



**Ward #:** 2

**Applicant:** Jeff Borchardt, AICP - Toll NV Limited Partnership

**APN:** 143-120-29

**Request:** This is the first request to extend the requirement to present a final map for the approved Caramella Ranch Estates tentative map (LDC19-00048) from July 2023 to July 2025, as authorized in NRS 278.360(1)(c).

**Location:** The remaining ±24.36 acre parcel impacted by this extension is located on the northwest side of Western Skies Drive between its intersection with Banta Avenue on the south and Sapphire Point Drive on the north. The remainder parcel is part of an overall ±297.37 acre project area generally located south of Sand Hollow Court, north of Reading Street, and bisected by Western Skies Drive within the Caramella Ranch Estates Planned Unit Development (PUD). The project area is surrounded by Damonte Ranch to the north, Curti Ranch to the West, Virginia Foothills and Brown Elementary School to the South, and Rilite Gravel Pit to the East. The site has a master plan designation of Special Planning Area.

**Background:** A history of the entitlements and recorded final maps for Caramella Ranch is included in the table below:

Case/Permit #	Case Type	Approval Date	Project Description
LDC17-00023	Tentative Map & Special Use Permit	3/15/2017	935 Lots Cuts & Fills SUP
SIT17-00016	Final Map	Recorded 12/5/2017	Western Skies North
SIT17-00017	Final Map	Recorded 3/1/2018	Western Skies South & Master Infrastructure
SIT17-00021	Final Map	Recorded 5/8/2018	103 Lots Conventional Village
SIT18-00001	Final Map	Recorded 6/28/2018	199 Lots Estates Village
SIT18-00005	Final Map	Recorded 10/15/2018	198 Lots Regency Village 1
LDC19-00048	Tentative Map	5/1/2019	Add 20 Lots (Total 945 Lots) & Amend Condition 8 of original TM.
SIT19-00014	Final Map	Recorded 9/12/2019	144 Lots Regency Village 2
SIT19-00029	Final Map	Recorded 1/15/2020	20 Lots Merida (i.e. The Cottages)
SIT20-00010	Final Map	Recorded 3/11/2021	97 Lots Regency Village 3
SIT21-00006	Final Map	Recorded 7/7/2021	88 Lots Regency Village 4
SIT22-00018	Final Map	In Review	100 Lots Regency Village 5

**Analysis:** As demonstrated in the history of permitting in the table above, Caramella Ranch has been under consistent permitting and development since it was first entitled in March 2017. Historically low interest rates and an influx of in-migration into the Reno area during the Covid-19 pandemic fueled a boom in sales at Caramella Ranch through 2020 and 2021. Processing of final maps in the Truckee Meadows typically takes 10 to 12 months, and the construction of a phase as large as Village 4 takes approximately 9 months. Regency Village 4 was recorded and constructed earlier than originally forecasted (May 2022) to support the accelerated demand for houses. Also, Toll Brothers submitted the Regency Village 5 map (SIT22-00017/FNL22-00018) in March 2022. Since Spring 2022 interest rates have increased at their fastest rate in United States history (a total of 375 basis points in less than a year –see *Figure 1 below*) as the Federal Reserve continues to combat inflation. This has significantly slowed homebuying as perspective homebuyers have been priced out from increased lending costs or are on the sidelines waiting for more predictability in the lending market, home prices, and overall economy. At this time, there are enough lots at Regency Villages 3 and 4 to support current anticipated demand through 2023.

Per NRS278.360, each successive final map must be presented within two years of the prior recorded map, unless extended by the Planning Commission. While other jurisdictions within the State consider the mere act of final map submittal as meeting the statutory obligations for maintaining the validity of the tentative map, the City of Reno requires the recordation of a final map to satisfy this statute. Regency Village 4 was recorded on July 7, 2021, which would result in the tentative map expiring on July 7, 2023 without approval of an extension. The Regency Village 5 map has been under review by all applicable jurisdictions since March 2022, and only minor comments remain before the map can be approved. While it is conceivable that the 100-lot final map for Regency Village 5 could be recorded within the statutory time frame, Toll Brothers is requesting an extension for the ability to record a final map closer to when the lots are needed. Additionally, we are exploring the possibility of breaking Village 5 into two phases, which will restart the 10 to 12-month final map process.

Mass grading of the subject site is complete, sewer has been installed in ±30% of the subject village (to support surrounding phases), and permitting for the gated entry feature has been approved. Toll Brothers has invested significant time and money into ensuring Caramella Ranch is a high-quality community rich with amenities. Our Regency brand is especially valuable to us and we want to ensure our Regency community is completed with the same quality as the prior villages. Therefore, we have a vested interest in finishing the Caramella Ranch project. This extension will allow us to withstand the dramatic economic shift by conserving capital and aligning expenditures to demand. Recordation of a final map in June, as required by statute, would require payment of over \$1 million fees, lead to increased taxes, require the posting of several bonds with pricey premiums and liability impacts to our balance sheet, and initiate the obligation to construct site improvements under the subdivision improvement agreement. These improvements cost multiple millions of dollars, which will be borrowed at an increasing interest rate. When borrowed too far in advance of home closings, the cost to carry the interest has significant cost implications, which are ultimately passed into the price of the home. Approval of this extension will ultimately allow us the flexibility to record a map closer to beginning construction of homes and the potential to break the site into smaller phase areas.