

STAFF REPORT

Date: November 20, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Ordinance Introduction – Bill No. ____ (For Possible Action): An Ordinance authorizing the issuance and sale by the City of Reno of its 2024 Special Assessment District No. 1 (Quilici Ranch) Local Improvement Bonds, Series 2025 in the aggregate principal amount of not to exceed \$26,110,000; Approving the form of certain documents with respect to such bonds; Ratifying action taken by City Officers toward the issuance of such bonds; and providing other matters related thereto.

From: Vicki Van Buren, Director of Finance

Department: Finance

Summary:

This ordinance authorizes the issuance of the City of Reno, Nevada, 2024 Special Assessment District No. 1 (Quilici Ranch) Local Improvement Bonds, Series 2025 (the “Bonds”) to fund the expansions of TMWA water infrastructure system (the “Project”) for the 2024 Special Assessment District No. 1 (Quilici Ranch) (the “District”) and approves certain documents needed for the issuance of the Bonds.

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

December 13, 2023: Council adopted a resolution accepting the petition for the proposed Special Assessment District (the “District”) and directed staff to negotiate the form and terms of a Development and Financing Agreement for the District between the City and the Developer.

February 22, 2023: Council adopted a Resolution approving a Deposit and Reimbursement Agreement between the City and the Developer relating to a proposed Special Assessment District in the City.

Background:

The District is proposed to finance portions of the TMWA water infrastructure needed to support the development within Quilici Ranch. The District is comprised of 11 villages (Phases 1 and 2), which include a total of 62 assessable parcels and approximately 368 net assessable acres. The District is located southeast of Interstate 80 and east of Quilici Ranch Road and is intended to be developed into approximately 1,039 single-family residential units and 172 multi-family residential units. The development also includes a school site and two parks that will be dedicated to the City.

Discussion:

The District improvements will consist of the construction of certain water improvements as defined in NRS Chapter 271. The District projects are directly related to the development of the parcels within the District and will benefit the property within the District. The construction of the improvements will allow all assessed parcels to develop to their planned densities. There are a total of seven District projects. A portion of the cost associated with these projects will be paid for by District assessments and the remainder of the cost will be borne by the Developer.

The proposed District will utilize the Alternate Procedure for Local Improvements, as outlined in NRS 271.700 through 271.730. These special assessment districts differ from standard special assessment districts that are commonly used in Reno for infrastructure improvements and for supplemental services in the Downtown area. Key differences include a requirement for 100 percent owner consent, provisions for developer funded expenses, security provided with encumbrances to the applicant's property, and additional financial contingencies. Under this framework, the assessment bonds are not a debt of the City and the City has no repayment liability pursuant to NRS 271.500.

Pursuant to the Deposit and Reimbursement Agreement, which was approved by the Council on December 13, 2023, the Developer will advance moneys to the City to be used by the City to pay costs and expenses associated with the formation of the District, the levy of assessments, and the issuance of bonds, such advances being subject to reimbursement or credit upon a successful issuance of bonds or the termination or abandonment of proceedings relating to the District.

Financial Implications:

There are no direct financial implications from approving this next step in the process. All costs to the City are being borne by Developer or will be paid out of Bond proceeds. The Bonds are payable solely from the assessments against the properties in the District and are not an obligation of the City.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law. If this Bond Ordinance is approved on first reading, it will be on the Council agenda for the December 4, 2024, meeting. The ordinance will authorize issuance of the Bonds to finance the Project.

Recommendation:

Staff recommends Council conduct the first reading of the Bond Ordinance.

Proposed Motion:

I move to approve the Staff recommendation.

Attachments:

Bond Ordinance