



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: September 21, 2021

DATE: August 17, 2021

TO: Board of County Commissioners

FROM: Eric Crump, Division Director, Operations,
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THROUGH: Dave Solaro, Arch., P.E., Assistant County Manager
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SUBJECT: Recommendation to approve a Lease Agreement between Washoe County and M Chim Family Trust, for continued occupancy of office space for the Incline Justice Court located at 865 Tahoe Boulevard, Incline Village, Nevada, for a 12-month term, effective October 1, 2021 through September 30, 2022 [\$7,836.10 per month; \$94,033.20 for the one-year term]. (Commission District 1.)

SUMMARY

Washoe County currently leases office space for the Incline Justice Court and Incline Constable at 865 Tahoe Boulevard, Incline Village, Nevada from M Chim Family Trust. The current term expires on September 30, 2021 and notice has been given that the property has been listed for sale and a new long-term lease cannot be negotiated. A Lease Agreement for one year has been negotiated to facilitate the County's search for a new location for the court.

Strategic Objective supported by this item: Stewardship of Our Community.

PREVIOUS ACTION

On July 26, 2016, the Board of County Commissioners (Board) approved the First Amendment to Lease Agreement with 865 Tahoe Boulevard Associates, LLC, extending occupancy for an additional 60 months terminating September 30, 2021.

On December 13, 2011, the Board approved a Lease Agreement with 865 Tahoe Boulevard Associates, LLC for 60 months – October 2011 through September 2016.

On December 14, 2010, the Board approved the First Amendment to Lease to acknowledge the transfer of ownership from the Newman Family Trust to 865 Tahoe Boulevard Associates, LLC.

On July 13, 2010, the Board approved a Lease Agreement for a fifty-three month term, commencing July 1, 2010 and terminating on June 30, 2014 to accept a lease concession of three months waived rent in FY 2010/11 and 2011/12.

The Board has approved multiple lease agreements related to this occupancy for utilization of the Centerpointe Professional Building since 1984.

AGENDA ITEM # _____

BACKGROUND

The current leased space includes 4,523 square feet of office space utilized for the Incline Justice Court and Constable. Multiple Lease Agreements and Amendments to Lease Agreements have been approved by the Board in the past for the continued occupancy and/or to increase leased office space to accommodate the needs of the Court.

The Lease Agreement approved in October 2011, had a negotiated lease rate for the term of the Agreement (October 1, 2011 through September 30, 2016) and contained a renewal clause that allowed for continued occupancy of the Incline Justice Court for an additional 60 months with a 3% increase in rent in years two and four.

The First Amendment to Lease Agreement approved in July 2016 had a negotiated lease rate for the term of the Agreement (October 2, 2016 through September 30, 2021) and does not contain renewal terms.

The subject Lease Agreement has standard funding out clauses, as well as a 90-day notice to cancel.

On June 21, 2021, Lessor provided notice in accordance with the terms of the Lease Agreement and First Amendment to Lease Agreement that the property had been listed for sale and a new long term lease agreement could not be negotiated. A one-year lease (October 1, 2021 to September 30, 2022) to facilitate the County's search for a suitable new location for the court was offered.

FISCAL IMPACT

The monthly rent for the term of the Lease Agreement from October 1, 2021 through September 30, 2022, is \$7,836.10 which reflects a 5% increase from the current rent of \$7,462.95 per month. Sufficient budget authority for FY22 for this lease agreement exists in Incline Justice Court (125100), LT Lease-Office Space (710600).

RECOMMENDATION

It is recommended that the Board of County Commissioners approve a Lease Agreement between Washoe County and M Chim Family Trust, for continued occupancy of office space for the Incline Justice Court located at 865 Tahoe Boulevard, Incline Village, Nevada, for a 12-month term, effective October 1, 2021 through September 30, 2022 [\$7,836.10 per month; \$94,033.20 for the one-year term].

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve a Lease Agreement between Washoe County and M Chim Family Trust, for continued occupancy of office space for the Incline Justice Court located at 865 Tahoe Boulevard, Incline Village, Nevada, for a 12-month term, effective October 1, 2021 through September 30, 2022 [\$7,836.10 per month; \$94,033.20 for the one-year term]"