



**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:**  
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**CITY MANAGER:**  
TAYLOUR TEDDER, CECD

**CITY ATTORNEY:**  
BRITTANY LEE WALKER, ESQ

**CITY CLERK:**  
TAMI MCKAY, MMC, CPO

**ADMINISTRATIVE SERVICES DIRECTOR:**  
BRYCE BOLDT

**COMMUNITY DEVELOPMENT DIRECTOR:**  
MICHAEL MAYS, AICP

**PUBLIC WORKS DIRECTOR:**  
JAMIE CURRERI

**UTILITIES DIRECTOR:**  
JOSEPH STUBITZ, P.E.

**POLICE CHIEF:**  
TIM SHEA

**FIRE CHIEF:**  
WILLIAM GRAY, CFO

**ACTING FINANCE DIRECTOR:**  
ANGELA MANNINEN, CFE

**PARKS & RECREATION DIRECTOR:**  
ROGER HALL

# City Council Meeting

## March 14, 2023

### Item No. 12

### Staff Report

**TO:** Taylour Tedder, City Manager

**FROM:** Angela Manninen, Acting Finance Director

**DATE:** March 14, 2023

#### SUBJECT:

For possible action: Matters pertaining to the Eldorado Substation request for lease or land sale of 3.5 acres currently occupied by the Eldorado Substation in the Eldorado Valley:

A. Discussion and possible direction on whether to authorize a ballot question for the 2024 General Election asking voters whether the City should sell land in the Eldorado Valley currently occupied by the Eldorado Substation

B. Discussion and possible direction regarding a possible long term lease agreement with the operators of the Eldorado Substation to allow occupation to continue

C. Resolution No. 7596, A Resolution of the City of Boulder City, Nevada authorizing the appraisal of 3.5 acres of land occupied by the Eldorado Substation in the Eldorado Valley and the easement value of any associated easements

#### 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 receive the presentation on options for the Eldorado Substation occupation on a 3.5-acre portion of City-owned land; provide direction on item A or B, as appropriate; if A or B is approved, authorize the appraisal of such land.

### Overview:

- Southern California Edison represents the operators of the Eldorado Substation.
- The Eldorado Substation has occupied land in the Eldorado Valley since the 1960s when it was under federal ownership.
- Boulder City has since purchased such federal land subject to existing rights.
- Eldorado Substation's rights expired in 2019 and they have been operating under a license agreement with the City since that time.
- The operators of the Eldorado Substation submitted a proposal to consider their parcel be included on the City's Land Management Process List to either purchase or lease the City-owned land they occupy, and the proposal was approved by City Council and added to the LMP List.
- Southern California Edison would like to purchase or lease the land from the City for continued operations of the substation.

### Background Information:

The Eldorado Substation is an electrical transmission substation that assists in the transmission of electricity to southern California. The Eldorado Substation ownership team is a combination of Southern California Edison (a public utility), Nevada Power Company (a public utility), and the Los Angeles Department of Water and Power (a public utility). Southern California Edison is the point of contact for the facility for all permitting activities.

The Eldorado Substation was originally granted a right of way (BLM ROW file number N-2655) in 1969 to construct and operate (the land at that time was under Federal Ownership) when the Eldorado Valley was under federal ownership. The initial ROW grant set aside 338.25 acres for the substation complex (see attached schematic drawing). The initial phase constructed (within the fence) covers approximately 87 acres, with the balance (approximately 251 acres) remaining for substation improvements. The city-prepared map shows the original BLM ROW grant (in light pink) and the developed area (outlined in a dashed purple line).

Boulder City, with the cooperation of the Colorado River Commission, worked with the Bureau of Land Management to purchase lands as identified in the Eldorado Valley Act (Public Law 85-339, 85<sup>th</sup> Congress, March 6, 1958 (72 Stat. 31), as amended by the Act of October 10, 1962 (76 Stat. 804)) containing 107,400 acres of land. The BLM transferred ownership of the land under Patent 27-95-0022 (also recorded in the BLM files as "Nev-048100") to the Colorado River Commission.

At the same signing ceremony, the Colorado River Commission then transferred the land to the City of Boulder City. Within the Patent were the usual reservations and requirements that the new land owner recognize the pre-existing grants of right-of-way by the BLM to various entities, primarily utilities or other units of government.

The initial BLM ROW grant for the Eldorado Substation expired in 2019. The substation operator has applied to the BLM for renewal for the portions that are under BLM administration (the light purple areas on the attached map). They have also asked

Boulder City to either lease or purchase the portion outside of the BLM-administered areas (the green outlined area on the attached map), which is approximately 88 acres.

Under BC Code Section 9-2-4, requests to purchase or lease city owned property must go through the Land Management Process (“LMP”). Southern California Edison applied through the LMP to have the portion outside of the BLM-administered areas considered for lease or sale. At the conclusion of the LMP process, the City Council entered the site into the LMP for future action. Land sales or leases to a public utility are not required to be competitively bid.<sup>1</sup>

City Staff has brought this item to the City Council to seek direction on the next steps. The substation operator would like to purchase the area outside the BLM-administered corridors occupied by the substation and to be granted an easement for the transmission corridors. They currently are using the land under a temporary license agreement with the City, paying the appraised value for a land lease while waiting for a final decision and route forward.

Next steps to consider include:

**Item A:** Pursuant to BC Code Section 9-2-4.B.2, direct staff to put on the next General Election ballot (November 2024) a question to the registered voters on whether to sell the land to the Eldorado Substation operating group. Between now and the decision of the electorate, the City would enter into a lease agreement and collect rent at the appraised value rate. If the voters authorize the sale, the lease would automatically terminate at the closing.

**Item B:** Enter into a long-term Land Lease. Staff would be directed to enter into negotiations to proceed with the land lease with the Operator. Revenues from the land lease would support ongoing city general fund operations throughout the duration of the lease period.

### **Appraisal:**

Item C would authorize the appraisal of the land and easement area for lease. If sale is authorized, another appraisal would need to be authorized closer to the election as appraisals are only valid for one year under the City Charter.

### **Financial:**

Unknown until appraisals are completed.

### **Boulder City Strategic Plan Goal:**

Goal A: Achieve Prudent Financial Stewardship

**Department Recommendation:** If City Council wishes to move forward on **Item A: Move** to direct the City Attorney to draft a ballot question for the

<sup>1</sup> NRS 268.059-NRS 268.062 exempts from its provisions the sale or lease of land to a public utility.

2024 General Election asking voters whether the City should sell land in the Eldorado Valley currently occupied by an electrical substation, and direct the City Manager to negotiate a lease to be effective until the land is sold or a later term if sale is not authorized. If the City Council wishes to not authorize a ballot question and move forward with a lease on **Item B: Move** to direct the City Manager to negotiate a possible long term lease agreement with the operators of the Eldorado Substation to allow occupation to continue into the future.

If either A or B is approved, Staff recommends the authorization of appraisal of land. **Item C: Move** to approve Resolution No. 7596.

Attachment:

City prepared location map

Original BLM right of way boundary schematic

Licensed Area (to be leased or sold)

LMP Resolution 7575

Resolution authorizing appraisal