



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: September 14, 2021

DATE: August 23, 2021

TO: Board of County Commissioners

FROM: Eric Crump, Operations Division Director,
Community Services Department, 328-2182, ecrump@washoecounty.us

THROUGH: Dave Solaro, Arch., P.E., Assistant County Manager

SUBJECT: Recommendation to approve Amendment #1 to Lease Agreement between Roter Investments of Nevada Limited Partnership and Washoe County for a 60-month term, commencing retroactively from July 1, 2021 through June 30, 2026 [\$891,378 for the five year term], for the continued occupancy of the Sierra View Library Branch located at the Reno Town Mall, 4001 S. Virginia Street, Reno, Nevada. Amendment #1 includes a carpet replacement project in year-two in which costs are shared by Roter and Washoe County [fiscal impact \$160,000]. (Commission District 2.)

Space within the Reno Town Mall has been utilized as a branch library since 1987 and continues to be well-used by the residents in the surrounding area. This item recommends approval of an amendment to the lease agreement between Washoe County and Roter Investments L.P. (Roter) for sixty (60) months to continue the occupancy of the Sierra View Library branch located within the Reno Town Mall. The amendment also provides for a cost share between Roter and Washoe County for carpet replacement in year two of the amended lease agreement. The cost of the carpet replacement project would be shared equally by Roter and Washoe County. Roter will manage the carpet replacement project and Washoe County will be responsible for the cost of moving furniture and furnishings in coordination with the Carpet Project. It is anticipated that the total cost to the County inclusive of the portion of the carpet replacement and moving of the furniture and furnishings will be less than \$160,000. Any costs to Washoe County over \$160,000, inclusive of the Carpet Project and moving of furniture and furnishings, will be equally shared by Roter and Washoe County. Currently, Washoe County is in a holdover under the Lease Agreement.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities.

PREVIOUS ACTION

On May 24, 2016, the Board of County Commissioners (Board) approved a Lease Agreement between Roter Investments, L.P. and Washoe County for a 60-month term, commencing July 1, 2016 through June 30, 2021 [\$87,390 annually plus an increase of \$17,478 effective July 1 of each year for the term of the Agreement] for the continued

AGENDA ITEM # _____

occupancy of the Sierra View Library Branch located at the Reno Town Mall, 4001 S. Virginia Street, Reno, Nevada.

On June 28, 2011, the Board approved a lease agreement with Roter Investments, L.P. for a sixty month term through June 30, 2016.

BACKGROUND

Washoe County has occupied space within the property at 4001 S. Virginia Street, the Reno Town Mall since July 1987 for operation of the Sierra View Branch Library. The Sierra View Library currently occupies 29,130 square feet of space on the first floor of the center. In 1992, the Library moved from the second floor into its current ground floor location, which has enabled expanded services to the public.

The Lessor of the Reno Town Mall has been extremely supportive of Washoe County and the Library System through providing donations over previous years to cover the base rent at the Sierra View branch. These donations have allowed Washoe County to continue providing services to the public at this popular branch location. Washoe County and the Lessor have taken a collaborative approach to lease negotiations providing for expanded hours at the location and an affordable lease rate for Washoe County. This approach allows the customers of the branch to receive benefits that may not have been affordable in the past.

The Lessor of the Reno Town Mall has also agreed to equally sharing the cost of replacing the carpet at the library in year two of the amended agreement. Roter will manage the carpet replacement project and Washoe County will be responsible for the cost of moving furniture and furnishings in coordination with the Carpet Project. Any costs to Washoe County over \$160,000, inclusive of the Carpet Project and moving of furniture and furnishings, will be shared equally by Roter and Washoe County.

FISCAL IMPACT

The proposed amendment to the Lease Agreement is for a sixty (60) month term, commencing retroactively from July 1, 2021 through June 30, 2026. The proposed lease agreement reflects a rental amount beginning at \$174,780 (\$0.50/sq. ft.) for years one through three and increasing to \$183,519 (\$0.525/sq. ft.) in years four and five.

The County will also continue to pay for utilities used in the space. The lease rates and obligations are shown below:

<u>Term</u>	<u>Monthly Rate</u>	<u>Annual Rate</u>
7/1/21 - 6/30/22	\$14,565.00	\$174,780
7/1/22 - 6/30/23	\$14,565.00	\$174,780
7/1/23 - 6/30/24	\$14,565.00	\$174,780
7/1/24 - 6/30/25	\$15,293.25	\$183,519
7/1/25 - 6/30/26	\$15,293.25	\$183,519

In FY22, there is sufficient budget authority for the lease agreement in the Library Department (130-0), Sierra View Branch (130250), LT Lease-Office Space (710600).

In year two of the amended agreement the County will share 50% of actual costs to replace the carpet and Washoe County will be responsible for the cost of moving the furniture and furnishings in coordination with the Carpet Project. Any expenses to Washoe County that exceed \$160,000, inclusive of Washoe County's share of the Carpet Project and the cost of moving furniture, will be shared equally by Roter and Washoe County. The County's share of the carpet replacement project will be provided through the Library Expansion Fund (204) and the cost is anticipated to be less than \$160,000.

RECOMMENDATION

It is recommended the Board of County Commissioners approve Amendment #1 to Lease Agreement between Roter Investments of Nevada Limited Partnership and Washoe County for a 60-month term, commencing retroactively from July 1, 2021 through June 30, 2026 [\$891,378 for the five year term], for the continued occupancy of the Sierra View Library Branch located at the Reno Town Mall, 4001 S. Virginia Street, Reno, Nevada to include a carpet replacement project in year-two in which costs are shared by Roter and Washoe County [fiscal impact \$160,000].

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve Amendment #1 to Lease Agreement between Roter Investments of Nevada Limited Partnership and Washoe County for a 60-month term, commencing retroactively from July 1, 2021 through June 30, 2026 [\$891,378 for the five year term], for the continued occupancy of the Sierra View Library Branch located at the Reno Town Mall, 4001 S. Virginia Street, Reno, Nevada to include a carpet replacement project in year-two in which costs are shared by Roter and Washoe County [fiscal impact \$160,000]."