

STAFF REPORT

Date: October 12, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution to reapportion assessments for the City of Reno, Nevada 2002 Special Assessment District No. 3/Reapportionment No. 26 (Double R Boulevard).

From: Hans Meyer, Associate Civil Engineer

Department: Public Works

Summary:

The 2002 Special Assessment District (SAD) No. 3 was created for the design, financing, and construction of Double R Boulevard infrastructure. The City created SAD No.3 to finance the improvements. Nevada Law allows the governing body to reapportion uncollected assessment amounts on a SAD's divided parcels. Due to the property owner's action to combine parcels 164-342-32 and 164-342-40 into one parcel, the remaining assessment amounts for the 2002 SAD No. 3 - Double R Boulevard shall be redistributed to new parcel. Staff recommends approval of the Resolution to reapportion the remaining installments upon the newly created parcel for the collection of the remaining assessment amount for the 2002 SAD No 3.

Alignment with Strategic Plan:

Not Applicable

Previous Council Action:

- 2004 to 2022: Council adopted 25 separate resolutions to reapportion assessments since the creation of the City of Reno, Nevada 2002 Special Assessment District No. 3.
- November 26, 2002: Council adopted Ordinance No. 5543, which created the 2002 Special Assessment District No. 3.
- May 28, 2002: Council adopted Resolution No. 5986, which initiated the 2002 Special Assessment District No. 3 by directing the City Engineer to prepare and submit plans and cost estimates.

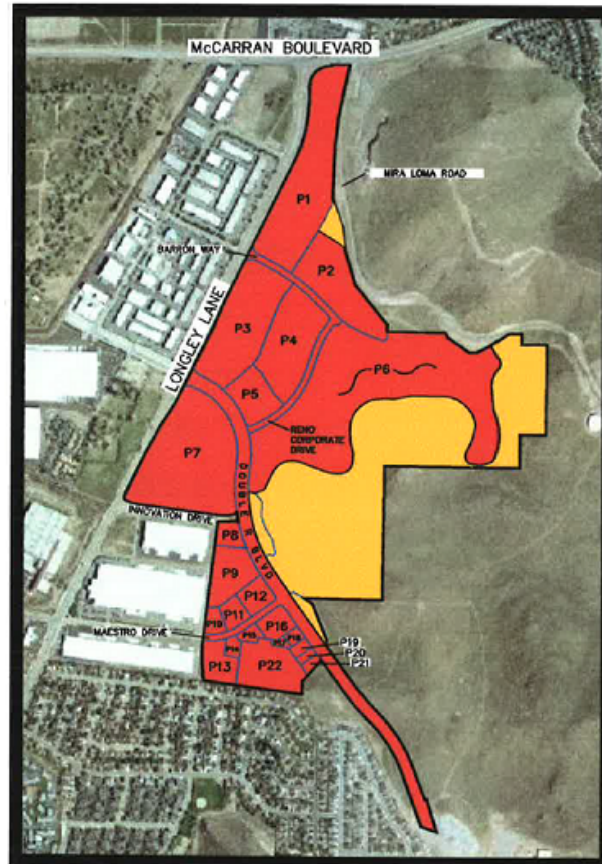
Background:

The 2002 SAD No. 3 was created for the design, financing, and construction of Double R

Boulevard infrastructure consisting of a street, storm sewer, water, sanitary sewer, and electric undergrounding project at the request of the property owners and commercial developer. Council adopted Resolution No. 5986 that directed the City Engineer to prepare and submit plans and cost estimates for the 2002 SAD No. 3. Construction work is complete, and the City of Reno sold \$7,100,000 in bonds to finance the SAD. Initial assessments to begin repayment of the bonds were levied on February 25, 2004, with the adoption of Ordinance No. 5543.

When first created, the 2002 SAD No. 3 consisted of 22 parcels with assessments as shown in the exhibit below. Since then, there have been 25 reapportionments each time a parcel was combined and/or divided. Today, the 2002 SAD No.3 is comprised of 144 parcels; 109 of the parcels have paid off the assessment and 35 parcels currently have a remaining balance. Payments for this District are due March 1 and September 1 every year until the final payment date of September 1, 2023.

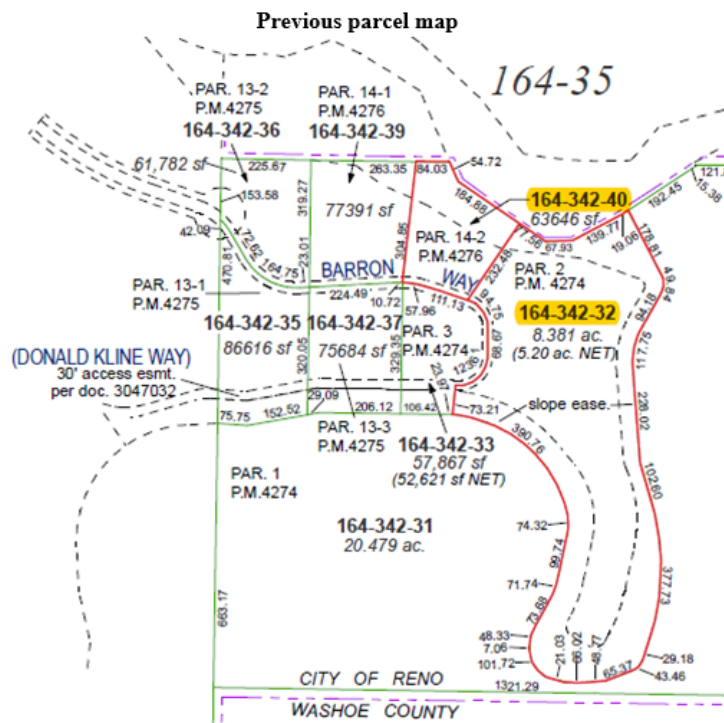
2002 Special Assessment District No. 3 – Original 22 parcels



Discussion:

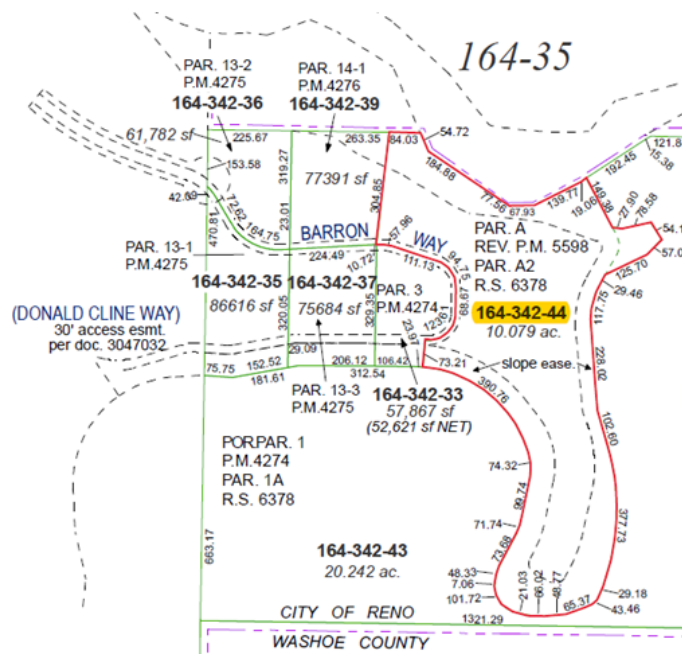
Two of the parcels within the 2002 Special Assessment District No. 3, shown as APN 164-342-

32 and APN 164-342-40 on the previous parcel map below have original assessment amounts of \$396,084.02 and \$69,054.75, respectively.



The property owner combined these two parcels into one by Parcel Map 5598 and recorded with the County Recorder's office on May 10, 2022. The combination of the parcels is shown on the new parcel map shown below.

New Parcel Map



Nevada Revised Statute (NRS) 271.425 requires that a reapportionment must not materially impair the city's obligation for the bond secured by the assessment and not increase the balance of any assessment. This reapportionment meets those requirements.

This resolution satisfies and allows for the reapportioning and collection of the remaining installments for the 2002 SAD No. 3 that will be distributed proportionally to the acreage of the newly created parcel as shown below:

PROPOSED REAPPORTIONMENT

<u>Original Parcel Number</u>	<u>Amount of Assessment</u>
164-342-32	\$ 396,084.02
164-342-40	\$69,054.75
TOTAL AMOUNT OF ORIGINAL ASSESSMENTS REMAINING: \$ 465,138.77	
<u>New Parcel Numbers</u>	<u>Amount of Assessment</u>
164-342-44	\$ 465,138.77
AMOUNT OF REAPPORTIONED ASSESSMENTS: \$ 465,138.77	

Financial Implications:

None at this time.

Legal Implications:

Reapportionment of Special Assessments is permitted by NRS 271.425 subject to the Council making the findings that the reapportionment will not:

- (a) Materially or adversely impair the obligation of the municipality with respect to any outstanding bond secured by assessments; or
- (b) Increase the principal balance of any assessment to an amount such that the aggregate amount which is assessed against a tract exceeds the minimum benefit to the tract that is estimated to result from the project which is financed by the assessment.

As there are no changes to the overall amount being assessed, this reapportionment will not materially impair the obligation of the City with respect to the bond secured by the assessment, nor will it increase the balance of any assessment. This Resolution, when approved, must be recorded with the County Recorder together with a statement that the current payment status of any of the assessments may be obtained from the County Treasurer's office.

Recommendation:

Staff recommends Council adopt the Resolution.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Resolution