City of Carson City Agenda Report

Date Submitted: October 11, 2011 Agenda Date Requested: October 20, 2011

Time Requested: 20 Minutes

To: Mayor and Supervisors

From: Parks and Recreation Department

Subject Title: Action to approve an Amended Option Agreement between the Boys & Girls Club of Western Nevada and the City of Carson City for the purchase of Boys & Girls Club property along Russell Way for the purpose of building an Indoor Recreation Center (Multi-Purpose Athletic Center). (Roger Moellendorf, Parks and Recreation Director)

Staff Summary: The Parks and Recreation Department is recommending amending the current Option Agreement between the Boys & Girls Club of Western Nevada so that it more closely reflects the changes to the Indoor Recreation Center project to that of a Multi-Purpose Athletic Center (MAC).

Type of Action Requested: (check one)		
() Resolution () Ordinance		
(X) Formal Action/Motion () Other (Specify)		
Does This Action Require A Business Impact Statement:	() Yes	(X) No

Recommended Board Action: I move to approve an Amended Option Agreement between the Boys & Girls Club of Western Nevada and the City of Carson City for the purchase of Boys & Girls Club property along Russell Way for the purpose of building an Indoor Recreation Center (Multi-Purpose Athletic Center).

Explanation for Recommended Board Action: On June 18, 2009, the Board of Supervisors approved an Option Agreement (Exhibit A) between the City and the Boys & Girls Club of Western Nevada for an option to acquire property for the purpose of developing an indoor recreation center for a period of ten years. This Agreement with its accompanied parcel map was based in part on a co-joined building concept with the Boys & Girls Club as well as approval of an operating joint use agreement between the City and the Boys & Girls Club. Recent factors including the downturn in the economy, downsizing the indoor recreation center to Multi-Purpose Athletic Center (MAC), eliminating the co-joined building concept, and the change of direction from a joint use agreement to a facility rental agreement have caused significant changes to the project that in staff's opinion has rendered the existing Option Agreement outdated. Staff believes that the attached Amended Option Agreement (Exhibit B) including an accompanied new parcel map, more accurately reflects the changes in the project since the adoption of the Option Agreement in June of 2009.

The current Option Agreement makes reference to a joint use agreement between the two parties. The accompanied parcel map divides the property into four parcels (A - D) with only Parcel A being retained as property of the Boys & Girls Club. Parcel C was sold by the Boys & Girls Club to a private developer. Parcel B is to be acquired by the City. This parcel includes the indoor recreation center building site and property surrounding the Boys & Girls Clubhouse including their parking lot. Parcel D, which includes the athletic fields, is listed as a possible future Carson City parcel.

The proposed Amended Option Agreement eliminates references to a joint use agreement and replaces it with a facility use agreement. The parcel map divides the property currently owned by the Boys & Girls Club into three parcels (1-3). Parcel 1 includes the Clubhouse and the surrounding grounds and the parking lot to remain in the ownership of the Boys & Girls Club. Parcel 2 includes the MAC site and surrounding property including the MAC parking lot. Parcel 3 includes the athletic field to remain in the ownership of the Boys & Girls Club. The Amended Agreement reduces the amount of property that the City would acquire and its corresponding maintenance responsibilities and allows the Boys and Girls Club to retain ownership of its parking lot and associated landscaping.

The Parks Recreation Commission approved the Amended Option Agreement and recommended approval to the Board of Supervisors during their October 4, 2011, Commission meeting.

Applicable Statue, Code, Policy, Rule or Regulation: Carson City Charter; Section 2.140

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: Reject the Amended Option Agreement and retain the existing Option Agreement.

Supporting Material:

Exhibit A: Option Agreement

Exhibit B: Amended Option Agreement

Prepared By:	Roger Moetlendorf, Parks & Recreation	Date: 10 / 1/1/1/
Reviewed By	: Lawrence A. Werner, City Manager	Date/0/11/4
	District Attorney's Office	Date:/0///
	Finance Department	Date:
Board Action	-	
Motion:	1:	Aye/Na
	2:	
(Vote Re	ecorded By)	

OPTION AGREEMENT

This Option Agreement ("Option") is entered into this 18thday of June, 2009, by and between BOYS AND GIRLS CLUB OF WESTERN NEVADA, INC., a Nevada non-profit corporation, (the "Club") and CARSON CITY, a consolidated municipality and political subdivision of the STATE OF NEVADA (the "City"), hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Club is the owner of certain real property located in Carson City, in the State of Nevada, being Assessor's Parcel Number 002-101-85;

WHEREAS, the City desires to purchase an option to develop a recreation center, which shall include a gym, on a portion of said real property, and the Club desires to sell said option on said portion under the terms hereinafter set forth;

WHEREAS, the Parties desire to enter this Agreement in order to govern their rights and obligations set forth herein.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows:

- 1. Grant of Option. For and in consideration of the sum of THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) which funds shall be nonrefundable except as set forth in paragraph 3 below, payable in conjunction with the execution hereof, the Club hereby grants to the City, the exclusive option to develop a recreation center, which shall include a gym on a portion of that certain real property located in Carson City, Nevada, being Assessor's Parcel Number 002-101-85, more particularly described as Parcel B, set forth on Exhibit 1 attached hereto, and by this reference, incorporated herein (the "Property). The Club shall be responsible for parceling the Property in conformance with the illustration attached hereto as Exhibit 1.
- 2. Option Term. The City may exercise the Option at any time on or before June 4, 2019, (the "Option Period"). During the Option Period, as set forth in a joint use agreement between the Parties, the City shall enjoy joint use of the Club's facility.
- 3. <u>Method of Exercise</u>. The City may exercise the Option by providing the Club thirty (30) days written notice of the City's intention to commence construction of a recreation center, which shall include a gym, on the Property. At any time prior to receiving notice of the City's intention to commence construction, the Club shall have the right to terminate the Option by refunding THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) to the City.
 - 4. Price/Conveyance. Upon exercise of the Option, the Club shall deed the Property

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to the City in fee, so long as the same is used for recreational facility purposes in exchange for the consideration set forth in paragraph 1 above, plus an additional Ten Dollars (\$10) and the consideration of a joint use agreement between the Parties. Upon the City's completion of construction of a recreation center, the Parties shall share joint use of the other's facilities, under a joint use agreement between the Parties.

- 5. <u>Assignment</u>. Neither of the Parties may assign its rights or obligations under the Option without the express written consent of the other party.
- 6. <u>Miscellaneous</u>. If either of the Parties must file suit to enforce or protect its rights hereunder, the prevailing party shall be entitled to attorneys' fees and costs. This agreement shall be construed in accordance with Nevada law.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date and year first above written

CARSON CITY, a political subdivision of the State of Nevada

BOYS AND GIRLS CLUB OF WESTERN NEVADA, a Nevada non-profit corporation

By:

Robert L. Crowell, Mayor

By:

Ryan D. Russell, President

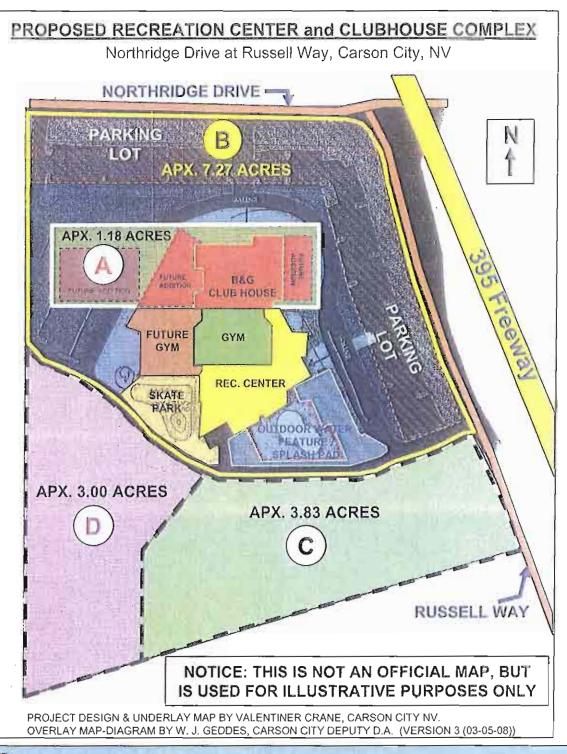
ATTEST:

ALAN GLOVER, Clerk - Recorder

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EXHIBIT 1

PROPOSED RECREATION CENTER AND CLUBHOUSE COMPLEX



- A B&G PARCEL CLUBHOUSE AND EXPANSION AREA.
- B CARSON CITY PARCEL GYM, REC CENTER, FUTURE EXPANSION & PARKING LOTS.
- C B&G LANDS TO SELL.
- B&G PARCEL, POSSIBLE FUTURE CARSON CITY PARCEL ATHLETIC FIELDS.



AMENDED OPTION AGREEMENT

This Option Agreement ("Option") is entered into on this ____ day of ____ 2011, by and between BOYS AND GIRLS CLUB OF WESTERN NEVADA, INC., a Nevada non-profit corporation, (the "Club") and CARSON CITY, a consolidated municipality and political subdivision of the STATE OF NEVADA (the "City"), hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Club is the owner of certain real property located in Carson City, in the State of Nevada, being Assessor's Parcel Number 002-101-85;

WHEREAS, in 2009 it was expressed that the City desired to purchase an option to develop a recreation center, which shall include a gym, on a portion of said real property, and the Club desired to sell said option on said portion under the terms hereinafter set forth;

WHEREAS, since 2009, the financial situation of the parties have changed and the parties desire to enter into an agreement which better reflects their financial positions;

WHEREAS, in the previous Agreement, dated June 18, 2009, the parties agreed that consideration for such Agreement would be that the Parties would share joint use of the other's facilities under a joint use agreement;

WHEREAS, both Parties desire to enter into building rental agreements rather than joint use agreements, the Parties wish to waive the right to joint use of each other's facility under a joint use agreement;

WHEREAS, the parties desire to enter this Agreement in order to govern their rights and obligations set forth herein.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows:

1. Grant of Option. Through the payment of the sum of THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) which funds are nonrefundable except as set forth in paragraph 3 below, payable in conjunction with the execution hereof, the Parties entered into an Option Agreement on June 18, 2009, whereby the Club granted the City, the exclusive option to develop a recreation center, which shall include a gym on a portion of that certain real property located in Carson City, Nevada, being Assessor's Parcel Number 002-101-85, more particularly described as Parcel B, set forth on Exhibit 1 attached hereto, and by this reference, incorporated herein (the "Property")



- 2. Option Term. The City may exercise the Option at any time on or before June 4, 2019, (the "Option Period"). During the Option Period, as set forth in a joint use agreement between the Parties, the City shall enjoy joint use of the Club's facilities.
- 3. Method of Exercise. The City may exercise the Option by providing the Club thirty (30) days notice of the City's intention to commence construction of a recreation center, which shall include a gym, on the Property. At any time prior to receiving notice of the City's intention to commence construction, the Club shall have the right to terminate the Option by refunding THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) to the City.
- 4. <u>Price/Conveyance</u> Upon exercise of the Option, the Club shall deed the Property to the City in fee, so long as the same is used for recreational facility purposes in exchange for the consideration set forth in paragraph 1 above, plus an additional Ten Dollars (\$10) and the consideration of a facility use agreement between the Parties.
- 5. <u>Assignment.</u> Neither of the Parties may assign its rights or obligations under the Option without the express written consent of the other party.
- 6. <u>Miscellaneous.</u> If either of the Parties must file suit to enforce or protect its rights hereunder, the prevailing party shall be entitled to attorney's fees and costs. This agreement shall be construed in accordance with Nevada law.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date and year first above written.

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WAS CALLED TO THE CALL OF THE CALL

