



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: June 19, 2018

DATE: May 4, 2018

TO: Board of County Commissioners

FROM: Dave Solaro, Arch., P.E., Director
Assistant County Manager, 328-3600, dsolaro@washoecounty.us

SUBJECT: Recommendation to: (1) Approve an Indoor Tennis Courts Development Agreement between Washoe County and Indoor Tennis, LLC, a Nevada limited liability company based on the unsolicited proposal for an indoor tennis facility and related improvements to be located at the Washoe County Golf Course Property; and (2) authorize the County Manager to execute, after a land survey and parcel map are completed, a Ground Lease between Washoe County and Indoor Tennis, LLC, a Nevada limited liability company to lease a three-acre +/- parcel adjacent to the Reno Tennis Facility on Plumas Avenue (APN 019-140-12) on which Indoor Tennis, LLC will have the proposed indoor tennis facility and related improvements constructed. (Commission District 1.)

SUMMARY

Washoe County has been approached with an Unsolicited Proposal to utilize Washoe County Park property, specifically a portion of the Washoe Golf property as can be seen in Attachment A, for an indoor tennis facility. The proposer has provided a presentation to the Open Space and Park Commission who was unable to make a recommendation to the Board of County Commissioners (Board). At the Open Space and Park Commission no motion was made on the recommendation by staff for this project. Staff is now requesting the Board approve a development agreement between Washoe County and Indoor Tennis, LLC. In addition to the Development Agreement a Ground Lease will be required to complete the transaction for the Indoor Tennis facility.

Staff recommends a lease structure that would provide an initial ground lease, under NRS 244.286, and a development agreement between Washoe County and Indoor Tennis, LLC to build the project. On completing the building project, a lease for the building between Washoe County and Indoor Tennis, LLC would be executed while, at the same time, the County would enter a sub-lease with a to-be-created not-for-profit organization who will be affiliated with Indoor Tennis, LLC, to operate the facility. Staff and Indoor Tennis, LLC are continuing to review and negotiate the provisions of the leaseback and sublease documents. Those documents will be presented to the Board at or near the time the construction of the project takes place.

AGENDA ITEM # _____

PREVIOUS ACTION

May 2, 2018 - The Open Space and Park Commission did not make a motion in support or opposition to this project.

March 7, 2018 – The Open Space and Park Commission received a presentation on an Indoor Tennis Court Facility and provided direction for staff to review some items prior to bringing the item back for approval.

January 12, 2016 – Board of County Commissioners approved an updated Unsolicited Proposal Policy and Guideline to be included in the Rules and Procedures for the Board of County Commissioners.

BACKGROUND

Washoe County is committed to applying a clear policy and framework for considering unsolicited proposals for developing or using County-owned land or infrastructure and associated service delivery. This policy and guideline indicates a willingness on the part of the County to partner with the private sector to deliver innovative infrastructure and associated service delivery outcomes and provides a gateway for the private sector to deal directly with Washoe County on unique proposals.

The County has no obligation to approve an unsolicited infrastructure proposal no matter how much contribution the project proponent has offered. The County recognizes that a number of issues must be considered in evaluating such proposals and that even considering a significant upfront commitment, that commitment may be dwarfed by ongoing costs to the County in operating or maintaining the facility, which could otherwise be used by the County for other initiatives it deems of greater value.

In November of 2014 Washoe County received a letter from KKrater Consulting relating to a proposed indoor tennis facility on property owned by Washoe County just to the south of the Washoe Golf Course parcel. The five acre parcel of land was donated to Washoe County. Washoe County, at the time, was in the process of developing a policy for unsolicited proposals, and the proposal was held until the policy was completed. In June of 2016, the proposal was reviewed by County staff and was found the Project was unable to proceed due to potential to violate a restriction in the deed conveying the original property to Washoe County.

In May of 2017, Washoe County received an updated proposal for the Indoor Tennis Facility on parcel APN 019-140-12. Staff has worked to schedule the proposal into the current workload, and step one of this process was to bring the proposal to the Open Space and Park Commission for direction as it relates to the Commission objectives related to park useage and programs in Washoe County.

Based on the process completed for the Reno Ice proposal at the South Valley Regional Park the proponent has requested utilizing the same agreement and land lease documents. Staff requested direction from the Open Space and Park Commission related to requirements for this project to be taken to the Board of County Commissioners as a part or condition specific to this proposal.

FISCAL IMPACT

The approval of the Development Agreement and Ground Lease do not obligate Washoe County to provide any monetary resources for this project. Staff time associated with review and lease management will be provided from the Community Services Department.

RECOMMENDATION

It is recommended the Board of County Commissioners approve an Indoor Tennis Courts Development Agreement between Washoe County and Indoor Tennis, LLC, a Nevada limited liability company based on the unsolicited proposal for an indoor tennis facility and related improvements to be located at the Washoe County Golf Course Property; and (2) authorize the County Manager to execute, after a land survey and parcel map are completed, a Ground Lease between Washoe County and Indoor Tennis, LLC, a Nevada limited liability company to lease a three-acre +/- parcel adjacent to the Reno Tennis Facility on Plumas Avenue (APN 019-140-12) on which Indoor Tennis, LLC will have the proposed indoor tennis facility and related improvements constructed.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be, "Move to: approve an Indoor Tennis Courts Development Agreement between Washoe County and Indoor Tennis, LLC, a Nevada limited liability company based on the unsolicited proposal for an indoor tennis facility and related improvements to be located at the Washoe County Golf Course Property; and (2) authorize the County Manager to execute, after a land survey and parcel map are completed, a Ground Lease between Washoe County and Indoor Tennis, LLC, a Nevada limited liability company to lease a three-acre +/- parcel adjacent to the Reno Tennis Facility on Plumas Avenue (APN 019-140-12) on which Indoor Tennis, LLC will have the proposed indoor tennis facility and related improvements constructed."