

STAFF REPORT

Date: January 22, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Approval of modified Amendment No. 2 to Professional Services Agreement between the City of Reno and the Downtown Reno Business Improvement District doing business as the Downtown Reno Partnership for the management and operation of the Downtown Reno Business Improvement District.

From: Bryan McArdle, Revitalization Manager

Department: City Manager's Office

Summary:

The proposed Amendment No. 2 to the Professional Services Agreement (PSA) between the City of Reno and the Downtown Reno Business Improvement District (DRBID), doing business as the Downtown Reno Partnership (DRP), introduces significant changes to the scope and financial terms of the original agreement. The amendment eliminates all provisions related to Supplemental Police Services and the associated payment, reflecting adjustments due to changing economic conditions. Additionally, the amendment updates the City Maintenance Services and sets the City Maintenance Payment for Fiscal Year 2024/2025 at \$479,550. This amendment also modifies definitions and removes Exhibit D, which pertained to Supplemental Police Services, while revising Exhibit E related to Maintenance Services. The goal is to ensure more streamlined operations and maintain the effectiveness of the services provided within the District.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?		X
2. Is this item an agreement required based on an item previously approved by Council?	X	
3. Is this item included in the current budget approved and adopted by Council?		X
Other Considerations		
What percent of the total City budget does this item represent?	N/A	

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

August 14, 2019 – Council approved modified Amendment No. 1 to Professional Services Agreement between the City of Reno and the Downtown Reno Business Improvement District doing business as the Downtown Reno Partnership for the management and operation of the Downtown Reno Business Improvement District dba Downtown Reno Partnership.

June 12, 2019 – Council approved Amendment No. 1 to Professional Services Agreement between the City of Reno and the Downtown Reno Business Improvement District dba Downtown Reno Partnership.

May 23, 2018 – Council approved and directed the Mayor to sign the Professional Services Agreement between the City of Reno and the Downtown Management Organization, legally known as the Downtown Reno Business Improvement District (DMO).

Background:

Under the authority of NRS 271.332, the City of Reno can contract with a nonprofit association to manage and provide services for the Downtown Reno Business Improvement District (BID). The initial PSA, executed on May 23, 2018, and amended on August 14, 2019, set forth terms for DRP to manage the BID, including baseline services, enhanced maintenance, and supplemental police services.

Discussion:

Amendment No. 2 reflects agreed-upon changes due to evolving economic conditions and the need to optimize service delivery. Key changes include:

- Elimination of Supplemental Police Services
 - The definition of "Supplemental Police Services" and "Supplemental Police Services Payment" are deleted.
 - Section 3.2, which defined the scope, type, and level of Supplemental Police Services, is deleted.
 - Section 3.5.2, which related to the payment for these services, is also removed.
 - Exhibit D, which described Supplemental Police Services, is deleted in its entirety.
- City Maintenance Services
 - Section 3.5.3 outlines that the City will retain \$479,550 from BID revenues for City Maintenance Services for Fiscal Year 2024/2025.
 - Exhibit E, which details Maintenance Services, is amended and restated.

- Operating Budget Updates

- The Association is required to submit an Operating Budget by February 1 each year, detailing revenues, expenditures, and any proposed changes to City Maintenance Services.
- Any unexpended BID revenue will roll over to the following fiscal year unless the BID is terminated, in which case remaining funds revert to the City.
- These changes simplify the agreement by focusing on core maintenance services and reducing administrative complexities related to police services.

Financial Implications:

The amendment eliminates the provisions related to Supplemental Police Services, thereby removing the associated Supplemental Police Services Payment. This change reduces expenditures previously allocated to law enforcement support within the Downtown Reno Business Improvement District (BID). In place of this, the City Maintenance Services Payment for Fiscal Year 2024/2025 is set at \$479,550, which will be retained by the City from BID revenues. This amount reflects the costs for the City to provide baseline maintenance services within the BID and may be modified through mutual agreement as outlined in Section 3.3 of the Professional Services Agreement (PSA).

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law. The amendment aligns with NRS 271.332, which allows the City of Reno to contract with nonprofit associations to manage and provide services for improvement districts.

Recommendation:

Staff recommends approval of the modified Amendment No. 2 to Professional Services Agreement between the City of Reno and the Downtown Reno Business Improvement District doing business as the Downtown Reno Partnership for the management and operation of the Downtown Reno Business Improvement District.

Proposed Motion:

I move to approve the modified Amendment No. 2 to Professional Services Agreement between the City of Reno and the Downtown Reno Business Improvement District doing business as the Downtown Reno Partnership for the management and operation of the Downtown Reno Business Improvement District.

Attachments:

- AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT DOWNTOWN RENO BUSINESS IMPROVEMENT DISTRICT
- PROFESSIONAL SERVICES AGREEMENT DOWNTOWN RENO BUSINESS IMPROVEMENT DISTRICT