



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

STAFF REPORT

Board Meeting Date: December 17, 2019

DATE: December 4, 2019

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

FROM: Charles A. Moore, Fire Chief
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SUBJECT: Recommendation to approve a Single Tenant Lease Agreement between Truckee Meadows Fire Protection District and CKMR2, LP and Ricky W. and Debra L. Massie, Trustees of The Massie Family Trust for 34,000 square feet of office and warehouse facility located at 3663 Barron Way, Reno, NV 89511 for a term of sixty (60) months and a base rent of \$26,860.00 per month plus \$3,964.40 in Common Area Maintenance (CAM) per month commencing on March 1, 2020 for the purpose of establishing new Administration Offices, Logistics and Fleet Maintenance offices and operations, and if approved, authorize Staff to negotiate a termination or sublease of an existing lease at 1315 Greg Street, Suite 105, Sparks NV approved by the Board of Fire Commissioners on November 17, 2015. (All Commission Districts) FOR POSSIBLE ACTION

SUMMARY

This item is a recommendation to approve a Single Tenant Lease Agreement between Truckee Meadows Fire Protection District and CKMR2, LP and Ricky W. and Debra L. Massie, Trustees of The Massie Family Trust for 34,000 square feet of office and warehouse facility located at 3663 Barron Way, Reno, NV 89511 for a term of sixty (60) months and a base rent of \$26,860.00 per month plus \$3,964.40 in Common Area Maintenance (CAM) per month commencing on March 1, 2020 for the purpose of establishing new Administration Offices, Logistics and Fleet Maintenance offices and operations, and if approved, authorize Staff to negotiate a termination or sublease of an existing lease at 1315 Greg Street, Suite 105, Sparks NV approved by the Board of Fire Commissioners on November 17, 2015.

PREVIOUS ACTION

On November 17, 2015, the Board of Fire Commissioners approved a lease for a warehouse facility located at 1315 Greg Street, Suite 105 Sparks, NV for Logistics and Fleet Maintenance operations.

On October 16, 2018 The Board of Fire Commissioners approved a First Amendment (Extension of Term) to a Lease Agreement between Truckee Meadows Fire Protection District and the Northwestern Mutual Life Insurance Company for the warehouse facility located at 1315 Greg Street, Suite 105, extending the term of the lease for thirty-six (36) months.

BACKGROUND

Truckee Meadows Fire Protection District desires to increase operating and warehouse space for Administration, Logistics, and Fleet Maintenance. Logistics and Fleet Maintenance currently operate from leased space at 1315 Greg Street in Sparks. Administration offices are located at 1001 E 9th Street,

Building D – Washoe County Complex. Staff recommends the new lease for the reason that more space is needed for its functions. Prior to the Greg Street lease, logistics operated in the Armory Building to the east of the Washoe County Complex.

All our current locations are pressed for space. The District pays the County approximately \$163,000 annually for 3900 NSF at the Washoe County Complex. The Greg Street lease cost is approximately \$95,000. The District also pays approximately \$53,000 for a single office and the ability to book training space at the Regional Public Safety Training Center, for a total of approximately \$311,000 annually.

The new proposed location annual lease cost is \$369,892.40.

For an increase of approximately \$59,000 or 19% per year the District will increase its operations space will increase by 40% or 20,500 SF. It is expected that the District will receive a pass-through waiver on property taxes currently included in the CAM which will be an approximate savings of \$18,000.

Staff has evaluated options for the best alternative for a space that centralizes these spaces into one location and options to increase office and operating square footage, to include possible construction of a new building.

FISCAL IMPACT

The Fiscal Year 19/20 impact will be approximately \$191,000 in moving costs and overlapping lease costs. The District has budget authority within the General fund of \$5,590,474 for fiscal year 2020 for service and supplies. The district will defer some planned purchases to stay within this budget authority. The District has the ability to bring back a budget augmentation resolution from higher than estimated beginning fund balance at a future date if necessary, to purchase any planned purchases deferred for moving costs.

RECOMMENDATION

It is recommended that the Board of Fire Commissioners approve a Lease Agreement between Truckee Meadows Fire Protection District and CKMR2, LP and Ricky W. and Debra L. Massie, Trustees of The Massie Family Trust for 34,000 square feet of office and warehouse facility located at 3663 Barron Way, Reno, NV 89511 for a term of sixty (60) months and a base rent of \$26,860.00 per month plus \$3,964.40 in Common Area Maintenance (CAM) per month commencing on March 1, 2020

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion could be:

"I move to approve a Lease Agreement between Truckee Meadows Fire Protection District and CKMR2, LP and Ricky W. and Debra L. Massie, Trustees of The Massie Family Trust for 34,000 square feet of office and warehouse facility located at 3663 Barron Way, Reno, NV 89511 for a term of sixty (60) months and a base rent of \$26,860.00 per month plus \$3,964.40 in Common Area Maintenance (CAM) per month commencing on March 1, 2020 for a total of 30,824.40 per month.