



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: July 20, 2017

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible direction to Staff regarding future maintenance of the Northgate Complex located at 2621 Northgate Lane, also known as APN 002-062-05. (Stephanie Hicks; SHicks@carson.org)

Staff Summary: As a follow up to the discussion at the February 2, 2017, Board of Supervisors' meeting regarding future options for the retention or disposal of the real property located at 2621 Northgate Lane, staff has met with the lessees to discuss additional maintenance options. Staff is proposing new language regarding maintenance responsibilities in the leases.

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

Proposed Motion

Move to direct staff to establish a maintenance agreement with the UNR Cooperative Extension and amend the lease agreements for the tenants at the Northgate Complex to include the proposed language regarding maintenance responsibilities.

Board's Strategic Goal

Efficient Government

Previous Action

June 1987. Board of Supervisor's approved an agreement for the support and conduct of cooperative extension work between the Agricultural/Extension Department of the University of Nevada System and Carson City.

April 18, 1996. Board of Supervisors approved the sale of 2621 Northgate Lane at public auction.

May 1, 1997. Board of Supervisors approved action to allow the Nevada Department of Transportation to put the property up for auction.

September 17, 2009. Board of Supervisors approved the lease agreement with Nevada Rural Counties RSVP Program, Inc. for Suite 6 at 2621 Northgate Lane.

March 18, 2010. Board of Supervisors approved the lease agreement with Ron Wood Family Resource Center for Suite 34-64 at 2621 Northgate Lane.

July 21, 2016. Board of Supervisors renewed the lease of Suite 10 at 2621 Northgate Lane to Capital City C.I.R.C.L.E.S. Initiative.

Background/Issues & Analysis

On February 2, 2017, staff presented to the Board of Supervisors for discussion an overview of the annual maintenance costs in the amount of \$25,250 for the Northgate Complex along with \$274,000 needed for major projects over the next five years. The City leases this building to non-profit organizations and provides office space as part of a cost allocation with the Board of Regents, University of Nevada System for its Extension program.

The Board discussed the benefits of providing City-subsidized space for non-profit organizations which are providing critical City services, but noted the importance of recovering maintenance costs. Options presented to the Board included: 1) continuing current use, 2) exercising the City's option to sell the building, and 3) deeding the property to the Regents at no cost, subject to the current leases. The Board requested staff confirm whether the City has the option to terminate the leases, but more importantly requested staff meet with the Lessees to discuss renegotiation of the maintenance terms in the agreements.

Staff has reviewed the leases with the District Attorney's Office and agrees that the City does have the right to terminate the lease agreements prior to the expiration of their terms, but only under certain circumstances established in the contracts, i.e., default, surrender, sale, mutual agreement, and early termination due to unforeseen circumstances. However, based on the terms of the leases, the City could not deed or gift the property to one of the non-profits.

As directed, staff met with the lessees who were all very willing to modify the lease agreements to take on minor maintenance issues. Staff and the lessees have drafted new language regarding maintenance responsibilities which will reduce overall maintenance costs to the City. This language is being provided to the Board for review and direction.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.2795, NRS 244.281, and NRS 244.282

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number:

Is it currently budgeted? Yes No

Explanation of Fiscal Impact:

Alternatives

N/A

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)