

## STAFF REPORT

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**Date:** June 12, 2024

**To:** Mayor and City Council

**Through:** Doug Thornley, City Manager

**Subject:** Ordinance Introduction – Bill No. \_\_\_\_\_ (For Possible Action): Case No. ANX23-00002 (Valley View Estates) Ordinance annexing to and making part of the City of Reno certain specifically described territory being ±81.81 acres of property consisting of two parcels located ±350 feet southeast of the intersection of Claim Jumper Way and Tellurium Mine Drive, and directly east of the Truckee Meadows Water Authority (TMWA) reservoir tank. The subject site is adjacent to the City of Reno jurisdictional boundary, located within the Sphere of Influence (SOI), and has a Master Plan land use designation of Unincorporated Transition (UT); together with other matters properly related thereto.

**From:** Jeff Foster, Associate Planner

**Department:** Development Services - Planning

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**Summary:**

This request is for a voluntary annexation of two properties totaling ±81.81 acres into the City of Reno. The properties are generally located ±350 feet southeast of the intersection of Claim Jumper Way and Tellurium Mine Drive, and directly east of the Truckee Meadows Water Authority (TMWA) reservoir tank. The subject site is located in the City of Reno Sphere of Influence (SOI), contiguous to the City of Reno boundary, and within the Truckee Meadows Service Area (TMSA). Associated Master Plan and zoning map amendments are being processed concurrently with this request. Based on general compliance with the annexation review factors in the Reno Municipal Code (RMC), staff recommends approval of the requested annexation.

**Alignment with Strategic Plan:**

Economic and Community Development

**Previous Council Action:**

Council reviewed this request and related items on October 25, 2023, in association with a Master Plan and zoning map amendment for the site (LDC23-00021-Valley View Estates). Council identified items that needed to be addressed further and the applicant agreed to continue

the items to a future hearing.

**Background:**

Nevada Revised Statutes (NRS) 268.670 outlines voluntary annexations and describes the process initiated by private landowners controlling all land proposed for annexation. Voluntary annexations may be considered for properties that are contiguous to existing City limits, whether they are inside or outside of the designated SOI. This request meets the requirement of petition by 100% of the owners of real property within the subject area for a voluntary annexation.

The subject parcels are not currently part of the City of Reno but are in the Reno SOI and under the City's land use authority. The site has a Washoe County zoning of approximately 13% High Density Rural (HDR) and 87% General Rural (GR). Residential development is anticipated with approval of the associated Master Plan and zoning map amendments and the economic analysis of the annexation is based on the proposed amendments and allowable development.

**Discussion:**

The City of Reno has adopted ten criteria for the evaluation of annexation requests. Each criterion is identified and evaluated below.

*1. Location of the property to be considered for annexation:*

The SOI is an area into which the City plans to expand within the next 20 years, based on population projections and capacities for growth. The properties are located in a foothill area in southeast Reno and are contiguous with the City's boundary. Predominantly residential development has occurred in the surrounding area, and roadway networks and infrastructure are established and near the subject site. The 160 acres directly north of the subject parcels have been approved for residential development, and roadway networks and utilities are anticipated to be built or extended to support development.

*2. The logical extension or boundaries of city limits:*

The site is a logical extension of the City's boundary based on the area identified for City expansion according to the SOI, TMSA, and Truckee Meadows Regional Planning Agency (TMRPA) Regional Tier 2 designation. City services are provided or are near the existing and planned development to the north and west. City of Reno boundary expansion to the south and east are limited due to the SOI boundary to the south of the properties and the Regional Tier 3 and rural area designations to the east and south, respectively.

3. *The need for the expansion to accommodate planned regional growth:*

The 2019 Truckee Meadows Regional Plan (Plan) provides guidance on future development patterns and priorities in Washoe County to accommodate population growth over the next 20 years. The Plan defines the TMSA where municipal services and infrastructure will be provided and regional land designations that create the region's priority hierarchy for development.

The subject parcels are located within the TMSA and the Plan identifies the subject properties with a Regional Land Designation of Tier 2. The Regional Tier 2 designation represents the third highest priority (out of five) for investment and is designated suitable for suburban development.

4. *The location of existing and planned water and sewer service:*

The request supports the coordinated expansion of the City's infrastructure network and efficient provision of services. The properties are within the TMWA service area and sewer is anticipated to be provided by the South Truckee Meadows Water Reclamation Facility (STMWRF).

5. *Community goals that would be met by the proposed annexation:*

The Reno Master Plan is a legislative planning document with respect to the City's vision, goals, and policies relative to such matters as population, housing, streets, and resource use. The plan supports a fiscally responsible growth pattern to maintain and improve existing levels of service for current residents and future generations. Policy 2.1D: Annexation outlines ten factors that should be utilized in considering annexation requests. Each of these factors is discussed below.

- a) Support the coordinated expansion of City infrastructure and efficient provision of services: refer to Annexation Criteria 4 and 6.
- b) Are located in the TMWA service area: refer to Annexation Criterion 4.
- c) Have existing or funded adequate facilities to support growth: the subject site is currently vacant, privately owned land. Future development would be responsible for the roadways and utilities to support growth at the time of development. Capital facilities are discussed under Annexation Criterion 6.
- d) Submit a concurrent request to change to desired Master Plan land use designation(s): the properties currently have a Master Plan land use designation of Unincorporated Transition (UT) and an associated Master Plan amendment request is being processed concurrently (LDC23-00021 Valley View Estates).

- e) Enhance the mixture of uses and development types that match with the City's vision: based on topography, access, and surrounding land uses the parcels would be anticipated to develop as clustered residential with a low overall density and large dedicated areas of open space, trail connectivity, and recreational opportunities.
- f) Do not create a fiscal burden or mitigate fiscal burdens based on a fiscal impact analysis and mitigation plan for expected/desired future land use designations: refer to Annexation Criterion 7.
- g) Include areas similar in character to the City and that have a demonstrated reliance on City services: City of Reno Police and Fire currently provide service to the surrounding area, and provision of services to the subject properties is a logical extension. Roadway infrastructure is nearby and has been determined to meet the level of service standards. Traffic impacts would be further evaluated through additional required development reviews.
- h) Facilitate annexation of County islands: refer to Annexation Criterion 9.
- i) Are contiguous with Reno City limits and located in the SOI: the site is contiguous to the City of Reno limits and is located within the City's SOI.
- j) Are consistent with other adopted policies: the proposed annexation supports the following policies:
  - Policy 1.1B: Community Development - Maintaining and building on quality of life for residents and businesses.
  - Policy 2.1A: Growth Tiers - Annexation of the site would shift its classification from priority category five (all other locations in the SOI) to priority category four (areas located in the City that do not have infrastructure and services in place but can be served by the City if infrastructure is built and services can be provided).
  - Policy 2.1B: Concurrency Management System - Provide a timely, orderly, and efficient arrangement of adequate public facilities and infrastructure that support existing and planned land use patterns.
  - Policy 2.1D: Annexation - The Master Plan supports requests for annexation that meet the ten criteria listed in this policy. The annexation of this site would be in line with the listed criteria.

6. *The efficient and cost-effective provision of service areas and capital facilities:*

Based on the limited residential density anticipated and evaluation of the project location,

the standards of station distribution, response times, inter-local agreements, private fire protection measures, and concurrency management requirements are adequate to ensure emergency services can be provided to future development facilitated by this annexation request.

The project is located within a Wildland-Urban Interface (WUI) area and future development will follow requirements set forth in the State's adoption of the WUI Code under NRS and Nevada Administrative Code (NAC).

Currently, public safety staffing, resources, and facilities are sufficient to provide services to the proposed development. Property tax generated from the proposed development may be allocated if additional service is required.

Future development of the project will provide Residential Construction Tax for the provision of parks. Open space and trails are anticipated to be maintained and constructed with future development.

7. *Fiscal analysis regarding the proposed annexation:*

A fiscal impact analysis demonstrates the proposed annexation and anticipated residential development would not be a fiscal burden to the City.

General Fund Impacts: Over the 20-year analysis period, the project is estimated to generate a revenue surplus for the City of Reno's General Fund in the amount of \$1.1 million. This includes estimated revenue for the City of Reno General Fund of \$1.8 million and expenditures for the General Fund estimated at \$697,000.

Street Fund Impacts: Over the 20-year analysis period, the project is estimated to generate a revenue deficit for the City of Reno's Street Fund in the amount of \$985,000. This includes estimated revenue for the City of Reno Street Fund of \$536,000 and expenditures for the Street Fund estimated at \$1.5 million.

8. *Whether Washoe County has adopted a community management plan for the annexation area:*

Development of the site is governed by the Reno Master Plan and RMC standards due to the inclusion of the site within the City's SOI and the City's exertion of extraterritorial jurisdiction. All discretionary and ministerial land use approvals currently fall under the City's jurisdiction.

9. *Whether the annexation creates any islands:*

The annexation of the properties does not create any islands of non-City of Reno properties.

10. *Any other factors concerning the proposed annexation deemed appropriate for consideration by Council:*

The annexation and associated requests were reviewed by various City divisions and partner agencies. A courtesy notice was sent out to surrounding property owners upon initial submittal. The project was presented at the Ward 2 Neighborhood Advisory Board. The applicant's representative conducted an in-person and online neighborhood meeting that detailed the request and addressed public comments.

**Financial Implications:**

The fiscal impact analysis demonstrates the proposed annexation and anticipated residential development would not be a fiscal burden to the City (Annexation Criterion 7).

**Legal Implications:**

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

**Recommendation:**

Staff recommends Council refer Bill No. \_\_\_\_\_ for a second reading and adoption.

**Proposed Motion:**

I move to refer Bill No. \_\_\_\_\_ for a second reading and adoption.

**Findings:**

**General Review Criteria:** The decision-making body shall review all development applications for compliance with the applicable general review criteria stated below.

- 1) Consistency with the Reno Master Plan. The proposed development shall be consistent with the Reno Master Plan. The decision-making authority:
  - a. Shall weigh competing plan goals, policies, and strategies; and
  - b. May approve an application that provides a public benefit even if the development is contrary to some of the goals, policies, or strategies in the Reno Master Plan.
- 2) Compliance with Title 18. The proposed development shall comply with all applicable standards in this Title unless the standard is lawfully modified or varied. Compliance with these standards is applied at the level of detail required for the subject submittal.

- 3) Mitigates Traffic Impacts. The project mitigates traffic impacts based on applicable standards of the City of Reno and the Regional Transportation Commission (RTC).
- 4) Provides Safe Environment. The project provides a safe environment for pedestrians and people on bicycles.
- 5) Rational Phasing Plan. If the application involves phases, each phase of the proposed development contains all of the required streets, utilities, landscaping, open space, and other improvements that are required to serve or otherwise accompany the completed phases of the project, and shall not depend on subsequent phases for those improvements.

***Annexation Review Considerations:*** When considering an application for annexation submitted under NRS 268.670, Council shall consider the following factors in deciding on the application:

- 1) Location of the property to be considered for annexation;
- 2) The logical extension or boundaries of city limits;
- 3) The need for the expansion to accommodate planned regional growth;
- 4) The location of existing and planned water and sewer service;
- 5) Community goals that would be met by the proposed annexation;
- 6) The efficient and cost-effective provision of service areas and capital facilities;
- 7) Fiscal analysis regarding the proposed annexation;
- 8) Whether Washoe County has adopted a community management plan for the proposed annexation area;
- 9) Whether the annexation creates any islands; and
- 10) Any other factors concerning the proposed annexation deemed appropriate for consideration by Council.

**Attachments:**

Ordinance

Exhibit A - Case Maps

Valley View Estates Annexation Legal Notice