



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: May 28, 2024

DATE: March 26, 2024

TO: Board of County Commissioners

FROM: Dave Solaro, Arch., P.E., Assistant County Manager
328-2043, dsolaro@washoecounty.gov

THROUGH: Eric Brown, County Manager

SUBJECT: Discussion and possible direction to staff regarding the potential disposition of 10 Kirman Avenue (Assessor's Parcel Number 012-150-012), a property previously identified as surplus to Washoe County needs at the Board of County Commission meeting on August 22, 2023. Options for disposition may include sale of the property as prescribed in Nevada Revised Statutes (NRS) Chapter 244, after obtaining an appraisal as follows: 1.) sale at auction for no less than appraised fair market value (appraised fair market value is estimated to be \$1,500,000.00, subject to formal appraisal) ; or 2.) sale by direct negotiation with a potential buyer for economic development purposes after adoption of a resolution finding that it is the best interest of the public to sell the property without offering the property to the public and potentially for less than fair market value. (Commission District 3.)

SUMMARY

Washoe County has an extensive history of owning property for various needs and uses since the construction of the original county building in 1872, at what is now 75 Court Street in Reno, Nevada.

On August 22, 2023, Washoe County staff provided an overview of the Washoe County property program to the Board of County Commissioners (Board). At that meeting, the property identified as 10 Kirman Avenue (APN 012-150-012) was identified as surplus to the County needs. Additionally it was determined that through a strategic process, the surplus properties would be reviewed for appropriateness for affordable housing. While the property at 10 Kirman Avenue is zoned within the City of Reno as Mixed Use Urban the highest and best use of this specific property of 0.55 acres may not be affordable housing given the surrounding use and proximity to Renown Health.

This staff report will provide the Board options related to the disposal of Washoe County real property and seeks direction for future actions.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Fiscal Sustainability:
Long-term sustainability.

PREVIOUS ACTION

On August 22, 2023, the Board heard a presentation related to County owned property including identification of surplus properties.

Property actions of various types have occurred regularly at County Commission meetings.

BACKGROUND

Disposal of public property is governed by Nevada Revised Statutes (NRS) 244.265 through 244.296.

On December 12, 2023, Washoe County received an offer to purchase Washoe County property located at 10 Kirman Avenue (APN-012-150-012). The property is adjacent to the larger Renown Health campus and may be most appropriate for Renown use within our community. The purchase offer raises policy questions that the Board of County Commissioners must answer for Washoe County staff to determine the best course of action based on the direction.

Currently the facility is being utilized by Northern Nevada Public Health for their Tuberculosis Treatment program. The program received a grant for construction of a new facility on the site of the West Hills facility. It is anticipated that the new facility will be complete and operational in 2026, so any sale of the facility will need to be contingent on continued operation through 2026.

Generally, County property sales are governed by NRS 244.281 which provides that the Board may sell the real property in the manner prescribed in NRS 244.282 when it has determined by resolution that the sale is not related to a street or thoroughfare or flood control, and that the sale is in the best interest of the County.

NRS 244.282 requires sale at auction with adoption of a resolution and sets forth the requirements and procedure for such a sale which included a description of the property, the minimum price and the terms upon which the property will be sold, it would fix a time and location for the auctions and whether or not it will be held on an internet website.

In determining the minimum price NRS 244.2795 requires obtaining two (2) independent appraisals of the real property before selling, prepared not more than six months before the property is offered for sale. One (1) appraisal is sufficient if the Board holds a public hearing on the matter of fair market value. The value of the appraisal is considered to be the fair market value and the property shall not be sold for less than that price.

An exception to sale of property at fair market value is outlined in NRS 244.2815 which provides for direct negotiation with a potential buyer, however the application of the statute is highly dependent upon the facts of the potential buyer's proposed use for the property. Under NRS 244.2815 the Board must obtain the required appraisals prepared not more than six (6) months before selling the property; and adopt a resolution finding

that it is in the best interest of the public to sell the property directly to a buyer without offering the property to the public and potentially for less than fair market value.

In adopting such a resolution, the Board must determine that potential buyers proposed use of the property is for “economic development” to create and retain opportunities of employment for the residents of the county. The proposed use of the property must satisfy one or more of the following: (1) establishment of new commercial enterprises or facilities within the county; (2) support, retention or expansion of existing commercial enterprises or facilities within the county; (3) establishment, retention or expansion of public, quasi-public or other facilities or operations within the county; or (4) establishment of residential housing needed to support the establishment of new commercial enterprises or facilities or the expansion of existing commercial enterprises or facilities.

Washoe County has performed two separate appraisals of the 10 Kirman property over the past eight years. The first appraisal in 2017 included an estimated market value of \$1,100,000 and the most recent appraisal completed in 2021 listed the estimated market value of the property at \$1,500,000. Based on the age of the appraisals, an independent appraisal of the property would be required within six months of any property action by the Board.

The attached Exhibit A is the offer to purchase from Renown Health for the property located at 10 Kirman Avenue and offers a sum of \$420,000 which is provided as the value of the land less the estimated cost to demolish the existing building, as in Renown’s opinion the building is not useable to provide medical services.

Staff is requesting policy direction from the Board in the form of the following questions:

- Does the Board want staff to sell the property at 10 Kirman Avenue?
- If so, does the Board want staff to work with Renown Health to determine if the use they propose meets the requirements to sell for less than appraised value per the offer letter of December 12, 2023?
- If not, does the Board want to receive appraised value for the property?

FISCAL IMPACT

Fiscal impact on this item is limited to the cost of an appraisal if the Board of County Commissioners direct the sale of the property. It is anticipated that the cost of an appraisal is \$5,000.00.

RECOMMENDATION

It is recommended the Board of County Commissioners discuss and provide direction to staff regarding the potential disposition of 10 Kirman Avenue (APN 012-150-012), a property previously identified as surplus to Washoe County needs at the Board of County Commission meeting on August 22, 2023. Options for disposition may include sale of the property as prescribed in Nevada Revised Statutes (NRS) Chapter 244, after obtaining an appraisal as follows: 1.) sale at auction for no less than appraised fair market value (appraised fair market value is estimated to be \$1,500,000.00, subject to formal appraisal); or 2.) sale by direct negotiation with a potential buyer for economic development purposes after adoption of a resolution finding that it is the best interest of

the public to sell the property without offering the property to the public and potentially for less than fair market value.

POSSIBLE MOTION

A possible motion would be: “Move to provide the following direction to staff regarding the disposition of 10 Kirman Avenue _____”