

John
7/11/13

**CLARK COUNTY
STAFF REPORT**

DEPARTMENT: Clark County Sheriff's Office

DATE: August 1, 2013

REQUEST: Approve the amendment to the lease and sublease agreement with the Clark County Fairgrounds Fire Facility Board

CHECK ONE: X Consent CAO

BACKGROUND

In 1999, Clark County entered into an agreement with Clark County Fire Protection District No. 6 "District 6," Clark County Fire & Rescue (successors in interest to Clark County Fire Protection Districts No. 11 and No. 12) "CCF&R" and the Fairgrounds Fire Facility Board "FFFB" to share a building at the Fairgrounds Safety Complex. The agreement was amended in 2005 and 2011. The building is currently occupied in four sections; Fire Districts (38%), County Fire Marshal (8%), County Sheriff's Office (30%), and shared space (25%); resulting in a County share of 49% of the building.

The FFFB has indicated less space is needed for Fire District operations. The FFFB desires to transfer 1,930 square feet of the building space to the County for Sheriff's Office operations. This action would increase the County's share of space from 49% to 58%, providing the Sheriff's Office with five additional offices and one truck bay. The additional offices will allow space for the Sheriff's Community Outreach unit, specifically a workstation for volunteer staff. The agreement also allows for the addition of a classroom/conference room in the secure portion of the building. The additional conference room will create more availability of the existing training room and conference room for use by county departments and for community meetings. Use of the truck bay allows the Sheriff's Office to store Gator vehicles during the summer for use at the Clark County Fair and Amphitheater. It will also for allow for secure storage of the processing vehicle.

COMMUNITY OUTREACH

No Community Outreach was conducted specific to this action.

BUDGET AND POLICY IMPLICATIONS

Occupants of the Fairgrounds Safety Complex building split the associated debt service and facility costs based on the relative share of occupied space. This action will increase the County's share of debt service on the Fairgrounds Safety Complex building from 49% to 58% for a cost increase of \$11,000 for the remainder of 2013 and \$22,000 each year thereafter. Similarly, the County's share of facility cost will increase by \$1,970 for the remainder of 2013 and \$3,940 each year thereafter.

No increase in the Sheriff's budget is requested. Debt service payments will be transferred directly from the REET Fund to the Debt Service Fund and the Sheriff's Office will absorb the increase in facility costs.

FISCAL IMPACTS

Yes (see attached form) No



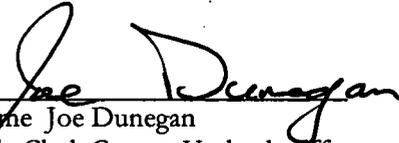
ACTION REQUESTED

Approve and sign five copies of the lease amendment with the FFFB to facilitate the transfer of space at the Fairgrounds Safety Complex building. Recognize the potential need for a supplemental action to increase the transfer from the REET Fund to the Debt Service Fund by up to \$33,000 in the 2013-14 budget.

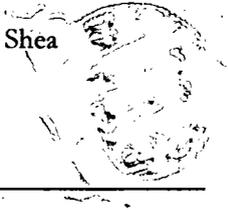
DISTRIBUTION

SO Fiscal, John Lawler
Auditor's Office, Amanda Miller

Office of Budget
West Precinct Commander, Steve Shea


Name Joe Dunegan
Title Clark County Undersheriff

Approved: 
CLARK COUNTY
BOARD OF COMMISSIONERS
Aug. 13, 2013
SR 160-13



FISCAL IMPACT ATTACHMENT

Part I: Narrative Explanation

I. A – Explanation of what the request does that has fiscal impact and the assumptions for developing revenue and costing information

Occupants of the Fairgrounds Safety Complex building split the associated debt service and facility costs based on the relative share of occupied space. This action would increase the County's share of debt service and facility cost for the Fairgrounds Safety Complex building from 49% to 58%. The increase in debt service will be paid from the REET Fund, while the increase in facility costs will be absorbed within the Sheriff's existing budget.

Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
0001 / General Fund – CCSO Budget	5,910.00	5,910.00	7,880.00	7,880.00	7,880.00	7,880.00
3056 / REET Fund	0.00	33,000.00	0.00	44,000.00	0.00	44,000.00
Total	5,910.00	38,910.00	7,880.00	51,880.00	7,880.00	51,880.00

II. A – Describe the type of revenue (grant, fees, etc.)

Figures above reflect the use of existing Sheriff's Office budget for the facility costs and REET funds for the additional debt service.

Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
0001 / General Fund – CCSO Budget	0	5,910.00	5,910.00	7,880.00	7,880.00	7,880.00	7,880.00
3056 / REET Fund		0.00	33,000.00	0.00	44,000.00	0.00	44,000.00
Total		5,910.00	38,910.00	7,880.00	51,880.00	7,880.00	51,880.00

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual	5,910.00	5,910.00	7,880.00	7,880.00	7,880.00	7,880.00
Supplies/Equipment						
Travel						
Overtime						
Capital Outlays						
Inter-fund Transfers*						
Debt Service	0.00	33,000.00	0.00	44,000.00	0.00	44,000.00
Total	5,910.00	38,910.00	7,880.00	51,880.00	7,880.00	51,880.00

*Pass-through to the City of Vancouver as sub-recipient

**THIRD AMENDMENT OF LEASE AND SUBLEASE
OF THE
FAIRGROUNDS PUBLIC SAFETY COMPLEX**

SH 13-42

This Third Amendment is entered into between Clark County Washington "County," Clark County Fire Protection District No. 6 "District 6," Clark County Fire & Rescue (successors in interest to Clark County Fire Protection Districts No. 11 and No. 12) "CCF&R" and the Fairgrounds Fire Facility Board "FFFB." County is the Lessor, the FFFB, District 6 and CCF&R are the Lessees or Sublessors, and the Clark County Sheriff's Office "CCSO" and the Clark County Fire Marshal's Office "CCFMO" are sublessees.

RECITALS

1. The Parties entered into a Lease and Sublease on November 23, 1999 "Lease."
2. The parties Amended that Lease and Sublease on January 1, 2005 "First Amendment."
3. The parties Amended that Lease and Sublease on July 1, 2011 "Second Amendment."

The Parties have identified that the space allocations established in the Lease and modified by the subsequent amendments are in need of revision.

AGREEMENT

In consideration of the payments, covenants and agreements contained herein, the parties agree as follows:

I. MODIFICATIONS

The Lessor, Lessees and Sublessees agree to the following modifications to the Lease and First Amendment.

- A. Subsection I.A. of the First Amendment is deleted.
- B. Section I.B of the First Amendment and Paragraph 4 of the Lease are amended to read as follows:
 4. RENT. LESSEES shall pay to LESSOR as gross semiannual rent an amount equal to one-half of the ground lease annual rent (annual amount currently equals \$3,250.00) plus the debt service which includes related bond issuance costs) on Lessor's general obligation bonds (the "Bonds") issued to finance the facility reduced by any earnings on the Bond proceeds which are applied to the debt service obligation. The current debt service schedule is attached to this Amendment as Exhibit B.

This rent obligation shall be reduced by an amount equal to the percentage of the square footage of the facility occupied by the SUBLESSEES and one-half of the common areas. This percentage of reduction based on occupancy is currently calculated in Exhibit A and summarized as follows:

Occupant	Square Feet	Right of Possession	Sq/Ft %
FFFB (Fire Districts)	5,665	Exclusive Fire Districts	30%
Clark County Sheriff	7,214	Exclusive County	38%
Clark County Fire Marshal	1513	Exclusive County	8%
Shared Areas/Community/Classrooms	4433	Equal ROP	24%

Based upon the foregoing allocation of occupancy, it is agreed that the LESSEES' rent obligation shall be reduced to forty-two percent (42%). The reduced rental obligation shall be referred to as the "net rent." This reduction of the gross rent shall constitute the consideration given by the SUBLESSEES for their occupation of the premises and facility.

The net rent shall be payable semiannually to the LESSOR ten (10) days before each debt service payment becomes due on the Bonds issued to finance the construction of the facility. The net rent is the total of the amounts shown on Exhibit B as "Fund 6254 FFFB."

The Clark County Treasurer is hereby authorized to and shall transfer funds in the following order:

- a) The earnings on Bond proceeds shall, 10 days prior to each debt service payment becoming due be transferred into the fund used for making Bond debt service payment and shall be applied to debt service.
- b) 10 days prior to each debt service payment becoming due, fund transfers may be made from the FFFB General Fund 6254 into the fund used for making debt service payments and shall be so used.
- c) 10 days prior to each debt service payment becoming due, fund transfers may be made from each of the Lessees' general funds in a total amount sufficient to satisfy Lessees' net rent. The transfer shall be made in the fund used for making debt service payments and shall be so used. The Treasurer shall attempt to transfer an equal amount from each Fire District's general fund to the extent possible, provided that if transferring an equal amount from each general fund would not satisfy the net rent obligation, the Treasurer may transfer disproportionate amounts from the general funds.
- d) If there are insufficient funds available from the Lessees' general funds to satisfy their rent obligation, the Treasurer, as ex officio Treasurer for the Districts, shall issue registered warrant(s) drawn on the general fund of any or all of the Fire Districts

In the event that any Fire District pays more than its proportionate share of the rent obligation under the provisions of this section, it shall have recourse as provided in the interlocal agreement that created the FFFB.

C. Sections 11 and 12 of the Lease, as modified by Section I.C. of the First Amendment shall be amended as follows:

11. OPERATING PROCEDURES AND EXPENSES.

A. ROUTINE OPERATING ITEMS. LESSEES and SUBLESSEES shall, throughout the term of this Agreement, provide or arrange for the provision of routine operating items and keep and maintain the premises occupied solely by each of them in good, sanitary, and neat order, condition and repair, and except as specifically provided in this Agreement, restore and rehabilitate any improvements of any kind that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Prior to occupancy and on or before the 1st day of January each year thereafter, the parties shall adopt a budget specifying the anticipated cost of each operating item related to the facility. The budgeted operating expenses may be modified from time to time by the mutual agreement of the parties. The SUBLESSEES shall pay to the LESSEES one-fourth of fifty-eight percent (58%) of the total of the budgeted operating expenses on a quarterly basis. At the end of each calendar year, the parties shall reconcile budgeted to actual expenses and SUBLESSEES shall be refunded or contribute additional amounts as appropriate. Provided that SUBLESSEES shall not be obligated to contribute additional amounts for expenses in excess of budgeted amounts unless the LESSEES obtained the prior approval of the SUBLESSEES to incur expenses in excess of the budget.

The LESSEES AND SUBLESSEES shall form a maintenance oversight committee consisting of one representative from the fire departments, one representative from CCSO and one representative from the fire marshal's office. The oversight committee shall determine the allocation of the responsibilities for the maintenance of the common and outdoor areas: provided the cost of such maintenance shall be divided 42% to the LESSEES and 58% to the SUBLESSEES. If the cost of the maintenance of these areas exceeds the amount any party had budgeted, the representative from the agency shall report back to their board and advise the committee of the outcome of that process.

The scheduling of the meeting room will be the responsibility of CCSO. Outside organizations will be required by CCSO to complete a usage form which will be forwarded to CCF&R. CCF&R will generate a bill for the use of the meeting room as consistent with the usage policy adopted by the Facility Board.

B. EXTRAORDINARY REPAIRS AND REPLACEMENT. The parties anticipate that they will not be reserving funds for the replacement of major capital items of the facility, such as HVAC, roofing, carpeting, etc. When such items must be repaired or replaced, absent and agreement providing otherwise, the LESSEES and SUBLESSEES shall contribute to the cost 42% and 58%, respectively.

E. DAMAGE TO AND DESTRUCTION OF IMPROVEMENTS. The damage, destruction, or partial destruction of any building or other improvement that is a part of the demised premises shall not release the parties from any obligation under this Agreement, except as expressly provided below. In case of damage to or destruction of any such building or improvement shall be promptly repaired and restored to a condition as good or better than that which existed prior to the damage or destruction. It is agreed that the proceeds of any insurance covering damage or destruction shall be made available for repair or replacement. Any costs of repair or replacement exceeding insurance coverage shall be borne by the parties as follows: LESSOR: 58 percent; LESSEES: 42 percent.

12. UTILITIES. LESSEES shall fully and promptly pay for all water, garbage, gas, heat, light, and power, and other public utilities of every kind furnished to the premises throughout the term of this Agreement. The LESSOR and SUBLESSEES shall contribute to fifty-eight percent (58%) of the cost of utilities. However, the LESSOR and LESSEES shall make separate arrangements for their own telephone, communication and computer services.

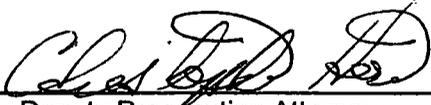
II. EFFECTIVE DATE

This Third Amendment shall be effective as of July 1, 2013.

III. ENTIRE CONTRACT.

Except as modified above all existing terms and conditions of the Lease and First Amendment shall remain in full force and effect. Terms and conditions of the Second Amendment are hereby superseded.

 CLARK COUNTY
By: 
Chair
Dated: 8/13/13

APPROVED AS TO FORM
By: 
Deputy Prosecuting Attorney

CLARK COUNTY SHERIFF
By: 
Dated: 08/03/2013

CLARK COUNTY FIRE PROTECTION DISTRICT NO. 6
By: 
Chief

FAIRGROUNDS FACILITY BOARD
By: 
Chair
Dated: 8-6-13

CLARK COUNTY FIRE & RESCUE
By: 
Chief

Exhibit A

SPACE ALLOTMENT 7/1/2013

CCSO	FFFB/Fire	Fire Marshal	Shared Space
106 Reception	172	106 Reception	172 101 Lobby 520
109 Hall	130 109 Hall	130 134 Work Rm	150 102 classrm 1152
110 FF Office	143 111 Office #2	143 FM Off	156 103 women 188
134 Workroom	150 112 Storage Closet	63 135 Rec. Stor	218 104 Men 206
127 EMS Office	131 113 Library	107 137 invet/insp	579 107 conf 347
128 Hall	225 114 Corr	63 138 Cor	150 131 FF comp 86
129 Locker A	280 115 Kitchen	268 163 Stor	88 132 Utility 86
130 Locker B	346 116 Dining	333	133 Stair 98
139 LT	216 117 tt/shower	90	155 workout 284
140 Dorm	227 118 tt/shower	90	167 Generat 106
141 Comm. Serv.	392 119 day rm	283	201 Mech 1360
142 Detective	495 120 Dorm B	238	
143 toilet	52 121 Dorm	130	
124 Dorm	130 122 Dorm	130	
123 Dorm	130 125 Wittwer	220	
144 Toilet	52 161 EMS Storage	214	
145 Hall	375 162 Storage	207	
146 break	271 164 eng bay	1083	
108 Hall	80 166 eng bay	1121	
147 Inter.	60 169 shop	168	
148 Inter.	60 108 Hall	320	
126A Office & Closet	168		
149 BAC	52		
150 Armory	60		
151 computer	52		
165 eng bay	696 165 eng bay	264	
152 Evd. Stor.	117		
153 Briefing	420		
154 Corr.	115		
156 corr.	239		
157 Write-up	229		
158 Sgt.	198		
159 Sgt.	198		
160 Sgt.	198		
169 Ev. Stog.	117		
170 Cor.	115		
171 cor.	60		
172 cor	63		
	7214	5665	1513 4433

Total Sq. Ft 18825

Present Allocation 07/2011

Sheriff	28%
FM	8%
Fire Department	39%
Joint	25%
County share	49%
FFFB share	51%

New Allocation 07/2013

Sheriff	38%
FM	8%
Fire Dept.	30%
Joint	24%
County Share	58%
FFFB Share	42%

**CLARK COUNTY APRIL 2005 REFUNDING (PUBLIC SAFETY COMPLEX)
2005R (ORIGINAL 1998B BOND ISSUE)**

DUE DATE	FUND - 6254 (FFFB)			FUND - 0001 (COUNTY)			GRAND TOTAL			County Share %	FFFB Share %
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL		
12/1/2005	\$ 19,600.00	\$ 28,003.35	\$ 47,603.35	\$ 20,400.00	\$ 29,146.34	\$ 49,546.34	\$ 40,000.00	\$ 57,149.69	\$ 97,149.69	51.00%	49.00%
6/1/2006	\$ -	\$ 21,064.49	\$ 21,064.49	\$ -	\$ 21,924.26	\$ 21,924.26	\$ -	\$ 42,988.75	\$ 42,988.75	51.00%	49.00%
12/1/2006	\$ 4,900.00	\$ 21,064.49	\$ 25,964.49	\$ 5,100.00	\$ 21,924.26	\$ 27,024.26	\$ 10,000.00	\$ 42,988.75	\$ 52,988.75	51.00%	49.00%
6/1/2007	\$ -	\$ 20,990.99	\$ 20,990.99	\$ -	\$ 21,847.76	\$ 21,847.76	\$ -	\$ 42,838.75	\$ 42,838.75	51.00%	49.00%
12/1/2007	\$ 4,900.00	\$ 20,990.99	\$ 25,890.99	\$ 5,100.00	\$ 21,847.76	\$ 26,947.76	\$ 10,000.00	\$ 42,838.75	\$ 52,838.75	51.00%	49.00%
6/1/2008	\$ -	\$ 20,917.49	\$ 20,917.49	\$ -	\$ 21,771.26	\$ 21,771.26	\$ -	\$ 42,688.75	\$ 42,688.75	51.00%	49.00%
12/1/2008	\$ 4,900.00	\$ 20,917.49	\$ 25,817.49	\$ 5,100.00	\$ 21,771.26	\$ 26,871.26	\$ 10,000.00	\$ 42,688.75	\$ 52,688.75	51.00%	49.00%
6/1/2009	\$ -	\$ 20,837.86	\$ 20,837.86	\$ -	\$ 21,688.39	\$ 21,688.39	\$ -	\$ 42,528.25	\$ 42,528.25	51.00%	49.00%
12/1/2009	\$ 4,900.00	\$ 20,837.86	\$ 25,737.86	\$ 5,100.00	\$ 21,688.39	\$ 26,788.39	\$ 10,000.00	\$ 42,528.25	\$ 52,528.25	51.00%	49.00%
6/1/2010	\$ -	\$ 20,758.24	\$ 20,758.24	\$ -	\$ 21,605.51	\$ 21,605.51	\$ -	\$ 42,363.75	\$ 42,363.75	51.00%	49.00%
12/1/2010	\$ 75,950.00	\$ 20,758.24	\$ 96,708.24	\$ 79,050.00	\$ 21,605.51	\$ 100,655.51	\$ 155,000.00	\$ 42,363.75	\$ 197,363.75	51.00%	49.00%
6/1/2011	\$ -	\$ 19,429.11	\$ 19,429.11	\$ -	\$ 20,222.14	\$ 20,222.14	\$ -	\$ 39,651.25	\$ 39,651.25	51.00%	49.00%
12/1/2011	\$ 81,600.00	\$ 20,222.14	\$ 101,822.14	\$ 78,400.00	\$ 19,429.11	\$ 97,829.11	\$ 160,000.00	\$ 39,651.25	\$ 199,651.25	51.00%	49.00%
6/1/2012	\$ -	\$ 18,753.34	\$ 18,753.34	\$ -	\$ 18,017.91	\$ 18,017.91	\$ -	\$ 36,771.25	\$ 36,771.25	51.00%	49.00%
12/1/2012	\$ 84,150.00	\$ 18,753.34	\$ 102,903.34	\$ 80,850.00	\$ 18,017.91	\$ 98,867.91	\$ 165,000.00	\$ 36,771.25	\$ 201,771.25	51.00%	49.00%
6/1/2013	\$ -	\$ 17,175.53	\$ 17,175.53	\$ -	\$ 16,501.98	\$ 16,501.98	\$ -	\$ 33,677.51	\$ 33,677.51	51.00%	49.00%
12/1/2013	\$ 73,500.00	\$ 14,144.55	\$ 87,644.55	\$ 101,500.00	\$ 19,532.98	\$ 121,032.98	\$ 175,000.00	\$ 33,677.51	\$ 208,677.51	58.00%	42.00%
6/1/2014	\$ -	\$ 12,674.55	\$ 12,674.55	\$ -	\$ 17,502.96	\$ 17,502.96	\$ -	\$ 30,177.51	\$ 30,177.51	58.00%	42.00%
12/1/2014	\$ 75,600.00	\$ 12,674.55	\$ 88,274.55	\$ 104,400.00	\$ 17,502.96	\$ 121,902.96	\$ 180,000.00	\$ 30,177.51	\$ 210,177.51	58.00%	42.00%
6/1/2015	\$ -	\$ 10,784.55	\$ 10,784.55	\$ -	\$ 14,892.96	\$ 14,892.96	\$ -	\$ 25,677.51	\$ 25,677.51	58.00%	42.00%
12/1/2015	\$ 79,800.00	\$ 10,784.55	\$ 90,584.55	\$ 110,200.00	\$ 14,892.96	\$ 125,092.96	\$ 190,000.00	\$ 25,677.51	\$ 215,677.51	58.00%	42.00%
6/1/2016	\$ -	\$ 8,789.55	\$ 8,789.55	\$ -	\$ 12,137.96	\$ 12,137.96	\$ -	\$ 20,927.51	\$ 20,927.51	58.00%	42.00%
12/1/2016	\$ 84,000.00	\$ 8,789.55	\$ 92,789.55	\$ 116,000.00	\$ 12,137.96	\$ 128,137.96	\$ 200,000.00	\$ 20,927.51	\$ 220,927.51	58.00%	42.00%
6/1/2017	\$ -	\$ 6,889.55	\$ 6,889.55	\$ -	\$ 9,237.96	\$ 9,237.96	\$ -	\$ 15,927.51	\$ 15,927.51	58.00%	42.00%
12/1/2017	\$ 90,300.00	\$ 6,889.55	\$ 96,989.55	\$ 124,700.00	\$ 9,237.96	\$ 133,937.96	\$ 215,000.00	\$ 15,927.51	\$ 230,927.51	58.00%	42.00%
6/1/2018	\$ -	\$ 4,432.05	\$ 4,432.05	\$ -	\$ 6,120.46	\$ 6,120.46	\$ -	\$ 10,552.51	\$ 10,552.51	58.00%	42.00%
12/1/2018	\$ 92,400.00	\$ 4,432.05	\$ 96,832.05	\$ 127,600.00	\$ 6,120.46	\$ 133,720.46	\$ 220,000.00	\$ 10,552.51	\$ 230,552.51	58.00%	42.00%
6/1/2019	\$ -	\$ 2,122.05	\$ 2,122.05	\$ -	\$ 2,930.46	\$ 2,930.46	\$ -	\$ 5,052.51	\$ 5,052.51	58.00%	42.00%
12/1/2019	\$ 98,700.00	\$ 2,122.05	\$ 100,822.05	\$ 136,300.00	\$ 2,930.46	\$ 139,230.46	\$ 235,000.00	\$ 5,052.51	\$ 240,052.51	58.00%	42.00%
TOTAL	\$ 875,200.00	\$ 438,604.13	\$ 1,311,804.13	\$ 1,099,800.00	\$ 484,188.20	\$ 1,583,988.20	\$ 1,975,000.00	\$ 920,792.33	\$ 2,895,792.33		

Exhibit B