

STAFF REPORT

Date: August 28, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Resolution No. _____ (For Possible Action): (1) Public Hearing to determine “fair market value” of six parcels of land located at the southwest corner of Clear Acre Lane and Scottsdale Road in Reno, Nevada, having Assessor’s Parcel Numbers (APNs) 004-082-18, 004-061-29, 004-061-20, 004-061-26, 004-061-22, and 035-033-02 and commonly known as 0 Clear Acre Lane (appraised at \$2,656,000 without a reduction for the Truckee Meadows Water Authority [TMWA] water tank development impacts); (2) Approval of the terms of a sale of the Property to the Northern Nevada Building and Construction Trades Council Development Corporation for the approved fair market value under an “Agreement for Economic Development and Purchase/Sale of Real Property (0 Clear Acre)”; (3) Adoption of a Resolution determining that is in the best interest of the public to sell the Property under Nevada Revised Statutes (NRS) 260.063 without first offering it to the public, and authorizing the City Manager to finalize and approve the sale of the Property.

From: Monica Kirch, Director of Housing and Neighborhood Development

Department: City Manager’s Office – Housing & Neighborhood Development

Summary:

The Regional Transportation Commission (RTC) currently owns 27 acres of surplus property located at 0 Clear Acre Lane, Reno, Nevada, which has been identified as an ideal location for an affordable housing project. In this collaborative effort, the City of Reno will act solely as an intermediary, facilitating the sale of the property from the RTC to the City of Reno, followed by its immediate purchase by the Northern Nevada Building and Construction Trades Council Development Corporation to facilitate the construction of affordable and workforce housing. With plans to build 400 affordable housing units, 240 units of workforce housing, and commercial space, Northern Nevada Building and Construction Trades Council Development Corporation desires to purchase the property at 0 Clear Acre Lane (Assessor’s Parcel Numbers [APNs] 004-082-18, 004-061-29, 004-061-20, 004-061-26, 004-061-22, and 035-033-02) for its fair market value minus a \$400,000 reduction for the Truckee Meadows Water Authority (TMWA) water tank development impacts established by Council. Under Nevada Revised Statutes (NRS) 268.063, the City would

sell the Property to Northern Nevada Building and Construction Trades Council Development Corporation without first offering it to the public because the housing units would qualify as an Economic Development Project. A draft “Agreement for Economic Development and Purchase/Sale of Real Property (0 Clear Acre)” is attached for review and approval by Council. Staff requests that Council: 1) set the fair market value of the Property based on one appraisal which sets the value at \$2,656,000, minus a \$400,000 reduction for the TMWA water tank development impacts; 2) review the attached draft “Agreement for Economic Development and Purchase/Sale of Real Property (0 Clear Acre)” (the “Agreement”); and 3) adopt a resolution required by NRS 268.063 that it is in the best interest of the public to sell the Property without first offering it to the public, and approving the sale Agreement and authorizing the City Manager to finalize and approve it. The City is authorized under NRS 268.063 to sell property without first offering it to the public if the sale is for an Economic Development Project as defined in NRS 268.063 (4)(a)(4).

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing

Previous Council Action:

May 8, 2024 – City approved moving forward with the purchase of property located at 0 Clear Acre Lane, Reno, Nevada, totaling approximately 27 acres, from the RTC, for the purpose of affordable housing.

Background:

The surplus property identified as 0 Clear Acre, currently owned by the RTC, is ideal for development. Since affordable housing is a top priority of Council and Council is committed to the development of additional affordable units, a letter of interest was submitted to RTC regarding this property on September 21, 2023. Staff was also contacted by representatives of Northern Nevada Building and Construction Trades Council Development Corporation with an interest in developing the property. The proposed project would help move the needle with additional affordable and workforce housing units while also adding commercial space.

Discussion:

(1) Establishing Fair Market Value. The attached appraisal by John, Perkins, Griffin establishes the fair market value without any reduction for the TMWA water tank impact development at \$2,656,000. However, Council is asked to consider the costs of the TMWA water tank impacts and reduce the fair market value to \$2,256,000.

(2) Terms of Sale. The attached sale Agreement is the result of negotiations between staff and the buyer. All costs including the purchase price, appraisals, publication, and escrow fees will be paid for by Northern Nevada Building and Construction Trades Council Development

Corporation.

(3) The Resolution. The first part of the resolution is a requirement under NRS 268.063(1) whereunder the City must pass a resolution that it is in the best interest of the public for the City to sell the property without first offering it to the public. In this case, the interest is served because the Property will be used for residential purposes to fulfill a considerable need for affordable housing. A sale by auction usually would not have any such restrictions. The Resolution documents the Council's decision as to fair market value and Council's approval of the general terms of the Agreement and authorizes the City Manager to finalize and approve the Agreement.

Financial Implications:

None. All costs will be paid by the developer, with no financial implications to the City.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

(1) Hold a public hearing to determine the fair market value of six parcels of land located at 0 Clear Acre Lane Reno, Nevada, known as APNs 004-082-18, 004-061-29, 004-061-20, 004-061-26, 004-061-22, and 035-033-02 (the "Property") taking into consideration its appraised value, any reductions for the TMWA water tank development impacts approved by the Council, public testimony, staff's comments, and any other information that Council deems relevant.

(2) Approve the general terms of a sale of the Property to Northern Nevada Building and Construction Trades Council Development Corporation as proposed in the attached "Agreement for Economic Development and Purchase/Sale of Real Property (0 Clear Acre)" (the "Agreement") without first offering the Property to the public under NRS 268.063.

(3) Adopt Resolution No. _____ determining that the sale is in the best interest of the public to sell the Property, approving the general terms of the Agreement and authorizing the City Manager to finalize and approve the Agreement.

Proposed Motion:

I move to determine the fair market value of the Property to be _____ and approve staff recommendation.

Attachments:

Resolution to sell 0 Clear Acre

Appraisal

Economic Development Agreement Purchase and Sale