

STAFF REPORT

Date: December 11, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Approval of legal settlement agreement with Monkey Bars, Inc. and FQ Men's Club, Inc. in the matter of The Freight House District, LLC, et al. v. City of Reno, et al., Supreme Court Case No. 89235 (District Court Case No. CV22-01113)

From: Alice Herbolsheimer, Deputy City Attorney III

Department: City Attorney's Office

Summary:

The City of Reno and Redevelopment Agency of the City of Reno (collectively, “City”) sued the Freight House District, LLC (“FHD”), Monkey Bars, Inc. and FQ Men’s Club, Inc. (collectively “MB”), to reclaim possession of City-owned parcels identified as Washoe County Assessor Parcel Numbers 007-311-21; 007-311-22; 007-311-23 (“Municipal Parcels”). The City Attorney recommends that City Council approve the proposed settlement agreement with MB.

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

None.

Discussion:

MB intends to comply with the Court’s Order to vacate the Municipal Parcels by December 31, 2024, and has offered to drop the appeal in exchange for assurances that the City will not pursue reconveyance of the Commercial Row Parcels from FHD if the Nevada Supreme Court affirms the district court’s order on appeal.

The City Attorney recommends Council approve the attached settlement agreement with MB under the following terms:

1. City agrees not to seek reconveyance of the Commercial Row Parcels from FHD if the Nevada Supreme Court affirms the district court's order on appeal.
2. MB shall vacate the Municipal Parcels by December 31, 2024.
3. City and MB will mutually release each other and stipulate to dismiss with prejudice all claims in the existing litigation.
4. The parties will bear their own costs and attorney's fees.

Financial Implications:

None.

Legal Implications:

Approval of the settlement agreement will not dismiss FHD's claims on appeal.

Recommendation:

The City Attorney recommends Council approve the settlement agreement and authorize and direct the Mayor, Interim City Manager, and City Attorney to execute all documents, and do all other acts, deeds, and activities the City Attorney deems necessary or advisable to effectuate the terms and conditions of the settlement.

Proposed Motion:

I move to approve staff recommendation.

Attachments: