

## STAFF REPORT

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**Date:** November 8, 2023

**To:** Mayor and City Council

**Through:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Approval of (1) Reimbursement Agreement with DPRTA Stead LLC (Dermody) for \$853,535, and (2) At Grade Crossing Agreement with Union Pacific Railroad for a new public crossing of Union Pacific Railroad tracks at the extension of Moya Boulevard associated with the development of the Reno Stead Airport Business Park.

**From:** Michael Mischel, Engineering Manager, Development Services

**Department:** Development Services - Engineering

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### Summary:

Council is asked to approve two agreements associated with the development of the Reno Stead Airport Business Park. The first agreement is a Reimbursement Agreement with Dermody Properties for \$853,535 that will reimburse the City for costs paid to Union Pacific associated with constructing a new crossing of the Union Pacific Railroad (UPRR) tracks at the extension of Moya Boulevard. The second agreement is an At Grade Crossing Agreement with Union Pacific that outlines the scope and cost of construction activities associated with the new crossing at the extension of Moya Boulevard. The Reno Stead Airport Business Park is a proposed 56 acre warehouse and distribution center located within the boundary of the Reno Stead Airport property. The Park will be accessed from an extension of Moya Boulevard. UPRR will only enter into an agreement for this new crossing with a public agency. The improvements necessary for the new crossing is subject of the Crossing Agreement. UPRR will incur costs associated with this new crossing and has requested that the City enter into an agreement with them for these costs. The City in return has required the developer of the Business Park, Dermody Properties, to reimburse the City for costs associated with the Crossing Agreement with UPRR. This Council action involves the approval of a Reimbursement Agreement between the City and DPRTA Stead LLC (Dermody) and an At Grade Crossing Agreement between the City and Union Pacific Railroad. The agreements are associated with the construction of a new public crossing of Moya Boulevard with UPRR tracks.

<b>Consent Review</b>	<b>Yes</b>	<b>No</b>
1. Is this item an annual or standard item that comes before Council for regular approval?	X	
2. Is this item an agreement required based on an item previously approved by Council?	X	
3. Is this item Included in the current budget approved and adopted by Council?		X
<b>Other Considerations</b>		
What percent of the total city budget does this item represent?	0%	

**Alignment with Strategic Plan:**

Economic and Community Development.

**Background:**

The Reno-Tahoe Airport Authority (RTAA) is the sponsor of the Reno Stead Airport. The RTAA is seeking approval from the Federal Aviation Administration (FAA) for a Project to develop 56 acres of the southern portion of the Airport with non-aeronautical land uses and associated land improvements. The Project includes the construction of two warehouse and distribution buildings totaling 1,127,080 square feet and associated public improvements necessary to support the buildings. One such improvement is the extension of Moya Boulevard to the site which necessitates that Moya Boulevard cross the UPRR tracks. Moya Boulevard, including the new UPRR crossing, will be publicly owned and maintained. The buildings would be one story and include a total of 187 dock doors for semi-trailer loading and unloading. The developer has submitted a building permit for the buildings and plans are currently in plan review.

**Discussion:**

Since the UPRR will only enter into a crossing agreement with a public agency and in an effort to allow the Reno Stead Airport Business Park to move forward, the City is agreeable to entering into a reimbursement agreement with Dermody Properties and an At Grade Crossing Agreement with UPRR for the new crossing at Moya Boulevard. The agreements in this Council action are the reimbursement agreement between the City and DPRTA Stead LLC which provides that the developer pay all City costs associated its reimbursement agreement with UPRR and the At Grade Crossing Agreement with UPRR. DPRTA Stead LLC has made a deposit of \$877,707 towards the subject reimbursement agreement with the City. Modifications to the At Grade Crossing Agreement may be required given that Union Pacific has not provided responses to City comments. Staff requests Council give the City Manager, in consultation with the City Attorney, authority to negotiate final terms and conditions necessary to approve the At Grade Crossing Agreement.

**Financial Implications:**

No financial impact will result from this action. All costs associated with this Council action are being covered by DPRTA Stead LLC.

**Legal Implications:** Legal review completed for compliance with City procedures and Nevada Law.

**Recommendation:**

Staff recommends Council approval of the two subject agreements.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

Vicinity Map

At Grade Crossing Detail

Public Crossing Agreement

Reimbursement Agreement Public Highway At Grade Crossing Agreement