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9-29-47

On motion of Commissioner Whipple duly seconded by
Commissioner Clark and carried unanimously,
the following resolution was adopted and order made:

R E S O L U T I O N No 704

WHEREAS, the Government of the United States of America,
during the recent war time emergency, constructed, acquired and
established Sewer War Public Works facilities identified as
Project No. Nev. 26-116-F and consisting generally of a disposal
plant, pipes, pipelines, accessories and facilities for the
conveyance of sewage, together with certain lands or interests in
lands, in or near the City of Las Vegas, Clark County, Nevada, and

WHEREAS, the Government of the United States of America, by
instrument in writing dated July 1, 1946, leased the aforesaid
Project to the City of Las Vegas, Nevada, and by provision in said
instrument granted to said City the option, during the original
term of said lease, or any renewal thereof, to purchase all of the
Government's right, title and interest in and to the leased property
for the agreed and stipulated consideration of the principal sum of
Three Hundred Twenty Thousand Dollars (\$320,000.00), less the amount
of all rental payments made under said lease, plus interest computed
at the rate of three per cent (3%) per annum on the principal sum
or balances thereof, and

WHEREAS, the City of Las Vegas is now considering the
acquisition of all of the Government's right, title and interest
in and to the aforesaid Project, by and through its exercise of
the option aforesaid, and

WHEREAS, a technical engineering investigation now discloses
that the sewer works of said Project have depreciated at a far
greater rate than that anticipated at the time of the execution
of the option agreement aforesaid and assumed as the basis for the
fixation of a fair valuation of said Project to be paid by the



City of Las Vegas upon the exercise of its option to purchase the same, and

WHEREAS, in the light of the facts, revealed by said investigation, that deterioration in said sewer works is progressing at a spiraling rate, resulting in an excessively increased flow of infiltrated ground waters, necessitating the additional fixed cost of treating the same, and that the utility life of said works is consequently considerably shorter than that contemplated at the time of the execution of said option agreement, obviously requiring an earlier retirement and replacement of said works, it now appears that the valuation of said Project as reflected in the consideration expressed in the option agreement for the purchase of said Project by the City of Las Vegas failed to take into account circumstances subsequently developing and unforeseen at the time of said agreement which would have materially effected a reduced and more accurate and equitable valuation, and

WHEREAS, it was the intention of the parties at that time to express a consideration which reflected a reasonably accurate, fair and equitable valuation of said Project, now, therefore, be it

RESOLVED by the Board of Commissioners of the City of Las Vegas, in regular session this 29th day of September, 1947, that it respectfully urge and request the Government of the United States of America, through its duly constituted agencies, to re-open and re-consider the question of the valuation of the Project aforesaid, and join with the City of Las Vegas in an examination of all the facts and circumstances now known or available having any bearing upon a determination of a more accurate, fair and equitable consideration to be paid by said City upon the exercise of its option to purchase said Project.

R. W. Graham
Mayor

ATTEST:

Melen Scott Reed
City Clerk