

STAFF REPORT

Date: October 23, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Acceptance of Donation from the Community Health Alliance for construction costs on the Neil Road Facility Remodel and Expansion Project in the amount of \$400,000.

From: Justin George, Senior Civil Engineer

Department: Public Works

Summary:

The Neil Road facility is currently leased to Community Health Alliance (CHA) to provide critical healthcare services to a traditionally underserved community. The scope of this project is to remodel the existing 5,120 square foot facility and expand it with an additional 4,000 square feet of space. This will allow CHA to expand the services available to the community at this facility.

The construction contract award for K7 Construction, also on this meeting agenda, is for \$4,871,900. This cost along with the design, permitting, utility improvements and various other costs puts the total project cost at \$5,400,000. This is above the \$5 million that Council allocated to the Neil Road Remodel and Expansion Project. Per the memorandum of understanding entered into on July 31, 2024 the Community Health Alliance will donate \$400,000 to fund the construction cost gap for construction of the Neil Road Remodel and Expansion Project.

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing
Infrastructure, Climate Change, and Environmental Sustainability
Economic and Community Development

Previous Council Action:

July 31, 2024 - Council approved the memorandum of understanding (MOU) between the City of Reno and Community Health Alliance (CHA) on the Neil Road Facility Remodel and Expansion Project and approved the lease term sheet and authorized the Mayor to sign the MOU.

April 10, 2024 – Council approved a consultant agreement with Tectonics Design Group for the design and construction administration services for the Neil Road Facility Remodel and Expansion project in an amount not to exceed \$342,583 (ARPA Fund)

March 8, 2023 – Council approved an additional \$2,000,000 ARPA fund allocation to the access to healthcare priority category and approved the Neil Road Facility Remodel and Expansion project with an allocation of \$5,000,000.

January 26, 2022 – Council allocated \$24,499,998.50 ARPA fund to seven priority categories as a result of the public engagement process, including \$3,000,000 to access to healthcare.

August 25, 2021 – Council accepted the \$51,519,997 SLFRF allocated through ARPA and directed staff to begin a public engagement process.

Background:

The Neil Road facility is currently leased to Community Health Alliance (CHA) to provide critical healthcare services to a traditionally underserved community. The scope of this project is to remodel the existing 5,120 square foot facility and expand it with an additional 4,000 square feet of space. This will allow CHA to expand the services available to the community at this facility.

Discussion:

The construction contract award for K7 Construction, also on this meeting agenda, is for \$4,871,900. This puts the total Neil Road Remodel and Expansion Project costs including design, permitting and utility fees at approximately \$5,400,000. Council allocated \$5 million of APRA funds for this project. Per the memorandum of understanding entered into on July 31, 2024 the Community Health Alliance will fund the gap beyond what APRA funds will cover for construction. Community Health Alliance will donate \$400,000 to fund the cost gap for construction of the Neil Road Remodel and Expansion Project.

Financial Implications:

The funds will be used for construction costs on the Neil Road Remodel and Expansion Project.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada Law. NRS 268.008(6) provides that the city may "Receive bequests, devises, gifts and donations of all kinds of property wherever situated in fee simple, in trust or otherwise, for charitable or other purposes and do anything necessary to carry out the purposes of such bequests, devises, gifts and donations with full power to manage, sell, lease or otherwise dispose of such property in accordance with the terms of such bequest, devise, gift or donation."

Recommendation:

Staff recommends Council move to accept the donation from Community Health Alliance for construction costs on the Neil Road Facility Remodel and Expansion Project in the amount of \$400,000.

Proposed Motion:

I move to accept the donation from Community Health Alliance for construction costs on the Neil Road Facility Remodel and Expansion Project in the amount of \$400,000.

Attachments: