



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT

Board Meeting Date: July 6, 2021

DATE: June 9, 2021
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Charles A. Moore, Fire Chief
Phone: 775.328.6123 Email: cmoore@tmfpd.us
SUBJECT: Recommendation to approve a purchase and sale agreement for the acquisition of property located at 3663 Barron Way (APN 164-352-26) with an approximate close of escrow date sixty days upon the execution of the Purchase and Sale Agreement, and approval of documents in support thereof. The purchase is in an amount not to exceed \$6,290,000 plus closing costs, less \$50,000 in an earnest money deposit, and authorize the Chair to execute final documents after the sale of bonds. (Commission District 2)
FOR POSSIBLE ACTION

SUMMARY

This item is a recommendation to approve a purchase and sale agreement for the acquisition of property located at 3663 Barron Way (APN 164-352-26) with an approximate close of escrow date sixty days upon the execution of the Purchase and Sale Agreement, and approval of documents in support thereof. The purchase is in an amount not to exceed \$6,290,000 plus closing costs, less \$50,000 in an earnest money deposit, and authorize the Chair to execute final documents.

PREVIOUS ACTION

December 17, 2019, the Board of Fire Commissioners approved 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

BACKGROUND

The District moved into the Barron Way facility in March 2020. The building has suited our current needs, and by exercising Option 57- Option of Purchase "Lessee shall have a priority right to purchase the building at \$185.00 per square foot any time prior to the 36th month of the lease.", the District will be able to make necessary upgrades as the District's needs change and grow. The District would be offsetting the annual lease payment and CAM charges of approximately \$380,000 that increase on an annual basis with the debt service payment of approximately \$400,000 per year for 25 years with no increases. The related debt issuance is expected to provide at least \$7,000,000 which provides funds in

excess of the purchase price. The District may use these additional funds for facilities purchase and improvements.

This recommendation anticipates the sale of bonds to fund the purchase and authorizing the Chair to sign the Purchase and Sale Agreement after the sale of the bonds. Close of escrow would occur sixty days after the Chair signs the Agreement. Bonds are expected to sell at the end of this month.

FISCAL IMPACT

The Fiscal Year 2021/22 impact will be approximately \$6,290,000 plus closing costs. The District has budgeted \$6,400,000 for the purchase of Barron Way in the FY21/22. If closing costs exceed \$110,000, the District has adequate budget authority within the Capital Projects Fund.

RECOMMENDATION

It is recommended that the Board of Fire Commissioners approve a purchase and sale agreement for the acquisition of property located at 3663 Barron Way (APN 164-352-26) with approximate close of escrow date of August 1, 2021, and approval of documents in support thereof. The purchase is in an amount not to exceed \$6,290,000 plus closing costs, less \$50,000 in an earnest money deposit, and authorize the Chair to execute final documents.

POSSIBLE MOTION

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

"I move to approve a purchase and sale agreement for the acquisition of property located at 3663 Barron Way (APN 164-352-26) with approximate close of escrow date of August 1, 2021, and approval of documents in support thereof. The purchase is in an amount not to exceed \$6,290,000 plus closing costs, less \$50,000 in an earnest money deposit, and authorize the Chair to execute final documents."