

STAFF REPORT

Date: October 23, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Approval of a long-term lease agreement between the City of Reno and Community Health Alliance for the Neil Road Family Services Center located at 3915 Neil Road, Reno, Nevada.

From: Lori Miles, Property Agent

Department: Public Works

Summary:

Council is requested to approve a new long-term lease agreement between the City of Reno and Community Health Alliance (CHA) for the use of the facilities located at 3915 Neil Road. The Neil Road Family Services Center involves leasing portions of the property to private, non-profit organizations that provide social services to the community. CHA is a private, non-profit organization that provides critical healthcare services to a traditionally underserved community. This lease is pursuant to NRS 268.053 and incorporates the items based on the memorandum of understanding (MOU) to remodel and expand this facility and the term sheet approved at the July 31, 2024 City Council meeting and includes a new term of twenty (20) years with two (2) five year options to extend; rent to be \$1 per year with CHA paying all utilities, the day-to-day maintenance, including repairs. City is responsible for capital improvements, HVAC and mechanical systems and the roof. Staff recommends the approval of the lease agreement.

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing
Economic and Community Development

Previous Council Action:

July 31, 2024 – Council approved a memorandum of understanding (MOU) between the City of Reno and CHA outlining project obligations and approved the term sheet for a long-term lease for the Neil Road Facility Remodel and Expansion Project. 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

million 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 million. January 26, 2022 – Council allocated \$24,499,998.50 in ARPA funds to seven priority categories June 27, 2012 – Council approved Saint Mary’s Regional Medical Center to assign their interest in the Lease Agreement between the City of Reno and Saint Mary’s Regional Medical Center to Health Access Washoe County, Inc. (H.A.W.C) for the continued use of the facilities located at the Neil Road Family Services Center. July 1, 2009 – Council approved a First Modification of Lease with Saint Mary’s Regional Medical Center for the use of 3915 Neil Road Family Services Center. May 11, 1999 – City Council approved a lease agreement with Saint Mary’s Regional Medical Center at the Neil Road Family Services Center.

Background:

The Neil Road Family Services Center was built in 1999 with the neighborhood plan to make portions of the Property available to private, non-profit organizations which provide social services to the community and general public. The facility is currently being leased to CHA to provide critical healthcare services to a traditionally underserved community. Council approved and allocated \$5 million from the ARPA funds for the Access to Healthcare priority category and approved the Neil Road Facility Remodel and Expansion Project using such ARPA allocation and entered into a MOU to establish the process, revisions to the Project if additional sums over the \$5 million are needed and also approved the term sheet for renegotiating a long-term lease agreement.

Discussion:

The new Lease Agreement recommended for approval is based on the approved term sheet for a new term of twenty (20) years with two (2) five year options to extend; Rent to be \$1 per year with CHA paying all utilities, the day-to-day maintenance, including repairs. City is responsible for Capital Improvements, HVAC and Mechanical systems and the roof.

Financial Implications:

The Lease covers the cost of utilities and repairs and eliminates some of the City’s out-of-pocket expenses for custodial and day to day maintenance and repairs.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the lease agreement for the Neil Road Family Services Center located at 3915 Neil Road, Reno, NV with Community Health Alliance and authorize the Mayor to sign.

Proposed Motion:

I move to approve the lease agreement for the Neil Road Family Services Center located at 3915 Neil Road, Reno, NV with Community Health Alliance and authorize the Mayor to sign.

Attachments:

Lease Agreement

Vicinity Map