



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: May 22, 2024

DATE: May 10, 2024

TO: Open Space and Regional Parks Commission

FROM: Aaron Smith, Operations Division Director
Community Services Dept., 328-2172, aasmith@washoecounty.gov

SUBJECT: Possible recommendation to direct staff, with the assistance of the District Attorney's Office, to begin stage two of the unsolicited proposal policy by completing all necessary documents including a ground lease and development agreement for the unsolicited proposal from Wendy W. Damonte, representing For Our Fans Foundation, a Nevada non-profit corporation, for a soccer stadium and indoor training facility at Washoe County's South Valleys Regional Park, up to 18 acres within APNs 142-011-13 and 142-011-02. (Commission District 2) (For Possible Action).

SUMMARY

The purpose of this item is to provide possible recommendation for staff to proceed to a full evaluation, stage two, of an unsolicited proposal from Wendy W. Damonte, representing For Our Fans Foundation, a Nevada non-profit corporation, regarding a soccer stadium facility and a request to utilize Washoe County property located at South Valleys Regional Park, up to 18 acres within APNs 142-011-13 and 142-011-02. Stage two will include negotiation of all necessary agreements including a grand lease and a development agreement. This proposal is being brought forward under the updated Unsolicited Proposal Policy and Guideline approved by the Board on January 12, 2016.

The Draft Ground Lease (attached) includes the utilization of a portion of South Valleys Regional Park to construct a soccer stadium, training facility and parking facility. The assessment panel confirmed that the proposal is generally consistent with the South Valleys Regional Park Master Plan. The estimated cost to complete the project is \$40,000,000 to be funded by For Our Fans Foundation. The term of the draft grand lease is 20 years but is contingent upon beginning construction within five years of the ground lease effective date and three years to complete construction. South Valleys Regional Park use is restricted by three different deeds. Two of the deeds placed by the previous owners prior to transferring to the County restrict the use of the park to public purposes. The property also contains a restriction for outdoor recreation from the Land and Water Conservation Fund program. For Our Fans Foundation will be required to resolve any conflicting use with the Grantors.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Stewardship of our community.

PREVIOUS ACTION

January 12, 2016 – The Board of County Commissioners approved Unsolicited Proposal Policy and Guideline

BACKGROUND

Washoe County is committed to implementing a clear policy and framework for the consideration of unsolicited proposals for development and/or use of County-owned land and/or infrastructure and associated service delivery. This policy and guideline indicate a willingness on the part of the County to partner with the private sector to deliver innovative infrastructure and associated service delivery outcomes and provides a gateway for the private sector to deal directly with Washoe County on unique proposals.

The policy and guidelines apply to supplies, services, partnerships, and projects which have a minimum private investment contribution of \$100,000.

The following objectives guide the County's process for considering unsolicited proposals:

- Promoting the development of innovative ideas with the private sector where appropriate;
- Ensuring an open, transparent and fair process that involves a high standard of ethics and public accountability;
- Ensuring a project benefit for Washoe County is achieved;
- Ensuring the benefits of the Project for the County are measurable and can be maximized; Ensuring the proponents Intellectual Property (IP) is respected.

The County has no obligation to approve an unsolicited infrastructure proposal no matter how much contribution the Project proponent has offered. The County recognizes that a number of issues must be considered in evaluating such proposals and that even considering a significant upfront commitment, that commitment may be dwarfed by ongoing costs of the County in operating or maintaining the facility, which could otherwise be used by the County for other initiatives it deems of greater value.

The Washoe County Budget Office is responsible for receiving unsolicited proposals and for coordinating the assessment process. Budget will participate on and establish an Assessment Panel comprised of representatives from the Capital Improvement Committee and affected County departments and agencies, to undertake the assessment of the proposal and provide a recommendation to the Board of County Commissioners. The assessment panel for this proposal included representatives from the Office of the County Manager, Community Services Department (CSD), CSD Engineering/Capital Projects as well as CSD Planning and Development, and the District Attorney's Office.

The Board is responsible for initial approval at Stage One and for final approval, including entering into a contract. Budget is able to issue administrative instructions to clarify the requirements for the assessment under this Policy and Guideline. Any and all administrative instructions must be entirely consistent with this Policy and Guideline.

Evaluation Criteria

The guiding principles of the Stage One evaluation are listed below:

1. The proposal is unique and innovative and cannot be reasonably delivered by another proponent or achieve the same (or greater) value for money outcome through a competitive Process within acceptable timeframes;
2. The proposal aligns with the County's strategic objectives and policies;
3. The proposal represents value for money for the investment required by Washoe County and provides benefits to the community by meeting the following principles:
 - a. The proposal is cost-effective on a cost-benefit basis;
 - b. The proposed use of the facility is considered the highest and best use of the facility when considered against other proposals or plans for the Development of the property within the last 10 years;
 - c. The method of development and operation of the facility is less expensive than if the County were to develop the property in question itself unless the County lacks the financial resources within the next two fiscal years to develop the property itself;
 - d. Preferably, there are synergies or economic spinoff benefits associated with the proposal that the County cannot solely achieve.
4. There is a demonstrated need and support [or interest] for the project from the perspective of both the County and the broader public interest;
5. The proposal is financially, legally, economically, socially and technically feasible.

These principles are used to assess proposals throughout the process to ensure net benefits are delivered to the community. Specific and more detailed evaluation criteria relevant to a particular proposal will be developed and applied at later stages in the process. The detailed evaluation criteria will be a refinement of these guiding principles.

Proposal

The proposal to Washoe County from Wendy W. Damonte, representing For Our Fans Foundation, is presented as “Reno USL Unsolicited Proposal” (Attachment A). The proposal includes a background, summary, and details for meeting Washoe County’s Unsolicited Proposal Policy and Guideline’s Evaluation Criteria. In the time since the proposal was submitted, Wendy Damonte has registered a non-profit 501(C)3 organization, in the name of “For Our Fans Foundation”. A draft ground lease agreement has been developed, modeled off similar projects originating from Unsolicited Proposals, and is presented as “Ground Lease - soccer stadium” (Attachment B).

FISCAL IMPACT

No fiscal impact

RECOMMENDATION

It is recommended to direct staff, with the assistance of the District Attorney's Office, to begin stage two of the unsolicited proposal policy by completing all necessary documents including a ground land lease and development agreement for the unsolicited proposal from Wendy W. Damonte, representing For Our Fans Foundation, a Nevada non-profit corporation, for a soccer stadium and indoor training facility at Washoe County's South Valleys Regional Park, up to 18 acres within APNs 142-011-13 and 142-011-02.

POSSIBLE MOTION

Should the Board agree with staff recommendation, a possible motion would be, "move to direct staff, with the assistance of the District Attorney's Office, to begin stage two of the unsolicited proposal policy by completing all necessary documents including a ground land lease and development agreement for the unsolicited proposal from Wendy W. Damonte, representing For Our Fans Foundation, a Nevada non-profit corporation, for a soccer stadium and indoor training facility at Washoe County's South Valleys Regional Park, up to 18 acres within APNs 142-011-13 and 142-011-02."

GROUND LEASE

This Ground Lease (“Ground Lease”) is between Washoe County, a political subdivision of the State of Nevada, as lessor (“Lessor” or “Washoe County”), and the Greater For Our Fans Foundation, a Nevada non-profit corporation, as lessee (“Lessee” or “FOFF”).

FOFF wishes to use Washoe County property to develop a soccer stadium, training center, and parking facility (the “Project”). The property that FOFF wants to use for the Project is approximately eighteen (18) acres in Washoe County’s South Valleys Regional Park (the “Property”), currently identified in Assessor’s Parcel Numbers 142-011-13 and 142-011-02. The Property is Washoe County parkland and is further described within the South Valleys Regional Park Master Plan. The Property’s legal description and depiction are provided in Exhibit A to this Ground Lease.

The Project will provide indoor soccer-based recreation to Northern Nevada and neighboring California communities, among other regions. Washoe County is interested in FOFF using the Property for the Project. However, the Property is subject to certain deed restrictions, including restrictions set forth in the Gift Deeds and Deed of Correction, document nos. 3830239, 1680341, 2477324, filed in Washoe County, Nevada, and restrictions based on the Land and Water Conservation Fund grant. As set forth below, this Ground Lease is conditioned on resolution of the aforementioned deed restrictions.

The parties entered into a Soccer Stadium Development Agreement (“Development Agreement”) that provides the Project’s terms. Under the Development Agreement, the parties agreed to enter into a ground lease under NRS 244.286 for FOFF to complete the Project, subject to resolution of the applicable deed restrictions.

Washoe County wants to lease the Property to FOFF and FOFF wants to lease the Property from Washoe County under this Ground Lease’s terms. FOFF wants to complete the Project with its own resources and without Washoe County contributing funds to the Project’s costs, except as otherwise set forth in this Lease or in the Development Agreement.

When the Washoe County Board of County Commissioners approved executing the Development Agreement, the Board authorized the Washoe County Manager to execute this Ground Lease.

Therefore, Washoe County and FOFF agree as follows:

1. Lease.

1.1 FOFF currently plans to construct the soccer stadium, training facility, and parking facility and the cost estimate to complete the Project is \$40,000,000.

1.2 Washoe County leases the Property to FOFF and FOFF leases the Property from Washoe County. With FOFF paying rent and fulfilling its other obligations under this Ground Lease, FOFF shall peaceably and quietly have the Property for the Project. Washoe County shall not interfere with FOFF using the Property as set forth in this Ground Lease.

1.3 Before FOFF begins the Project's construction, FOFF shall demonstrate to Washoe County's reasonable satisfaction that FOFF has obtained the \$40,000,000 it estimates is necessary to complete the Project.

2. Term.

2.1 Although effective upon the Effective Date set forth in Section 26 below, this Ground Lease's term is 20 years, beginning on the earlier of (1) the date the Project is first open to the public, or (2) one year from the date FOFF commences construction. The Ground Lease may be terminated earlier according to its terms.

2.2 If FOFF is not in default under this Ground Lease or the Development Agreement, then any time before this Ground Lease's initial term expires, FOFF shall have the right to extend the term of this Ground Lease for an additional 20-year period upon the same rent and other provisions set forth in this Ground Lease. The parties may enter into additional extensions of the Ground Lease's term. FOFF's exercise of the option for an additional 20-year term and the extensions of the Ground Lease's term beyond the 20-year option, if any, must be in writing.

2.3 If the soccer stadium or training facility is dormant for more than six consecutive months after it is constructed, the Development Agreement and this Ground Lease will become void and FOFF shall surrender the Property, building, and other improvements on the Property to Washoe County free of liens and encumbrances.

2.4 After the soccer stadium and training facility are constructed and the Ground Lease, and the option, if it is exercised, and any other extensions to the Ground Lease's term expire, the Property, building, and any other improvements FOFF constructed on the Property will belong to Washoe County free of liens and encumbrances.

3. Rent. FOFF agrees to pay Washoe County \$1 per year for the Property during the Ground Lease's term. Washoe County states that it has received from FOFF an advanced payment of \$20.00 for rent during this Ground Lease's initial term.

4. Constructing the Project.

4.1 FOFF may use the Property to complete the Project, including constructing the soccer stadium, training facility, and parking facility and any necessary appurtenances.

4.2 FOFF shall provide all planning, architectural, engineering, construction, and supervision services for the Project. Under NRS 244.286, before FOFF can begin constructing the soccer stadium, training facility, or parking facility, Washoe County's governing body must adopt the Project specifications for the soccer stadium, training facility, and parking facility, which FOFF will submit to describe the Project's requirements ("Project Specifications"). Washoe County will not unreasonably refuse, or delay adopting, the Project Specifications. After Washoe County's governing body adopts the Project Specifications, the Project Specifications may be changed only with the parties' written consent.

4.3 FOFF will enter into a construction agreement between FOFF and a licensed contractor (the “Construction Agreement”). The Construction Agreement will name FOFF as owner with the duties and obligations the Construction Agreement sets forth. Under NRS 244.286, the provisions of NRS 338.013 through NRS 338.090 apply to the Construction Agreement and all other agreements about constructing the soccer stadium, training facility, and parking facility. FOFF, FOFF’s contractor, and all subcontractors involved in the Project shall pay the prevailing wage rate as required by NRS 244.286 and NRS Chapter 338. FOFF or its authorized agent shall manage the Project.

4.4 Except as provided in sections 4.5 of this Ground Lease, the Construction Agreement and Project Specifications shall designate and show a haul route for soccer stadium, training facility, and parking facility construction traffic’s sole use as ingress and egress to the Property.

4.5 If FOFF does not designate the haul route described in section 4.4 of this Ground Lease, while the soccer stadium, training facility, and parking facility are being constructed, FOFF shall maintain to Washoe County’s reasonable satisfaction Washoe County roads and parking lots used by soccer stadium, training facility, and parking facility construction traffic. After soccer stadium, training facility, and parking facility construction is complete, FOFF shall have the Washoe County roads and parking lots used for soccer stadium, training facility, and parking facility construction repaired to Washoe County’s reasonable satisfaction.

4.5.1 If FOFF does not designate the haul route described in section 4.4 of this Ground Lease or soccer stadium, training facility, and parking facility construction traffic uses Washoe County roads or parking lots, the Construction Agreement shall make final payment to FOFF’s contractor contingent on the Washoe County roads and parking lots used by soccer stadium, training facility, and parking facility construction traffic being repaired to Washoe County’s reasonable satisfaction.

4.5.2 If FOFF does not designate the haul route described in section 4.4 of this Ground Lease or soccer stadium, training facility, and parking facility construction traffic uses Washoe County roads or parking lots, before soccer stadium, training facility, and parking facility construction begins, Washoe County shall photograph, video, and take an updated pavement condition index of the Washoe County roads and parking lots to be used for soccer stadium, training facility, and parking facility construction.

4.6 FOFF shall cause the soccer stadium and training facility to be maintained to Washoe County’s reasonable satisfaction, including maintaining the soccer stadium and training facility’s cleanliness, safety, and security. **Parking facility maintenance XXX** FOFF’s soccer stadium, training facility, and parking facility maintenance obligation includes complying with all applicable laws, regulations, or ordinances.

4.7 FOFF shall submit the Construction Agreement and Project Specifications to Washoe County for its review and approval when the Construction Agreement and Project Specifications are 30 percent complete and, again, when they are 90 percent complete. If the Construction

Agreement or Project Specifications are not reasonably satisfactory to Washoe County at each review, FOFF shall revise the Construction Agreement or Project Specifications to Washoe County's reasonable satisfaction. Washoe County shall not unreasonably withhold or delay its approval of the Construction Agreement and Project Specifications. Unless Washoe County provides FOFF with a written objection within 14 working days of any such submission, Washoe County shall be deemed to have approved such submission.

4.8 FOFF shall construct the soccer stadium, training facility, and parking facility as set forth in the Construction Agreement and Project Specifications.

4.9 FOFF may begin constructing the soccer stadium, training facility, and parking facility after the Ground Lease's Effective Date and the Construction Agreement's and Project Specifications's effective dates.

4.10 FOFF must begin constructing the soccer stadium, training facility, and parking facility within five years of the Ground Lease's Effective Date. FOFF shall complete constructing the soccer stadium, training facility, and parking facility within three years from the date it begins constructing the soccer stadium, training facility, and parking facility. This lease shall automatically terminate in the event construction does not begin within five years of the Effective Date or construction is not completed within three years of beginning construction.

4.11 Any time before it begins constructing the soccer stadium, training facility, and parking facility, FOFF may terminate this Ground Lease.

4.12 FOFF may provide separate Project Specifications and a separate Construction Agreement for each phase of the Project.

5. Soccer Stadium, Training Facility, and Parking Facility Use.

5.1 FOFF shall not use the soccer stadium, training facility, and parking facility contrary to any statute, rule, order, ordinance, requirement, or regulation, or in any way that would substantially diminish the Property's value or usefulness or cause a public nuisance or waste.

5.2 The parking facility must remain open to the public.

6. Property and Approvals.

6.1 Except for the representations contained in the Development Agreement and Ground Lease, which FOFF may rely on in constructing the soccer stadium, training facility, and parking facility, Washoe County has not made and does not make any representation as to the Property's condition or the Property's fitness or security for any specific use.

6.2 FOFF acknowledges that neither it nor Washoe County has obtained a Special Use Permit ("SUP") for the Project, if one is necessary. Washoe County shall use reasonable efforts to assist FOFF with obtaining the SUP, if one is necessary. "Reasonable efforts" means, with respect to a given obligation, the efforts that a reasonable person in Washoe County's position would use to comply with the obligation as promptly as possible. If obtaining a SUP is not

feasible or if FOFF cannot obtain a SUP within 240 days from this Ground Lease's Effective Date, either party may terminate this Ground Lease. If the Ground Lease is terminated under section 6.2, this Ground Lease and the Development Agreement shall cease to be of any further effect.

7. Title to the Project and the Property. FOFF shall own the soccer stadium and training facility. Except for the interest that is the subject of this Ground Lease, FOFF shall have no title or interest in the Property. FOFF states that its title to the soccer stadium and training facility buildings shall be subject to this Ground Lease's terms. Washoe County shall own the parking facility.

8. Licenses During Construction. From this Ground Lease's Effective Date until the soccer stadium, training facility, and parking facility is completed, FOFF shall and shall cause its contractor to have all licenses the law requires.

9. Licenses and Insurance During Construction. From the Ground Lease's Effective Date until FOFF completes the Project, FOFF shall, and shall cause its contractor to, have the insurance coverages required for FOFF under this Ground Lease. FOFF shall furnish Washoe County a copy of all such policies and shall be additionally insured under all policies.

10. Insurance and Indemnification.

10.1 If, before the Project is substantially complete, any building, fixture, or other improvement on the Property, except movable fixtures, furniture, or furnishings, is damaged or destroyed by fire or otherwise, FOFF shall restore or rebuild the improvement as nearly as possible to the condition it was in before such damage or destruction. FOFF shall proceed to complete the improvements in accordance with the Project Specifications and Construction Agreement, or build a replacement improvement which, with Washoe County's reasonable approval, is determined to be at least as desirable under the circumstances. FOFF shall use reasonable efforts to restore or rebuild the improvement as soon as possible. So long as FOFF complies with this section 10.1's requirements, no damage or destruction of the building or any of the fixtures or other property on the Property shall be grounds to terminate this Ground Lease or relieve FOFF or Washoe County from any obligation this Ground Lease creates or imposes.

10.2 With respect to any Proceeding brought by someone other than FOFF or someone other than one or more Washoe County Indemnitees against one or more Washoe County Indemnitees and that arises out of this Ground Lease or FOFF's use of the Property for the Project (each, a "Nonparty Claim"), FOFF shall indemnify those Washoe County Indemnitees against all Indemnifiable Losses arising out of that Proceeding, except to the extent that Washoe County negligently or intentionally caused those Indemnifiable Losses.

10.3 To be entitled to indemnification under this section, a Washoe County Indemnitee subject to any Nonparty Claim must promptly (and in any event no later than ten days after the Washoe County Indemnitee first knows of that Nonparty Claim) notify FOFF of that Nonparty Claim and deliver to FOFF a copy of all legal pleadings with respect to the Nonparty Claim. If the Washoe County Indemnitee fails to timely notify FOFF of a Nonparty Claim, FOFF will be relieved of its indemnification obligations with respect to that Nonparty Claim to the extent that

FOFF was prejudiced by that failure and FOFF will not be required to reimburse the Washoe County Indemnatee for any Litigation Expenses the Washoe County Indemnatee incurred during the period in which the Washoe County Indemnatee failed to notify FOFF.

10.4 FOFF shall be responsible for Litigation Expenses to the extent provided in the insurance requirements set forth in Exhibit **B** to this Ground Lease, except that FOFF shall not be liable for any Litigation Expenses with respect to any period during which the Washoe County Indemnatee fails to timely notify FOFF of that Nonparty Claim.

10.5 In this Ground Lease, the following definitions apply:

10.5.1 “Washoe County Indemnatee” means Washoe County or any Representative.

10.5.2 “Indemnifiable Losses” means the aggregate of Losses and Litigation Expenses.

10.5.3 “Litigation Expense” means any reasonable out-of-pocket expense incurred in defending a Proceeding or in any related investigation or negotiation, including court filing fees, court costs, arbitration fees, witness fees, and attorneys’ and other professionals’ fees and disbursements.

10.5.4 “Loss” means any amount awarded in, or paid in settlement of, any Proceeding, including any interest but excluding any Litigation Expenses.

10.5.5 “Proceeding” means any judicial, administrative, or arbitration action, suit, claim, investigation, or proceeding.

10.5.6 “Representative” means any of Washoe County’s directors, officers, or employees.

10.6 FOFF states the following:

10.6.1 That, as the parties’ Development Agreement requires, FOFF has furnished, or prior to any construction will furnish, Washoe County with a completion bond provided by a company or companies reasonably acceptable to Washoe County.

10.6.2 That the completion bond is in an amount equal to the Construction Agreement’s sum.

10.6.3 That the completion bond requires that the Project work be performed according to the Development Agreement’s, Project Specifications’s, Construction Agreement’s, and Ground Lease’s terms.

10.7 If FOFF enters into a separate Construction Agreement for each phase of the Project and a separate completion bond for each Construction Agreement, its representations in section 10.6 apply to each completion bond.

10.8 The failure to provide Washoe County with a completion bond before soccer stadium, training facility, and parking facility construction begins shall constitute a default under this Development Agreement.

10.9 FOFF states that maintaining and operating the Project is estimated to cost \$XXXXXX per year. Before Phase One of the Project is complete, FOFF shall furnish Washoe County with a letter of credit equal to 110 percent of the \$XXXXXX estimated cost to maintain and operate Phase One for one year, in the event FOFF defaults under this Ground Lease.

10.10 FOFF agrees to the additional insurance requirements as set forth in Exhibit B to this Ground Lease.

11. Mechanic's Liens.

11.1 If, as a result of any construction on the Property, the Property or any part of it, at any time during the Ground Lease's term, becomes subject to any vendor's, mechanic's, laborer's, materialman's, or other similar lien based on materials or labor provided to the Project, FOFF shall cause the lien to be discharged of record with the Washoe County Recorder at FOFF's sole cost and expense. And, after notice to Washoe County, FOFF shall by appropriate proceedings that it institutes and prosecutes, contest in good faith the validity or the amount of any such lien. But, if Washoe County shall deliver to FOFF an opinion of independent counsel to the effect that, by nonpayment for materials or labor provided to the Project, the interest created by the Ground Lease will be materially affected or the Project or Property will be subject to imminent loss or forfeiture, FOFF shall promptly cause the lien to be discharged of record. If FOFF fails to cause any such lien to be discharged of record, Washoe County may cause the lien to be discharged, and FOFF shall reimburse Washoe County for the amount expended.

11.2 Washoe County shall not be liable for any work performed or to be performed by FOFF or its contractor on the Property, or in the soccer stadium, training facility, and parking facility or for any materials furnished or to be furnished at the Property for FOFF and that no mechanic's or other lien for such work or materials shall attach to the reversionary or other interest, if any, of Washoe County in the building or the Property.

11.3 Washoe County may record a notice of nonresponsibility in accordance with NRS 108.234.

12. Utilities and Taxes. FOFF shall pay all charges for utilities provided to the Property, including power, water, and telephone. FOFF shall pay all federal, state, county, or city agency or subdivision tax assessed against the Property or soccer stadium, training facility, and parking facility.

13. Assigns and Successors.

13.1 On written notice to FOFF, Washoe County may assign its interests under this Ground Lease or sell or convey the Property, provided that no such assignment, sale or conveyance shall relieve Washoe County of its primary liability to FOFF for Washoe County's obligations under this Ground Lease. On receiving notice of Washoe County assigning this Ground Lease, FOFF shall recognize the new owner as Lessor under this Ground Lease and will continue to be bound by the Ground Lease's terms and conditions.

13.2 Any term of this Ground Lease that inures to the benefit of or is binding on Washoe County shall also inure to the benefit of and be binding on Washoe County's successors and assigns. Any term, covenant, or condition of this Ground Lease which inures to the benefit of or is binding on FOFF shall also inure to the benefit of and be binding on the of FOFF's successors.

14. Termination.

14.1 Washoe County may terminate this Ground Lease before it expires if FOFF defaults under this Ground Lease and fails to reasonably cure such default. In addition to the other defaults under this Ground Lease, any of the following is a FOFF default under this Ground Lease:

(a) FOFF fails to complete the Project within three years from the date that it begins constructing the soccer stadium, training facility, and parking facility plus any extensions of time the parties agree to in writing;

(b) FOFF fails to perform its obligations under this Ground Lease or the Development Agreement and FOFF does not cure its failure within 30 days after written notice from Washoe County specifying the claimed failure(s) and directing FOFF to take curative action;

(c) A lien of any kind is placed upon the Property, and the lien is not removed within 60 days after Washoe County provides FOFF with notice of the lien;

(d) There is filed by or against the FOFF as debtor, a petition under the U. S. Bankruptcy Code and such petition is not dismissed within sixty (60) days after the same is filed or FOFF proceeds under any similar insolvency laws or proceeds to wind up its affairs;

(e) Washoe County discovers that any FOFF material statement, representation, or warranty in this Ground Lease, the Development Agreement, or otherwise is false, misleading, or erroneous in any respect material to the Project; or

(f) FOFF fails to remain in good standing in the State of Nevada during the term of this Ground Lease after 30 days' prior written notice.

14.2 If FOFF defaults under this Ground Lease and fails to cure the default within 30 days after Washoe County provides FOFF with written notice that it failed to perform, FOFF shall surrender the Property, building, and other improvements on the Property to Washoe County free of liens and encumbrances.

15. Surrender of the Property, Building, and Improvements. FOFF agrees that, when this Ground Lease expires, including the 20-year option, if FOFF exercises it, and any other extensions of time, FOFF will surrender the Property, building, and other improvements on the Property to Washoe County, free of liens and encumbrances, except (i) the lien for current taxes, not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything that affects title to the Project resulting from acts or omissions of Washoe County or consented to in writing by Washoe County, (iv) any liens or encumbrances existing at the commencement of the term of this Ground Lease or placed on the Project during this Ground Lease's term by Washoe County and FOFF jointly, (v) any defects in title, covenants, conditions, restrictions, easements, rights-of-way of record, and leases or other tenancy agreements existing at the commencement this Ground Lease's term and shown as the title report in Exhibit C to this Ground Lease, and (vi) subleases covering portions of the Project executed by Washoe County during the term of this Ground Lease. FOFF agrees to execute the instruments and do the things as Washoe County reasonably requests, all at Washoe County's expense, to transfer FOFF's right, title, and interest in the building to Washoe County or its designee.

16. Defaults and Remedies.

16.1 Washoe County and FOFF state that in the event FOFF or Washoe County default in the performance of their respective obligations under this Ground Lease, either may take whatever other actions in law or in equity as might appear desirable to enforce performance and observance of their respective rights under this Ground Lease, including terminating this Ground Lease.

16.2 Despite anything to the contrary provided for in this Ground Lease, the rights of either party, in the event the other party breaches this Ground Lease, may not be exercised until written notice of the breach is given to the other party at the notice addresses provided in this Ground Lease. The breaching party shall have the right to cure the breach. Unless otherwise specified in this Ground Lease, the time to cure any breach shall be as follows: with respect to any breach that can be cured by payment of money within 15 days of receipt of written notice of the breach, or within 30 days thereafter with respect to any other term of this Ground Lease, and, if such breach cannot be remedied within 30 days, the breaching party shall have such additional time (not in excess of 60 days) as is reasonably necessary to cure such breach, provided that it commences the curing of such default within the requisite period and thereafter diligently continues to cure the breach.

17. Notice. Any notice that this Ground Lease requires to be given by either Washoe County or FOFF to the other shall be in writing and hand delivered or sent by certified mail, return receipt requested, and, unless the Ground Lease otherwise states, if delivered, notice shall be deemed given when delivered and if mailed, notice shall be deemed to be given five business days after being deposited in the United States mail, postage prepaid, addressed to the respective party at their respective addresses as follows:

FOFF:

For Our Fans Foundation
c/o The CFO Group
50 Washington Street
Reno, NV 89503

Washoe County:

Washoe County, Nevada
c/o County Manager
1001 E. 9th Street
Reno, Nevada 89512

Or, written notice may be given at such other address as one party may give notice of to the other in writing.

18. Headings. The headings of the various sections of this Ground Lease have been inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Ground Lease. The singular number and gender of personal pronouns as used throughout this Ground Lease shall be construed to mean such number and gender as the context, circumstances, or its antecedent might require.

19. Entire Agreement. This Ground Lease, the attached exhibits and the Development Agreement constitute the entire agreement between Washoe County and FOFF with respect to the Ground Lease's subject matter. This Ground Lease may be modified only by a writing signed by both Washoe County and FOFF.

20. Waiver. No failure by either Washoe County or FOFF to insist upon the strict performance by the other of a Ground Lease term or to exercise any right or remedy contingent on a breach of this Ground Lease shall constitute a waiver of such term or breach of this Ground Lease and the term shall continue in full force with respect to any then existing or subsequent breach.

21. Computation of Time. The time in which any act provided by this Ground Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

22. Counterparts. This Ground Lease may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

23. Recordings. Washoe County and FOFF may have a memorandum of this Ground Lease executed in recordable form and recorded in the Official Records of Washoe County, Nevada.

24. Severability. If any provision of this Ground Lease is held to be unenforceable, then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not). But if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Ground Lease, the entire Ground Lease is to be held unenforceable. The parties acknowledge that enforcement of sections 1, 2, and 4 as written are an essential purpose of this Ground Lease. If an unenforceable provision is modified or disregarded in accordance with this section 24, the rest of the Ground Lease is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.

25. Governing Law. Nevada law governs this Ground Lease and all adversarial proceedings arising out of this Ground Lease or arising out of planning or constructing the soccer stadium, training facility, or parking facility. The venue for all adversarial proceedings arising out of this Ground Lease or arising out of planning or constructing the soccer stadium, training facility, or parking facility shall be in state district court in Washoe County, Nevada.

26. Effective Date. This Ground Lease will become effective when all the parties have signed it, and when the deed restrictions set forth in the Gift Deeds and Deed of Correction, document nos. 3830239, 1680341, 2477324, filed in Washoe County, Nevada, and restrictions based on the Land and Water Conservation Fund grant. (the "Effective Date"). The Gift Deed restrictions may be resolved by the grantor's or their successor's agreement that the Project does not violate the terms of those deeds, and that the grantor waives any and all right of reverter they could be associated with this Ground Lease or the Project. The deed restrictions arising out of the Land and Water Conversation Fund grant may be resolved through a conversion approved by the State of Nevada. Upon resolution of the preceding deed restrictions, Washoe County staff shall promptly execute and serve written notice of that fact to FOFF in the manner set forth in Section 17 of this Ground Lease. This Ground Lease shall become effective upon service of that notice from Washoe County to FOFF.

FOFF:

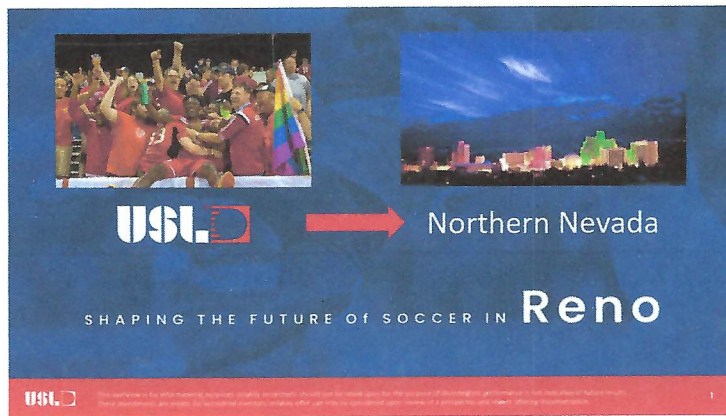
WASHOE COUNTY:

By: _____
Bob Enzenberger
Title: FOFF Board Chair

By: _____
Eric Brown
Title: Washoe County Manger

Date: _____

Date: _____



January 31st, 2024

Washoe County Manager's Office – Budget Office
P.O. Box 11130
Reno, NV 89520

RE: Proposal to Washoe County for Creation of a Professional Soccer Stadium at South Valleys Regional Park.

Background and Summary:

Reno USL Soccer stands at the forefront of a new era in professional soccer within northern Nevada. Rooted in a blend of competitive soccer excellence and community engagement, our mission transcends being a mere sports franchise – we aim to foster a deep connection with our fans and create a positive impact on the local community. Reno USL Soccer, as a member of the USL League One, seeks to not only entertain but also inspire, making us a hallmark of northern Nevada's sporting identity.

On February 16, 2023, Wendy Damonte and executive leaders from the United Soccer League (USL) hosted a community wide meeting to gauge support of the northern Nevada community in bringing professional soccer, specifically a League One men's team and a women's Super League team in USL, to Reno. In attendance that day were members from Washoe County, Chamber of Commerce, RSCVA, City of Reno, EDAWN, University of Nevada, a local developer, and the local soccer community. After the presentation, everyone in the room showed not only support for this endeavor, but true excitement at the opportunity of having professional soccer back in our region. From that day forward, Wendy Damonte has continued talking to community stakeholders. Several entities have shown interest in having a stadium built on their land. After reviewing all options, Wendy Damonte and her team, decided the perfect place to build the soccer stadium is at the South Valleys Regional Park on a parcel located on the northeast corner of Area 1 as outlined as a "flat field" on the county's master plan. On January 19th, 2024, Wendy Damonte and Bob Enzenberger, met with Eric Crump, Colleen Wallace-Barnum, Dan Gallagher, Luke Tipton, Brett Steinhardt, Stephen Hein and several members from Great Basin Youth Soccer League. Wendy and Bob outlined their interest in utilizing county land to build a professional soccer stadium in Area 1 of the county master plan for South Valleys Regional Park. The consensus at that meeting was that the parcel which borders Virginia Street would indeed be a good spot for such a

development. It was also discussed that the parcel just to the west of the proposed stadium parcel could and should be used to build a parking facility to ensure enough parking is available for all activities at South Valleys Regional Park. Parking is currently an issue for all park users and the building of a parking facility is a solid solution to this problem.

A professional soccer stadium will be a huge asset to the entire community. Northern Nevada hasn't had any major new development since the Reno Aces built the triple A baseball stadium in downtown Reno in 2009. We've seen numerous professional sports franchises move to Las Vegas over the last few years. We've also seen taxpayer money help build multibillion dollar stadiums in the southern half of our state. The north deserves a new, exciting development that will offer entertainment options for our entire community. The soccer stadium will be the home of both men's and women's professional soccer teams. That will provide 15 home games for each team, totaling at least 30 professional soccer games the community will be able to enjoy. The plan is to also create a youth academy that will call the stadium home. This academy will be of the highest quality and will have boys and girls teams capable of competing against academies in California. Those California teams currently have local soccer players on their rosters. This means kids get out of school at 3pm, get in the car and drive to their California teams in places like Sacramento and Santa Clara, practice until 8pm and then get in the car and drive back home all while studying for school in the back of the car. Our local athletes do this so they can compete at the highest level. Our academy will keep our local kids here in Reno/Sparks by providing them a high quality academy. The University of Nevada women's soccer team currently plays on the football field in Mackay Stadium. These athletes will finally be able to play in a soccer specific stadium and elevate their program regarding recruiting, retaining players, and competing at a true division 1 level. Soccer friendlies, games outside the regular season, will also be an exciting opportunity for our community. With a stadium, we will host friendlies with MLS teams such as the Earthquakes and teams from Europe. Beyond soccer, the stadium will be available as a community asset for other entities. Since soccer has the largest field of any sport, all sports fit on a soccer pitch. It will now be possible to host large-scale lacrosse tournaments in Reno. We will be able to host high school football championships in a professional stadium. In fact, any sport needing a special place to host a tournament or championship will now have a beautiful, exciting location to use. This stadium will increase Reno's reputation as a location to consider when it comes to large scale events. Additionally, Reno lacks a concert venue that seats 10,000 people. Our approximately 6,500 seat stadium will easily convert to a 10,000 seat concert venue attracting top name performers to Reno. In the entertainment industry, a 10,000 seat venue is the sweet spot for performers. Having well known entertainers of all types performing locally makes Reno an attractive place for tourists, new residents, new business, and helps us earn media coverage that showcases Reno as a thriving community.

Professional soccer has a proven track record in Reno. 1868 FC was in Reno from 2015 to 2020 and played in the Reno Aces baseball stadium. The average attendance was anywhere between 4300 to 5500 per game, according to a Nevada Sports Network report. In 2019, 1868 FC distributed more than 104,000 tickets according to USL documents. The team folded in 2020 due to the covid pandemic, according to 1868 FC president, Eric Edelstein. Edelstein went on to say the future of professional soccer would be successful if a new ownership group could build a soccer specific stadium. "That would be the best path forward in the future, because that is definitely desired, not only by leagues, but by players who want to play on the best field possible. It's too early to speculate, but my true belief is the future of soccer and

pro soccer in America, if you're buying a 20-year stock, I'd be buying soccer right now. It's only going to continue to grow."

The Reno USL teams will join a league this is thriving across the United States. Currently, there are 200 communities and 42 states with a USL franchise, with more coming onboard each year. Reno is a key target market for USL with the desire to have enough teams on the west coast to create a divisional playoff system. Spokane is the latest USL League One team which will begin competition in 2024.

The goal of the Reno USL franchise is to begin competition with the Super League women's team in the fall of 2025. The men's team will begin play in the spring of 2026. This will coincide with the World Cup being played in the United States, Canada and Mexico in 2026. Soccer fever will be at an all-time high in 2026 and we must take advantage of that excitement.

We would like to request that Washoe County consider leasing the land mentioned above, specifically, a portion of APN 142-011-13, on a long-term basis to our soccer nonprofit which is in the process of being created. We would then enter into a contract with a developer to design and build the soccer stadium. The Reno USL Teams would manage and maintain the stadium. The total cost of the stadium should not exceed \$35 million.

This property has been studied extensively. The initial Master Plan for South Valleys Regional Park was completed in 1993 and updated in 2000 to specifically include soccer fields. The most recent Master Plan update was completed in December 2015 after extensive analysis and input from consultants, a technical review group, citizens, stakeholders, on-line surveys and a multi-day charrette. The proposed stadium would be a permitted use under the Master Plan and attachments thereto. As stated in the latest Master Plan: "An overwhelming number of people voiced their support for an indoor recreation facility and additional multi-use fields." Reno Ice has satisfied the public's want for an indoor recreation facility at this park, and the proposed soccer stadium will provide the needed multi-use fields. Wendy Damonte and her team are currently fundraising through public grant opportunities, private foundations and individuals known to support sports and entertainment opportunities in our area.

If Washoe County chooses to commit to this concept it's understood by Wendy Damonte and her team that much would still need to be worked out by all parties involved. A more detailed and multi-phased plan would be presented to the Washoe County Board of Commissioners for final approvals.

Meeting the EVALUATION CRITERIA FOR AN UNSOLITED PROPOSAL TO WASHOE COUNTY

GUIDING PRINCIPLES

1. This proposal is unique and innovative. It's unique because there has never been a soccer specific stadium in Reno/Sparks. Further, it is unique to Wendy Damonte because she currently owns the exclusive rights to purchase the Reno USL franchises. This type of venue, as stated above, offers a vast and unique array of activities that fit inside a soccer stadium.

2. This proposal aligns with the mission of Washoe County's Regional Parks and Open Space Mission: "To provide exceptional parks, open space and recreational opportunities while preserving our natural, historical and cultural resources."

Our area has always supported healthy activities, providing opportunities for kids to compete and learn from successes and failures in the sporting world, and prided itself on being an outdoor and adventurous community. Adding hometown professional sports teams fully aligns with the roots of this community and helps support a positive future for everyone who lives here.

3. This proposal represents value for money for the investment required by Washoe County and provides benefits to the community by meeting the following principles;

a. This proposal is cost-effective on a cost-benefit basis. Assuming that Washoe County provides the land with a \$1 a year lease agreement, the county would not have to pay to build the soccer stadium. In fact, this proposal saves the county money and helps it finish its master plan that's been on hold for many years.

The vast majority of additional funding for this project will be provided by public grant opportunities, private foundations, corporations, and individuals. The stadium will be a \$35 million dollar asset the county didn't have to pay for. The stadium will be self-sustained with income from concerts, the soccer teams, concessions, parking, tournaments, and special events.

b. This proposed use of the land is the best option. It will become a gathering place for locals to come together for a healthy, fun outing. Currently, northern Nevada only has one professional sports team. A community of our size deserves another professional sports franchise and building a stadium at the South Valleys Regional Park provides a safe place for families to come cheer on their local teams. It also enhances the identity of this park. South Valleys has historically been a sports-based park and a professional stadium is an attractive addition to its identity.

c. This method of development is less expensive than any other option. The stadium will be a modular stadium, similar to Mackay Stadium at the university and can be constructed in a relatively short period of time after the building site is prepared.

4. Professional soccer was successful in Reno in the past. It will be successful again. People were extremely disappointed when 1868 FC left town due to Covid. Soccer is the first sport most kids play. People love soccer and will embrace the chance to have two hometown teams they can cheer for.

5. There are no apparent obstacles to this proposal. It is feasible in every way, financially, legally, economically, socially, and technically.

Unique and Innovative

Across this country, soccer stadiums and professional teams are pulling communities together and building a sense of pride for residents. The soccer stadium at South Valleys Regional Park will be no different. The uniqueness of a brand new stadium in Reno will be exciting, invigorate a new type of energy, and will offer a unique experience never before offered in northern Nevada. In Colorado Springs, a community very similar to ours, the Switchbacks FC are playing in a new soccer stadium which is anchoring a multi-million-dollar redevelopment project. The Colorado Springs Urban Renewal Authority is forecasting the project will attract approximately 1.2 million visitors annually which will increase retail sales by \$140 million each year and add \$4.4 million in new sales tax revenue for the city annually. "Not only were the Switchbacks born to help unify Colorado Springs, but the United Soccer League (USL) expansion franchise plays an integral part in the city's ambitious downtown redevelopment strategy

dubbed City for Champions,” said Switchbacks President, Nick Ragain. Similar stories are happening all across the country. This will happen in Reno too!

Strategic Objectives and County Policy

The Mission of the Washoe County Strategic Plan is: “Working together regionally to provide and sustain a safe, secure and healthy community.” As a parent of two kids growing up in Reno, I hear all the time, “there’s nothing to do here!” Cheering on a hometown soccer team, at a vibrant stadium location, will give kids of all ages something fun to do. Families will have a safe place to go and enjoy themselves. A healthy community has healthy entertainment options. Our project will provide that in Reno. As previously pointed out, this project checks all the boxes in the Strategic Objects and Goals in the Washoe County Strategic Plan that include Fiscal Sustainability, Economic Impacts, Vulnerable Populations, and Innovative Services.

Project Benefit

This project delivers a concept that brings significant value to the community. It will sustain itself, offer quality entertainment, provide youth the opportunity to learn soccer at the highest level, and allow local athletes the chance to play soccer at the professional level in their hometown. In our community, we are adding desperately needed flat fields. The Moana fields are invaluable. The newly proposed fields on the northeast side of the airport will be a huge benefit. However, by not providing our local athletes with the chance to go to the next level, we are limiting our kids in the sport of soccer. Our goal as a community should be to try and keep our kids here. With the new stadium and professional men’s and women’s teams, our local kids now have a pathway to greatness here at home. A third grader at Anderson Elementary who started her athletic prowess in soccer, now will have the opportunity to play professional soccer in front of her hometown crowd.

Need and Support

12,000 kids in our area are playing soccer right now in 5 different soccer leagues. There are 3 adult leagues with 750 adults playing weekly as their go-to activity to stay active. Soccer is the most popular sport in the world, it’s the second most popular sport in the United States for people ages 12 to 24, and it’s the second most popular sport to watch on TV for Americans aged 18 to 34. Adding to the coverage already happening on ESPN, USL has just signed a contract with CBS. Our soccer games will be aired nationally, giving Reno/Sparks huge media visibility.

Feasibility

As the Assessment Panel considers the financial, legal, economic, social, and technical feasibility of this project, we believe they will agree with our determination that there are no real obstacles. If a green light is given to move to STAGE TWO, we will work with the county to bring this proposal to the next level and create a detailed plan and timeline to efficiently meet the needs of the community.

Community Engagement

Our commitment to community engagement is unwavering. We envision the stadium as a hub for community activities. We plan to partner with local schools, youth soccer leagues, and community organizations to host events, workshops, and soccer clinics. Educational programs and charity events will

be a regular part of our community involvement efforts, ensuring that the stadium becomes a center for learning and sportsmanship.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wendy W. Damonte". The signature is fluid and cursive, with the first name "Wendy" being more prominent and the last name "Damonte" following in a similar style.

Wendy W. Damonte

Artemisia Sports, LLC

775-843-7575

Renosoccer24@gmail.com

WASHOE COUNTY

Unsolicited Proposal
Policy and Guideline

Approved Board of County Commissioners January 12, 2016

WASHOE COUNTY

Unsolicited Proposal Policy and Guideline

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Introduction

Washoe County is committed to implementing a clear policy and framework for the consideration of unsolicited proposals for development and/or use of County-owned land and/or infrastructure and associated service delivery.

This Policy and Guideline indicates a willingness on the part of the County to partner with the private sector to deliver innovative infrastructure and associated service delivery outcomes and provides a gateway for the private sector to deal directly with Washoe County on unique proposals.

The aim of this Policy and Guideline is to provide a transparent and consistent assessment process to allow the County to fairly consider unsolicited proposals received from the private sector, and to determine whether they align with the County’s strategic priorities and provide a benefit to the public.

It should be noted that Washoe County procures infrastructure and associated services under the process set forth in the Nevada Revised Statutes (NRS), which provide for an open competitive process to achieve the best value for money. In the majority of cases, this is the preferred approach for procurement to achieve the best return for Washoe County and to ensure all proponents wishing to conduct business with the County are given a fair and reasonable opportunity to do so.

Application of the policy

The *Unsolicited Proposals: Policy and Guidelines* applies to services, supplies, partnerships, and projects which have a minimum private investment contribution of \$100,000.

This policy is to be applied as a policy for normal review of unsolicited requests for purchases or investments as outlined in the Rules and Procedures for the Board of County Commissioners.

Definition of unsolicited proposal

An unsolicited proposal is a unique or innovative proposal initiated by the private sector¹ that uses County-owned fixed assets -- either land, infrastructure or both -- and is submitted to the County to deliver outcomes that are desirable to Washoe County and which may not be suitable to progress through standard competitive procurement processes. It involves private sector businesses approaching Washoe County for the County’s approval and support for the project, which could take the form of financial support, or other forms of in-kind support such as regulatory or social support, or the use of County assets. When involving the financing, design, construction and/or maintenance of infrastructure, these proposals are sometimes called private-public partnerships (“P3”). However, an unsolicited infrastructure proposal also can include proposals such as the leasing and development of County land.

Objectives

The following objectives will guide the County’s process for considering unsolicited proposals:

- Promoting the development of innovative ideas with the private sector where appropriate;

¹ “Private sector” includes for-profit businesses, tax-exempt nonprofit organizations formed under Section 501(c) of the United States Internal Revenue Code, and faith based organizations.

- Ensuring an open, transparent and fair process that involves a high standard of ethics and public accountability;
- Ensuring a project benefit for Washoe County is achieved;
- Ensuring the benefits of the project for the County are measurable and can be maximized; and
- Ensuring the proponent’s Intellectual Property (IP) is respected.

The County has no obligation to approve an unsolicited infrastructure proposal no matter how much contribution the project proponent has offered. The County recognizes that a number of issues must be considered in evaluating such proposals and that even considering a significant upfront commitment, that commitment may be dwarfed by ongoing costs of the County in operating or maintaining the facility, which could otherwise be used by the County for other initiatives it deems of greater value.

Ethics

The assessment of unsolicited proposals must be fair, open, demonstrate the highest levels of ethics and be consistent with the public interest. The assessment of proposals will be conducted through the application of established ethical principles that aim to ensure the integrity of the decision making processes. In particular, Washoe County will aim to ensure the process is:

- Impartial;
- Accountable and transparent, with any conflicts of interest managed appropriately;
- Confidential to the extent allowed under State law; and
- Provides benefit to Washoe County residents.

Ethics laws for public employees are contained in Nevada Revised Statutes (NRS) 281A and will be the guiding principles against which the decision making process is governed for each proposal.

Governance

The Washoe County Budget Office (“Budget”) is responsible for receiving unsolicited proposals and for coordinating the assessment process. Budget will participate on and establish an Assessment Panel comprised of representatives from the Capital Improvement Committee and affected County departments and agencies, to undertake the assessment of the proposal and provide a recommendation to the Board of County Commissioners (“Board”).

The Board is responsible for initial approval at Stage One and for final approval, including entering into a contract.

Budget is able to issue administrative instructions to clarify the requirements for the assessment under this Policy and Guideline. Any such administrative instructions must be entirely consistent with this Policy and Guideline.

Resource Commitments

As the proponent and County work through the assessment and development of the proposal, there will likely be a requirement for the commitment of resources by both parties, including financial costs borne by the proponent for the more detailed development of the proposal in Stage Two.

Evaluation Criteria

Guiding Principles

The County has adopted the following principles to guide its consideration of unsolicited proposals:

1. The proposal is unique and innovative and cannot be reasonably delivered by another proponent or achieve the same (or greater) value for money outcome through a competitive process within acceptable timeframes;
2. The proposal aligns with the County's policies and strategic objectives;
3. The proposal represents value for money for the investment required by Washoe County and provides benefits to the community by meeting the following principles:
 - a. The proposal is cost-effective on a cost-benefit basis;
 - b. The proposed use of the facility is considered the highest and best use of the facility when considered against other proposals or plans for the development of the property within the last 10 years;
 - c. The method of development and operation of the facility is less expensive than if the County were to develop the property in question itself unless the County lacks the financial resources within the next two fiscal years to develop the property itself;
 - d. Preferably, there are synergies or economic spinoff benefits associated with the proposal that the County cannot solely achieve.
4. There is a demonstrated need and support [or interest] for the project from the perspective of both the County and the broader public interest; and
5. The proposal is financially, legally, economically, socially and technically feasible.

These principles are used to assess proposals throughout the process to ensure net benefits are delivered to the community. Specific and more detailed Evaluation Criteria relevant to a particular proposal will be developed and applied at later stages in the process, as discussed below under the assessment process. The detailed Evaluation Criteria will be a refinement of these guiding principles.

Unique and innovative

For an unsolicited proposal to be considered, it must demonstrate unique benefits, a clear ability to deliver the proposal and demonstrate how its idea is differentiated from other offerings in terms of benefiting the general public. Factors that should be considered include whether:

- The proposal can be readily delivered by other private sector entities or the County itself;
- The proponent owns something that would limit the County from contracting with other parties;
- There are other attributes which may not necessarily stand alone as unique but, when combined, create a unique proposal; and
- The proponent has a unique ability to deliver a strategic outcome or financial arrangement.

Strategic objectives and County policy

The proposal will be assessed against its ability to support or deliver on strategic objectives and whether it is consistent with the County's plans, priorities and policies. Importantly, this includes whether it upholds the public interest and delivers a public benefit such as facilitating economic growth or providing a service that is not provided by the County, what level (if any) of sustained impact it will have on the community and whether it has a positive and significant impact on local jobs.

Project Benefit

The Assessment Panel will consider whether the proposal delivers value for money to the community. It will consider the net economic benefits of the proposal, life cycle costs and revenue, quality, risk borne by Washoe County, and benefits gained by the community. The proposal must meet the following principles:

- The proposal is cost-effective on a cost-benefit basis;
- The proposed use of the facility is considered the highest and best use of the facility when considered against other proposals or plans for the development of the property within the last 10 years;
- The method of development and operation of the facility is less expensive than if the County were to develop the property in question itself, unless the County lacks the financial resources within the next two fiscal years to develop the property itself;
- Ideally, there are synergies or economic spinoff benefits associated with the proposal that the County cannot solely achieve.

The County will not consider the use of private-sector financing for the construction of any facility that the County owns or will own, unless the proponent is proposing to construct a facility and deed that facility to the County at no cost.

Need and Support

The Assessment Panel will consider whether there is a demonstrated need and support for the proposal or whether its financial and administrative resources would be better focused elsewhere. It will also ask whether the proposal is consistent with Washoe County's plans and priorities and whether the proposal would require the County to re-prioritize and/or re-allocate funding (and whether any such re-allocation is appropriate).

In determining the level of support for a proposal, the Assessment Panel will consider one or more of the following methods:

- Community surveys previously conducted by the entity submitting the proposal
- Community surveys to be conducted by the County
- An assessment of the need and projected revenues prepared by a consultant contracted by the County
- Public testimony received at one or more community workshops conducted by the County

Feasibility

The Assessment Panel will consider the financial, legal, economic, social and technical feasibility of the project. The Assessment Panel, in consultation with Budget, will consider whether the proposal can be appropriately funded and from which source this funding would be available. If the proposal moves to Stage Two of the process, a detailed financial appraisal will be required to be undertaken.

The Assessment Panel will also consider whether the:

- The proposed delivery model including planning, design and construction and operations arrangements is feasible (within a reasonable timeframe and appropriate level of risk) as well as being consistent with the County's objectives;
- Proponents/parties to the proposed project are capable of delivering the project and the proposed contractual structure will enable the delivery of the outcomes; and

- The proposed project does not violate County ordinances or state or federal law. The Assessment Panel shall consult with the District Attorney's Office and the County's bond counsel in reaching this determination.²

The assessment process

A three stage process will guide the assessment of unsolicited proposals:

- **Stage One:** The proponent submits an unsolicited proposal for preliminary consideration and assessment against guiding principles;
- **Stage Two:** The Assessment Panel and proponent work together to develop a full proposal and a detailed evaluation and assessment is undertaken, including a detailed financial assessment; and
- **Stage Three:** The County awards the contract and the parties deliver the project.

If at any stage during the process approval is not obtained to move to the next stage, the County and proponent will (consistent with any agreements reached throughout the various stages), decide on protection of relevant intellectual property and costs of both parties.

Further, if at any stage during the process the proposal (in full or any components) is deemed to be a procurement, the Assessment Panel must seek relevant approvals from the Board. It should be noted that this process cannot be used to bypass existing procurement processes already underway.

Stage One

All proponents are strongly encouraged to review this Policy and Guidelines document in order to gauge the suitability of the proposal and discuss key requirements under the Policy and Guideline with Budget prior to making their submission.

Submission of proposal

The proponent will submit an unsolicited proposal to Washoe County. All proposals are to be directed to Budget, and must include key information to facilitate a preliminary assessment of the proposal.

Proposals are to be sent to:

Washoe County Manager's Office – Budget Office
P.O. Box 11130
Reno, Nevada 89520
Phone: 775-328-2000

Proposals will not be considered until all relevant information is provided. Relevant information includes:

- Identification and supportive information relating to all of the parties associated with the proposal;
- An outline of the proposal, including sufficient detail of the costs and benefits, to demonstrate that the proposal is viable and able to be appropriately resourced;
- An explanation of how the proposal meets the guiding principles;

² An opinion from bond counsel is necessary when the proposal requires the use of land or facilities previously financed by tax-exempt debt.

- The unique or innovative aspects of the proposal;
- The proposed benefits to the County, including how the proposal is in the public interest;
- The desired delivery method;
- The required County support and financial commitments, including the expected capital cost, the financial capacity of the provider and other funding sources (if applicable); and
- A discussion of areas considered to be unique intellectual property.

Preliminary assessment

Once Budget has received all required information from the proponent and is satisfied that it meets the basic eligibility requirements, an Assessment Panel comprised of representatives from the Capital Improvement Committee and affected County departments and agencies will be established based on the type of proposal and its requirements.

The Panel will assess the proposal against the guiding principles and submit the initial recommendation to the Board. The Board submission will recommend either that the proposal is viable and should move to Stage Two to undergo a full evaluation or that the proposal should not proceed. If it is recommended that the proposal should move to Stage Two, the Panel may also recommend to the Board that it enters into an exclusive negotiation with the proponent.

If it is recommended that the proposal proceed, the Board submission will include:

- The detailed Evaluation Criteria against which the proposal will be evaluated – this will be based on the type of proposal received, but will be consistent with the guiding principles; and
- The broad terms and conditions to be included in a Memorandum of Understanding (MOU) to be developed with the proponent, including any funding requirements from the County. The MOU will be developed in conjunction with the District Attorney’s Office.

Stage Two

Memorandum of Understanding

Following initial Board approval, a MOU will be developed by the District Attorney’s Office in conjunction with the Assessment Panel. The MOU will include:

- All core issues identified in the Board approval;
- The detailed Evaluation Criteria previously approved by the Board (including a process for determining project budget and the proposal’s local impact on jobs), which will be consistent with the Guiding Principles; and
- Ethics, process and protocols for negotiation.

The MOU will also involve collaboration in conjunction with the proponent and may include other components such as:

- A process for identifying and treating intellectual property rights;
- A process for determining project costs;
- Timeframes for completion of the negotiation and assessment requirements;
- Rights and obligations of each of the parties;
- Information requirements;
- Potential outcomes;
- Confidentiality and approval requirements; and
- Management of conflict of interest.

Detailed Submission

Following the development of the MOU, the proponent and the Assessment Panel will work together to further develop the proposal and final recommendation, and to develop a project plan to be submitted to the Board. Depending upon the nature of the proposal, this may require a degree of preliminary negotiation on key issues, however, this will be covered by the MOU. The ethics laws will also be reviewed as required, and an adviser from the District Attorney's Office may be appointed for the duration of the process.

This stage involves further assessment against the guiding principles and associated specific evaluation criteria as outlined in the Board submission referred to above. It will also involve further consideration of the feasibility of the project, how it will be delivered and whether it represents a benefit for Washoe County citizens. There is no presumption that at the end of the negotiation process a proposal will be agreed upon.

It is expected that the proposal will be fully developed at the end of this stage, including the commercial and financial aspects, with only a limited number of issues outstanding.

At the end of this stage the County may decide to negotiate a final offer with the proponent, not proceed with the proposal or contemplate another approach, including a competitive process or the purchase of the proponents intellectual property, where possible.

Approval Requirements

Project Benefit

A cost/benefit evaluation will be required to assess whether value for money is being achieved for Washoe County and to ensure that the proposal and its financial impact are considered in relation to the budget. As such, a full financial analysis by the Assessment Panel will be carried out during this stage, possibly using a consultant to assist in this evaluation.

If the proposal requires that the County's financial resources will be needed to construct, operate or maintain the proposed facility or improvements or share in these costs, the proposed costs of this commitment will be considered as part of the annual CIP or operational budget process or both depending on the circumstances, unless the County Manager considers this an urgent or extraordinary opportunity that requires immediate review and directs the Assessment Panel to bring the proposal to the Board immediately upon completion of its analysis.

Board Submission

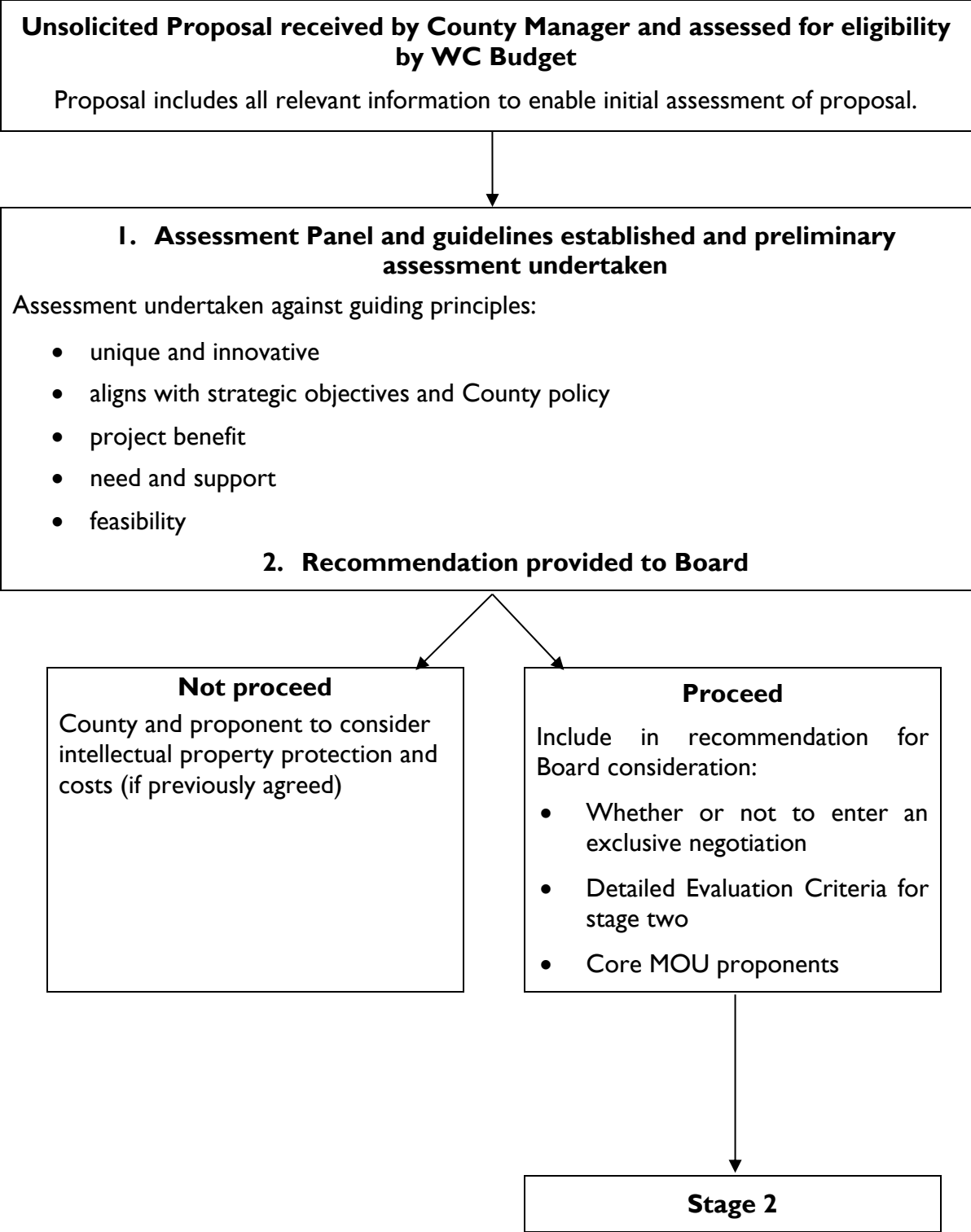
Following endorsement by the Assessment Panel, the detailed submission will be provided to the Board of County Commissioners for approval.

Stage Three

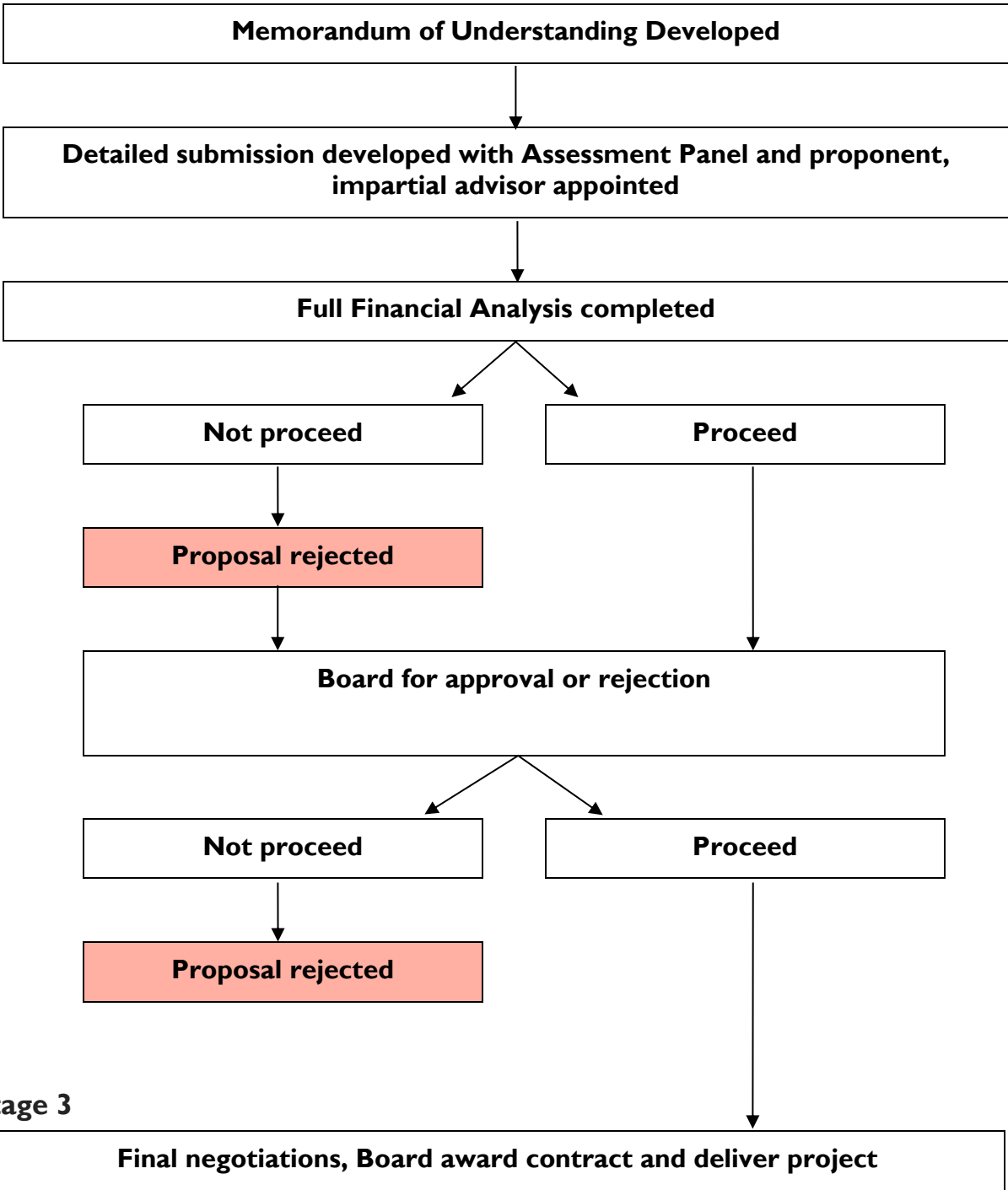
If Board approval is received, stage three involves the proponent and Washoe County entering into binding contractual arrangements to deliver the agreed proposal.

Flowchart - Process for considering unsolicited proposals

Stage I



Stage 2



Stage 3

