



City Council Meeting May 14, 2024 Item No. 2 Staff Report

BOULDER CITY
CITY COUNCIL

MAYOR
JOE HARDY

COUNCIL MEMBERS:
COKIE BOOTH
MATT FOX
SHERRI JORGENSEN
STEVE WALTON



MEETING LOCATION:
CITY COUNCIL CHAMBER
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

MAILING ADDRESS:
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

WEBPAGE:
WWW.BCNV.ORG



ACTING CITY MANAGER:
MICHAEL MAYS, AICP

CITY ATTORNEY:
BRITTANY LEE WALKER, ESQ

CITY CLERK:
TAMI MCKAY, MMC, CPO

COMMUNITY DEVELOPMENT DIRECTOR:
MICHAEL MAYS, AICP

ACTING PUBLIC WORKS DIRECTOR:
JIM KEANE, PAE

UTILITIES DIRECTOR:
JOSEPH STUBITZ, PE

POLICE CHIEF:
TIM SHEA

ACTING FIRE CHIEF:
GREG CHESSER, CFO

FINANCE DIRECTOR:
CYNTHIA SNEED, CPA, CGFM

PARKS & RECREATION DIRECTOR:
JULIE CALLOWAY, CPRP

TO: Michael Mays, Acting City Manager

FROM: Cynthia Sneed, Finance Director

DATE: May 14, 2024

SUBJECT:

For possible action: Resolution No. 7791, a resolution of the City Council of Boulder City, Nevada, authorizing the appraisal of land located at approximately 17447 Highway 95 South, known as the Transwest Express Option Site, consisting of approximately 148.7 acres pursuant to Option to Lease Agreement No. 17-1746 with TransWest Express, LLC for the development of an electrical substation

Business Impact Statement:

This action will not have a significant economic impact on business and will not directly restrict the formation, operation, or expansion of a business.

Action Requested:

That the City Council authorize the appraisal of land for purposes of leasing the parcel as an electrical energy substation facility.

Overview:

- Nevada State law and the Boulder City City Charter require that the City obtain at least two appraisals for a parcel before offering the property for lease.
- Appraisal costs will be recovered upon the lease of the parcel.
- The average of the two appraisals will be used to establish the minimum lease amount.
- The City previously entered into an Option to Lease agreement, with a requirement that it be appraised prior to any exercise of the option. The Optionee has made a request to have it appraised.

Background Information:

Before the sale or lease of any city land, the City is required to obtain an appraisal (see NRS 268.059 and City Charter Section 140 paragraphs 1 and 1B). Nevada State law requires that the city obtain two appraisals, using the average of the two appraisals as the minimum acceptable lease rate. The City of Boulder City Charter requires one appraisal, with the appraised value being the minimum acceptable lease rate. The City may sell or lease the land at a price higher than the appraised value, but not less.

The City Charter requires that the City Council first authorize staff to obtain the required appraisals. The attached City Council Resolution provides authorization to permit the City Staff to obtain the required appraisals.

What will be Appraised: Transwest Express, LLC entered into an Option to Lease agreement with the City in 2017 (agreement no. 17-1746). The agreement expires November 17, 2024, The agreement requires Transwest Express, LLC to request an appraisal of the land prior exercising the lease. They recently sent the official notification to request the appraisal (attached).

The site to be appraised is located at approximately 17447 Highway US 95 South. It is immediately west of the Silver Peak Solar Phase 1 lease site, which is west of the Boulder Solar Power 1 leasehold. The area to be appraised contains approximately 148.7 acres (map of site attached as an exhibit to the Resolution). Once the appraisals are returned, City Staff will use that information to derive a lease rate for the new lease.

The site will be used as an electrical power substation.

Financial:

Desert lands are unique in their valuation, and determining an approximate lease rate at this time is not prudent. The appraisals will provide the City with a minimum acceptable lease rate for an energy facility.

Boulder City Strategic Plan Goal:

Goal A: Achieve Prudent Financial Stewardship

Department Recommendation: Approve Resolution No. 7791, authorizing the appraisal of approximately 148.7 acres of land located at approximately 17447 Highway US 95 South the purpose of leasing land for an energy substation facility.

Attachment:

Letter requesting site appraisal
Resolution
Exhibit Map