

**LATE MATERIAL**  
**MEETING DATE 5/15/14**  
**ITEM # 18**

**Janet Busse**

**From:** Roger Moellendorf  
**Sent:** Monday, May 12, 2014 4:52 PM  
**To:** Marena Works; Janet Busse  
**Subject:** FW: Message from "RNP44BCE5"  
**Attachments:** 20140512161910345.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Marena & Janet,

Attached is information requested by Supervisor Bonkowski to be forwarded to the Board of Supervisors regarding any agreements between the City and the Boys & Girls Club regarding the MAC. Supervisor Bonkowski has requested that this information be forwarded to all of the supervisors as "Late Material" for item 18 on the May 15, 2014 Agenda. This information includes the approved "Amended Option Agreement" for the purchase of Parcel 2 of property owned by the Boys & Girls Club for the purpose of constructing the MAC. Also included is the Board Action Report for this item from October 20, 2011 meeting, including Exhibit A the original agreement and meeting minutes.

A facility use agreement has not been adopted by the Board. During the same October 20, 2011 Board meeting the Board of Supervisors directed staff to develop a Facility Rental process with Boys & Girls Club for their use of the MAC.

Please feel free to contact me if you have any questions regarding this matter.

Roger

-----Original Message-----

From: [Parks\\_Do\\_Not\\_Reply@carson.org](mailto:Parks_Do_Not_Reply@carson.org) [mailto:[Parks\\_Do\\_Not\\_Reply@carson.org](mailto:Parks_Do_Not_Reply@carson.org)]  
Sent: Monday, May 12, 2014 4:19 PM  
To: Roger Moellendorf  
Subject: Message from "RNP44BCE5"

This E-mail was sent from "RNP44BCE5" (Aficio MP C6501).

Scan Date: 05.12.2014 16:19:10 (-0700)  
Queries to: [Parks\\_Do\\_Not\\_Reply@carson.org](mailto:Parks_Do_Not_Reply@carson.org)

**City of Carson City  
Agenda Report**

**Date Submitted:** October 11, 2011

**Agenda Date Requested:** October 20, 2011  
**Time Requested:** 20 Minutes

**To:** Mayor and Supervisors

**From:** Parks and Recreation Department

**Subject Title:** Action to approve an Amended Option Agreement between the Boys & Girls Club of Western Nevada and the City of Carson City for the purchase of Boys & Girls Club property along Russell Way for the purpose of building an Indoor Recreation Center (Multi-Purpose Athletic Center). (Roger Moellendorf, Parks and Recreation Director)

**Staff Summary:** The Parks and Recreation Department is recommending amending the current Option Agreement between the Boys & Girls Club of Western Nevada so that it more closely reflects the changes to the Indoor Recreation Center project to that of a Multi-Purpose Athletic Center (MAC).

**Type of Action Requested:** (check one)

Resolution       Ordinance  
 Formal Action/Motion       Other (Specify)

**Does This Action Require A Business Impact Statement:**  Yes  No

**Recommended Board Action:** I move to approve an Amended Option Agreement between the Boys & Girls Club of Western Nevada and the City of Carson City for the purchase of Boys & Girls Club property along Russell Way for the purpose of building an Indoor Recreation Center (Multi-Purpose Athletic Center).

**Explanation for Recommended Board Action:** On June 18, 2009, the Board of Supervisors approved an Option Agreement (Exhibit A) between the City and the Boys & Girls Club of Western Nevada for an option to acquire property for the purpose of developing an indoor recreation center for a period of ten years. This Agreement with its accompanied parcel map was based in part on a co-joined building concept with the Boys & Girls Club as well as approval of an operating joint use agreement between the City and the Boys & Girls Club. Recent factors including the downturn in the economy, downsizing the indoor recreation center to Multi-Purpose Athletic Center (MAC), eliminating the co-joined building concept, and the change of direction from a joint use agreement to a facility rental agreement have caused significant changes to the project that in staff's opinion has rendered the existing Option Agreement outdated. Staff believes that the attached Amended Option Agreement (Exhibit B) including an accompanied new parcel map, more accurately reflects the changes in the project since the adoption of the Option Agreement in June of 2009.

The current Option Agreement makes reference to a joint use agreement between the two parties. The accompanied parcel map divides the property into four parcels (A – D) with only Parcel A being retained as property of the Boys & Girls Club. Parcel C was sold by the Boys & Girls Club to a private developer. Parcel B is to be acquired by the City. This parcel includes the indoor recreation center building site and property surrounding the Boys & Girls Clubhouse including their parking lot. Parcel D, which includes the athletic fields, is listed as a possible future Carson City parcel.

The proposed Amended Option Agreement eliminates references to a joint use agreement and replaces it with a facility use agreement. The parcel map divides the property currently owned by the Boys & Girls Club into three parcels (1 – 3). Parcel 1 includes the Clubhouse and the surrounding grounds and the parking lot to remain in the ownership of the Boys & Girls Club. Parcel 2 includes the MAC site and surrounding property including the MAC parking lot. Parcel 3 includes the athletic field to remain in the ownership of the Boys & Girls Club. The Amended Agreement reduces the amount of property that the City would acquire and its corresponding maintenance responsibilities and allows the Boys and Girls Club to retain ownership of its parking lot and associated landscaping.

The Parks Recreation Commission approved the Amended Option Agreement and recommended approval to the Board of Supervisors during their October 4, 2011, Commission meeting.

**Applicable Statute, Code, Policy, Rule or Regulation:** Carson City Charter; Section 2.140

**Fiscal Impact:** N/A

**Explanation of Impact:** N/A

**Funding Source:** N/A

**Alternatives:** Reject the Amended Option Agreement and retain the existing Option Agreement.

**Supporting Material:**

Exhibit A: Option Agreement

Exhibit B: Amended Option Agreement

Prepared By: R. Moellendorf Date: 10/14/11  
Roger Moellendorf, Parks & Recreation Director

Reviewed By: L. Werner Date: 10/14/11  
Lawrence A. Werner, City Manager

District Attorney's Office Date: 10/11/11

Finance Department Date: 10/11/11

**Board Action Taken:**

Motion: App. 1: KA <sup>5</sup> Aye/Na  
2: JM \_\_\_\_\_

AP  
(Vote Recorded By)

# Exhibit A

## OPTION AGREEMENT

This Option Agreement ("Option") is entered into this 18th day of June, 2009, by and between BOYS AND GIRLS CLUB OF WESTERN NEVADA, INC., a Nevada non-profit corporation, (the "Club") and CARSON CITY, a consolidated municipality and political subdivision of the STATE OF NEVADA (the "City"), hereinafter collectively referred to as the "Parties."

## RECITALS

**WHEREAS**, the Club is the owner of certain real property located in Carson City, in the State of Nevada, being Assessor's Parcel Number 002-101-85;

**WHEREAS**, the City desires to purchase an option to develop a recreation center, which shall include a gym, on a portion of said real property, and the Club desires to sell said option on said portion under the terms hereinafter set forth;

**WHEREAS**, the Parties desire to enter this Agreement in order to govern their rights and obligations set forth herein.

**NOW THEREFORE**, in consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows:

1. **Grant of Option**. For and in consideration of the sum of THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) which funds shall be nonrefundable except as set forth in paragraph 3 below, payable in conjunction with the execution hereof, the Club hereby grants to the City, the exclusive option to develop a recreation center, which shall include a gym on a portion of that certain real property located in Carson City, Nevada, being Assessor's Parcel Number 002-101-85, more particularly described as Parcel B, set forth on Exhibit 1 attached hereto, and by this reference, incorporated herein (the "Property"). The Club shall be responsible for parcelling the Property in conformance with the illustration attached hereto as Exhibit 1.

2. **Option Term**. The City may exercise the Option at any time on or before June 4, 2019, (the "Option Period"). During the Option Period, as set forth in a joint use agreement between the Parties, the City shall enjoy joint use of the Club's facility.

3. **Method of Exercise**. The City may exercise the Option by providing the Club thirty (30) days written notice of the City's intention to commence construction of a recreation center, which shall include a gym, on the Property. At any time prior to receiving notice of the City's intention to commence construction, the Club shall have the right to terminate the Option by refunding THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) to the City.

4. **Price/Conveyance**. Upon exercise of the Option, the Club shall deed the Property

to the City in fee, so long as the same is used for recreational facility purposes in exchange for the consideration set forth in paragraph 1 above, plus an additional Ten Dollars (\$10) and the consideration of a joint use agreement between the Parties. Upon the City's completion of construction of a recreation center, the Parties shall share joint use of the other's facilities, under a joint use agreement between the Parties.

5. **Assignment.** Neither of the Parties may assign its rights or obligations under the Option without the express written consent of the other party.

6. **Miscellaneous.** If either of the Parties must file suit to enforce or protect its rights hereunder, the prevailing party shall be entitled to attorneys' fees and costs. This agreement shall be construed in accordance with Nevada law.

**IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be duly executed as of the date and year first above written

CARSON CITY, a political subdivision  
of the State of Nevada

BOYS AND GIRLS CLUB OF WESTERN  
NEVADA, a Nevada non-profit corporation

By:

  
Robert L. Crowell, Mayor

By:

  
Ryan D. Russell, President

ATTEST:

  
ALAN GLOVER, Clerk - Recorder

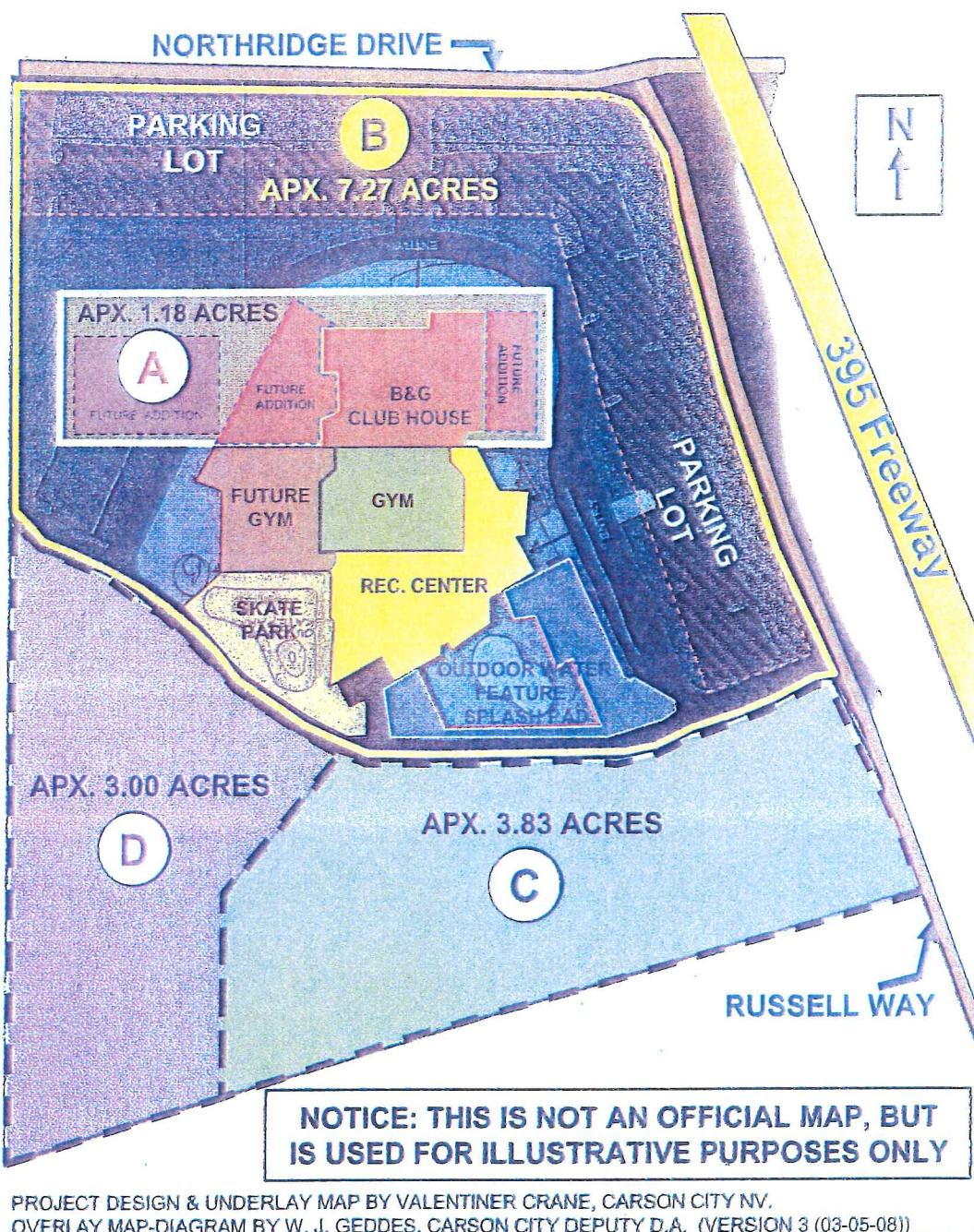
**EXHIBIT 1**

**PROPOSED RECREATION CENTER AND CLUBHOUSE COMPLEX**

## PROPOSED RECREATION CENTER and CLUBHOUSE COMPLEX

Northridge Drive at Russell Way, Carson City, NV

NORTHRIDGE DRIVE



**NOTICE: THIS IS NOT AN OFFICIAL MAP, BUT  
IS USED FOR ILLUSTRATIVE PURPOSES ONLY**

PROJECT DESIGN & UNDERLAY MAP BY VALENTINER CRANE, CARSON CITY NV.  
OVERLAY MAP-DIAGRAM BY W. J. GEDDES, CARSON CITY DEPUTY D.A. (VERSION 3 (03-05-08))

- A** B&G PARCEL – CLUBHOUSE AND EXPANSION AREA.
- B** CARSON CITY PARCEL – GYM, REC CENTER, FUTURE EXPANSION & PARKING LOTS.
- C** B&G LANDS TO SELL.
- D** B&G PARCEL, POSSIBLE FUTURE CARSON CITY PARCEL – ATHLETIC FIELDS.

**AMENDED OPTION AGREEMENT**

**Final**

This Option Agreement ("Option") is entered into on this 20<sup>th</sup> day of October, 2011, by and between BOYS AND GIRLS CLUBS OF WESTERN NEVADA, INC., a Nevada non-profit corporation, (the "Club") and CARSON CITY, a consolidated municipality and political subdivision of the STATE OF NEVADA (the "City"), hereinafter collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, the Club is the owner of certain real property located in Carson City, in the State of Nevada, being Assessor's Parcel Number 002-101-85;

**WHEREAS**, in 2009 it was expressed that the City desired to purchase an option to develop a recreation center, which shall include a gym, on a portion of said real property, and the Club desired to sell said option on said portion under the terms thereafter set forth;

**WHEREAS**, since 2009, the financial situation of the parties have changed and the parties desire to enter into an agreement which better reflects their financial positions;

**WHEREAS**, in the previous Agreement, dated June 18, 2009, the parties agreed that consideration for such Agreement would be that the Parties would share joint use of the other's facilities under a joint use agreement;

**WHEREAS**, both Parties desire to enter into building rental agreements rather than joint use agreements, the Parties wish to waive the right to joint use of each other's facility under a joint use agreement;

**WHEREAS**, the parties desire to enter into this Agreement in order to govern their rights and obligations set forth herein;

**NOW THEREFORE**, in consideration of the mutual promises, covenants and conditions contained herein, the parties jointly agree to amend the previous agreement as follows:

1. **Grant of Option.** Through the payment of the sum of THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) which funds are nonrefundable except as set forth in paragraph 3 below, payable in conjunction with the execution hereof, the Parties entered into an Option Agreement on June 18, 2009, whereby the Club granted the City, the exclusive option to develop a recreation center, which shall include a gym on a portion of that certain real property located in Carson City, Nevada, being Assessor's Parcel Number 002-101-85, more particularly described as Parcel B, set forth on Exhibit 1 attached hereto, and by this reference, incorporated herein (the "Property")

2. **Option Term.** The City may exercise the Option at any time on or before June 4, 2019, (the "Option Period").

3. **Method of Exercise.** The City may exercise the Option by providing the Club thirty (30) days notice of the City's intention to commence construction of a recreation center, which shall include a gym, on the Property. At any time prior to receiving notice of the City's intention to commence construction, the Club shall have the right to terminate the Option by refunding THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100ths Dollars (\$375,000.00) to the City.

4. **Price/Conveyance** Upon exercise of the Option, the Club shall deed the Property to the City in fee, so long as the same is used for recreational facility purposes in exchange for the consideration set forth in paragraph 1 above, plus an additional Ten Dollars (\$10) and the consideration of a facility use agreement between the Parties.

5. **Assignment.** Neither of the Parties may assign its rights or obligations under the Option without the express written consent of the other party.

6. **Miscellaneous.** If either of the Parties must file suit to enforce or protect its rights hereunder, the prevailing party shall be entitled to attorney's fees and costs. This agreement shall be construed in accordance with Nevada law.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date and year first above written.

CARSON CITY, a political subdivision  
of the State of Nevada

BOYS AND GIRLS CLUB OF WESTERN  
NEVADA, a Nevada non-profit corporation

By:   
Robert L. Crowell, Mayor

By:   
Kathy Tatro, President

Attest:   
Alan Glover, Clerk Recorder



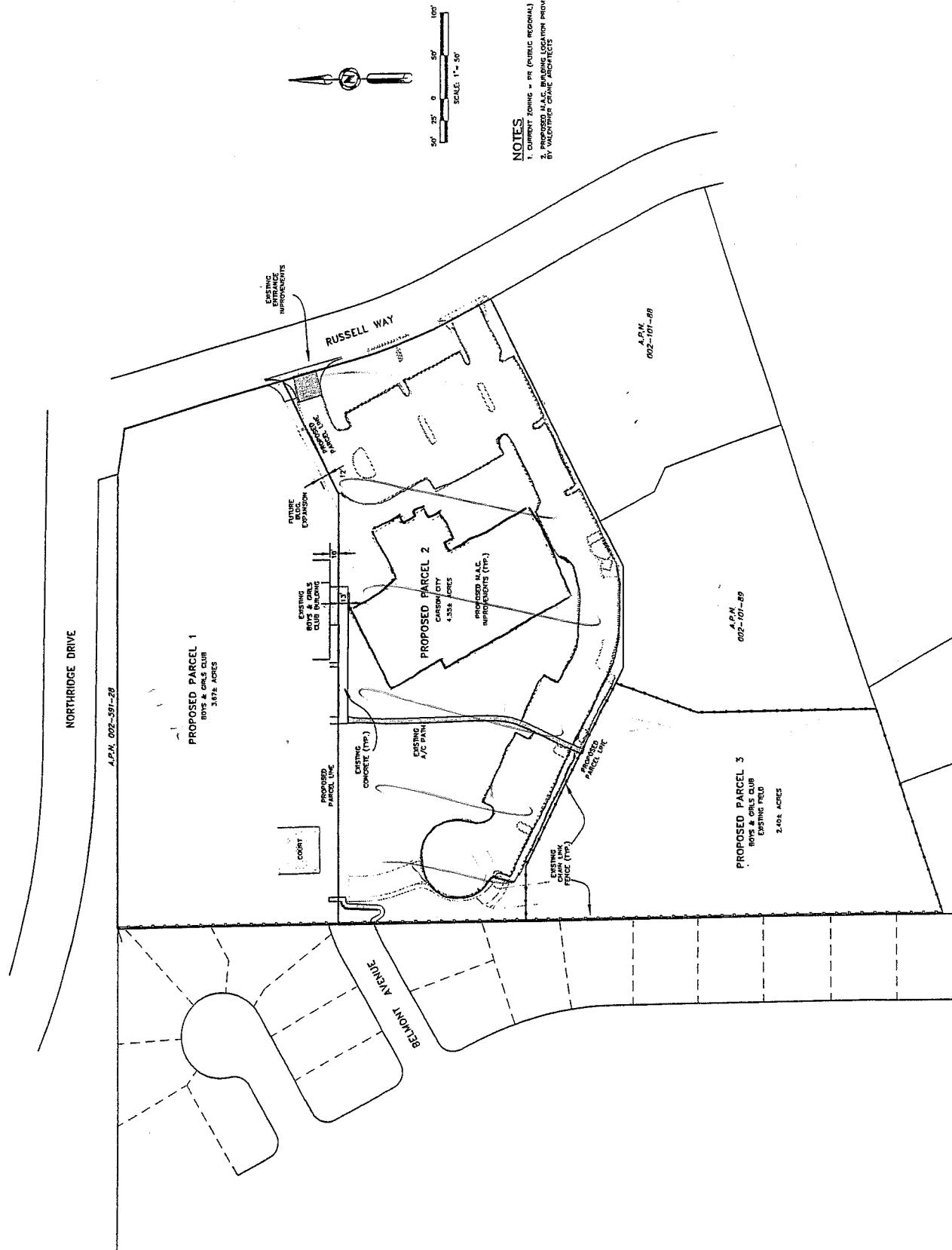
ODA/02

301 E. COLLEGE PARKWAY  
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Civil, Engineering  
Geotechnical, Engineering  
Planning  
Landscape Architecture  
Surveying  
Construction Services  
Material & Testing

PROPOSED PARCEL MAP EXHIBIT  
BOYS & GIRLS CLUB, 1870 RUSSELL WAY  
A.P.N. 002-101-87  
CARSON CITY

**C1**

DATE: DRAWN BY: DESIGNED BY: CHECKED BY:  
1988 000 7  
1988 000 7  
1988 000 7



**CARSON CITY BOARD OF SUPERVISORS**  
**Minutes of the October 20, 2011 Meeting**  
**Page 7**

suggested the possibility of reducing the number of personal visits to Carson City through videoconferencing or other, similar means. Mr. Moellendorf advised of having negotiated a reduction in the travel costs "to that point," but agreed to consider the possibility of reducing the costs even further.

In response to a question, Mr. Moellendorf and Mr. Werner explained the City's requirements associated with a request for proposals process. Supervisor McKenna expressed a preference for using a local architect, "but this thing has been delayed so long, it has so many iterations, ... we owe it to the voters to get it done." He expressed a preference for the contractor to use as many Carson City firms as possible. and noted the importance of hiring local contractors for future projects.

Mayor Crowell entertained public comment and, when none was forthcoming, a motion. Supervisor McKenna moved to approve Contract No. 1112-120, pursuant to NRS 332.115(1)(b) and NRS 625.530, with Valentiner Crane Architects, to provide professional services for Carson City multi-purpose athletic complex planning, architectural, and engineering, through December 31, 2013, for a not-to-exceed amount of \$326,800.00, to be funded from the Question #18 Capital Park Improvements / New Gym, as provided in FY 2010 / 2011, FY 2011 / 2012, and FY 2012 / 2013. Supervisor Abowd seconded the motion. Discussion took place with regard to appropriating funds from FY 2012 / 2013 without having an approved budget. Mr. Werner acknowledged that the contract amount is available in the FY 2011 / 2012 budget. Supervisor McKenna amended his motion to delete the reference to the FY 2012 / 2013 budget. Supervisor Abowd continued her second. Mayor Crowell expressed agreement with Supervisor McKenna's earlier comments relative to the importance of moving the project forward and utilizing local contractors and professional firms. Mayor Crowell called for a vote on the pending motion. Motion carried 5-0.

**14. PARKS AND RECREATION DEPARTMENT**

**14(A) POSSIBLE ACTION TO APPROVE AN AMENDED OPTION AGREEMENT BETWEEN THE BOYS AND GIRLS CLUBS OF WESTERN NEVADA AND THE CITY OF CARSON CITY FOR THE PURCHASE OF BOYS AND GIRLS CLUBS PROPERTY ALONG RUSSELL WAY FOR THE PURPOSE OF BUILDING AN INDOOR RECREATION CENTER (MULTI-PURPOSE ATHLETIC CENTER) (9:56:10)** - Mayor Crowell introduced this item, and Deputy District Attorney Tina Russom advised that she would be representing the Parks and Recreation Department. Parks and Recreation Department Director Roger Moellendorf provided background information on this item, and reviewed the agenda materials in conjunction with displayed slides.

In response to a question, Mr. Moellendorf advised of discussions with Boys and Girls Clubs of Western Nevada representatives relative to shared use of parking lots. In response to a comment, he reviewed revisions to the Amended Option Agreement, as suggested by Supervisor Aldean. Mr. Moellendorf noted the reference in the agenda report that this item had been presented to the Parks and Recreation Commission at their October 4, 2011 meeting, at which time action was taken to recommend approval to the Board of Supervisors.

Mayor Crowell entertained comment from Boys and Girls Clubs of Western Nevada representatives, who were present in the meeting room. He disclosed that Boys and Girls Clubs of Western Nevada Board member Jason Woodbury is a member of his law firm. (10:13:03) Mr. Woodbury expressed agreement with the presentation by Parks and Recreation Department staff, and requested the Board to approve the amended option agreement.

**CARSON CITY BOARD OF SUPERVISORS**  
**Minutes of the October 20, 2011 Meeting**  
**Page 8**

Mayor Crowell entertained public comment and, when none was forthcoming, a motion to approve the amended option agreement with the changes, as discussed on the record. **Supervisor Abowd moved to approve an amended option agreement, with the changes as discussed on the record, between the Boys and Girls Clubs of Western Nevada and the City of Carson City, for the purchase of Boys and Girls Clubs property along Russell Way for the purpose of building an indoor recreation center, the multi-purpose athletic center.** Supervisor McKenna seconded the motion. Motion carried 5-0.

**14(B) POSSIBLE ACTION TO DIRECT STAFF TO UTILIZE A FACILITY RENTAL AGREEMENT WITH THE BOYS AND GIRLS CLUBS OF WESTERN NEVADA FOR THE PROPOSED MULTI-PURPOSE ATHLETIC CENTER (10:14:12)** - Mayor Crowell introduced this item, and Mr. Moellendorf reviewed the agenda materials. Supervisor McKenna noted the value of the Boys and Girls Clubs of Western Nevada to the community that “we would have to pay for, either through law enforcement or through parks and rec type of activities, and we can’t really put a dollar amount on that.” He suggested that “any agreement needs to reflect that ... the Boys and Girls Club is actually providing Carson City with a very significant financial benefit.” Supervisor Aldean acknowledged the value of the Boys and Girls Clubs to the community. She expressed the understanding that the Boys and Girls Clubs portion of the rental rate would be allocated from the annual Quality of Life fund allocation. In reference to previous concerns expressed by District Attorney’s staff, she expressed concern over “the legality of locking up \$120,000 worth of Question #18 money for one specific purpose, to benefit one specific non-profit.” She expressed support for the facility rental agreement, and concerns regarding the proposed budget. Mr. Moellendorf acknowledged that the budget will be an integral part of the actual facility rental agreement at the time it is presented to the Board of Supervisors for review and approval. He explained that the budget will be largely based on final design of the facility and the materials used. “We have ... at least a whole budget cycle to determine what we think the costs of operating that facility will be. ... And that’s going to help determine ... the rental rate ...” Supervisor Aldean noted the most important benefit as the co-location of the facility adjacent to the Boys and Girls Clubs. Mr. Moellendorf expressed the hope that, as the economy recovers and sales tax revenues continue to increase, the Question #18 maintenance fund would take over an increasingly larger role in offsetting the cost of the MAC and that the general fund percentage would decrease over time.

Supervisor McKenna expressed an interest in hearing any concerns from the Boys and Girls Clubs representatives. (10:21:27) Mr. Woodbury discussed the position of the Boys and Girls Clubs of Western Nevada “to avoid making the perfect the enemy of the good. We thought that the original agreement ... was perfect and what we contemplated by that was just an exchange of use rather than an exchange of dollars. But, our ultimate objective ..., is consistent with the ultimate objective of the City ... being to have a gym for our kids to access and for ... the public to access. That is a good objective and we don’t want to sacrifice that to what we viewed as the perfect agreement ... Unfortunately, from our perspective, ... the thing that is the hardest for the Boys and Girls Clubs to give ... is cash; cash for operating. And just to put our position in some perspective, we recently projected our budget to the year end and it looks like we are going to lose money this year. ... We actually had a very good fund raising year, considering the time that we’re in, but that is where we are now. So there’s no concern or confusion about that, we are okay. We’re making some adjustments and we’re going to be fine but it is going to take an adjustment. Based on that and based on the current situation that we’re in and looking forward, there’s only so much that we can responsibly promise. And we do think it’s important to make a promise to the Board that we can fulfill and that we are confident that we can fulfill because it doesn’t do anybody any good to put a number on paper and for us to come back a year or two years later and say, ‘We just cannot do that.’ So what we’ve tried