

## STAFF REPORT

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**Date:** May 7, 2025

**To:** Mayor and City Council

**Through:** Jackie Bryant, City Manager

**Subject:** Staff Report (For Possible Action): Approval of Partial Release, Reconveyance and Amendment of Mortgage Agreement between the United States Department of Commerce, Economic Development Administration and the City of Reno in order to carve out right-of-way needed for roadway purposes as part of the Regional Transportation Commission Military Road Widening Project located at the Reno Stead Water Reclamation Facility (APN 086-154-14). [Ward 4]

**From:** Joe Coudriet, Senior Civil Engineer

**Department:** Utility Services

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**Summary:**

The Regional Transportation Commission (RTC) recently approached the City of Reno with a request to support the Military Road Improvement Project with City of Reno rights-of-way to accommodate the new roadway widening. Conveying property for City of Reno rights-of-way is a standard procedure. Before conveying a portion of the Reno Stead Water Reclamation Facility parcel (APN 086-154-14) to right-of-way, the City must address a covenant on the parcel that restricts its sale or transfer. In April 2020, the U.S. Economic Development Administration (EDA) awarded the City a \$5,000,000 grant to acquire and install effluent treatment and reuse infrastructure at the Reno Stead Water Reclamation Facility (RSWRF). To facilitate portions of the property being conveyed to right-of-way, the City must amend the existing mortgage agreement. Staff recommends that Council approve the Partial Release, Reconveyance, and Amendment of the Mortgage Agreement between the United States Department of Commerce, Economic Development Administration (EDA), and the City of Reno for parcel number 086-154-14, and authorize the Mayor to sign the agreement. This is a no-cost agreement.

Consent Review	Yes	No
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

Other Considerations	
What percent of the total City budget does this item represent?	N/A

**Alignment with Strategic Plan:**

Infrastructure, Climate Change, and Environmental Sustainability

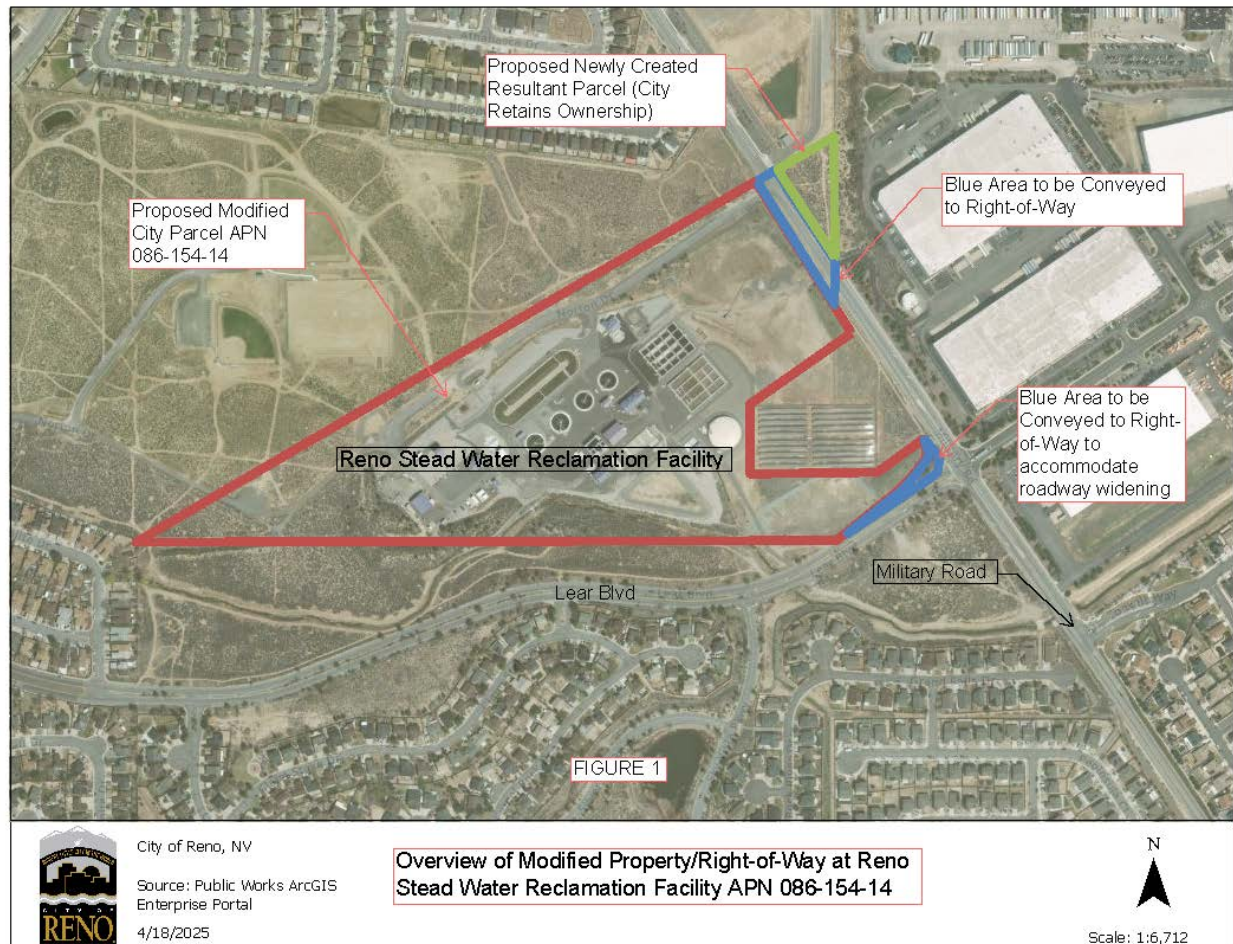
**Previous Council Action:**

August 25, 2021 – Council approved an Agreement and Mortgage with the United States Department of Commerce, Economic Development Administration, securing improvements constructed at the Reno Stead Water Reclamation Facility through a grant from the U.S. Economic Development Administration in the amount of \$5,000,000.

**Background:**

The Regional Transportation Commission (RTC) recently approached the City with a request to support the Military Road Improvement Project with City of Reno rights-of-way to accommodate the new roadway widening. However, before portions of this parcel (APN 086-154-14) can be conveyed to right-of-way, the City is obligated to address a “covenant” on this parcel which is tied to the April 2020 U.S. Economic Development Administration (EDA) award of a \$5,000,000 grant to the City to assist with acquiring and installing effluent treatment and re-use infrastructure at RSWRF. The EDA grant conditions required the City to execute and record an EDA standard “Agreement and Mortgage” document, which essentially guaranteed that the City would not sell or transfer the RSWRF property without EDA approval for 20 years. The City executed and recorded the required “Agreement and Mortgage” document in 2021.

Portions of APN 086-154-14 are either encumbered by a Military Road easement or separated from the main facility by Military Road itself. Additionally, only a limited area of the parcel is directly associated with the 2020 EDA Agreement and Mortgage. The portion needed for right-of-way for the Military Road widening is the area located at the northwest corner of Military Road and Lear Boulevard and is not required for RSWRF operations. See Figure 1 below, which depicts an overview of the affected property/right-of-way.



### Discussion:

The conveyance of excess portions of APN 086-154-14 to right-of-way requires an amendment to the original Agreement and Mortgage. This amendment will also modify the RSWRF parcel to dedicate portions of APN 086-154-14 as City of Reno right-of-way for Military Road. As a result of establishing this right-of-way—which bisects APN 086-154-14—a new parcel will be created on the east side of Military Road. These changes are incorporated into the proposed amended agreement with the EDA. The amendment includes a Partial Release, Reconveyance, and Modification of the original mortgage between the EDA and the City of Reno.

### Financial Implications:

None.

### Legal Implications:

The office of the City Attorney prepared the Partial Release and facilitated the request to have the release processed with the EDA.

**Recommendation:**

Staff recommends Council approve the Partial Release, Reconveyance and Amendment of Mortgage Agreement.

**Proposed Motion:**

I move to approve the Partial Release, Reconveyance and Amendment of Mortgage Agreement between the United States Department of Commerce, Economic Development Administration and the City of Reno with respect to APN 086-154-14 to facilitate conveyance of property to right-of-way for the Military Road widening project, and authorize the Mayor to sign.

**Attachments:**

Partial Release Agreement City of Reno-EDA with Exh.pdf