Benton, Senior Deputy District Attorney

Reviewed By: _____ Date: _____
(Department Head)
:  Date: _____
(City Manager)
:  Date: 12/13/07
(District Attorney)
:  Date: 12/13/07
(Finance Director)

Board Action Taken:

Motion _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

The Seasons Limited Partnership
c/o Community Development, Inc.
4110 Eaton Av., Suite A
Caldwell, ID 83605

TRGHT, Inc.
599 W. Putnam Ave.
Greenwich, CO 06830
Attention: Joanne Flanagan

Re: Ground Lease between Carson City and the Seasons Limited Partnership
for a portion of APN 002-121-09 in Carson City, Nevada

Dear Sir or Madam:

PLEASE TAKE NOTICE that the Seasons Limited Partnership is in breach of the Ground Lease between Carson City and the Seasons Limited Partnership ("Ground Lease"), dated January 7, 2007, for failure to pay all real estate taxes on the leased property as required pursuant to Section 3 of the Ground Lease.

Pursuant to Section 17(a)(iii) of the Ground Lease, you have sixty (60) days after this Notice to cure the breach before you will be considered to be in default of the terms of the Ground Lease provided that said time period may be extended up to one (1) year so long as you are diligently making progress to cure said breach. If you do not take any action as stated herein within sixty (60) days, Carson City intends to exercise any and all rights and remedies afforded by the terms of said Ground Lease, including, but not limited to, repossession of the leased property.

Carson City has been advised that there may be extenuating circumstances surrounding your breach of the terms of the Ground Lease. While Carson City is willing to discuss what those circumstances might be, time is of the essence in the process. We have been advised that your breach is due to financial difficulties. In order to evaluate the basis of this allegation and, in an effort to resolve this breach, Carson City requests all financial documents that would substantiate such difficulties. Further, we request your full and complete cooperation in reaching any resolution to your breach.

Please remember, time is of the essence herein. We look forward to hearing from you in this regard.

Sincere regards,

Neil A. Rombardo
District Attorney

Joel C. Benton
Deputy District Attorney

cc: Citibank (West), FSB
Community Development
One Sansome Street, 26th Floor
San Francisco, CA 94104
Attn: Suzie Chang
Re: Loan Number 10-7000029