

## STAFF REPORT

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**Date:** May 8, 2024

**To:** Mayor and City Council

**Through:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Public Hearing on any complaint, protest, or objection to the assessment roll for a City of Reno, Nevada, Neighborhood Improvement Project, otherwise known as the Downtown Reno Business Improvement District (BID), will be heard; and the determination of hardship applications.

**From:** Bryan McArdle, Revitalization Manager

**Department:** City Manager's Office

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### **Summary:**

In March 2018, Council adopted Ordinance No. 6455 creating a Neighborhood Improvement Project, otherwise known as the Downtown Reno Business Improvement District (BID). On or before June 30 of each year, Council shall hold a public hearing to hear and determine any written complaint, protest, or objection concerning the proposed assessment roll. Council is requested to adopt a resolution confirming the assessment roll after hearing and determining all written and spoken objections and protests to the validity of the roll used for the levying of assessments. Prior to the levying of assessments, Council is requested to consider and act on the hardship applications. Once considered and with the approval of any hardship requests, Council can proceed with finalizing the form of the assessment roll. With the protests and hardships determined and the assessment roll confirmed, Council will be asked to refer the ordinance confirming the proceedings taken in assessing the cost of said improvements for the BID, and all matters related thereto, for subsequent adoption. Staff recommends Council determine protests and hardships, adopt the resolution confirming the assessment roll in its original or modified form, and to refer the ordinance for adoption.

### **Alignment with Strategic Plan:**

Economic and Community Development

### **Previous Council Action:**

On an annual basis, Council has held a public hearing at the time and place designated by resolution and pursuant to Nevada Revised Statute (NRS) 271.380. Generally, noticing is

completed in the month of April with the public hearing being held in May. As part of the annual public hearing, Council, after considering all written and spoken objections and protests to the validity of the roll, adopts a resolution confirming the assessment roll in its original form, or as modified. Pursuant to NRS 271.390, Council will levy the assessments in the roll by ordinance.

**Background:**

In April 2016, Council approved a professional services contract with PUMA of Denver, Colorado. PUMA was retained by the City to lead efforts to create a Downtown Action Plan aimed at identifying and recommending methods to address blight and blight-related issues in downtown Reno and creating a playbook for downtown revitalization. In April 2017, Council unanimously accepted the Downtown Action Plan and authorized a second contract with PUMA for assistance in dissolving the previous Police and Maintenance Special Assessment Districts (SADs) and creating a newly formed BID that would be managed by a private, non-profit Downtown Management Organization (DMO). Like the SADs, the cost for services would be funded through assessments from property owners within the BID who receive special benefits within the district. This process required a petition drive needing approval from at least one-half of the basis used for the computation of assessments from those property owners within the BID. This threshold was reached and in March 2018, Council adopted Ordinance No. 6455 creating a Neighborhood Improvement Project, otherwise known as the Downtown Reno Business Improvement District, and approved the levying of assessments. While the creation of the district is a singular action, the levying of assessments is an annual event that must be completed by June 30.

**Discussion:**

On a yearly basis, prior to June 30, a public hearing is required on the proposed assessment roll to fund the services proposed in the BID operating plan. During the public hearing, complaints, protests, and objections made in writing or verbally concerning the assessment roll, by the owner of any tract or any person interested, will be heard. The assessments are based upon a proposed assessment role that is approved by the city engineer and filed with the City Clerk's Office (attached).

The basis for how these assessments are calculated is contained within the Management Plan and Engineer's Report created during the acquisition of the BID and since modified. Annually the Board of Directors for the Downtown Reno Partnership (DRP), the non-profit selected to manage the BID, can adjust the rates applied against properties up to 5% per year. For fiscal year (FY) 25 the DRP Board has chosen to decrease the standard services assessment by 5%.

After consideration of any objections made at the hearing, and of any other information reasonably known to it, Council is requested to adopt a resolution confirming the assessment roll and dispensing with any remaining written and spoken objections and protests to the validity of

the roll used for the levying of assessments. Part of this ratification process will also address any hardships that may exist.

In accordance with Ordinance No. 5385 adopted November 5, 2002, hardship applications are to be brought before Council for consideration. If Council approves any hardship applications, the owners of those properties will pay the interest only on their assessments with the assessment being postponed until the earlier of the following occurrences:

- a. The property is sold or transferred to a person other than one to whom a hardship determination has been granted;
- b. The term of the bonds expires;
- c. The property owner's application for renewal of the hardship determination is disapproved;
- d. The property owner fails to pay the interest on the unpaid balance of assessments in a timely manner; or
- e. The property owner pays all previous and current assessments.

Once all determinations have been made, Council may vote on passing resolutions and referring the ordinance for subsequent adoption to levy. Upon the adoption of the ordinance, staff will notice all property owners of the levy. In addition, the City Clerk and Clerk of the City Council of the City of Reno will record the assessments levied in said ordinance in the office of the County Recorder of Washoe County, Nevada.

### **Financial Implications:**

The expected operating expenditures for the Downtown Reno BID are set at \$3,861,902.23 of which all costs will be assessed to the benefitting properties through Council's future approval of a levy of assessments totaling \$3,861,902.23. As a property owner of parcels within the BID, the City and the Redevelopment Agency (RDA) are subject to a proposed assessment of \$193,511.31. Given that the costs of services provided to the BID are fully assessed to the BID property owners, there are no other significant financial implications to the City.

### **Legal Implications:**

The City is empowered under NRS 271.265, et. Seq. and NRS 271.270. et. Seq., to acquire Neighborhood Improvement Projects and to levy assessments to defray all or a portion of all costs associated with acquiring or improving any project authorized under the statute. The public hearing is required by NRS 271.377 and NRS 271.385 as it relates to the proposed assessments. Per NRS 271.360, hardship applications are to be considered and City Ordinance No. 5385 provides for the process in which those determinations are made.

**Recommendation:**

Staff recommends Council approve the hardship determinations for the applicants meeting the required conditions and direct the engineer to postpone the assessments per City Ordinance No. 5385.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

DRP FY 24/25 Operating Plan & Budget BID  
Assessment Roll FY25  
Assessment Roll Public Noticing