



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: June 11, 2019

**DATE:** April 3, 2019

**TO:** Board of County Commissioners

**FROM:** Eric Crump, Operations Division Director,  
Community Services Department, 328-3625, [ecrump@washoecounty.us](mailto:ecrump@washoecounty.us)

**THROUGH:** Kevin Dick, District Health Officer  
Dave Solaro, Assistant County Manager

**SUBJECT:** Recommendation to approve a Standard Industrial/Commercial Multi-Tenant Lease between Washoe County and Los Angeles Iron & Steel Company, for continued occupancy of warehouse premises for the Health District Vector Program located at 405 Western Road, Reno, Nevada, for a 60 month term, effective July 1, 2019 through June 30, 2024 [\$37,440.00 annually with a 3% annual increase and \$55.00 per month for common area operating expenses]; and if approved, authorize Assistant County Manager [Dave Solaro] to execute the Lease. (Commission District 5.)

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### SUMMARY

The Health District Vector-Borne Diseases Program has leased office and warehouse space at 405 Western Road, Reno, Nevada since 1991. The most recent Lease Agreement and First Amendment, expired on April 30, 2019, and the County is currently holding over pursuant to the current lease terms. The current lease is for occupancy of Units 4, 5, 6, 15, 20, and 23 – a total of 1,200 square feet of office space and 6,000 square feet of warehouse space for the Vector Program. The Health District Vector-Borne Diseases no longer requires the office space after June 30, 2019, but continues to require the warehouse space.

Strategic Objective supported by this item: Stewardship of Our Community.

### PREVIOUS ACTION

On February 9, 2016, the Board of County Commissioners (Board) approved a First Amendment to Lease Agreement between Washoe County and MMK Properties for continued occupancy of office and warehouse space for the Health District Vector Program located at 405 Western Road, Reno, Nevada, for a 36 month term, effective May 1, 2016 through April 30, 2019.

On June 14, 2011, the Board approved a Lease Agreement between MMK Properties and Washoe County, retroactive to May 1, 2011, through April 30, 2016, for continued use of office and warehouse space for the Health District Vector Program located at 405 Western Road, Reno, Nevada.

AGENDA ITEM # \_\_\_\_\_

On February 27, 2007, the Board approved the Lease of 400 square feet of additional office space (Unit #4) at 405 Western Road for the period May 1, 2007 through April 30, 2011.

On April 25, 2006, the Board approved renewal of occupancy at 405 Western Road for the period May 1, 2006 through April 30, 2011.

On November 9, 2004, the Board approved a Lease Agreement for an additional 2,000 square feet of warehouse space (Unit #20) for the period December 1, 2004 through April 30, 2006.

On March 25, 2003, the Board approved a Second Amendment to Lease Agreement for the period May 1, 2003 through April 30, 2006.

On September 25, 2001, the Board approved a First Amendment to Lease Agreement for the period May 1, 2001 through April 30, 2003.

On September 22, 1998, the Board approved a Lease Agreement to provide space for the District Health Vector Program for the period May 1, 1998 through April 30, 2001.

The Board has approved multiple agreements for lease of space for the Vector Program since February 1991.

### **BACKGROUND**

The Vector Borne Diseases Program has been providing services from the location at 405 Western Road, Reno, Nevada since 1991, to include mosquito and midge abatement, encephalitis surveillance and control, including West Nile Virus, plague, and Hantavirus prevention and control. The facility is also utilized to hold chemicals and equipment requiring specialized handling and storage.

The current leased space (units 4, 5, 6, 15, 20 and 23) include 1,200 square feet of office space and 6,000 square feet of warehouse space. Multiple Lease Agreements and Amendments to Lease Agreements have been approved by the Board to continue occupancy and/or to increase leased office and/or warehouse space to accommodate the needs of the Program.

The Health District Vector Borne Diseases Program no longer requires the use of the office space, and will vacate units 4, 5 and 6 by June 30, 2019. The proposed lease includes a negotiated lease rate for the term of the agreement July 1, 2019 through June 30, 2024.

Staff has reviewed other options for suitable space, including a potential to own comparable warehouse space; however, at this time the market for such spaces is very limited. As staff reviews other needs throughout the County in regard to leased space for warehouse uses, the space at 405 Western Road will be included in the review. The lease has standard funding out clauses, as well as a six month notice to cancel without penalty in the event the County acquires a building to provide the same function.

### **FISCAL IMPACT**

The Lease Agreement is for a 60 month term – July 1, 2019 through June 30, 2024. Per the terms of the Lease Agreement, the base rental rate will increase by 3% annually. In addition to the rental cost, per the terms of the Agreement, a \$55 monthly common area

fee is also applied. Funds are available in the Vector Borne Disease Cost Center 172100-710600.

<b>Lease Term</b>	<b>Monthly Rate</b>	<b>Monthly Common Area</b>	<b>Annual Rate</b>
07/01/2019 – 06/30/2020	\$3,120.00	\$55.00	\$38,100.00
07/01/2020 – 06/30/2021	\$3,213.60	\$55.00	\$39,223.20
07/01/2021 – 06/30/2022	\$3,301.01	\$55.00	\$40,272.12
07/01/2022 – 06/30/2023	\$3,409.31	\$55.00	\$41,571.72
07/01/2023 – 06/30/2024	\$3,511.59	\$55.00	\$42,799.08

### **RECOMMENDATION**

It is recommended that the Board of County Commissioners approve a Standard Industrial/Commercial Multi-Tenant Lease between Washoe County and Los Angeles Iron & Steel Company, for continued occupancy of warehouse premises for the Health District Vector Program located at 405 Western Road, Reno, Nevada, for a 60 month term, effective July 1, 2019 through June 30, 2024 [\$37,440.00 annually with a 3% annual increase and \$55.00 per month for common area operating expenses]; and if approved, authorize Assistant County Manager [Dave Solaro] to execute the Lease.”

### **POSSIBLE MOTION**

Should the Board agree with staff’s recommendation, a possible motion would be:  
“Move to approve a Standard Industrial/Commercial Multi-Tenant Lease between Washoe County and Los Angeles Iron & Steel Company, for continued occupancy of warehouse premises for the Health District Vector Program located at 405 Western Road, Reno, Nevada, for a 60 month term, effective July 1, 2019 through June 30, 2024 [\$37,440.00 annually with a 3% annual increase and \$55.00 per month for common area operating expenses]; and if approved, authorize Assistant County Manager [Dave Solaro] to execute the Lease].”