



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: February 25, 2025

DATE: January 30, 2025

TO: Board of County Commissioners

FROM: Dave Solaro, Assistant County Manager

THROUGH: Eric P. Brown, County Manager

SUBJECT: Authorize the Chair of the Board of County Commissioners to execute a resolution of intent of the Washoe County Board of County Commissioners to sell real property located at 10 Kirman Avenue, Reno, Nevada, Assessor's Parcel Number 012-150-12 as surplus to the needs of Washoe County for economic development purposes at a price less than appraised value to Renown Health, who plans to use the property to expand its healthcare services which will create highly skilled jobs and enhance the quality of healthcare available to the community, and matters property related thereto setting the date of March 11, 2025 at 10:00 a.m. to allow for any objections to this action. (Commission District 3).

SUMMARY

The staff is requesting that the Board of County Commissioners authorize the Chair of the Board of County Commissioners to execute a resolution of intent of the Washoe County Board of County Commissioners to sell real property located at 10 Kirman Avenue, Reno, Nevada, Assessor's Parcel Number 012-150-12 as surplus to the needs of Washoe County for economic development purposes at a price less than appraised value to Renown Health and matters property related thereto setting the date of March 11, 2025 at 10:00 a.m. to allow for any objections to this action.

The resolution of intent is a necessary step to comply with Nevada Revised Statutes (NRS) Chapter 244, which governs the disposal of public property. The proposed sale aligns with the strategic objective of promoting economic development within the county.

Washoe County Strategic Objective supported by this item: Economic Impacts: Support a thriving community.

PREVIOUS ACTION

On May 28, 2024 -the most recent Board of County Commissioner action related to the potential disposition of 10 Kirman Avenue (Assessor's Parcel Number 012-150-012) occurred on May 28, 2024. During this meeting, the Board discussed and provided direction to staff regarding the sale of the property. Commissioner Garcia moved to direct

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staff to negotiate a price with Renown Health, and Commissioner Andriola seconded the motion. Vice Chair Herman suggested obtaining a new appraisal on the property, and Chair Hill assured that the County would do so as part of the process. The motion carried on a 5-0 vote, directing staff to proceed with negotiations.

On August 22, 2023, the Board of County Commissioners identified the property at 10 Kirman Avenue as surplus to Washoe County needs. During this meeting, Assistant County Manager (ACM) David Solaro presented an overview of the Washoe County property program, which included a list of properties considered surplus. The Board discussed the potential sale of the property and the possibility of using the proceeds to fund other county needs. Commissioner Clark suggested that the property be appraised and sold, with part of the profits used to pay for the West Hills property. The Board directed staff to explore options for the disposition of the property.

BACKGROUND

Historical Summary

The Washoe County Board of County Commissioners has identified the property located at 10 Kirman Avenue, Reno, Nevada, Assessor's Parcel Number 012-150-12, as surplus to the needs of the county. The property, which consists of an approximately 14,118 square foot office building on 0.556 acres of land, was built in 1959 and is currently in poor condition, rendering it unusable for providing medical services. Historically, the property has been utilized by Northern Nevada Public Health for their Tuberculosis (TB) Clinic. However, plans are in place to move the clinic to a new facility at the Washoe Behavioral Health (formerly West Hills) site by early 2026.

The intent to sell the property to Renown Health for economic development purposes at a price less than the appraised value is driven by several factors. Renown Health has agreed to a purchase price of the property for \$750,000, which reflects the value of the land less the estimated cost to demolish the existing building. The sale is seen as beneficial for the community as it supports Renown Health's expansion plans, which are expected to create jobs and enhance healthcare services in the area. By authorizing this resolution the Board of County Commissioners will set the date of March 11, 2025 for public discussion regarding the intent to sell the property directly to Renown Health, without offering it to the public being in the best interest of the County.

Legal and Regulatory References

The sale of the property is governed by Nevada Revised Statutes (NRS) Chapter 244, which outlines the parameters for the control, management, and disposal of county property. Specifically, NRS 244.2815 allows a board of county commissioners to sell, lease, or otherwise dispose of real property for the purposes of redevelopment or economic development without first offering the real property to the public and for less than fair market value, provided certain conditions are met. These conditions include obtaining an appraisal of the property not more than six months before the sale and adopting a resolution finding that it is in the best interest of the public to sell the property directly to a buyer without offering it to the public.

The Board must also determine that the proposed use of the property by the buyer is for economic development, which includes the establishment of new commercial enterprises or facilities, the support, retention, or expansion of existing commercial enterprises or facilities, and the creation and retention of employment opportunities for the residents of the county. The required notice for the public hearing on the resolution of intent to sell the property will be scheduled for March 11, 2025, at 10:00 a.m., allowing for any objections to this action to be heard.

FISCAL IMPACT

The sale of property allows for an opportunity to direct one-time funds to various needs of the County. These proceeds are not a sustainable funding source, and staff would not recommend them for any ongoing needs of the county, for example additional staff or ongoing software subscriptions.

The proceeds from the sale can contribute to the county's Capital Projects Fund, which supports long-term infrastructure and development projects. During the meeting on August 22, 2024, one thought was to utilize the proceeds of the sale to assist in needs at the Washoe Behavioral Health building (formerly West Hills). Utilization of the proceeds to further health related needs in the community would be consistent with the County strategic plan.

Proceeds from the sale will be accounted for in accordance with financial regulations and County policy as directed by the Board. If additional Board approvals or directions are required, separate items will be brought to the Board as necessary.

The sale price of \$750,000.00, although less than the appraised fair market values of \$860,000.00 and \$2,600,000.00 is justified by the economic development benefits that Renown Health's acquisition of the property is expected to bring. Renown Health plans to use the property to expand its healthcare services, which will create new jobs and enhance the quality of healthcare available to the community. This aligns with the county's strategic objectives of supporting economic growth and improving public services.

As of June 30, 2024, this building and all subsequent improvements has a remaining depreciable balance of \$190,230.43

After the May 28, 2024 Board meeting staff received the mentioned appraisal and discussed the new appraised value with Renown. Renown provided a reasoning behind the original offer of \$420,000 which was arrived at by obtaining a broker's opinion of value for the land from two commercial real-estate brokers. The opinions varied from \$1,210,000 to \$430,000. Renown averaged the opinions and subtracted an estimated demolition value of \$400,000 leaving the offer number of \$420,000. At the staff agreed upon negotiated price of \$750,000 the cost per acre of property would be the equivalent of \$1.35M per acre. As a comparable Washoe County purchased the Cares Campus property from the Reno Housing Authority for an equivalent cost of \$1.08M per acre.

RECOMMENDATION

It is recommended to authorize the Chair of the Board of County Commissioners to execute a resolution of intent of the Washoe County Board of County Commissioners to sell real property located at 10 Kirman Avenue, Reno, Nevada, Assessor's Parcel Number 012-150-12 as surplus to the needs of Washoe County for economic development purposes at a price less than appraised value to Renown Health, who plans to use the property to expand its healthcare services which will create highly skilled jobs and enhance the quality of healthcare available to the community, and matters property related thereto setting the date of March 11, 2025 at 10:00 a.m. to allow for any objections to this action.

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion would be "Move to adopt a resolution of intent of the Washoe County Board of County Commissioners to sell real property located at 10 Kirman Avenue, Reno, Nevada, Assessor's Parcel Number 012-150-12 as surplus to the needs of Washoe County for economic development purposes at a price less than appraised value to Renown Health, who plans to use the property to expand its healthcare services which will create highly skilled jobs and enhance the quality of healthcare available to the community, and matters property related thereto, setting the date of March 11, 2025 at 10:00 a.m. to allow for any objections to this action."