



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: October 13, 2020

DATE: October 7, 2020

TO: Board of County Commissioners

FROM: Kate Thomas, Assistant County Manager
328-2008, kathomas@washoecounty.us

THROUGH: Eric Brown, County Manager

SUBJECT: Recommendation to approve a 25 year Lease Agreement between Washoe County and the State of Nevada, by and through its Division of State Lands and the State Land Registrar (NDSL) for and on behalf of the Department of Health and Human Services (DHHS), to lease property located at the Northern Nevada Adult Mental Health Services campus, APN 032-050-56 for Washoe County programs that serve Northern Nevada's vulnerable populations; replacing the previous lease entered into on June 11, 2019; Lease Agreement cost is \$576,829.00 per year, for which the County will receive an equivalent credit each year from the State in consideration for work and improvements made by County which total or will total \$14.7 million; maintenance and service related costs are approximately \$6,928,768 annually]. (Commission District 3.)

SUMMARY

To incorporate the revised fence line and add the community garden acreage, as well as extend the life of the lease commitment to 25 years, it was advised that a new lease document be negotiated between Washoe County and the State of Nevada, by and through its Division of State Lands and the State Land Registrar (NDSL) for and on behalf of the Department of Health and Human Services (DHHS). The effective date will be upon approval of the Nevada State Legislature's Interim Finance Committee on December 18, 2020.

This new lease includes items not part of the 2019 approved lease including:

- Incorporation of a map/exhibit showing County-utilized buildings vs. the previous lease that listed those buildings; removed references to building 8 Central/South as State staff now occupies
- Extended the lease to be 25 years expiring October 2045 (previous expiration July 2033)

AGENDA ITEM # _____

- Included provisions for “land lease” to allow for modular placement for dining and intake as well as the community garden
- Added language to account for the County’s \$14.7 Million investment which offsets the annual compensation to the State of \$576,839

The County Manager’s Office, Community Services Department, and the Human Services Agency have determined that the requested template modifications to the lease would continue to provide a positive fiscal and operational impact to the entire project and does not alter or negatively impact the mission of the project.

Washoe County continues to have an approved Inter-Local Contract with the State of Nevada, Department of Health and Human Services for multiple buildings located on the State of Nevada, Northern Nevada Adult Mental Health Services (NNAMHS) campus located at 405 South 21st Street/480 Galletti Way, Sparks, Nevada. This lease continues to allow the Washoe County Human Services Agency to operate services for vulnerable populations within the county as an extension of the Crossroads programs and the Community Assistance Center (CAC) strategy for homelessness region wide.

Washoe County Strategic Objective supported by this item: Safe, secure and healthy communities.

PREVIOUS ACTION

On May 6, 2019 - The Community Homeless Advisory Board endorsed the Washoe County Human Services Agency’s proposed first amendment changes to the NNAHMS campus.

On April 23, 2019 – The Washoe County Board of County Commissioners approved an agreement for professional services between Washoe County and Paul Cavin Architect, LLC in the amount of \$953,255

On December 18, 2018 – The Washoe County Board of County Commissioners approved a lease agreement between Washoe County and the State of Nevada for approximately 8,000 sf. of 1001 E. Ninth Street Building C

August 27, 2018 - The Community Homelessness Advisory Board endorsed the Washoe County Human Services proposal to move certain services from the CAC to the NNAMHS campus.

On October 8, 2018 - The Washoe County Board of County Commissioners approved the initial NNAHMS lease.

On May 28, 2019 - The Washoe County Board of County Commissioners approved an amendment to the Inter-local Agreement to the initial NNAHMS lease.

On June 11, 2019 The Washoe County Board of County Commissioners approved a Building/Land Lease between Washoe County and the State of Nevada, by and through its Department of Health and Human Services, to lease property located at the Northern Nevada Adult Mental Health Services campus

BACKGROUND

The Community Assistance Center (CAC) provides services regionally to assist individuals who are homeless with resources and case management. The center is made up of three shelters in total: a men’s shelter, a women’s shelter, and a family shelter. Services are provided through the shelter with a triage center and an office for children in transition on the campus of the CAC.

There is a need to provide separate services for women, children, and families in an atmosphere which provides an opportunity to break the cycle of homelessness. The Our Place campus can provide that atmosphere for women, children, and families. Additionally, removal of this vulnerable population will assist in lessening current challenges at the CAC specifically related to safety of our most vulnerable citizens and will assist in lowering the number of responses to the CAC by partnering agencies.

FISCAL IMPACT

This Building/Land Agreement cost is \$576,829.00 per year, for which the County will receive an equivalent credit each year from the State in consideration for work and improvements made by County which total or will total \$14.7 million. The remainder of the project costs were anticipated and included in the FY21 Capital Improvement Project Fund (F402) budget.

All maintenance and service-related operating costs associated with this contract, estimated at \$6,928,768 annually are included in the Human Services Agency Indigent Fund (221) in various general ledger accounts within the following cost centers:

<u>Cost Center</u>	<u>Description</u>	<u>Adjusted Budget</u>
221230	Our Place	\$5,121,269
221240	Women’s Program	<u>\$1,807,499</u>
		\$6,928,768

RECOMMENDATION

Staff recommends the Board approve a 25 year Lease Agreement between Washoe County and the State of Nevada, by and through its Division of State Lands and the State Land Registrar (NDSL) for and on behalf of the Department of Health and Human Services (DHHS), to lease property located at the Northern Nevada Adult Mental Health Services campus, APN 032-050-56 for Washoe County programs that serve Northern Nevada’s vulnerable populations; replacing the previous lease entered into on June 11, 2019; Lease Agreement cost is \$576,829.00 per year, for which the County will receive an equivalent credit each year from the State in consideration for work and improvements made by County which will total \$14.7 million; maintenance and service related costs are approximately \$6,928,768 annually].

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:
"Move to approve a 25 year Lease Agreement between Washoe County and the State of Nevada, by and through its Division of State Lands and the State Land Registrar (NDSL) for and on behalf of the Department of Health and Human Services (DHHS), to lease property located at the Northern Nevada Adult Mental Health Services campus, APN 032-050-56 for Washoe County programs that serve Northern Nevada's vulnerable populations; replacing the previous lease entered into on June 11, 2019; Lease Agreement cost is \$576,829.00 per year, for which the County will receive an equivalent credit each year from the State in consideration for work and improvements made by County which will total \$14.7 million; maintenance and service related costs are approximately \$6,928,768 annually]."