



1000 N. Division St. Suite 202
Carson City, NV 89703
NAIalliance.com

August 22, 2022

Mr. Robert Nellis
Real Property Manager
Public Works Department, Carson City
3505 Butti Way
Carson City, NV 89701

RE: Request For Proposal To Lease Space at 3246 N. Carson Street, Carson City, Nevada

Dear Robert,

The following are a couple of options for the Municipality of Carson City to lease space at 3246 N. Carson Street, Carson City, Nevada. This non-binding proposal is being submitted to you with the following general terms and conditions under which C&A Investments, LLC would be interested in leasing the referenced property to the City of Carson City.

This proposal reflects our present understanding of the discussions and conditions of the transaction proposed herein and we expect that the definitive lease ("Lease") when negotiated will be generally consistent with this letter.

- SUBJECT PROPERTY:** 3246 N. Carson Street, Building 3, Carson City, Nevada 89706-0248.
- LANDLORD:** C&A Investments, LLC
- TENANT:** Municipality of Carson City
- INTIAL SPACE:** 39,950 square feet of useable and rentable space per attached exhibit. The Premises size is to be confirmed by an architect.
- PRIMARY TERM:** Ten (10) years.
- USE:** The use is for city offices. The use and parking are permitted under the building's zoning which is Retail Commercial (RC). The use is subject to approval by other property owners within center per the REA (Reciprocal Easement Agreement) prior to execution of the Lease.
- OPTION A:** Base Rental Rate to be \$1.50 plus \$.25 Common Area Maintenance Fee (total \$1.75) per square foot per month with the Landlord, at Landlord's cost, delivering the Premises in a ready to use condition per an agreed upon plan.

OPTION B: Base Rental Rate to be \$1.00 plus \$.25 Common Area Maintenance Fee per square foot per month (total \$1.25) with the Tenant contributing \$1,500,000.00 towards the cost of finishing the Premises per an agreed upon plan.

Base Rental Rates will have a two and one half percent (2.5%) annual increase.

OPTIONS TO RENEW:

Tenant shall have three (3) five (5) year options to renew the Lease. Initial option term Base Rent shall be the lesser of fair market value, or the Base Rent during the last 12 months of the immediately prior term, escalated by the increase of two and one-half percent (2.5%) annually.

OPTION C:

Owner builds out the space to Carson City's desired plan, assuming the build out is about \$3,000,000, and sells the building to Carson City for \$11,300,000.

OPTION D:

Tenant purchases the building in it current condition for \$7,990,000.

RIGHT OF FIRST OFFER ON ADJACENT SPACE:

Tenant shall have the right of first offer on any adjacent space that may become available during the initial term of the lease and any extension thereof. Tenant must accept or reject any adjacent space within sixty (60) business days of notice from Landlord.

RIGHT OF FIRST OFFER TO PURCHASE ALL OR PART OF LANDLORD'S CENTER:

Tenant shall have the right of first offer to purchase all or part of the Landlord's property within the NorthTown Center should Landlord decide to sell. Tenant must accept or reject the right of first offer to purchase within ninety (90) days of notice from Landlord.

COMMON AREA EXPENSES AND REAL ESTATE TAXES:

The estimate for triple net expenses is \$.25 per square foot per month. The expenses for the entire Center are estimated below:

Snow Removal	\$17,000.00
Water & Sewer	8,250.00
Landscape Maintenance	14,000.00
Security/Fire Alarm	5,600.00
Building Maintenance & Parking Lot	30,800.00
Insurance	27,000.00
Property Tax	67,500.00
Common Area Lighting	20,000.00
Management Fee	42,000.00

Total Estimated Center Common Area
Expenses \$232,150.00 *
*Tenant pays pro rata share

UTILITIES: Tenant shall pay directly for all utilities servicing the Premises.

SIGNAGE: Tenant shall have the right to install building signage at the Premises subject to Landlord's consent, which consent shall not be unreasonably withheld, and subject to compliance by Tenant with all applicable laws and regulations. Tenant will be allowed to have signage on the pylon sign.

SECURITY DEPOSIT: Tenant will not be required to provide a security deposit.

It is intended that any and all legal rights and obligations of the parties shall be those which are set forth in the Lease. Nothing contained herein shall create any legal obligation on behalf of any person or entity unless and until the Lease has been executed and delivered by the parties in their sole discretion.

Sincerely,

Bruce Robertson, CCIM

Accepted:
Landlord:

_____ Date: _____
By:

Accepted:
Tenant:

_____ Date: _____
By:

3246 North Carson Street, Building 3
39,950 Square Feet

Late Material
 Item # 15a
 09/01/2022

Option A: 10 Year Lease with base rental rate of \$1.50 plus \$0.25 common area maintenance (CAM) fee per square foot.
 Annual increases of 2.5%, Landlord to complete buildout at landlords cost. (CAM fees will be adjusted annually)

	Rent PSF	CAM Fee	Monthly Rent	Annual Rent
Year 1	\$1.50	\$0.25	\$69,912.50	\$838,950.00
Year 2	\$1.53	\$0.25	\$70,911.25	\$850,935.00
Year 3	\$1.55	\$0.25	\$71,910.00	\$862,920.00
Year 4	\$1.58	\$0.25	\$72,908.75	\$874,905.00
Year 5	\$1.60	\$0.25	\$73,907.50	\$886,890.00
Year 6	\$1.63	\$0.25	\$74,906.25	\$898,875.00
Year 7	\$1.65	\$0.25	\$75,905.00	\$910,860.00
Year 8	\$1.68	\$0.25	\$76,903.75	\$922,845.00
Year 9	\$1.70	\$0.25	\$77,902.50	\$934,830.00
Year 10	\$1.73	\$0.25	\$78,901.25	\$946,815.00

Total Rent for 10 Years: **\$8,928,825.00**
 No Ownership

3246 N. Carson St., Building 3, 39,950 SF

Option B: 10 Year Lease with base rental rate of \$1.00 plus \$0.25 common area maintenance (CAM) fee per square foot.
 Annual increases of 2.5%, Tenant Contributes **\$1,500,000** towards the buildout cost. (CAM fees will be adjusted annually)

	Rent PSF	CAM Fee	Monthly Rent	Annual Rent
Year 1	\$1.00	\$0.25	\$49,937.50	\$599,250.00
Year 2	\$1.03	\$0.25	\$50,936.25	\$611,235.00
Year 3	\$1.05	\$0.25	\$51,935.00	\$623,220.00
Year 4	\$1.08	\$0.25	\$52,933.75	\$635,205.00
Year 5	\$1.10	\$0.25	\$53,932.50	\$647,190.00
Year 6	\$1.13	\$0.25	\$54,931.25	\$659,175.00
Year 7	\$1.15	\$0.25	\$55,930.00	\$671,160.00
Year 8	\$1.18	\$0.25	\$56,928.75	\$683,145.00
Year 9	\$1.20	\$0.25	\$57,927.50	\$695,130.00
Year 10	\$1.23	\$0.25	\$58,926.25	\$707,115.00

Total Rent for 10 Years: **\$6,531,825.00**
 + **\$1,500,000.00**
Total Cost: **\$8,031,825.00**
 No Ownership

Option C: Owner to build out space to Carson City's desired plan for \$3,000,000.

Carson City purchases property for **\$11,300,000.00**
 City Owned

Option D: Carson City buys building 3 as is for **\$7,990,000.00**
 City Owned