



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: February 1, 2018

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: To terminate a Lease Agreement between the State of Nevada, Division of State Lands and Carson City for a sewer lift station on APN 010-281-46 at the Northern Nevada Correctional Facility. (Stephanie Hicks; SHicks@carson.org)

Staff Summary: The subject lease termination is being requested by the State of Nevada, Division of State Lands, for a sewer lift station lease at the Northern Nevada Correctional Center on APN 010-281-46, a parcel owned by the State of Nevada. The lease agreement was recorded in 1997 for the replacement of a sewer lift station and installation of associated sewer lines. The current lease expired March 2017, with an option for a 20-year extension. The lease was recently re-evaluated by State Lands. State Lands determined that a Non-Exclusive Easement is the preferred authorization document over the prior Lease/Easement and therefore is requesting the termination of the lease agreement. The Non-Exclusive Easement will be heard under a separate item.

Agenda Action: Formal Action/Motion

Time Requested: Consent

Proposed Motion

Move to approve the termination of a Lease Agreement between the State of Nevada, Division of State Lands and Carson City for a sewer lift station on APN 010-281-46 at the Northern Nevada Correctional Facility.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

March 24, 1997. Recorded lease agreement between Carson City and the State of Nevada, Division of State Lands for a new sewer lift station at the Northern Nevada Correctional Center.

Background/Issues & Analysis

In March 1997, Carson City entered into a lease agreement with the State of Nevada Division of State Lands for the purpose of replacing a sewer lift station and constructing and installing associated sewer lines to the benefit of the State of Nevada and Carson City. During the State's review of the lease for rental re-evaluation, it was noted that a description and square footage for the associated sewer lines were not included in the lease. It was further noted that the appropriate document for the occupancy and use of state property in this manner is through a Non-Exclusive Easement. Therefore, State Lands is requesting the termination of the lease agreement and the Non-Exclusive Easement will be heard under a separate item.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 322 Use of State Lands

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

Do not approve the termination of a Lease Agreement between the State of Nevada, Division of State Lands and Carson City for a sewer lift station on APN 010-281-46 at the Northern Nevada Correctional Facility.

Propose modified motion.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)



LEASE

THIS LEASE, by and between the STATE OF NEVADA, acting through the Division of State Lands, for and on behalf of the Department of Prisons hereinafter referred to as LESSOR and CARSON CITY, a consolidated municipality, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, there is a need for a new sewer lift station to serve the southern section of Carson City including Northern Nevada Correctional Center, Stewart Conservation Camp, Stewart Facility, Nevada Highway Patrol and other state agencies as required; and

WHEREAS, the current lift station is undersized and beyond its serviceable life; and

WHEREAS, the current lift station is located within the Northern Nevada Correctional Center compound; and

WHEREAS, Carson City desires to locate a new lift station on a more accessible site; and

WHEREAS, the state has land that meets the requirements for a lift station; and

WHEREAS, new sewer lines that serve Northern Nevada Correctional Center will connect to the new lift station; and

WHEREAS, the upgraded system will benefit the State of Nevada and the citizens of Carson City.

NOW, THEREFORE, for and in consideration of the rents hereinafter reserved and the covenants, terms and conditions hereinafter contained, LESSOR does by these presents lease unto LESSEE the land described below:

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**CARSON CITY
SEWER LIFT STATION LEASE**

LIFT STATION

A lease for the construction, maintenance of and access to a sanitary sewer lift station over a portion of the Northwest quarter (NW1/4) Section 4, Township 14 North, Range 20 East, M.D.M., more particularly described as follows:

Beginning at a point on a curve in the centerline of Bigelow Drive from which the West quarter corner of said Section 4 bears South 67° 07' 37" West, a distance of 623.69 feet; thence along said curve, concave West, having a central angle of 02° 06' 55", a radius of 1,274.40 feet, an arc length of 47.05, and a chord bearing North 17° 07' 49" West, a distance of 47.05 feet; thence leaving said centerline North 71° 48' 43" East, a distance of 80.00 feet; thence South 17° 07' 49" East, a distance of 50.00 feet; thence South 73° 55' 38" West, a distance of 80.00 feet to the point of beginning having an area of 3,874 square feet.

1. **PREMISES:** Carson City will construct a lift station and appurtenances upon the above described state property, as shown on Exhibit "A", attached hereto and made a part hereof.

2. **USE OF PREMISES:** The property is to be used for a sewer lift station.

3. **TERM:** The LESSEE shall utilize the described land for a term of TWENTY (20) YEARS, beginning upon approval of the Board of Examiners and the Interim Finance Committee whichever is later. It is the understanding of the parties hereto that this Lease may be extended for an additional TWENTY (20) years should the LESSEE require continued use thereof.

4. **CONSIDERATION OF LEASE:** In consideration for this Lease, the LESSEE agrees to pay LESSOR as and for rental of said property the sum of TWO HUNDRED FIFTY (\$250.00) DOLLARS per year beginning November 1, 1996, and each November 1 thereafter. Said annual fee to be adjusted to reflect current fair market value every five years.

5. **REQUIREMENTS OF NORTHERN NEVADA CORRECTIONAL CENTER:** LESSEE agrees: (a) not to interfere with any operations of the Northern Nevada Correctional Center (NNCC) and/or the Stewart Conservation Camp; (b) to notify and receive permission from the NNCC warden prior to entering the correctional center and/or conservation camp property; and



1 (c) to abide by all NNCC rules and regulations.

2 6. SUBLEASE AND ASSIGNMENT: LESSEE shall not assign this lease, or sublease
3 any portion of the leased premises.

4 7. ORDINANCES AND STATUTES: LESSEE shall comply with all ordinances,
5 statutes, and requirements of all State and Federal authorities now in force or which may hereinafter
6 be put into force pertaining to the premises or use of the premises by LESSEE.

7 8. INDEMNIFICATION AND PROPERTY DAMAGE: LESSEE agrees to indemnify
8 and hold harmless, to the extent of LESSEE's liability as provided by law, from and against any
9 and all liability for personal injuries, property damage, or for loss of life or property resulting from,
10 or in any way connected with the condition or use of the premises covered herein, including any
11 hazard, deficiency, defect or other matter, known or unknown, arising out of or connected with
12 actions or omissions of LESSEE, its agents or employees. LESSEE and LESSOR agree to waive
13 any rights each may have against the other for loss or damage to their property in which they have
14 an interest where such loss is caused by a peril of the type generally covered by fire insurance with
15 extended coverage or arising from any cause pertaining to structures which the claiming party will
16 be obligated to insure against under the lease. With respect to structural damage for which coverage
17 exists, each party waives any right of subrogation that it might otherwise have against the other
18 party, or any additional designated insured. The parties agree to cause their respective insurance
19 companies insuring the proposed premises or insuring their property on or in the premises to execute
20 a waiver of any such rights of subrogation or, if so provided in the insurance contract, to give notice
21 to the insurance carrier that the foregoing mutual waiver of subrogation is contained in this lease.
22 LESSEE shall obtain and pay for board form comprehensive general liability insurance including
23 personal injury.
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1 9. **INSURANCE:** LESSOR shall be added as an additional insured and receive a
2 certificate of insurance. Public liability shall not be less than \$1,000,000.00 and property damage
3 not less than \$50,000.00. Said insurance must be in full force and effect at all times during the term
4 of the lease.

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6 10. **MAINTENANCE:** LESSEE is responsible for the maintenance of the sewer lift
7 station and appurtenances.

8 11. **UTILITIES:** LESSEE will pay all costs associated with bringing utilities, including
9 but not limited, to electrical and/or telephone service to the site and LESSEE will pay all service
10 costs associated with said utilities.

11 13. **QUIET ENJOYMENT:** LESSOR agrees to defend the title of the leased premises
12 and also agrees that LESSEE shall peaceably and quietly hold, enjoy and occupy the leased premises
13 for the duration of this Lease without any hindrance, interruption, injection or molestation by
14 LESSOR or other person or persons.

15
16 14. **UNLAWFUL CONDUCT:** LESSEE shall not use, permit or cause to be used any
17 part of the said premises for any unlawful conduct or purpose.

18 15. **TERMINATION OF LEASE:** This Lease may be terminated for breach of any of
19 its conditions. However, parties may have THIRTY (30) days to remedy such breach; written
20 notice to be given, as provided for in paragraph 19, to the other party stating the reason for
21 termination. If LESSEE terminates the Lease, prior to its expiration date, the sewer lift station may
22 be purchased by LESSOR for fair market value, or LESSOR may require LESSEE to remove said
23 sewer lift station and appurtenances. If LESSOR terminates the Lease, LESSEE is to remove the
24 lift station and appurtenances within one (1) year from written notice of termination of Lease, or
25 LESSOR will reimburse LESSEE the fair market value of the sewer lift station and appurtenances.
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28 16. **ENTRY AND INSPECTION:** LESSEE shall permit the LESSOR or LESSOR's



agent to enter upon the premises at any time for the purpose of inspecting the same.

17. CHOICE OF LAW: The parties agree that this Lease is governed by the Laws of the State of Nevada.

18. ATTORNEYS FEE: In the event that any lawsuit should be brought for recovery of these premises or for any sum due herein or because of any act which may arise out of the possession by either party, the prevailing party shall be entitled to all cost incurred in connection with such action including a reasonable attorney fee.

19. NOTICES: All notices under this Lease shall be in writing and delivered in person or sent by certified mail, return receipt requested, to LESSOR or to LESSEE at their respective addresses set forth below or to such other addresses as may hereafter be designed by either party in writing.

LESSOR:

State of Nevada
Division of State Lands
333 West Nye Lane
Carson City, NV 89710

LESSEE:

Carson City
Department of Public Works
3505 Butti Way
Carson City, NV 89701



20. APPROVALS: This Lease shall not become effective unless and until approval of the State Board of Examiners and the Legislature's Interim Finance Committee has been secured as required by NRS 322.007.

The foregoing constitutes the entire agreement between the parties and may be modified only by amendment signed by both parties.

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

LESSOR:

LESSEE:

STATE OF NEVADA
Division of State Lands

CARSON CITY, NEVADA

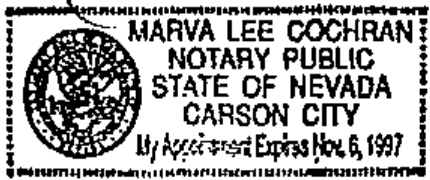
By: *Pamela B. Wilcox*
PAMELA B. WILCOX
Administrator and Ex-Officio
State Land Registrar

By: *Marv Teixeira*
MARV TEIXEIRA
Carson City Mayor

STATE OF NEVADA)
CARSON CITY)
SS.

On *November 25*,
1996, personally appeared before me, a notary public, PAMELA B. WILCOX, Administrator and Ex-Officio State Land Registrar, Division of State Lands, who acknowledged that she executed the above instrument.

Marva Lee Cochran
NOTARY PUBLIC



200454



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APPROVED as to Form:

FRANKIE SUE DEL PAPA
Attorney General

By: George H. Taylor
GEORGE TAYLOR
Deputy Attorney General

APPROVED:

STATE OF NEVADA
Department of Prisons

By: Robert Bayer
ROBERT BAYER
Director

APPROVED:

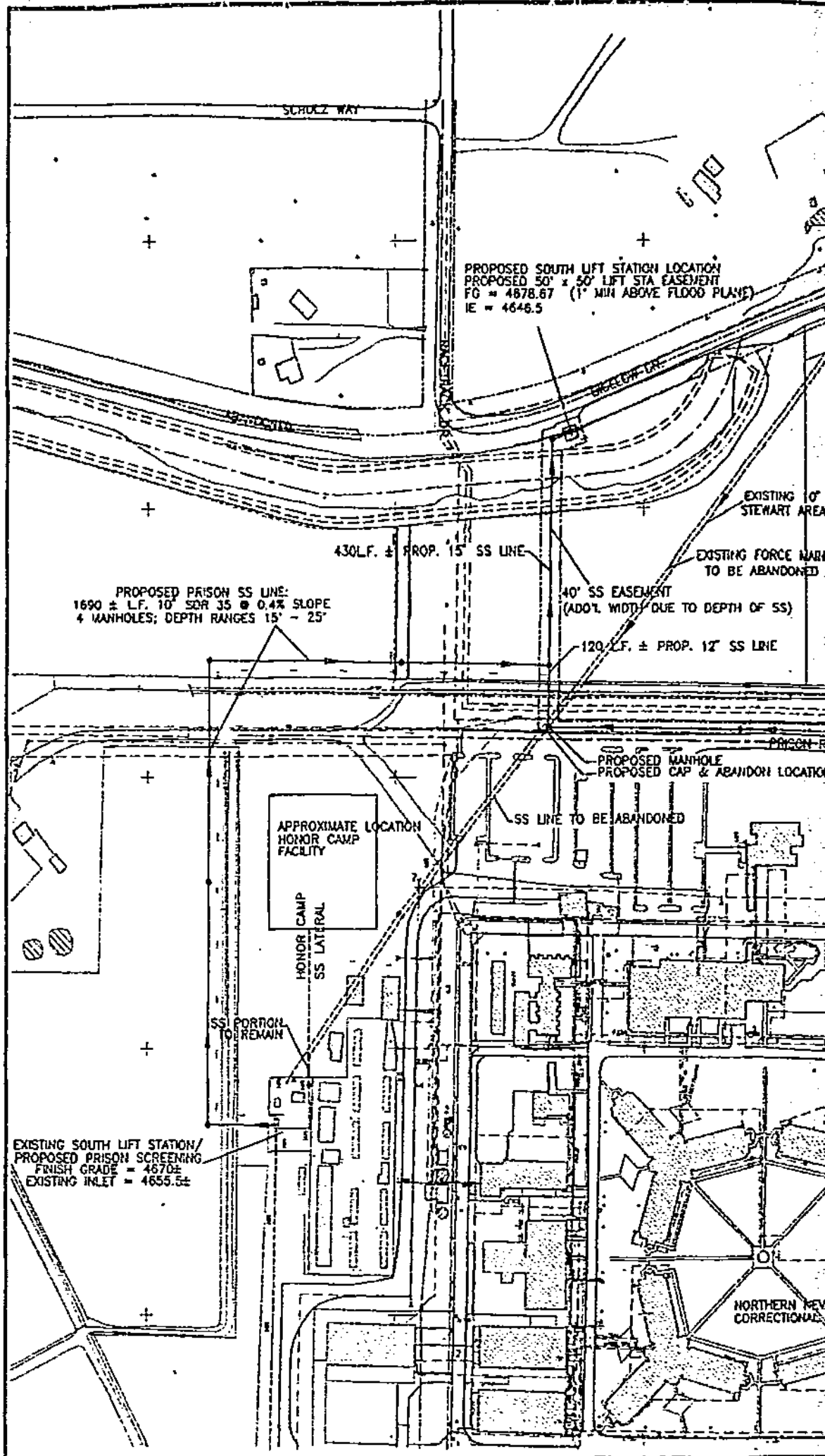
STATE BOARD OF EXAMINERS

By: John P. Corneay
Date: March 7, 1997

APPROVED:

INTERIM FINANCE COMMITTEE

By: Julio J. J. J. J.
Date: March 20, 1997



PROPOSED SOUTH LIFT STATION LOCATION
 PROPOSED 50' x 50' LIFT STA EASEMENT
 FG = 4878.67 (1' MIN ABOVE FLOOD PLANE)
 IE = 4646.5

PROPOSED PRISON SS LINE:
 1690 ± L.F. 10' SDR 35 @ 0.4% SLOPE
 4 MANHOLES; DEPTH RANGES 15' - 25'

430 L.F. ± PROP. 15' SS LINE

40' SS EASEMENT
 (ADD'L WIDTH DUE TO DEPTH OF SS)

120 L.F. ± PROP. 12' SS LINE

EXISTING OF STEWART AREA

EXISTING FORCE MAIN TO BE ABANDONED

PROPOSED MANHOLE PROPOSED CAP & ABANDON LOCATION

APPROXIMATE HONOR CAMP FACILITY

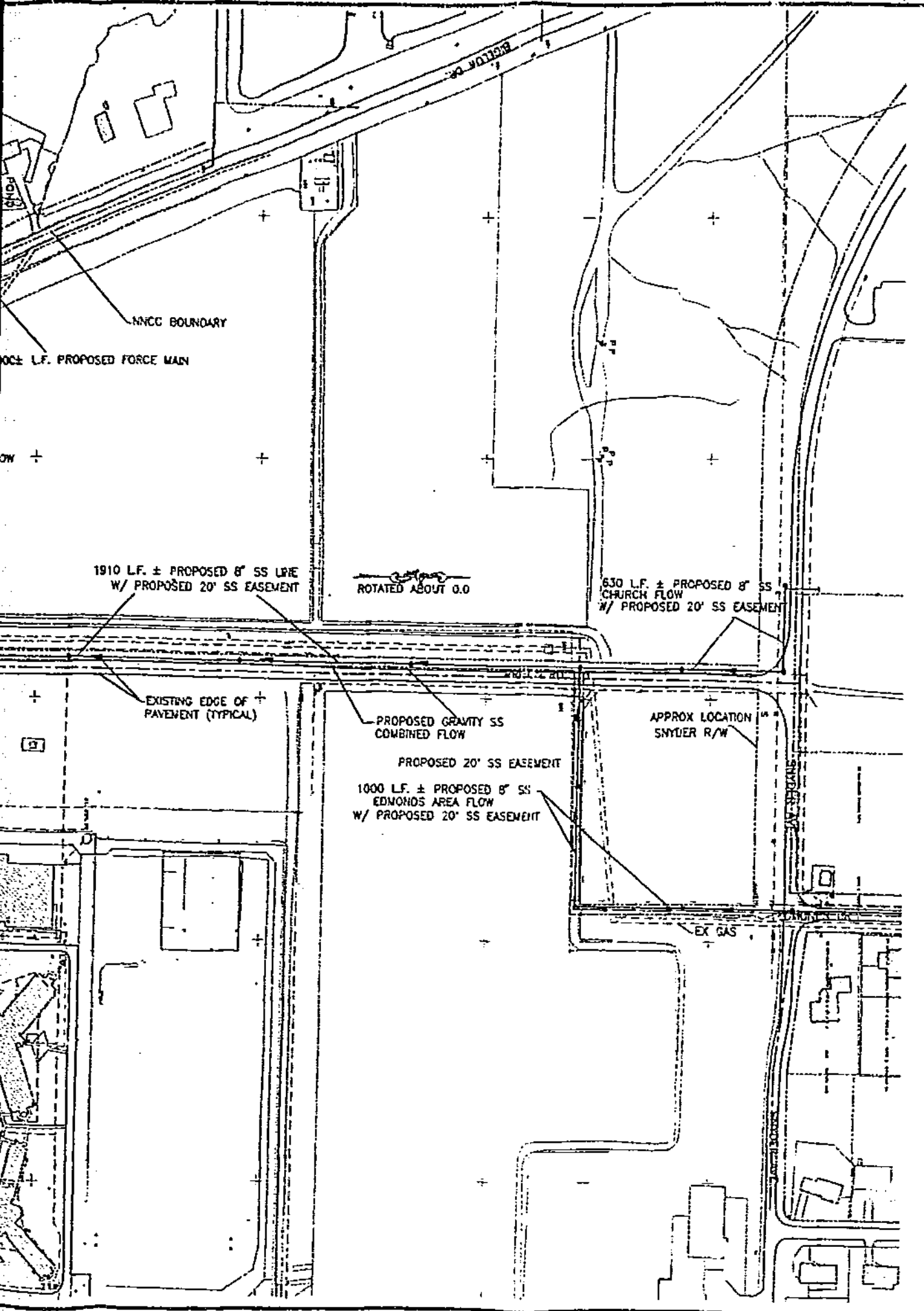
HONOR CAMP SS LATERAL

SS LINE TO BE ABANDONED

SS PORTION TO REMAIN

EXISTING SOUTH LIFT STATION/
 PROPOSED PRISON SCREENING
 FINISH GRADE = 4670±
 EXISTING INLET = 4655.5±

NORTHERN NEW CORRECTIONAL



DESIGNED BY: D.M.
 DRAWN BY: J.M.
 CHECKED BY: J.A.
 DATE: 11/21/08

**CARSON CITY UTILITIES
 DEPARTMENT**
 3300 BUTTE WAY CARSON CITY, NEVADA
 89701 PH: 857-2340

SCALE: _____
 HORZ. DIST. N/A
 VERT. N/A
 DRAWING NAME: "S10M1117.DWG"

**S.E. CARSON SEWER EXTENSION
 PROPOSED SOUTH LIFT STATION LOCATION
 SS EASEMENTS AND SS ALIGNMENTS**
 NORTHERN NEVADA CORRECTIONAL CENTER

REV.	DATE	DESCRIPTION	BY	APP'D
1	07/22/08	NEW L.S. LOCATION	DM	
2	07/22/08	NEW SS ALIGNMENTS	DM	

EXHIBIT "A"

FILED FOR RECORD
AT THE REQUEST OF
State of Nevada
'97 MAR 24 AIO :04

*Division
of
State
Lands*

200-154

FILE NO. _____
ALAN GLOVER
CARSON CITY RECORDER
FFES/NE DEP *AG*

200-154

BRADLEY CROWELL
Director

Department of Conservation
and Natural Resources

CHARLES C. DONOHUE
Administrator

BRIAN SANDOVAL
Governor



State Land Office
State Land Use Planning Agency
Nevada Tahoe Resource Team
Conservation Bond Program -Q1

Address Reply to

Division of State Lands
901 S. Stewart St. Suite 5003
Carson City, Nevada 89701-5246
Phone (775) 684-2720
Fax (775) 684-2721
Web www.lands.nv.gov

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Division of State Lands

January 5, 2018

**CARSON CITY PUBLIC WORKS
ATTN: STEPHANIE HICKS
3505 BUTTI WAY
CARSON CITY NV 89701**

**SUBJECT: Request for Signature
Carson City Sewer Lift Station & Sewer Lines
Northern Nevada Correctional Center**

Hi Stephanie,

Enclosed please find originals and duplicates thereof of a Termination of Lease and Non-Exclusive Utility Easement for your review and approval. During recent fee reevaluation it was noted a temporary construction easement had been granted to Carson City in 1997 for the construction and installation of a sewer lift station and associated sewer lines. Upon completion of construction, State Lands and Carson City entered into a Lease Agreement for the sewer lift station.

The Lease should be terminated 1) because it is not the appropriate authorization for this use and 2) the original Lease didn't include the associated sewer lines. The original Lease included an annual use fee of \$250.00 with the right to reevaluate said use fee every five years. No reevaluation has taken place since 1997. A recent reassessment resulted in an increase to \$4,400.00.

Please present to the Board for approval and circulate for required signatures. Upon receipt of all signatures, please return documents to my attention for full execution. If you have any questions, please do not hesitate to contact me at (775) 684-2729 or via email at dmckay@lands.nv.gov

Thank you,

Deann McKay
State Land Agent III



PRIS 2/DMM/5972/15150
Carson City APN: 10-281-46

Return to:
DIVISION OF STATE LANDS
901 S. STEWART ST., SUITE 5003
CARSON CITY NV 89701

TERMINATION OF LEASE AGREEMENT
SEWER LIFT STATION LEASE
NORTHERN NEVADA CORRECTIONAL CENTER

THIS TERMINATION OF LEASE, made and entered into this _____ day of _____, 20____ by and between the STATE OF NEVADA, acting by and through the DIVISION OF STATE LANDS (NDSL) and the State Land Registrar, for and on behalf of the DEPARTMENT OF CORRECTIONS, hereinafter referred to as LESSOR, and CARSON CITY, A Consolidated Municipality, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE entered into a Lease Agreement recorded with the Carson City Recorder's Office, Carson City, Nevada as Document No. 200454 on March 24, 1997 for the purpose of replacing a sewer lift station and constructing and installing associated sewer lines to benefit the State of Nevada and the citizens of Carson City; and

WHEREAS, the aforementioned Lease contained language in part that read “LESSEE agrees to pay LESSOR an annual rental fee for use of said property in the sum of TWO HUNDRED FIFTY (\$250.00) DOLLARS per year beginning November 1, 1996, and each November 1st thereafter. Said annual fee to be adjusted to reflect current fair market value every FIVE (5) years;” and

WHEREAS, on December 14, 2011, the Lease was amended for the purpose of reevaluating the rental fee which resulted in an increase to TWO HUNDRED EIGHTY DOLLARS (\$280.00)

WHEREAS, during the current fee reevaluation, it was noted from the 1996 application the associated sewer lines were not included in the Lease. Furthermore, it has been determined a Lease Agreement is not the appropriate authorization for this use of State Land; and

WHEREAS, the Lease will be terminated and replaced with a Non-Exclusive Easement (pursuant to NRS 322.050 and 322.060) for both the sewer lift and the associated sewer lines.

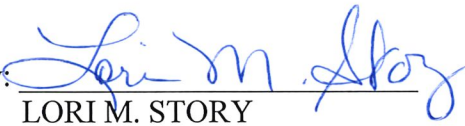
NOW THEREFORE, the LESSEE and LESSOR by the authorized signatures below do hereby TERMINATE the said lease described above, in its entirety. All right, title and interest of LESSEE to said premises shall terminate and shall revert to LESSOR, its successors and assigns, and that LESSOR shall have no further obligation to LESSEE.

IN WITNESS WHEREOF, the parties hereto have subscribed this Termination of
Lease the day and year first noted above.

LESSOR:
STATE OF NEVADA
Division of State Lands

By: _____
CHARLES DONOHUE
Administrator and
State Land Registrar

APPROVED as to Form:
ADAM PAUL LAXALT
Attorney General

By: 
LORI M. STORY
Senior Deputy Attorney General

Date: Nov. 30, 2017

APPROVED:
DEPARTMENT OF CORRECTIONS

By: 
JAMES A. DZURENDA
Director **E.**

Date: 12/22/17

LESSEE:
CARSON CITY
A Consolidated Municipality

REVIEWED AND RECOMMENDED BY:

By: _____
DAN STUCKY
City Engineer

Date: _____

APPROVED FOR LEGALITY AND FORM:

By: _____
Carson City District Attorney

Date: _____

ATTEST:

By: _____
SUSAN MERRIWETHER
Clerk-Recorder

Date: _____

BOARD APPROVED BY:
CARSON CITY
A Municipal Corporation

By: _____
ROBERT L. CROWELL
Mayor

Date: _____

STATE OF _____)
) : ss
COUNTY OF _____)

On _____, 20__ personally appeared before me, a notary public, ROBERT L. CROWELL, Mayor, Carson City, Nevada who acknowledged that he executed the above document.

NOTARY PUBLIC