



Date: October 25, 2024

Board Memo Author and title: Becky Bucar, Assistant Public Works Director, Town of Truckee

Title: **Truckee Donner Public Utility Easement Lease Agreement**

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**Recommended Action:** Authorize staff to submit the attached draft lease agreement to the Truckee Donner Public Utility District for review and authorize the Truckee Library JPA Chair to execute the final agreement so long as there are no substantive changes.

**Discussion:** Based on previous direction provided by the Truckee Library Joint Powers Authority (JPA) Board, Town staff has been pursuing a lease on property owned by the Truckee Donner Public Utility District (TDPUD). The property would accommodate the new site location, which is west of the site that had been contemplated during earlier planning phases of the project. ***Exhibit 1*** depicts the two parcels which were considered with Site B highlighted as the site currently being pursued.

At the September 18, 2024 meeting, after receiving a presentation of potential land tenure options and discussions with TDPUD staff, the JPA directed staff to pursue a land lease with TDPUD (as opposed to property purchase). Staff has since developed and shared with the TDPUD the following potential deal points for a land lease option agreement:

- Approximate 3 acres of lease area to be documented in a graphical exhibit.
- Lease option can be triggered by JPA at any time within a 5-year term, with an option to extend by agreement between both parties.
- JPA will have no interest in property until lease option is triggered and the existing TDRPD lease will remain in effect until the lease option is triggered.
- 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.
- 100 year lease term.
- \$1 per year lease rate.
- JPA is responsible for all things related to maintenance and upkeep of lease area.
- All costs associated with utility improvements on property are responsibility of JPA.
- All costs of site development, library building, and appurtenances are responsibility of JPA.
- 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.



The TDPUD was generally supportive of these deal points but asked that the JPA also demonstrate that funding for the Library construction be secured prior to exercising the lease option. Based on this feedback, staff has prepared the attached (***Exhibit 2***) draft lease agreement with TDPUD for the JPA Board's consideration, which requires the JPA demonstrate they have secured at least \$10 million for construction prior to exercising the lease option. This agreement has been prepared in consultation with the Town of Truckee Attorney, but TDPUD's staff (including legal) has not reviewed the document.

Staff recommends that the JPA Board authorize staff to submit the attached draft lease agreement to the Truckee Donner Public Utility District for consideration and authorize the Truckee Library JPA Chair to execute the final agreement. Staff also recommends that the JPA Board authorize the Chair and Town Attorney approval authority for minor non-substantive changes to the agreement.

**Attachments:**

Exhibit 1 – Truckee Library Site Location

Exhibit 2 – Draft Lease Agreement with Truckee Donner Public Utility District