

# **WASHOE COUNTY**

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# STAFF REPORT BOARD MEETING DATE: JANUARY 14, 2025

**DATE:** December 20, 2024

**TO:** Board of County Commissioners

FROM: Eric Crump, Director, Community Services Department

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**THROUGH:** Dave Solaro, Assistant County Manger

**SUBJECT:** Public Hearing to : (1) consider objections to Resolution of Intent

to Lease (R24-116); and (2) possible action to approve the Ground Lease between Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada, a corporation for public benefit under NRS chapter 82, approximately 39.05 acres of land

commonly known as the Wildcreek Golf Course on Sullivan Lane

in Sparks, Nevada (a portion of APN 035-080-04) without consideration as authorized in NRS 244.284 for an initial term of

consideration as authorized in NRS 244.284 for an initial term 30 years; and (3) if approved, possible action to approve Amendment #1 to the Golf Course Development Agreement dated July 25, 2022, between Washoe County and Northern Nevada Youth Golf Foundation, d/b/a as First Tee Northern Nevada; and (4) if approved, First Tee will continue to be required to operate the golf course for charitable and affordable

required to operate the golf course for charitable and affordable golf for the community on the terms specified in the purchase and sale agreement and related documents, and if the property ever ceases being so used, it will revert automatically to Washoe County. Community Services. (Commission District 5.) FOR

POSSIBLE ACTION

# **SUMMARY**

This item requests the Board of County Commission consider objections to Resolution of Intent to Lease (R24-116), and, after consideration, recommends approval of a Ground Lease of approximately 39.05 acres (a portion of APN 035-080-04) and Amendment #1 to the Golf Course Development Agreement (Development Agreement) dated July 25, 2022 for the development of Wildcreek Golf Couse and continued operation of the property for charitable and affordable golf by Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada (Youth Golf Foundation).

The Development Agreement as originally approved, requires Washoe County to purchase the 39.05 acres of land (a portion of APN 035-080-04) from the Bureau of Land Management (BLM) and then transfer the land to Youth Golf Foundation. In further discussions with BLM, Washoe County and Youth Golf Foundation have received consent of the BLM to allow Washoe County to lease the property to Youth Golf Foundation for the development and operation of the golf course. Leasing the land to Youth Golf Foundation renders the need for Washoe County to purchase the property unnecessary. The Development Agreement also includes two phases for development of the golf course to allow time for the originally proposed land purchase requirement. Amendment #1 to the Development Agreement amends the agreement by removing references to the required purchase and transfer of land and the phased development and includes language allowing for the lease. Amendment #1 to the Development Agreement also restates the current amount held by Washoe County (\$3,050,000) as Development Funds that are eligible to distribute to First Tee Northern Nevada on a 1:1 match pursuant to the Development Agreement.

Youth Golf Foundation is required to operate the golf course for charitable or civic purposes for the community on terms specified in a purchase and sale agreement and related documents, and if the property ever ceased being so used, it would revert automatically to the county.

## Washoe County Strategic Objective supported by this item:

Economic Impacts: Support a thriving community.

## **PREVIOUS ACTION**

On December 17, 2024 – The Board of County Commissioners approved a resolution declaring Washoe County's intent to lease to the Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada, a corporation for public benefit under NRS chapter 82, approximately 118 acres of land commonly known as the Wildcreek Golf Course on Sullivan Lane in Sparks, Nevada (APN 035-080-04) without consideration as authorized in NRS 244.284 and setting a date for a hearing on January 14, 2025, at which objections can be heard and other matters properly related thereto. If ultimately approved, the lease would allow development of Wildcreek Golf Course as authorized by the Golf Course Development Agreement dated July 25, 2022, between Washoe County and Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada. The First Tee is required to operate the golf course for charitable or civic purposes for the community on terms specified in a purchase and sale agreement and related documents, and if the property ever ceased being so used, it would revert automatically to the county.

On July 12, 2022 – The Board of County Commissioners approved a Golf Course Development Agreement between Washoe County and the Northern Nevada Youth Golf Foundation, a Nevada non-profit corporation, d/b/a First Tee Norther Nevada for the development of Wildcreek Golf Course (APN 027-011-12) in Sparks, Nevada for affordable and charitable golf recreation. The purpose of the Development Agreement is to provide for the immediate transfer of APN 027-011-12 to the Northern Nevada Youth Golf Foundation under Board of County Commission action in October 2021 while

Washoe County purchases approximately 40 Acres of APN 035-080-04 from the Bureau of Land Management to be added to APN 027-011-12 when purchase is complete. Of monies committed to the improvement of Wildcreek Golf Course \$900,000 will be held by Washoe County to purchase the approximate 40 acres, allowing a remaining \$2,200,000 to be used for a 1:1 match for Northern Nevada Youth Golf Foundation's fundraising efforts to improve the golf course.

On October 12, 2021 – The Board of County Commissioners approved the purchase and sale between Washoe County and the Northern Nevada Youth Golf Foundation, d/b/a First Tee Norther Nevada, a corporation for public benefit under NRS chapter 82, for the transfer of the property commonly known as the Wildcreek Golf Course on Sullivan Lane in Sparks, Nevada (APN 027-011-09) (approximately 110.72 acres) as authorized by in NRS 244.284; and (3) requiring First Tee to operate the golf course for charitable or civic purposes for the community on terms specified in the purchase and sale agreement and related documents, and if the property ever ceases being so used, it will revert automatically to Washoe County; (4), authorized the balance of the funds associated with the Wildcreek Golf Cost Center (680100) on the actual date of transfer be utilized as a 1:1 match for fundraising efforts by First Tee for improvements necessary for reconfiguration of the golf course for their needs; and (5) authorized the County Manager to execute any and all required documents necessary for the property transfer. On September 14, 2021 – The Board of County Commissioners approved a resolution declaring Washoe County's intent to convey to the Northern Nevada Youth Golf Foundation, d/b/a First Tee of Northern Nevada, a corporation for public benefit under NRS chapter 82, the property commonly known as the Wildcreek Golf Course on Sullivan Lane in Sparks, Nevada (APN 027-011-09) (approximately 110.72 acres) without consideration as authorized in NRS 244.284 and setting a date for a hearing at which objections can be heard and other matters properly related thereto. If ultimately approved, First Tee would be required to operate the golf course for charitable or civic purposes for the community on terms specified in a purchase and sale agreement and related documents, and if the property ever ceased being so used, it would revert automatically to the county.

On April 13, 2021 – The Board of County Commissioners directed staff to begin stage two of the unsolicited-proposal policy with First Tee of Northern Nevada.

January 5, 2021 – The Open Space and Regional Park Commission recommended the Board of County Commissioners direct staff, with the District Attorney's Office assistance, to begin stage two of the unsolicited-proposal policy by completing all necessary documents including leases and a term sheet for the proposal from MAZZ Golf Management for continuation of golf operations at Wildcreek Golf Course.

On February 12, 2019 the Board of County Commissioners adopted a resolution approving a cooperative agreement between Washoe County, the Washoe County School District and the Reno-Sparks Convention and Visitors' Authority for the transfer of portions of Wildcreek Golf course on Sullivan Lane in Sparks, Nevada, comprising the parcels of Parcel Map No. 5369, and rights and obligations related to those parcels including: personal property, water rights, rights to an effluent agreement, rights to a golf management agreement and a ditch maintenance agreement and matters properly related thereto.

On January 15, 2019, the Board of County Commissioner approved a resolution declaring Washoe County's intent to convey to the Washoe County School District a portion of the property commonly known as the Wildcreek Golf Course on Sullivan Lane in Sparks, Nevada

On May 1, 2017, the Board of County Commissioners approved at a concurrent meeting a letter of intent to cooperate in the planning, development and construction of new high school on a portion of the Wildcreek Site.

#### **BACKGROUND**

The proposal to lease approximately 39.05 acres of land (a portion of APN 035-080-04) to the Northern Nevada Youth Golf Foundation, d/b/a First Tee of Northern Nevada, for the development of Wildcreek Golf Course, is rooted in a series of strategic decisions and community-oriented goals. The primary intent of this initiative is to provide affordable and charitable golf recreation to the community, leveraging the land for public benefit and civic purposes as authorized under NRS 244.284. The historical context of this project dates back to several key actions taken by the Washoe County Board of County Commissioners.

Washoe County previously held title to Wildcreek Golf Course and related improvements at 3500 Sullivan Lane in Sparks. In January of 2021 the Open Space and Regional Park Commission recommended the Board of County Commissioners direct staff to begin stage two of the unsolicited-proposal policy for the continuation of golf operations at Wildcreek Golf Course by MAZZ Golf and First Tee, and in April of 2021 the Board provided this direction.

Through this process it was determined that the best opportunity for both First Tee and Washoe County to provide affordable golf at Wildcreek was through a transfer of the property to First tee. In October of 2021, the Board approved the transfer of Wildcreek through a purchase and sale agreement with riverter. The First Tee now owns and operates Wildcreek and is required to operate the golf course for charitable or civic purposes for the community on terms specified in the purchase and sale agreement and related documents, and if the property ever ceased being so used, it would revert automatically to the county.

The Golf Course Development Agreement (Development Agreement) between Washoe County and First Tee was approved in July of 2022. The development agreement defined that the transfer of the course would be completed in two phases. First, transfer of existing parcel 027-011-12 which would allow First Tee to re-construct the golf course. Concurrently, Washoe County would be acquiring approximately 40 acres of the BLM patent parcel 035-080-04 from the U.S. Government. When Washoe County acquires the BLM patent parcel, it would transfer the same to Youth Golf Foundation through a boundary line adjustment. Once the BLM patent parcel was transferred to Youth Golf Foundation, the remaining portions of the golf course would be constructed.

The Development Agreement also provides approximately 3.1 million dollars from the sale of the real property near the Golf Course for investment (Development Funds) toward develop the golf course. Approximately \$900,000 of the 3.1 million dollars was identified for the purchase of the 40 acres of BLM patent parcel, with the remaining 2.2

million dollars and any remaining funds of the \$900,000 after the purchase, be distributed to First Tee with a 1:1 match as set forth in the Development Agreement.

While performing due diligence on the purchase of the 40 acres and further discussions with BLM, it was determined that a Lease between Washoe County and First Tee for use of the property for charitable and affordable golf purposes generally open to the public would be acceptable to the BLM. The original 40 acres identified for purchase was determined to be the least amount of land First Tee would need to develop the course and was done to keep the purchase cost as low as possible. The proposed lease, if approved, would lease approximately 39.05 acres of the BLM patent parcel. The parcel has historically been part of the original Wildcreek Golf Course. The lease will also allow for the use of nearly all of the Development Funds to go toward development of the golf course.

Amendment #1 of the Development Agreement, makes changes to the agreement to allow for the lease of the 39.05 acres of land, removes reference to the phased development of the golf course outlined in the agreement and restates the amount of Development Funds available to Youth Golf Foundation on a 1:1 match basis for the development of the golf course.

#### **FISCAL IMPACT**

The Golf Course Development Agreement and the proposed Amendment #1 provides for the use of the proceeds ("Development Funds") from the sale of the real property near Wildcreek Golf Course for the development of the golf course. The Development Funds will be distributed to Youth Golf Foundation based on a 1:1 match. The budget authority exists within the Golf Fund (520) for Wild Creek Golf Course (Cost Center (680100) and Payments to Other Agencies (710400) for the distribution in the amount of \$3,050,000.00. The Ground Lease is for an initial period of 30 years without consideration as authorized in NRS 244.284.

## RECOMMENDATION

It is recommended the Board of County Commissioners: (1) consider objections to Resolution of Intent to Lease (R24-116); and (2) approve the Ground Lease between Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada, a corporation for public benefit under NRS chapter 82, approximately 39.05 acres of land commonly known as the Wildcreek Golf Course on Sullivan Lane in Sparks, Nevada (a portion of APN 035-080-04) without consideration as authorized in NRS 244.284 for an initial term of 30 years; and (3) approve Amendment #1 to the Golf Course Development Agreement dated July 25, 2022, between Washoe County and Northern Nevada Youth Golf Foundation, d/b/a as First Tee Northern Nevada; and (4) if approved, First Tee will continue to be required to operate the golf course for charitable and affordable golf for the community on the terms specified in the purchase and sale agreement and related documents, and if the property ever ceases being so used, it will revert automatically to Washoe County.

#### **POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "(1) consider objections to Resolution of Intent to Lease (R24-116); and (2) approve the Ground Lease between Northern Nevada Youth Golf Foundation, d/b/a First Tee Northern Nevada, a corporation for public benefit under NRS chapter 82, approximately 39.05 acres of land commonly known as the Wildcreek Golf Course on Sullivan Lane in Sparks, Nevada (a portion of APN 035-080-04) without consideration as authorized in NRS 244.284 for an initial term of 30 years; and (3) approve Amendment #1 to the Golf Course Development Agreement dated July 25, 2022, between Washoe County and Northern Nevada Youth Golf Foundation, d/b/a as First Tee Northern Nevada; and (4) if approved, First Tee will continue to be required to operate the golf course for charitable and affordable golf for the community on the terms specified in the purchase and sale agreement and related documents, and if the property ever ceases being so used, it will revert automatically to Washoe County."