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## STATE OF NEVADA

### Lease Purchase of State Buildings

Department of Conservation and Natural Resources

Department of Human Resources

Brian K. Krolicki  
State Treasurer

SUBCOMMITTEE Higher Education/CIP

DATE: 04-25-03 EXHIBIT E

SUBMITTED BY: Brian Krolicki, State Treasurer

E 10617



STATE OF NEVADA  
OFFICE OF THE STATE TREASURER

In 2001, the Nevada State Legislature passed legislation introduced by State Treasurer Brian Krolicki authorizing the state of Nevada to acquire State buildings by utilizing lease-purchase financing, which is codified in NRS 353.510. The State has many agencies located throughout Nevada in privately leased office space. As of June 30, 2002, \$22,635,000 was spent to rent 1,583,304 square feet of office space throughout the state. This does *not* include any space rented by the Department of Transportation, the University, or the Division of Mental Health/Developmental Services, all of which have separate authority to rent without going through Buildings and Grounds. We now have the ability, through lease-purchase, to convert a rent payment appropriation into a lease payment appropriation, resulting in ownership of the building at the end of the contract. This is accomplished with no additional cost to taxpayers and without affecting the constitutional debt limit or using the taxes associated with traditional debt issuance. The State would like to consolidate as many agencies as possible at a cost not greater than what the State is presently paying in rent. Included in the lease-purchase legislation is the ability to issue Certificates of Participation (COPS) in order to provide the financing for this construction.

The interest rate will be based on market-driven long-term fixed rate tax-exempt yields at the time the COPS are issued. Currently, lending rates are at their lowest level in decades. It is time to take advantage of this part of the economic cycle and this is the beginning. This is the purpose and intent of the lease purchase legislation.

The State will execute the underlying ground lease to a non-profit corporation (likely the Nevada Real Property Corporation or NRPC— the State Treasurer, the Director of the Department of Administration and the Director of Public Works serves on the board.) The NRPC will then lease the improved property back on a triple-net basis (the leaseback) to the State, acting through the agency that will use the building (in this case either the Department of Conservation and Natural Resources or the Department of Human Resources, as appropriate). The leaseback will be subject to annual renewal and appropriation. The NRPC will finance the improvements to the property with the proceeds of long-term, fixed rate COPS that will be payable from the annual State leaseback payments. Interest on the COPS due prior to occupancy will be capitalized.

At all times, the State will own the underlying real property and will have a leasehold interest in the improved real property. Ownership of the improved property will fully vest in the State upon the full repayment of the COPS issued to finance the improvements or the expiration of the term of the underlying ground lease, whichever is earlier.

**CARSON CITY OFFICE**  
State Treasurer  
101 N. Carson Street, Suite 4  
Carson City, Nevada 89701-4786  
(775) 684-5600 Telephone  
(775) 684-5623 Fax

**STATE TREASURER PROGRAMS**  
America's College Savings Plan  
Millennium Scholarship Program  
Unclaimed Property

**LAS VEGAS OFFICE**  
555 E. Washington Avenue, Suite 5300  
Las Vegas, Nevada 89101-1074  
(702) 486-2488 Telephone  
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E 2 of 17

In the simplest of terms, this is a question of whether you should rent a house or own a house. Do you spend years building equity for someone else or do you spend the same amount of money and build equity?

The following pages reflect the analysis done in coordination with the Department of Administration, Divisions of Budget, Buildings and Grounds and Public Works, the Office of the Attorney General, the Department of Conservation and Natural Resources and the Department of Human Resources.

It must be emphasized that most of the expense side of this analysis is based on conservative estimates, while the current rental agreements are actual. An inflation rate of 4% is utilized for anticipated renewals of agreements by examining the increases in the last four years.

State of Nevada  
Lease Program  
All Currently Rented Square Feet

Summary of Inputs and Results

Content Value	\$20.00 per square foot
Insurance Rate (annual) - 2003	\$0.00088 (annual)
Insurance Rate (annual) - 2004	\$0.00150 (annual)
Insurance Rate (annual) - 2005	\$0.00146 (annual)
B&G Charge/Square Foot	\$0.48 (2003 monthly)
Inflation Rate - Rent	4.00%
Inflation Rate - Insurance and B&G	3.00%
Net Bond Proceeds %	98.00%
New Building Cost/Square Foot	\$175
Existing Leased Space (Square Feet)	1,583,304
Proposed New Building Size (Square Feet)	1,583,304
Bonding Date	07/01/03
Building Opening Date	07/01/05
New Bonding Amount	\$313,110,000
Plus: Up-Front Payment	0
Less: Capitalized Interest (PV)	(29,722,495)
Less: Costs of Issuance	(5,262,200)
Available Proceeds	\$277,125,305
New Office Space (Square Feet)	1,583,573
Value of Building at 2035 @ 3% Appreciation	\$713,620,593 (2035)
PV of Value of Building at 2035 @ 3% Appreciation	\$277,125,305 (2003)

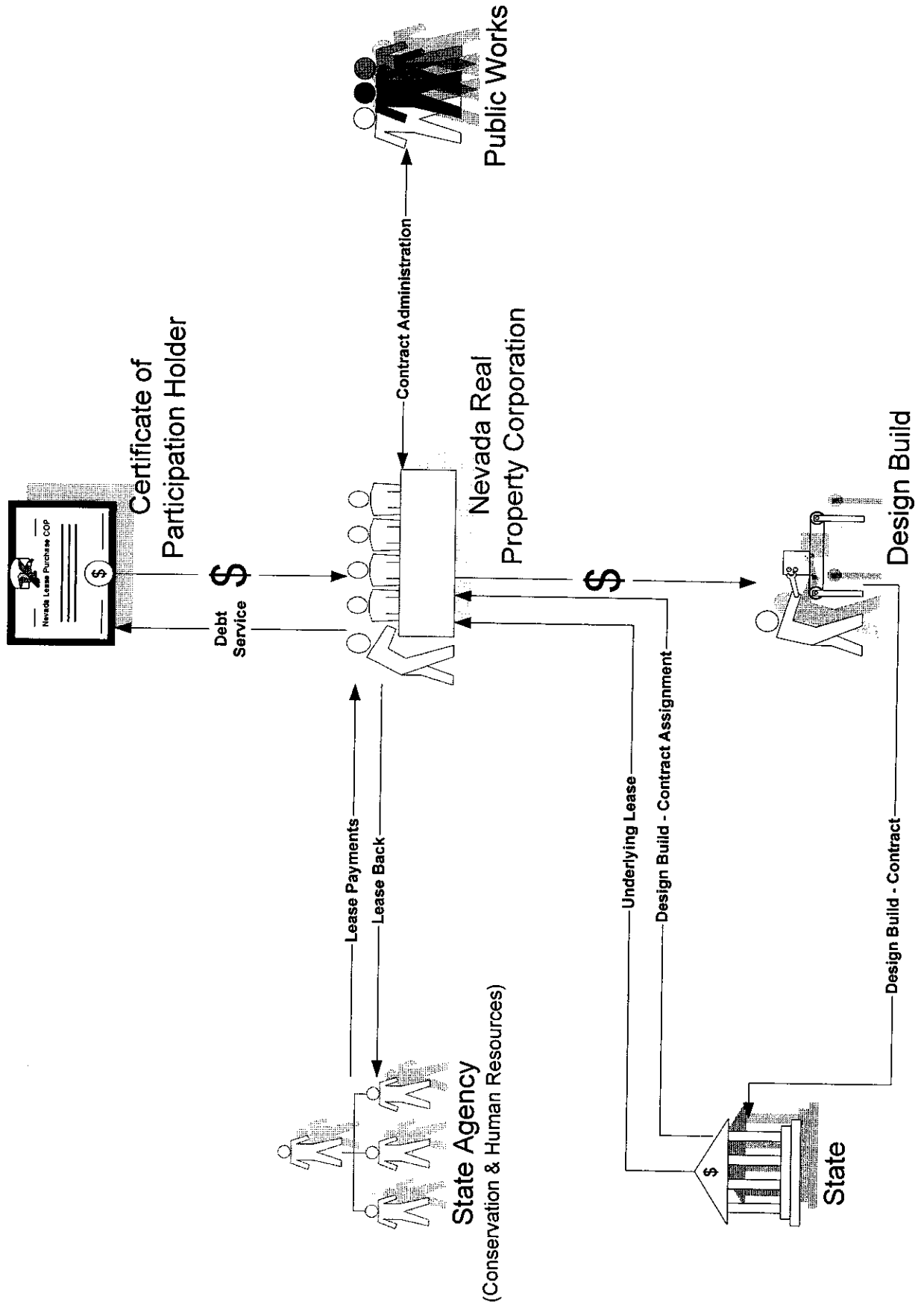
Existing Expenditures

Fiscal Year	Existing Rent	Content Insurance	Dedicated to Existing Buildings	Total Gross Available Revenues	New Debt Service	Gross Benefit/Inefficiencies Captured	Building Insurance	Content Insurance	B&G Charge	Total	Net Benefit/(Subsidy)*
2003	\$23,540,400	\$27,866	\$23,568,266	\$0	0	0	0	0	\$0	\$0	\$0
2004	24,482,016	48,924	24,530,940	0	0	0	0	0	0	0	0
2005	25,461,297	49,048	25,510,345	26,530,268	11,903,557	15,626,711	442,045	50,528	9,965,488	10,458,059	5,188,622
2006	26,479,749	50,519		27,590,974	11,445,480	16,145,484	455,307	52,044	10,264,450	10,771,801	5,373,643
2007	27,538,938	52,035		28,694,092	12,011,225	16,682,868	468,968	53,005	10,572,384	11,094,955	5,587,913
2008	28,640,496	53,596		29,841,320	12,597,833	17,243,487	483,035	55,213	10,889,555	11,427,804	5,816,684
2009	29,796,116	55,204		31,034,421	13,215,595	17,818,826	497,526	56,970	11,216,242	11,770,638	6,048,188
2010	30,977,560	56,960		32,275,229	13,860,547	18,414,682	512,452	58,576	11,552,729	12,123,757	6,290,926
2011	32,216,663	58,566		33,565,652	14,536,723	19,028,930	527,825	60,333	11,899,311	12,487,469	6,541,460
2012	33,505,329	60,323		34,907,875	15,242,951	19,664,925	543,660	62,143	12,256,290	12,862,094	6,802,631
2013	34,845,543	62,133		36,303,361	15,980,887	20,322,474	559,970	64,007	12,623,979	13,247,956	7,074,518
2014	36,239,364	63,997		37,754,855	16,751,834	21,003,022	576,769	65,528	13,002,698	13,645,395	7,357,627
2015	37,688,939	65,916		39,264,380	17,556,986	21,707,405	594,072	67,905	13,392,779	14,054,757	7,652,648
2016	39,196,496	67,894		40,834,287	18,397,154	22,437,134	611,894	69,943	13,794,563	14,476,400	7,960,734
2017	40,764,356	69,931		42,466,959	19,278,009	23,188,951	630,251	72,041	14,208,400	14,910,692	8,276,259
2018	42,394,830	72,029		44,164,917	20,194,159	23,970,759	649,159	74,202	14,634,652	15,358,012	8,512,748
2019	44,090,728	74,190		45,930,772	21,155,144	24,775,629	668,633	76,428	15,073,691	15,818,753	8,956,876
2020	45,854,357	76,415		47,767,239	22,160,767	25,606,472	688,692	78,721	15,525,902	16,293,315	9,315,158
2021	47,688,531	78,708		49,677,441	23,204,655	26,472,786	709,353	81,083	15,991,679	16,782,115	9,690,372
2022	49,596,072	81,069		51,663,416	24,301,042	27,362,374	730,634	83,515	16,471,429	17,285,578	10,075,796
2023	51,579,915	83,501		53,729,118	25,443,434	28,285,684	752,553	86,021	16,965,572	17,804,146	10,481,638
2024	53,643,112	85,006		55,877,423	26,640,567	29,238,856	775,129	88,601	17,474,539	18,338,270	10,898,586
2025	55,788,836	86,598		58,111,634	27,885,767	30,225,867	798,383	91,259	17,998,776	18,898,418	11,337,449
2026	58,020,390	91,244		60,435,186	29,187,723	31,247,463	822,335	93,997	18,538,738	19,455,071	11,792,393
2027	60,341,205	93,981		62,851,854	30,549,846	32,301,808	847,005	96,817	19,094,901	20,038,723	12,263,085
2028	62,754,854	96,801		65,384,752	31,970,586	33,394,166	872,415	99,722	19,667,748	20,639,884	12,764,282
2029	65,265,048	99,705		67,978,345	33,456,586	34,521,759	898,587	102,713	20,257,780	21,259,081	13,262,678
2030	67,875,650	102,696		70,698,452	35,006,146	35,694,306	925,545	105,795	20,865,514	21,896,853	13,793,463
2031	70,590,676	105,777		73,523,252	36,622,687	36,900,566	953,311	108,968	21,491,479	22,553,759	14,346,807
2032	73,414,303	108,950		76,463,093	38,309,012	38,154,078	981,911	112,237	22,136,224	23,230,372	14,923,706
2033	76,350,875	112,218		79,520,495	40,075,032	39,445,463	1,011,368	115,605	22,800,310	23,927,283	15,518,180
2034	79,404,810	115,585		82,700,159	41,911,034	40,785,125	1,041,708	119,073	23,484,320	24,645,101	16,144,032
2035	82,581,106	119,052		85,952,974	43,809,551	43,785,555	1,070,284	122,003	24,172,121	25,467,509	16,817,035
	\$1,538,598,759	\$2,529,323	\$73,609,551	\$1,487,818,632	\$686,852,974	\$787,565,658	\$21,030,284	\$2,403,894	\$474,112,121	\$487,546,509	\$273,976,026

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# Lease Purchase

## Certificate of Participation Program



**FROM: Cindy Edwards, Property Manager, Buildings and Grounds Division**

**TO: Maude Naroll, Department of Administration, Budget Division**

**DATE: April 23, 2003**

**RE: B&G Cost Breakdown**

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**The monthly maintenance cost of \$.48 per square foot is as follows:**

<b>Utilities:</b>	<b>\$.17 per sf</b>
<b>Building Maintenance:</b>	<b>\$.13 per sf</b>
<b>Janitorial:</b>	<b>\$.11 per sf</b>
<b>Carpet Replacement:</b>	<b>\$.04 per sf</b>
<b>Grounds/Parking lots:</b>	<b>\$.03 per sf</b>

**Building maintenance cost does not include CIP's (roofs, chillers, and boilers, etc.).**

**Utilities, janitorial and carpet costs are calculated using historic actual costs for buildings in Carson City. Building maintenance and grounds/parking lots are calculated using Building Owners and Managers Association's Experience Exchange Report (BOMA Standards).**

**The calculations for the lease purchase buildings are isolated costs from our standard rent rate, which covers all of our inefficient buildings, our large capitol complex grounds, our Las Vegas and Reno facilities, overhead, and Capitol Police.**

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**Cindy Edwards, Property Manager  
Buildings and Grounds Division  
(775) 684-1804**

STATE PUBLIC WORKS BOARD

MEMORANDUM

April 23, 2003

TO: Gus Nunez/Evan Dale  
FROM: Ronald L. Crook  
SUBJECT: Lease-Purchase Projects  
LCB Question regarding \$175/s.f.

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The following is an approximate breakdown of the \$175/s.f. for the Lease-purchase Buildings. These figures are preliminary due to the fact that the Design-Build requirements and owner/contractor responsibilities for all project costs are still being defined:

A/E Design, Building Construction & Contingencies -	\$156.75/s.f.
Project Management, Soils & Surveys, Plan Checking, Inspections & Testing -	\$5.75/s.f.
FF&E, Phones & Data -	\$10/s.f.
Miscellaneous Printing, Moving, Advertising & Maintenance agreements -	\$2.50/s.f.



**State of Nevada  
Department of Conservation and Natural Resources  
Lease Program  
\$3.1 Million Down Payment**

**State of Nevada**  
**Department of Conservation and Natural Resources**  
**Lease Program**  
**\$3.1 Million Down Payment**

**Summary of Inputs and Results**

Content Value	\$20.00 per square foot
Insurance Rate (annual) - 2003	\$0.00088 (annual)
Insurance Rate (annual) - 2004	\$0.00150 (annual)
Insurance Rate (annual) - 2005	\$0.00146 (annual)
B&G Charge/Square Foot	\$0.48 (2003 monthly)
Inflation Rate - Rent	4.00%
Inflation Rate - Insurance and B&G	3.00%
Net Bond Proceeds %	98.00%
New Building Cost/Square Foot	\$175
Existing Leased Space (Square Feet)	88,498
Proposed New Building Size (Square Feet)	120,000
Bonding Date	07/01/03
Building Opening Date	07/01/05
New Bonding Amount	\$20,230,000
Plus: Up-Front Payment	<b>3,100,000</b>
Less: Capitalized Interest (PV)	(1,925,962)
Less: Costs of Issuance	<u>(404,600)</u>
Available Proceeds	\$20,999,438
New Office Space (Square Feet)	<b>119,997</b>
Value of Building at 2035 @ 3% Appreciation	\$54,075,290 (2035)
PV of Value of Building at 2035 @ 3% Appreciation	\$20,999,438 (2003)

E 9 of 17

State of Nevada  
Department of Conservation and Natural Resources  
Lease Program  
\$3.1 Million Down Payment

Fiscal Year	Existing Expenditures			Dedicated to Existing Buildings	Total Gross Available Revenues	New Debt Service	Gross Benefit/ Captured Inefficiencies
	Existing Rent	Content Insurance					
2003	\$1,297,445	\$1,558		\$1,299,002	\$0	\$0	\$0
2004	1,328,606	2,735		1,331,341	0	0	0
2005	1,466,321	2,742		1,469,062	0	0	0
2006	1,554,300	2,824			1,557,124	691,966	865,158
2007	1,616,472	2,908			1,619,380	727,546	891,834
2008	1,681,131	2,996			1,684,127	763,756	920,371
2009	1,748,376	3,086			1,751,462	800,092	951,370
2010	1,818,311	3,178			1,821,489	841,287	980,202
2011	1,891,044	3,274			1,894,317	887,010	1,007,308
2012	1,966,685	3,372			1,970,057	926,762	1,043,296
2013	2,045,353	3,473			2,048,826	975,402	1,073,424
2014	2,127,167	3,577			2,130,744	1,022,470	1,108,274
2015	2,212,254	3,684			2,215,938	1,077,856	1,138,082
2016	2,300,744	3,795			2,304,539	1,131,074	1,173,465
2017	2,392,773	3,909			2,396,682	1,187,014	1,209,669
2018	2,488,484	4,026			2,492,510	1,245,374	1,247,137
2019	2,588,024	4,147			2,592,171	1,305,811	1,286,360
2020	2,691,545	4,271			2,695,816	1,367,979	1,327,837
2021	2,799,206	4,399			2,803,606	1,436,588	1,367,018
2022	2,911,175	4,531			2,915,706	1,506,067	1,409,639
2023	3,027,622	4,667			3,032,289	1,576,106	1,456,183
2024	3,148,727	4,807			3,153,534	1,651,410	1,502,124
2025	3,274,676	4,951			3,279,627	1,731,470	1,548,158
2026	3,405,663	5,100			3,410,763	1,815,792	1,594,971
2027	3,541,889	5,253			3,547,142	1,903,906	1,643,237
2028	3,683,565	5,411			3,688,975	1,995,370	1,693,606
2029	3,830,907	5,573			3,836,480	2,089,776	1,746,704
2030	3,984,144	5,740			3,989,884	2,186,616	1,803,268
2031	4,143,509	5,912			4,149,422	2,290,536	1,858,886
2032	4,309,250	6,090			4,315,339	2,400,640	1,914,700
2033	4,481,620	6,272			4,487,892	2,511,364	1,976,529
2034	4,660,885	6,461			4,667,345	2,632,227	2,035,118
2035	4,847,320	6,654			4,853,974	2,757,029	2,096,945
	\$91,265,191	\$141,375		\$4,099,406	\$87,307,161	\$45,436,288	\$41,870,873

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**State of Nevada**  
**Department of Conservation and Natural Resources**  
**Lease Program**  
**\$3.1 Million Down Payment**

**New Expenditures**

Gross Benefit/ Captured Inefficiencies	Building Insurance	Content Insurance	B&G Charge	Total	Net Benefit/ (Subsidy)*
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
865,158	33,503	3,829	755,293	792,625	72,533
891,834	34,508	3,944	777,952	816,403	75,431
920,371	35,543	4,062	801,290	840,896	79,475
951,370	36,610	4,184	825,329	866,122	85,247
980,202	37,708	4,309	850,089	892,106	88,096
1,007,308	38,839	4,439	875,591	918,869	88,438
1,043,296	40,004	4,572	901,859	946,435	96,860
1,073,424	41,204	4,709	928,915	974,828	98,596
1,108,274	42,441	4,850	956,782	1,004,073	104,201
1,138,082	43,714	4,996	985,486	1,034,195	103,887
1,173,465	45,025	5,146	1,015,051	1,065,221	108,244
1,209,669	46,376	5,300	1,045,502	1,097,178	112,491
1,247,137	47,767	5,459	1,076,867	1,130,093	117,044
1,286,360	49,200	5,623	1,109,173	1,163,996	122,363
1,327,837	50,676	5,791	1,142,448	1,198,916	128,921
1,367,018	52,197	5,965	1,176,722	1,234,883	132,135
1,409,639	53,762	6,144	1,212,023	1,271,930	137,709
1,456,183	55,375	6,328	1,248,384	1,310,088	146,095
1,502,124	57,037	6,518	1,285,836	1,349,391	152,733
1,548,158	58,748	6,714	1,324,411	1,389,872	158,285
1,594,971	60,510	6,915	1,364,143	1,431,568	163,403
1,643,237	62,325	7,123	1,405,067	1,474,515	168,721
1,693,606	64,195	7,336	1,447,219	1,518,751	174,855
1,746,704	66,121	7,556	1,490,636	1,564,313	182,391
1,803,268	68,105	7,783	1,535,355	1,611,243	192,025
1,858,886	70,148	8,017	1,581,416	1,659,580	199,306
1,914,700	72,252	8,257	1,628,858	1,709,368	205,332
1,976,529	74,420	8,505	1,677,724	1,760,649	215,880
2,035,118	76,652	8,760	1,728,056	1,813,468	221,650
2,096,945	78,952	9,023	1,779,897	1,867,872	229,073
<b>\$41,870,873</b>	<b>\$1,593,920</b>	<b>\$182,157</b>	<b>\$35,933,374</b>	<b>\$37,709,451</b>	<b>\$3,932,349</b>

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**State of Nevada  
Department of Human Resources  
Lease Program  
\$10.6 Million Down Payment**

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**State of Nevada**  
**Department of Human Resources**  
**Lease Program**  
**\$10.6 Million Down Payment**

**Summary of Inputs and Results**

Content Value	\$20.00 per square foot
Insurance Rate (annual) - 2003	\$0.00088 (annual)
Insurance Rate (annual) - 2004	\$0.00150 (annual)
Insurance Rate (annual) - 2005 and Thereafter	\$0.00146 (annual)
B&G Charge/Square Foot	\$0.48 (2003 monthly)
Inflation Rate - Rent	4.00%
Inflation Rate - Insurance and B&G	3.00%
Net Bond Proceeds %	98.00%
New Building Cost/Square Foot	\$175
Existing Leased Space (Square Feet)	101,000
Proposed New Building Size (Square Feet)	120,000
Bonding Date	08/01/04
Building Opening Date	08/01/06
New Bonding Amount	\$11,760,000
Plus: Up-Front Payment	<b>10,600,000</b>
Less: Capitalized Interest (PV)	(1,122,185)
Less: Costs of Issuance	<u>(235,200)</u>
Available Proceeds	\$21,002,615
New Office Space (Square Feet)	<b>120,015</b>
Value of Building at 2035 @ 3% Appreciation	\$54,083,471 (2035)
PV of Value of Building at 2035 @ 3% Appreciation	\$21,002,615 (2003)

**State of Nevada**  
**Department of Human Resources**  
**Lease Program**  
**\$10.6 Million Down Payment**

Existing Expenditures

Fiscal Year	Existing Rent	Building Insurance	Content Insurance	Dedicated to Existing Buildings	Total Gross Available Revenues	New Debt Service	Gross Benefit/ Captured Inefficiencies
2003	\$1,203,929	\$7,624	\$1,778	\$1,213,331	\$0	\$0	\$0
2004	1,191,788	7,853	3,121	1,202,762	0	0	0
2005	1,466,321	8,026	3,129	1,477,476	0	0	0
2006	1,575,798	8,267	3,223	1,587,288	0	0	0
2007	1,638,830	8,515	3,319	137,555	1,513,109	325,683	1,187,426
2008	1,704,383	8,770	3,419		1,716,572	397,740	1,318,832
2009	1,772,559	9,033	3,521		1,785,113	421,995	1,363,118
2010	1,843,461	9,304	3,627		1,856,392	446,351	1,410,041
2011	1,917,199	9,583	3,736		1,930,519	475,629	1,454,890
2012	1,993,887	9,871	3,848		2,007,606	504,553	1,503,054
2013	2,073,643	10,167	3,963		2,087,773	532,897	1,554,877
2014	2,156,588	10,472	4,082		2,171,143	565,445	1,605,698
2015	2,242,852	10,786	4,205		2,257,843	596,949	1,660,895
2016	2,332,566	11,110	4,331		2,348,007	627,335	1,720,672
2017	2,425,869	11,443	4,461		2,441,773	666,543	1,775,230
2018	2,522,904	11,786	4,595		2,539,285	704,107	1,835,178
2019	2,623,820	12,140	4,733		2,640,692	739,957	1,900,736
2020	2,728,772	12,504	4,875		2,746,151	784,007	1,962,145
2021	2,837,923	12,879	5,021		2,855,824	825,742	2,030,082
2022	2,951,440	13,266	5,171		2,969,877	870,110	2,099,768
2023	3,069,498	13,664	5,327		3,088,488	921,805	2,166,683
2024	3,192,278	14,074	5,486		3,211,838	970,317	2,241,521
2025	3,319,969	14,496	5,651		3,340,116	1,020,597	2,319,519
2026	3,452,768	14,931	5,821		3,473,519	1,077,382	2,396,137
2027	3,590,878	15,379	5,995		3,612,252	1,135,184	2,477,068
2028	3,734,514	15,840	6,175		3,756,528	1,193,768	2,562,760
2029	3,883,894	16,315	6,360		3,906,569	1,257,918	2,648,651
2030	4,039,250	16,805	6,551		4,062,605	1,322,203	2,740,402
2031	4,200,820	17,309	6,748		4,224,876	1,391,363	2,833,513
2032	4,368,853	17,828	6,950		4,393,631	1,465,003	2,928,628
2033	4,543,607	18,363	7,158		4,569,128	1,537,524	3,031,605
2034	4,725,351	18,914	7,373		4,751,638	1,618,791	3,132,847
2035	4,914,365	19,481	7,594		4,941,441	1,698,084	3,243,357
	<b>\$92,240,576</b>	<b>\$416,799</b>	<b>\$161,347</b>	<b>\$5,618,411</b>	<b>\$87,200,310</b>	<b>\$26,094,975</b>	<b>\$61,105,335</b>

E 14 of 17

**State of Nevada**  
**Department of Human Resources**  
**Lease Program**  
**\$10.6 Million Down Payment**

Gross Benefit/ Captured Inefficiencies	New Expenditures				Total	Net Benefit/ (Subsidy)*
	Building Insurance	Content Insurance	B&G Charge	Total		
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,187,426	31,632	3,616	713,122	748,370	439,055	439,055
1,318,832	35,543	4,063	801,290	840,896	477,936	477,936
1,363,118	36,610	4,184	825,329	866,123	496,995	496,995
1,410,041	37,708	4,310	850,089	892,107	517,935	517,935
1,454,890	38,839	4,439	875,591	918,870	536,020	536,020
1,503,054	40,004	4,572	901,859	946,436	556,618	556,618
1,554,877	41,204	4,710	928,915	974,829	580,048	580,048
1,605,698	42,441	4,851	956,782	1,004,074	601,624	601,624
1,660,895	43,714	4,996	985,486	1,034,196	626,698	626,698
1,720,672	45,025	5,146	1,015,051	1,065,222	655,450	655,450
1,775,230	46,376	5,301	1,045,502	1,097,179	678,052	678,052
1,835,178	47,767	5,460	1,076,867	1,130,094	705,084	705,084
1,900,736	49,200	5,624	1,109,173	1,163,997	736,739	736,739
1,962,145	50,676	5,792	1,142,448	1,198,917	763,228	763,228
2,030,082	52,197	5,966	1,176,722	1,234,884	795,198	795,198
2,099,768	53,762	6,145	1,212,023	1,271,931	827,837	827,837
2,166,683	55,375	6,329	1,248,384	1,310,089	856,594	856,594
2,241,521	57,037	6,519	1,285,836	1,349,392	892,129	892,129
2,319,519	58,748	6,715	1,324,411	1,389,873	929,645	929,645
2,396,137	60,510	6,916	1,364,143	1,431,569	964,568	964,568
2,477,068	62,325	7,124	1,405,067	1,474,517	1,002,552	1,002,552
2,562,760	64,195	7,338	1,447,219	1,518,752	1,044,008	1,044,008
2,648,651	66,121	7,558	1,490,636	1,564,315	1,084,337	1,084,337
2,740,402	68,105	7,784	1,535,355	1,611,244	1,129,158	1,129,158
2,833,513	70,148	8,018	1,581,416	1,659,581	1,173,932	1,173,932
2,928,628	72,252	8,258	1,628,858	1,709,369	1,219,259	1,219,259
3,031,605	74,420	8,506	1,677,724	1,760,650	1,270,955	1,270,955
3,132,847	76,652	8,761	1,728,056	1,813,469	1,319,378	1,319,378
3,243,357	78,952	9,024	1,779,897	1,867,873	1,375,483	1,375,483
\$61,105,335	\$1,557,541	\$178,027	\$35,113,252	\$36,848,819	\$24,256,516	\$24,256,516

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## INSTALLMENT-PURCHASE AND LEASE-PURCHASE AGREEMENTS

**NRS 353.500 Definitions.** As used in NRS 353.500 to 353.630, inclusive, unless the context otherwise requires, the words and terms defined in NRS 353.510 to 353.540, inclusive, have the meanings ascribed to them in those sections.  
(Added to NRS by 2001, 2478)

**NRS 353.510 "Agreement" defined.** "Agreement" means an agreement to purchase property, in the form of a lease or an agreement to pay in installments, pursuant to which the State of Nevada or a state agency may pay the purchase price of real or personal property over a period of time which extends beyond the biennium in which the agreement is executed, including, without limitation:

1. An agreement pursuant to which the State of Nevada or a state agency may acquire the property that is the subject of the agreement at the end of the term of the agreement or the end of the term of a renewal of the agreement upon payment of no additional consideration or nominal additional consideration; and

2. An agreement that, for the purposes of federal income tax, is treated as an agreement for conditional sale.  
(Added to NRS by 2001, 2478)

**NRS 353.520 "Board" defined.** "Board" means the state board of finance.  
(Added to NRS by 2001, 2478)

**NRS 353.530 "Chief" defined.** "Chief" means the chief of the budget division of the department of administration.  
(Added to NRS by 2001, 2479)

**NRS 353.540 "State agency" defined.** "State agency" means an agency, bureau, board, commission, department, division or any other unit of the government of this state that is required to submit information to the chief pursuant to subsection 1 or 6 of NRS 353.210, except for the University and Community College System of Nevada.  
(Added to NRS by 2001, 2479)

**NRS 353.550 Requirements for agreement by state agency to acquire real property or interest in or improvement to real property with terms that extend beyond biennium in which executed.**

1. A state agency may propose a project to acquire real property, an interest in real property or an improvement to real property through an agreement which has a term, including the terms of any options for renewal, that extends beyond the biennium in which the agreement is executed if the agreement:

(a) Provides that all obligations of the State of Nevada and the state agency are extinguished by the failure of the legislature to appropriate money for the ensuing fiscal year for payments due pursuant to the agreement;

(b) Does not encumber any property of the State of Nevada or the state agency except for the property that is the subject of the agreement;

(c) Provides that property of the State of Nevada and the state agency, except for the property that is the subject of the agreement, must not be forfeited if:

(1) The legislature fails to appropriate money for payments due pursuant to the agreement; or

(2) The State of Nevada or the state agency breaches the agreement;

(d) Prohibits certificates of participation in the agreement; and

(e) For the biennium in which it is executed, does not require payments that are greater than the amount authorized for such payments pursuant to the applicable budget of the state agency.

2. The provisions of paragraph (d) of subsection 1 may be waived by the board, upon the recommendation of the state treasurer, if the board determines that waiving those provisions:

(a) Is in the best interests of this state; and

(b) Complies with federal securities laws.

3. Before an agreement proposed pursuant to subsection 1 may become effective:

(a) The proposed project must be approved by the legislature by concurrent resolution or statute or as part of the budget of the state agency, or by the interim finance committee when the legislature is not in regular session;

(b) The agency must submit the proposed agreement to the chief, the state treasurer and the state land registrar for their review and transmittal to the board;

(c) The board must approve the proposed agreement; and

(d) The governor must execute the agreement.  
(Added to NRS by 2001, 2479)

**NRS 353.560 Legislature not obligated to appropriate money for payments due pursuant to agreement; prohibition on such representations.**

1. The provisions of NRS 353.500 to 353.630, inclusive, do not obligate the legislature to appropriate money for payments due pursuant to an agreement entered into pursuant to those sections.

2. A state agency, person acting on behalf of a state agency, officer of this state or employee of this state shall not represent that the legislature is obligated to appropriate money for payments due pursuant to an agreement entered into pursuant to NRS 353.500 to 353.630, inclusive.  
(Added to NRS by 2001, 2479)

**NRS 353.570 State treasurer authorized to take appropriate actions to facilitate agreements.** The state treasurer may take such actions as he deems appropriate to facilitate an agreement pursuant to NRS 353.500 to 353.630, inclusive, including, without limitation:

1. Entering into contracts for relevant professional services;

2. Obtaining credit enhancement and interest rate hedges; and
3. Assisting with the offering of certificates of participation pursuant to the limitations set forth in NRS 353.550.  
(Added to NRS by 2001, 2479)

**NRS 353.580 Exemption of agreement from requirement of competitive bidding or other restrictions on procedure for awarding contracts.** An agreement entered into pursuant to NRS 353.500 to 353.630, inclusive, is not subject to any requirement of competitive bidding or other restriction imposed on the procedure for the awarding of contracts.  
(Added to NRS by 2001, 2479)

**NRS 353.590 Exemption of agreement involving construction of improvement from law requiring competitive bidding and chapter 341 of NRS.** If an agreement pursuant to NRS 353.500 to 353.630, inclusive, involves the construction of an improvement, the construction may be conducted as specified in the agreement without complying with the provisions of:

1. Any law requiring competitive bidding; or
2. Chapter 341 of NRS.

(Added to NRS by 2001, 2480)

**NRS 353.600 Lease of property subject to agreement involving improvement to state property: Conditions for entry; review and approval.**

1. Except as otherwise provided in this section, if an agreement pursuant to NRS 353.500 to 353.630, inclusive, involves an improvement to property owned by the State of Nevada or the state agency, the state land registrar, in consultation with the state treasurer and in conjunction with the agreement, upon approval of the state board of examiners may enter into a lease of the property to which the improvement will be made if the lease:

(a) Has a term of 35 years or less; and

(b) Provides for rental payments that approximate the fair market rental of the property before the improvement is made, as determined by the state land registrar in consultation with the state treasurer at the time the lease is entered into, which must be paid if the agreement terminates before the expiration of the lease because the legislature fails to appropriate money for payments due pursuant to the agreement.

2. A lease entered into pursuant to this section may provide for nominal rental payments to be paid pursuant to the lease before the agreement terminates.

3. Before the state land registrar may enter into a lease pursuant to this section:

(a) The state land registrar must submit the proposed lease to the chief and the state treasurer for their review and transmittal to the board; and

(b) The board must approve the lease.

(Added to NRS by 2001, 2480)

**NRS 353.610 State agency to file copy of agreement and schedule of payments with chief and state treasurer upon execution of agreement.** Immediately after an agreement is executed pursuant to NRS 353.550, the state agency on whose behalf the agreement was executed shall file with the chief and the state treasurer:

1. A fully executed copy of the agreement; and

2. A schedule of payments that indicates the principal and interest payments due throughout the term of the agreement.

(Added to NRS by 2001, 2480)

**NRS 353.620 Property subject to agreement exempt from ad valorem property taxation in certain circumstances.** While an agreement entered into pursuant to NRS 353.500 to 353.630, inclusive, is in effect, the property that is the subject of the agreement is exempt from ad valorem property taxation by this state and its political subdivisions if:

1. An improvement is being constructed on the property pursuant to the agreement; or

2. This state or a state agency is in possession of the property.

(Added to NRS by 2001, 2480)

**NRS 353.630 Property subject to agreement deemed property of state or state agency for purposes of statutory limits on damages that may be awarded against state in certain circumstances.** While an agreement entered into pursuant to NRS 353.500 to 353.630, inclusive, is in effect, the property that is the subject of the agreement shall be deemed to be the property of this state or the state agency for the purposes of statutory limits on damages that may be awarded against this state, including, without limitation, the limits in chapter 41 of NRS, with respect to any action or claim, including a claim for civil damages, that arises from or is related to the property and is brought by a person who is not a party to the agreement if:

1. An improvement is being constructed on the property pursuant to the agreement; or

2. This state or a state agency is in possession of the property.

(Added to NRS by 2001, 2481)

E 176 17