

**City of Carson City
Agenda Report**

Date Submitted: June 20, 2014

Agenda Date Requested: July 3, 2014
Time Requested: Consent

To: Mayor and Supervisors

From: Public Works

Subject Title: For possible action: To approve Amendment #2 of a lease agreement for an easement described in Recorded Document #417657, located on APN 007-091-81 south of Timberline Drive. (Schulz)

Staff Summary: The subject easement is located south of Timberline Drive on APN 007-091-81, a parcel owned by the State of Nevada. The easement was created in 2004 for an aquifer recharge project, access road and monitoring wells. The lease for the subject easement was amended in 2011 to raise the easement fee from \$1,115.00 to \$2,485.00 annually. The current lease expires June 30, 2014. This amendment would extend the lease two years until June 30, 2016 with no fee increase. This would make the lease end date coincide with the 5-year review cycle. The rental fee would be reevaluated in 2016 and a new 5-year lease would be issued.

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 approve the amendment of a lease agreement for an easement described in Recorded Document #417657, located on APN 007-091-81 south of Timberline Drive.

Explanation for Recommended Board Action: This easement was created in 2004 for an aquifer recharge project, access road and monitoring wells. This lease remains necessary to allow the recharge project to continue.

Applicable Statute, Code, Policy, Rule or Regulation: N.R.S. 322 Use of State Lands.

Fiscal Impact: None

Explanation of Impact: The cost to the City for this easement has been \$2,485.00 annually since 2011. This amendment does not change the annual easement fee.

Funding Source: N/A

Alternatives: Do not agree to the amendment.

Supporting Material:

- Lease Amendment #2 (Exhibit A)
- Lease Amendment #1 (Exhibit B)
- Original Lease (Exhibit C)

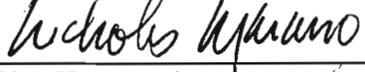
Prepared By: Darren Schulz, Public Works Director

Reviewed By:



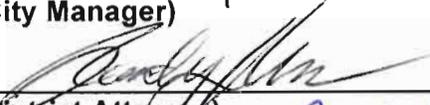
(Public Works Director)

Date: 6-24-14



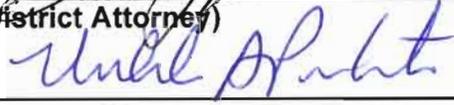
(City Manager)

Date: 6/24/14



(District Attorney)

Date: 6/24/14



(Finance Director)

Date: 6/24/14

Board Action Taken:

Motion: _____

1: _____ Aye/Nay

2: _____

(Vote Recorded By)



GRANT 1-7, REM, #4857/14114
Portion of APN 007-091-81
Carson City

Recording requested by & return to:
Division of State Lands
901 S. Stewart St., Suite 5003
Carson City, NV 89701-5246

LEASE AMENDMENT #2
**CARSON CITY INDUCED WATER INFILTRATION SYSTEM,
ROADWAY AND MONITORING WELLS – VICEE CANYON**

THIS LEASE AMENDMENT, made and entered into this ____ day of _____, 2014 by and between the STATE OF NEVADA, acting through the DIVISION OF STATE LANDS and the State Land Registrar, hereinafter referred to as LESSOR, and CARSON CITY, NEVADA, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR AND LESSEE entered into a Lease/Easement dated April 16, 2004, unrecorded in Carson City official records, for the purposes of operating a water infiltration system, a roadway and six (6) monitoring wells over and under a portion of that certain Nevada School Trust property situated and lying within the NE 1/4 NW 1/4 of Section 12, Township 15 North, Range 19 East, M.D.M.; and

WHEREAS, Lease Amendment #1 was entered into by LESSOR and LESSEE on June 21, 2011 to update the fair market rental value of said property, as specified in Condition 4 - Consideration, in the original Lease/Easement; and

WHEREAS, the original Lease/Easement contains Condition 3 - Termination of Lease/ Easement specifying that the Lease will expire on June 30, 2014.

WHEREAS, LESSOR wishes to extend the Lease/Easement an additional two (2) years to coincide with the next five (5) year rental fee re-evaluation and issue a new Lease/Easement at that time.

NOW THEREFORE, the original Lease/Easement for the purposes of operating a water infiltration system, roadway and six (6) monitoring wells over and under a portion of that certain property situate and lying within the NE 1/4 NW 1/4 of Section 12, Township 15 North, Range 19 East, M.D.M. is hereby amended as follows:

IN CONSIDERATION of this Amendment, LESSOR agrees to extend the termination date of the Lease/Easement through **June 30, 2016**; and

LESSEE agrees to continue to pay a rental fee in the amount of TWO THOUSAND FOUR HUNDRED EIGHTY FIVE AND NO/100'S DOLLARS (\$2,485.00) annually during this extension as determined by the last re-evaluation for the use of 2.23 acres of State property; and

LESSEE will need to apply for a new authorization if they desire to continue the said uses. Should LESSOR grant a new authorization, it will be subject to a fee re-evaluation and the right to reassess the rental fee every 5 years at that time

LESSEE:

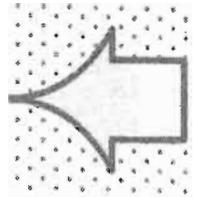
CARSON CITY, NEVADA
A Consolidated Municipality of the State of Nevada

By: _____
ROBERT CROWELL
Mayor

Date: _____

ATTEST:

By: _____
City Clerk



APPROVED as to Form:
CARSON CITY
District Attorney

By: _____
District Attorney

Date: _____

APPROVED as to Form:
CATHERINE CORTEZ MASTO
Attorney General

By: Kevin Benson
KEVIN BENSON
Deputy Attorney General

Date: 6-6-19



GRANT 1-7, REM, #3947
Carson City A.P.N.: 007-091-81

Recording requested by & return to:
Division of State Lands
901 S. Stewart St. Suite 5003
Carson City, NV 89701-5246

LEASE AMENDMENT #1
**CARSON CITY INDUCED WATER INFILTRATION SYSTEM,
ROADWAY AND MONITORING WELLS – VICEE CANYON**

THIS LEASE AMENDMENT, made and entered into this 21st day of June, 2011, by and between the STATE OF NEVADA, acting through the DIVISION OF STATE LANDS, and the State Land Registrar, hereinafter referred to as LESSOR and CARSON CITY, NEVADA, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE entered into a Lease/Easement dated April 16, 2004 for the purpose of operating a water infiltration system, a roadway and six (6) monitoring wells over and under a portion of that certain Nevada School Trust property situated and lying with the NE 1/4 of the NW 1/4 of Section 12, Township 15 North, Range 19 East, M.D.M., as shown on **Exhibit A**; and

Exhibit B

WHEREAS, LESSOR may re-evaluate and update the fair market rental value of said property at five (5) year intervals, as specified in Condition 4 - Consideration, in the original Lease/Easement to reflect any changes in economic rent; and

WHEREAS, LESSOR is required to charge full market value for all uses on School Trust Lands and deposit those payments into the permanent School Trust Fund; and

NOW THEREFORE, in consideration of this Amendment to the Lease/Easement for the above described water induction system, roadway and monitoring facilities LESSEE hereby agrees to pay an annual easement fee in the amount of TWO THOUSAND FOUR HUNDRED EIGHTY FIVE AND NO/100 DOLLARS (\$2,485.00) to LESSOR for the use of 2.23 total acres of State property. LESSOR further reserves the right to reevaluate, reassess and adjust the easement fee every five (5) years. Should LESSEE dispute the amount of said fee, an appraisal can be conducted at LESSEE'S expense to determine the fair market rent.

LESSEE shall record this Lease Amendment at the Carson City Recorder's Office. All other terms and conditions of the Lease/Easement remain in full force and effect, with no other changes or amendments thereto.

LESSEE:

CARSON CITY, NEVADA

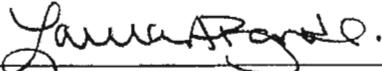
A Consolidated Municipality of the State of Nevada

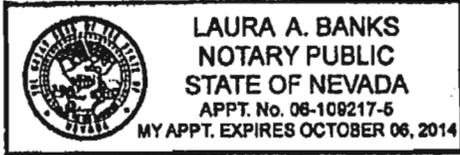
By 
ROBERT CROWELL
Mayor

STATE OF NEVADA)
)
)
CARSON CITY)

ss.

On, June 10, 2011, personally appeared before me, a notary public, Robert L. Crowell, of CARSON CITY, who acknowledged that he/she executed the above instrument.

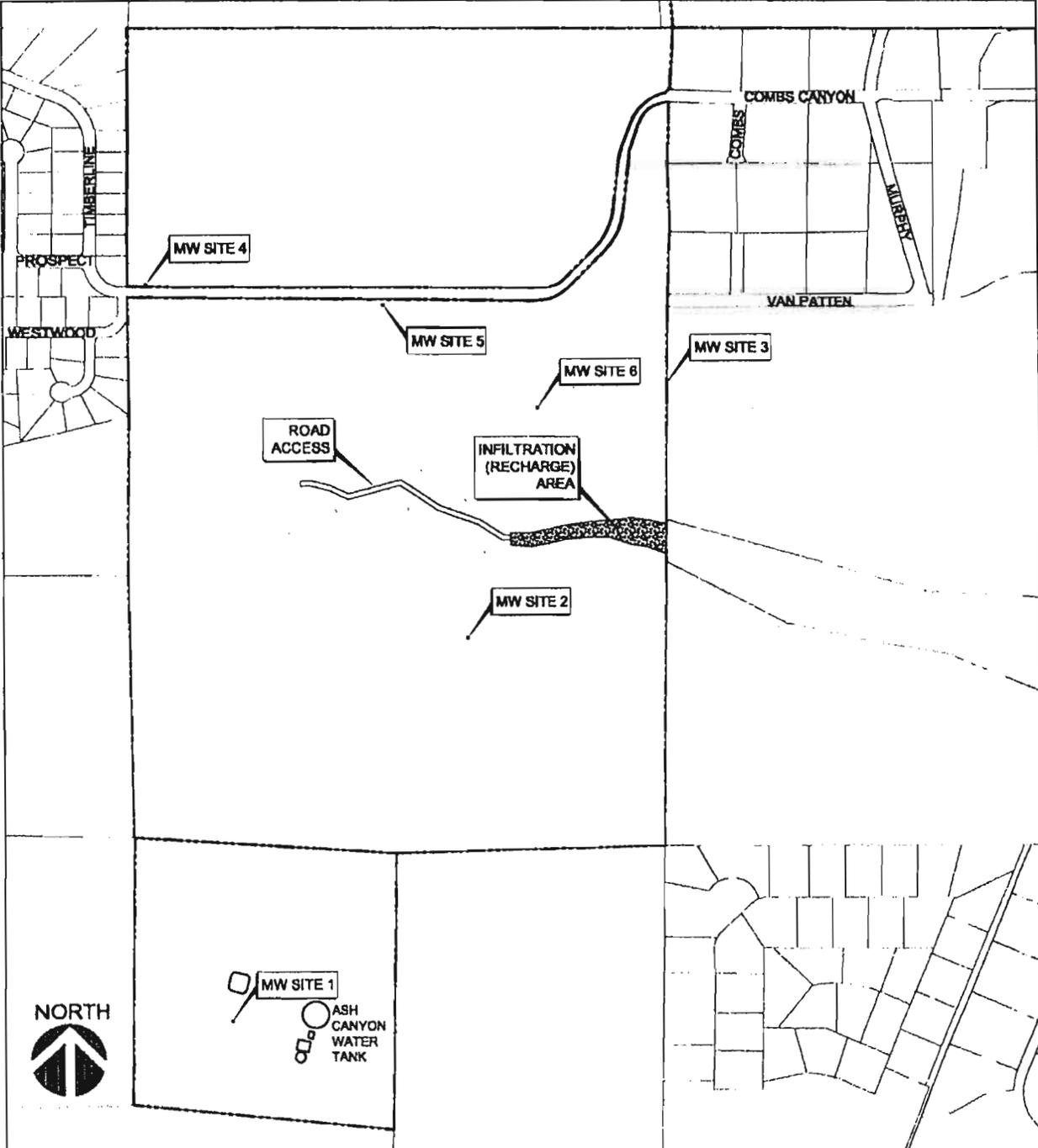

NOTARY PUBLIC



APPROVED as to Form:
CATHERINE CORTEZ MASTO
Attorney General

By: 
KEVIN BENSON
Deputy Attorney General

Date: 5-4-11



EXPLANATION

STATE LANDS

MW SITE 1 MONITORING WELL SITE

WATER RECHARGE, ACCESS ROAD AND MONITORING WELL SITES LEASE / EASEMENT

**STATE OF NEVADA
MARLETTE LAKE WATER SYSTEM
& SCHOOL GRANT LANDS**

**NE¼ NW¼ SEC 12, T15N, R19E
CARSON CITY, NV**



GRANT 1-⁷B, # 2270, JDC
Portion of APN Carson City-07-091-81

Return to:
DIVISION OF STATE LANDS
333 W Nye Lane, Room 118
Carson City NV 89706

LEASE/EASEMENT

THIS LEASE/EASEMENT, made and entered into this 11th day of April, 2004, between the STATE OF NEVADA, acting through its Division of State Lands, hereinafter referred to as LESSOR, and CARSON CITY, hereinafter referred to as LESSEE, both of whom understand and agree as follows:

WITNESSETH:

WHEREAS, LESSOR owns a parcel of School Grant Land as hereinafter described and

WHEREAS, LESSEE desires to use a portion of the School Grant Land for a water recharge project, access road and for six (6) monitoring wells.

WHEREAS, LESSOR is obligated to receive full fair market value for the use of School Grant Land; and

WHEREAS, LESSOR AND LESSEE entered into a LEASE/EASEMENT October 25, 1989 recorded in the Office of Carson City Recorder, May 1, 1990, file

94.41 feet; thence North 00° 35' 34" West, a distance of 60.00 feet to the TRUE POINT OF BEGINNING. Containing 68,933 square feet more or less.

ROADWAY DESCRIPTION

Description of a roadway Lease/Easement TWENTY-FIVE (25) feet in width within the North Half (N½) of the Northwest Quarter (NW¼) of Section 12, Township 15 North, Range 19 East, M.D.M., more particularly described as follows:

Commencing at the Northwest (NW) corner of Section 12, Township 15 North, Range 19 East, M.D.M., Carson City, Nevada; thence South 44° 28' 00" East, a distance of 1200.46 feet to the Northwest (NW) corner of said Easement, said point also being the TRUE POINT OF BEGINNING; thence along the following courses North 87° 22' 13" East, a distance of 51.97 feet; thence South 75° 33' 15" East, a distance of 97.90 feet; thence South 66° 11' 59" East, a distance of 98.37 feet; thence North 75° 14' 17" East, a distance of 260.56 feet; thence South 57° 21' 06" East, a distance of 227.29 feet; thence South 70° 48' 28" East, a distance of 204.49 feet; thence South 57° 48' 07" East, a distance of 142.38 feet; thence North 89° 34' 35" East, a distance of 28.49 feet; thence South 00° 35' 34" East, a distance of 21.06 feet; thence South 89° 34' 35" West, a distance of 42.03 feet; thence North 57° 48' 07" West, a distance of 139.53 feet; thence North 70° 48' 28" West, a distance of 204.59 feet; thence North 57° 21' 06" West, a distance of 219.27 feet; thence South 75° 14' 17" West a distance of 258.33 feet; thence North 66° 11' 59" West, a distance of 105.07 feet; thence North 75° 33' 15" West, a distance of 92.10 feet; thence South 87° 22' 13" West, a distance of 48.22 feet; thence North 02° 37' 47" West, a distance of 25 feet to the TRUE POINT OF BEGINNING. Containing 27,618 square feet more or less

MONITORING WELLS DESCRIPTION

BEGINNING, at the Southwest corner of Section 12; thence 530 feet east and 1800 feet north to Site 1; thence 1150 feet East and 1850 feet North to Site 2; thence 980 feet East and 1230 feet North to Site 3, all in Section 12, containing an area of 300 square feet.

BEGINNING, for each of the following sites, at the Northwest corner of Section 12; thence 100 feet East and 100 feet North being in Section 1, site 4; thence 1150 feet East and 100 feet South to Site 5; thence 750 feet east and 500 feet South to site 6, sites 5 and 6 being in Section 12, containing an area of 300 square feet.

understood and agreed this rental fee will be reevaluated and updated at not less than five (5) year intervals to reflect any changes in economic rent. Should an appraisal be required to determine the fair market rent of the demised premises such costs shall be borne by LESSEE.

5. **LATE PAYMENT FEE:** If any base rent payment is not made to LESSOR on or before July 1 as provided herein, the LESSEE shall pay the LESSOR as a late payment fee an amount equal to \$25.00 or one percent (1%) of the amount due, whichever is greater, plus one percent (1%) per month of said amount due including interest thereafter until paid in full.
6. **LIMITATION ON USE OF LEASE/EASEMENT:** The property mentioned herein may be occupied and used by LESSEE solely for a water infiltration system, maintenance road and monitoring well purposes, allowing ingress and egress to the system, and for incidental purposes related thereto including but not limited to the construction and maintenance of the system, roadway and wells.
7. **ASSIGNMENT OR SUBLEASE:** This LEASE/EASEMENT is non-assignable. No sublease may be assigned under this LEASE/EASEMENT.
8. **MAINTENANCE:** LESSEE shall bear all costs related to any required maintenance and related improvements. LESSEE agrees to minimize the disturbance to the land and vegetation at all times during maintenance of the system and roadway. LESSEE agrees that any areas that are disturbed

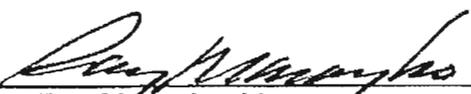
indemnified party's chosen right to participate with legal counsel of its choice.

11. **EFFECTIVE DATE:** This LEASE/EASEMENT shall not become effective unless and until the approval of the State Board of Examiners and the Interim Finance Committee have been secured as required by NRS 322.007.
12. **WARRANTIES:** LESSOR makes no warranty as to the condition of or the adequacy of the leased premises for the proposed uses of LESSEE.

IN WITNESS WHEREOF, the parties hereto have subscribed this LEASE/EASEMENT on the day and year first above written.

LESSEE:

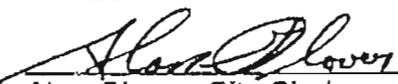
**CITY OF CARSON CITY
A MUNICIPAL CORPORATION**

By: 
Ray Masayko, Mayor

Date: 5/20/04

Date of Council Action: 5/20/04

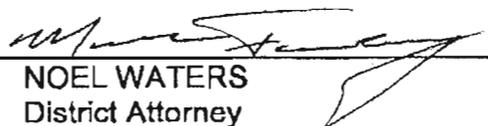
ATTEST:


Alan Glover, City Clerk

(SEAL)

APPROVED as to Form:

**CARSON CITY
District Attorney**

By: 
NOEL WATERS
District Attorney



GRANT 1-7, REM, #4857/14114
Portion of APN 007-091-81
Carson City

Recording requested by & return to:
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901 S. Stewart St., Suite 5003
Carson City, NV 89701-5246

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DUPLICATE ORIGINAL

WHEREAS, Lease Amendment #1 was entered into by LESSOR and LESSEE on June 21, 2011 to update the fair market rental value of said property, as specified in Condition 4 - Consideration, in the original Lease/Easement; and

WHEREAS, the original Lease/Easement contains Condition 3 - Termination of Lease/ Easement specifying that the Lease will expire on June 30, 2014.

WHEREAS, LESSOR wishes to extend the Lease/Easement an additional two (2) years to coincide with the next five (5) year rental fee re-evaluation and issue a new Lease/Easement at that time.

NOW THEREFORE, the original Lease/Easement for the purposes of operating a water infiltration system, roadway and six (6) monitoring wells over and under a portion of that certain property situate and lying within the NE 1/4 NW 1/4 of Section 12, Township 15 North, Range 19 East, M.D.M. is hereby amended as follows:

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LESSEE agrees to continue to pay a rental fee in the amount of TWO THOUSAND FOUR HUNDRED EIGHTY FIVE AND NO/100'S DOLLARS (\$2,485.00) annually during this extension as determined by the last re-evaluation for the use of 2.23 acres of State property; and

LESSEE will need to apply for a new authorization if they desire to continue the said uses. Should LESSOR grant a new authorization, it will be subject to a fee re-evaluation and the right to reassess the rental fee every 5 years at that time

DUPLICATE ORIGINAL

LESSEE:

CARSON CITY, NEVADA
A Consolidated Municipality of the State of Nevada

By: _____
ROBERT CROWELL
Mayor

Date: _____

ATTEST:

By: _____
City Clerk

APPROVED as to Form:
CARSON CITY
District Attorney

By: _____
District Attorney

Date: 6/24/14

APPROVED as to Form:
CATHERINE CORTEZ MASTO
Attorney General

By: _____
KEVIN BENSON
Deputy Attorney General

Date: 6-6-14

DUPLICATE ORIGINAL



GRANT 1-7, REM, #4857/14114
Portion of APN 007-091-81
Carson City

Recording requested by & return to:
Division of State Lands
901 S. Stewart St., Suite 5003
Carson City, NV 89701-5246

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LESSEE:

CARSON CITY, NEVADA
A Consolidated Municipality of the State of Nevada

By: _____
ROBERT CROWELL
Mayor

Date: _____

ATTEST:

By: _____
City Clerk

APPROVED as to Form:
CARSON CITY
District Attorney

By:  _____
District Attorney

Date: 6/24/14

APPROVED as to Form:
CATHERINE CORTEZ MASTO
Attorney General

By:  _____
KEVIN BENSON
Deputy Attorney General

Date: 6-6-14