



Date: December 18, 2024

Board Memo Author and title: Mandy Stewart, Administrative Analyst II, Nevada County

Title: **Lease Option Agreement: Truckee Library JPA, Truckee Donner Public Utility District, and Truckee-Donner Recreation and Park District**

Recommended Action: The Board adopt Resolution 2024-12, approving the negotiated Lease Option Agreement between the Truckee Library JPA, Truckee Donner Public Utility District, and Truckee-Donner Recreation and Park District and authorizing the Chair of the Board to execute the Agreement.

Discussion:

On October 25, 2024, the Truckee Library JPA Board of Directors received a presentation on the draft Lease Option Agreement (“Agreement” between Truckee Donner Public Utilities District (TDPUD) and the Truckee Library JPA to lease a 3-acre parcel, owned by TDPUD, to be the future site location for the new Truckee Regional Library.

The 3-acre parcel represents a portion of a larger 7-acre parcel which is currently leased by Truckee-Donner Recreation and Park District (TDRPD), and thus, a three-party Lease Option Agreement needed to be developed to allow for TDRPD to relinquish the 3-acres from its existing lease when appropriate, and, in turn, lease the site to the Truckee Library JPA.

Feedback provided by the JPA Board was incorporated into the Agreement. The following outlines the high-level deal points included in the Agreement:

- A three (3) acre property located on Brockway Road, APN 019-450-076, Truckee, Nevada County, California, currently owned by TDPUD and leased to TDRPD
- JPA will have no interest in the property until the lease option is triggered and the existing TDRPD lease will remain in effect until the lease option is triggered
- Lease option can be triggered by the JPA at any time prior to October 31, 2029
- “Funding Condition”: as a prerequisite to exercise the lease option, the JPA is required to provide documentation to TDPUD and TDRPD demonstrating that JPA has funds available comprising not less than fifty percent (50%) of the estimated cost of construction of the Library and is committed to constructing the Library
- TDRPD agrees to relinquish its existing leasehold interest in the lease area upon receipt of notification by JPA that JPA is exercising its lease option
- 99-year lease term
- Lease payment of \$1 per year
- Construction must commence within 5 years from the effective date of Lease Agreement, and TDPUD will maintain the right to terminate the Agreement if construction has not commenced within such time period



- JPA shall be solely responsible for the construction and operation of the Library and the maintenance and repair of the Property, and all facilities constructed thereon.
- JPA is required to receive approval from TDPUD prior to constructing improvements on the leasehold area, and such approval will not be unreasonably withheld so long as improvements are related to construction of a library and appurtenances thereto.
- JPA will be responsible for preparation of plat map and legal description of lease area consistent with the exhibit in the lease option agreement at time of exercising lease option. Mapping will also be provided to map the remaining Truckee Donner Recreation and Park District (TDRPD) lease area.
- The agreement would provide the JPA with authority to enter the property for design and environmental studies with no less than 72 hours advance notice to TDPUD (and TDRPD if the site is still leased to TDRPD)

The attached Lease Option Agreement was approved by the TDPUD Board of Directors (TDPUD) on November 6, 2024, and was approved by the TDRPD Board of Directors on December 12, 2024.

Therefore, staff recommends that the JPA Board adopt Resolution 2024-12 approving the negotiated, three-party, Lease Option Agreement (Exhibit 2) between the Truckee Library JPA, the Truckee Donner Public Utilities District, and the Truckee-Donner Recreation and Park District and authorize the Chair of the Board to execute the Agreement.

Attachments:

Exhibit 1 – Resolution 2024-12 Authorizing the Chair of the Board to Execute the Negotiated Lease Option Agreement between the Truckee Library JPA, Truckee Donner Public Utility District, and Truckee-Donner Recreation and Park District

Exhibit 2 – Lease Option Agreement Between Truckee Library JPA, Truckee Donner Public Utility District and Truckee-Donner Recreation and Park District