

BOULDER CITY BALLOT QUESTION NO. 4

**City of Boulder City
An Advisory Question**

Shall the City of Boulder City sell part of Boulder City Tract 99, consisting of 4.008 acres, to the Boulder City Library District for the sum of One Dollar (\$1.00), pursuant to Agreement No. 99-565 and in accordance with Section 141.1. of the Boulder City Charter?

Yes

No

EXPLANATION

In March of 1999, the City of Boulder City and the Boulder City Library District entered into an agreement that made land east of ABC Park available for the construction of the new Boulder City Library. Initially, the library was constructed on this land and the land was leased from the City. The term lease was to be for eighty (80) years and the Library District had the Option to purchase the land for one dollar (\$1.00). The Option could only be exercised between the 10th and 15th years of the lease. The Option was also subject to approval by the voters of Boulder City. It has now been more than 10 years but less than 15 years since the effective date of the Lease and the Boulder City Library District has exercised its Option. Voter approval is now needed before the land can be sold. The Boulder City Charter, Section 141.1. provides that the City Council can sell land to an organization such as the Boulder City Library on whatever terms it deems satisfactory.

A “YES” vote would allow the Boulder City Library District to buy the 4.008 acres of land identified in Agreement No. 99-565 from the City of Boulder City for One Dollar (\$1.00).

A “NO” vote would not allow the Boulder City Library District to buy the described land for One Dollar (\$1.00).

ARGUMENT FOR PASSAGE

Vote “YES” on Question No. 4.

The voters of Boulder City approved the construction of a new library in 1999. Under the terms of the agreement with the City, the library leased the land on which the library now exists. The Boulder City Library District is exercising its option to purchase this land according to the terms of its Lease Agreement.

Voting “YES” on this question is in the best interest of the City, the library, and the residents of Boulder City. This land sale will benefit the City by clarifying liability and maintenance responsibilities of the library. Additionally, the library can secure its place in the community by owning the land on which it now sits. The library will also be able to increase its long-term assets, which will allow the library to negotiate favorable financing and debt restructuring in the future.

There will be no change in the environmental impact, or any impact on public health, safety and welfare, because daily operations at the library will not change due to the land sale.

Please vote “YES” on Question No. 4 to secure the library’s future in Boulder City.

Submitted by Ballot Question Committee as provided for in NRS 295.217

REBUTTAL TO ARGUMENT FOR PASSAGE

Proponents of Question No. 4 claim selling 4-plus acres of City land to the Boulder City Library District is in the best interest of the City. In the committee’s opinion, nothing could be further from the truth.

An appraiser valued the acreage at \$300,000 in 1998. Since then, land prices have fluctuated up and down. At a price of \$300,000, the City would be throwing away \$299,999 since the District has ample financial resources to pay the full fair market value based on its 2011 ending fund balance.

Proponents also claim the sale will secure the library’s future in Boulder City. The library is not moving elsewhere. Its lease with the City is not in jeopardy. The District is not behind on its rent. So, how is the library’s future “secured”?

Don’t be misled. The City needs the money, and the District has it.

Vote “NO” on Question 4.

Submitted by Ballot Question Committee as provided for in NRS 295.217

ARGUMENT AGAINST PASSAGE

Vote “NO” on Ballot Question No. 4. Although it’s a noble and generous concept, the City cannot afford to give away over 4 acres of land, its most valuable asset, to the Library District when the City needs precious revenue and the Library District can afford to pay fair market value. Although newly signed solar leases paint an optimistic revenue picture, the revenue still falls short of answering all the City’s many pressing capital improvement and special project needs that have lacked funding for years.

The Capital Improvement Plan for 2012 includes proposed expenditures totaling \$16.4 million with the City’s portion costing \$4.9 million. Revenue from the five newer solar projects in 2011 was \$675,000 while 2012 solar lease revenue is forecast at approximately \$3.7 million, resulting in a net overall annual increase of just over \$3 million.

Of that \$3 million, \$2.4 million is allocated to the General Fund while only \$600,000 is allocated to the Capital Improvement Fund. Any way you look at it, solar revenue does not cover the cost of needed capital improvements. In order to maximize revenues, the City needs to dispose of land at fair market value.

The Boulder City Library District's budget this year has \$465,000 in ending fund balances. A November 1998 library land appraisal determined a fair market value of \$300,000. The Library District has the ability to pay fair market value for the land even if the land value has increased since its last appraisal 13 years ago.

For reasons such as desperately needed City revenue and the Library District's adequate funds, voters should say "NO" to this ballot question.

Submitted by Ballot Question Committee as provided for in NRS 295.217

REBUTTAL TO ARGUMENT AGAINST PASSAGE

The Library is exercising its option to purchase the land based on the approved lease agreement with the City which stipulates the property will be sold to the Library District for the sum of One Dollar (\$1.00). If voters do not wish to allow the land to be sold, the Library will continue to operate under the Lease Agreement, which will expire in 2079.

The ending fund balance figure quoted in the AGAINST argument could only be used for general operating and debt service expenses and cannot be used for capital expenditures, such as land. The Library has a Capital Improvement Fund, which was created approximately one year ago, in order to establish funding for future improvements to the Library. These funds are not sufficient to purchase land at fair market value nor were these funds intended to purchase land.

Boulder City residents expect the City to keep its services affordable. The residents believe the Library must do the same. The Library is simply protecting the community's interest in this valuable asset which benefits all Boulder City residents.

Please vote "YES" on Question No. 4 to secure the Library's future in Boulder City.

Submitted by Ballot Question Committee as provided for in NRS 295.217

FISCAL NOTE

Description of Anticipated Financial Effect: This question does not require any expense that will require the levy or imposition of a new tax or fee or the increase of an existing tax or fee.