

MEETING OF

APRIL 13, 1998

City of Las Vegas

AGENDA & MINUTES

Page 37

COUNCIL CHAMBERS • 400 EAST STEWART AVENUE

ITEM

ACTION

**DEPARTMENT OF PUBLIC WORKS -
CONSENT**

REPORT/ACTION ITEM

ABEYANCE ITEM

- | | | |
|----|---|--|
| 69 | <p>Approval of the Second Amendment to the Lease and Management Agreement with Nevada Links, Inc., to add additional real property to the Leased Property and to increase the annual rent to be paid for such addition (NOTE: This duplicates Discussion Item #103)</p> | <p>McDONALD - Motion to bring forward and STRIKE item 69, and 102 and HOLD in ABEYANCE items 104 and 104/27/98 - carried UNANIMOUSLY</p> <p style="text-align: center;">*****</p> <p>There was no discussion.</p> <p style="text-align: right;">(10:49 - 10:51)
1-1083</p> |
| 70 | <p>Approval of first amendment to the Links Golf Course water provision agreement dated December 8, 1997, to transfer certain responsibilities of the City to Nevada Links in exchange for water credits of equal monetary value</p> <p>(Fiscal Impact: Potential savings in effluent water cost - \$600,000)</p> | <p>JONES - Motion to Approve:
 Items 3 through 27
 Items 29 through 36
 Items 38 and 39
 Item 40 (as amended)
 Items 41 through 68
 Items 70 through 84
 - carried UNANIMOUSLY with McDONALD not voting</p> <p>Items 28 and 69: STRICKEN under separate action (see individual items)</p> <p>Item 37: APPROVED under separate action (see individual item)</p> <p style="text-align: center;">*****</p> <p>There was no related discussion.</p> <p style="text-align: right;">(10:51 - 10:52)
1-1137</p> |
| 71 | <p>Approval of the development agreement amendment with the County of Clark for street improvements at the Links Golf Course</p> <p>(Fiscal Impact: Approximately \$590,000 for off-site improvements to Vegas Valley Drive and another estimated \$375,000 for Desert Inn Road)</p> | <p>APPROVED - see above Item 70</p> |

MEETING OF
April 13, 1998

AGENDA DOCUMENTATION

TO:

CITY COUNCIL

FROM:

RICHARD D. GOECKE, DIRECTOR
PUBLIC WORKS

SUBJECT: Approval of First Amendment to the Links Golf Course Water Provision Agreement dated December 8, 1997, to transfer certain responsibilities of the City to Nevada Links in exchange for water credits of equal monetary value.

BACKGROUND:

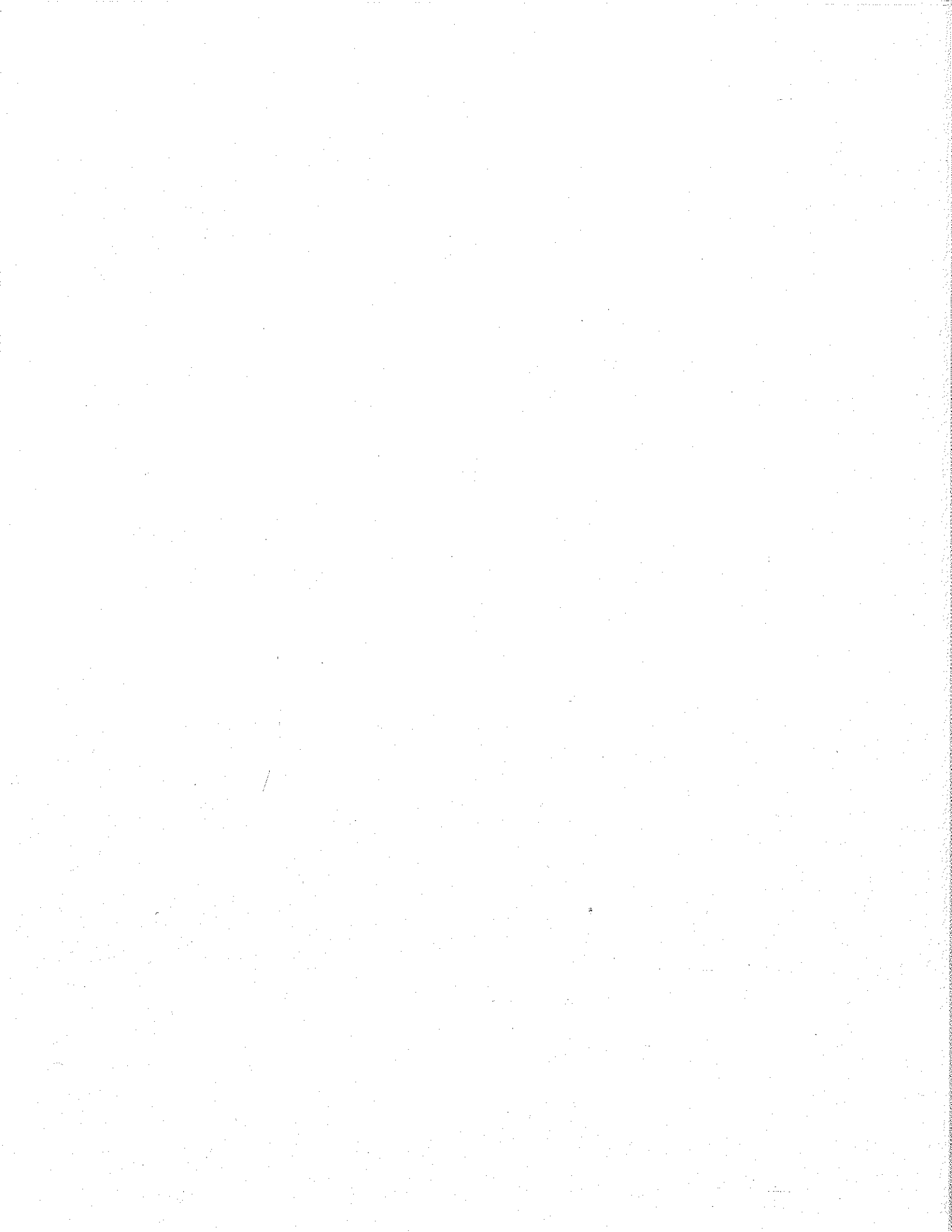
In December 1997, the City's Waste Water Treatment Plant entered into an agreement with Nevada Links, Inc. to provide construction of a water distribution system along with providing effluent water at a set rate per gallon for a fixed number of years. This amendment to the contract relieves the City of the obligation to build the system, along with relieving the city of a fifty (50) year obligation for maintenance, repairs, liability issues and paying an electric statement for that length of period. A dollar value for each category has been established. In return for Nevada Links assuming the responsibility, the City will give certain credit for purchase of effluent water for the golf course.

FISCAL IMPACT:

Potential savings to the City in effluent water cost = \$600,000.00.

STAFF RECOMMENDATION:

The Real Estate & Asset Management Division, the City Attorney's Office and the Department of Public Works recommend approval of the amendment.



AMENDMENT

THIS FIRST AMENDMENT TO THE LINKS GOLF COURSE WATER PROVISION AGREEMENT ("First Amendment") is made and entered into as of 4/13, 1998, by and between the City of Las Vegas, a municipal corporation of the State of Nevada ("City"), and Nevada Links, Inc., a Nevada corporation ("Nevada Links").

RECITALS

- A. This First Amendment is to that certain Links Golf Course Water Provision Agreement ("Agreement") made and entered into as of December 8, 1997, by and between the City and Nevada Links, Inc.
- B. The Agreement provides for construction of a water distribution system, a storage facility, and for the sale of effluent water for irrigational purposes to a golf course ("Links").
- C. Nevada Links and the City desire to amend the Agreement to provide that (i) Nevada Links will assume the responsibility of the City for water distribution system construction maintenance, repair, pump replacement, insurance and liability issues relating to failure of the system, payment of electrical billings and ownership of such system, and (ii) In exchange for releasing the City of this responsibility, the City will give Nevada Links certain credit for purchase of effluent water at the rate of \$0.20 per thousand gallons for the Links and Stallion Mountain.
- D. Nevada Links and the City understand and agree this water system becomes a part of the golf course assets and the Links will become the property of the City free and clear of all debt at the end of the term of the Lease and Management Agreement and turned over to the City in a satisfactory and mechanically sound and workable order.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Nevada Links agree as follows:

1. The Agreement is amended by deleting in its entirety language contained in Section 1.2 and inserting the following language:

1.2 Nevada Links shall construct a water distribution system ("Distribution System") capable of delivering effluent from its point of origin at the Water Pollution Control Facility ("WPCF") to the Leased Property, and shall supply maintenance and assume repair responsibility for the system. Tenant will be responsible for pump replacement, liability for pump and Distribution System failure, as well as electrical operating costs during the term of the Lease and

Management Agreement. Nevada Links is hereby granted access onto the WPCF for the purpose of constructing, inspecting, and repairing the water distribution system, and monitoring the electric meter and the water meter. Nevada Links shall provide, as its sole cost and expense, utility services, maintenance and repair services and any other services as may be necessary in order to keep the Distribution System in a good, sightly, safe, and up to date manner at all times throughout the term of this Agreement.

2. The Agreement is amended by deleting in its entirety language contained in Section 1.3 and inserting the following language:

1.3 The City, in exchange for being relieved of these obligations and responsibilities agrees to furnish effluent water delivery credits to Nevada Links at the Links and Stallion Mountain golf courses based on \$0.20 per thousand (1000) gallons as referenced in Section 3 in an aggregate amount not to exceed \$1,700,000 as detailed by Exhibit B.

3. The Agreement is amended by changing the first sentence in Section 3.1 to read as follows:

City shall supply effluent through the Distribution System at a rate ("Base Rate") of twenty cents (\$.20) per thousand (1000) gallons.

4. This Agreement is amended by deleting Section 4.

5. This Agreement is amended by deleting Section 6.4.

6. This Agreement is amended by adding to Section 11 the following:

Copy to: City of Las Vegas, Real Estate & Asset Management Division, 314 Las Vegas Blvd. N., Las Vegas, NV 89101, fax (702) 382-2309 (attention: Manager).

7. This Agreement in amended by adding Exhibit "B" in the form of Exhibit B attached to this First Amendment.

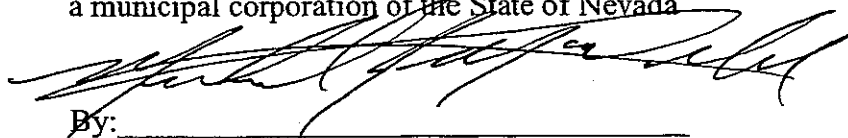
8. In the event of any inconsistency between the terms and provisions of the Agreement and the terms and provisions of this First Amendment, this First Amendment shall control.

...
...

9. The First Amendment may be executed in any number of counterparts.

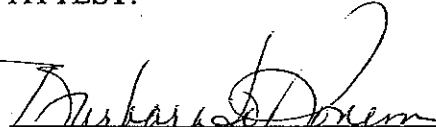
IN WITNESS WHEREOF, the City and Nevada Links have entered into this First Amendment to be effective as of the date first above written.

City of Las Vegas,
a municipal corporation of the State of Nevada

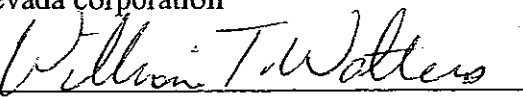

By: _____

MICHAEL J. MCDONALD, MAYOR PRO-TEM

ATTEST:


Barbara Jo Ronemus, City Clerk

Nevada Links, Inc.,
a Nevada corporation

By: 
William T. Walters, President

Approved as to form:

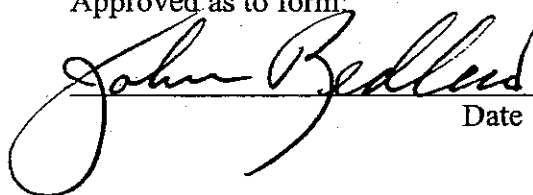

Date 3-30-98

Exhibit B

Value placed on obligations of the City contained in the Water Provision Agreement dated December 8, 1997:

Construction of Water Distribution System	\$400,000.00
Payment of Electrical Bills for fifty (50) years	\$500,000.00
Maintenance of System for fifty (50) years	\$250,000.00
Pump Replacement twice during fifty (50) years	\$80,000.00
Insurance/Liability for fifty (50) years	<u>\$470,000.00</u>
 TOTAL Value of Responsibility	 \$1,700,000.00