

GOLF COURSES

Virginia Valentine

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Sent: Sunday, January 24, 1999 9:04 AM
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Subject: Links Golf Course Sale

Here are the questions I still need answers to;

1. Could we bond with this revenue and if so, for how much?
2. What year did we buy each of the parcels and how much did we pay?
3. What kind of language should we have in the sales contract to indemnify the City from any future claims from the owners of this property from existing and possibly worse, future odor impacts?
4. How do we make the public whole on the lose of the discounted golf rates?

I plan to be in later to work on some comments. Here is an outline....please let me know if you think I am missing anything...

Explanation of how we got the property year, what we paid, paid for development rights

The land has limited value due to fact that it can only be open space forever due to proximity of WWTP, don't control the land use around the plant. To restrict the use of the surrounding lands would have been a taking.

The City did the responsible thing by buying the land to prevent residential development in area What the City paid for was the development rights to the property to prevent residential development next to the plant.

The area was full of trash and had been the site of several fires. Metro calls was frequently call to the site because of the homeless congregation there. The City would have

incurred maintenance costs over time.

The City took proposals for golf courses in 1997. Walters was successful.

to about 30 Golf Course Operators

Three responded one dropped out financially \$17m (American Golf still thru American dropped out)

The City then entered into a 50 year lease with Walters which is why the City cannot now auction off the land. It is highly unlikely that the City would ever have the resources to spend \$17 million invested by Mr. Walters in the golf course improvements. The result is that the City no longer has the maintenance responsibility, the land will never be developed as residences, and the one time eye-sore is now a golf course.

At the end of 50 years we probably wouldn't sell the course, but more likely would have entered into another lease.

We hired Shelly Lowe, Certified Appraiser, to review the appraisal performed by Tim Morris for Mr. Walters. We'd like for Ms. Lowe to explain the appraisal and her review of it.

and the City's opinion

There has been a lot of by the public of your alternatives. You have two at this juncture. You can continue to own the land under the lease agreement or you can sell the land to Mr. Walters.

City cannot action of the land because we are all ready committed in the lease to Mr. Walters. Our options at this time are to continue with the lease or to sell to Mr. Walters.

The Mayor and City Council indicated during our discussion

on the strategy plan to go forward with developing a plan to finance parks using all possible revenue sources available to us before we consider bonding. This property is one of the assets that they can convert to revenue for parks if the council chooses to do so.

We would recommend that the council add an indemnification clause for the odor impacts to the sales agreement.

Virginia

I bet the Ds answer first.