

STAFF REPORT

Date: December 13, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of a Resolution Accepting a Petition for the Formation of a Special Assessment District (SAD) project located within the Mortensen-Garson Overlay District and includes Assessor's Parcel Numbers (APNs) 038-200-16, 038-190-48, 038-030-10, 038-190- 37, and 038-120-04.

From: Vicki Van Buren, Director of Finance

Department: Finance

Summary:

Staff requests authorization from Council to continue negotiation of a proposed Special Assessment District. This resolution accepts the petition for the proposed Special Assessment District (the "District") and directs staff of the City to negotiate the form and terms of a Development and Financing Agreement for the District between the City and the Developer. The Development and Financing Agreement will be brought back to Council for approval.

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

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:

Toll North Reno, LLC, a Nevada limited liability company (the "Developer"), on behalf of itself, proposes the formation of the District in the City to finance the costs of certain public improvements. The project site is +/- 1,026 acres located within the Mortensen-Garson Overlay District (MGOD) and includes Assessor's Parcel Numbers (APNs) 038-200-16, 038-190-48, 038-030-10, 038-190-37, and 038-120-04. The general location of the property is south and east of U.S. Highway 80, southwest of the Boomtown Garson Road overpass of the Highway. The

Developer owns all the property in the proposed assessment district.

The proposed assessments would be paid by the future homeowners within the “Quilici” project. The project will include approximately 1,211 total residential units. The public improvements would include water infrastructure and the anticipated costs for these improvements is approximately \$41.2 million. The bond request amount is estimated at \$26.1 million. This would result in an average annual assessment payment of \$1,756 per homeowner based on a 30-year bond.

Discussion:

Pursuant to the Deposit and Reimbursement Agreement, approved by Council on February 22, 2023, the Developer has deposited \$150,000 with the City to be used for the 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.

This Resolution accepts the petition for the proposed Special Assessment District (the “District”) and directs staff to negotiate the form and terms of a Development and Financing Agreement for the District between the City and the Developer.

Financial Implications:

All costs of the City related to the proposed District will be reimbursed from the funds advanced by the Developer, or from proceeds of the Bonds issued to finance the public improvements in the District.

Legal Implications:

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

Recommendation:

Staff recommends Council adopt the Resolution accepting a petition for the formation of the District.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Resolution – Quilici SAD
Quilici SAD Application
Timeline for SAD