



City Manager's Office

MEMORANDUM

DATE: May 22, 2020

TO: Mayor and City Council

THRU: Jason Soto, Acting City Manager *(DS
for J. Soto)*

FROM: Angela Fuss, Acting Community Development Director *AF*

SUBJECT: Evans Creek Annexation (ANX20-00003)

Pursuant to the City Council's request on May 13, 2020, below is a response to several questions raised during the City Council public hearing regarding the Evans Creek Annexation (ANX20-00003).

Fire Protection Service

The closest fire station to the site is Station 7, located at 3050 Skyline Boulevard, approximately 0.50 miles away. The current estimated response time from Station 7 is two minutes. The second closest fire station is Station 3, located at 50 West Moana Lane, with an estimated response time of seven minutes. The closest Truckee Meadows Fire Protection District fire station is Station 33, located on Foothill Road, which is approximately 5 miles away and an estimated response time of 10 minutes.

The subject site is located in a High (hazard) Fire Wildland-Urban Interface Area. Upon annexation, the City of Reno is responsible for all fire service costs associated with fire events.

Prior to annexation the City of Reno provides 12 hours of fire service to the Truckee Meadows Fire Protection District without expectation of reimbursement for requests for mutual and automatic aid. After this 12-hour time period, the Truckee Meadows Fire Protection District reimburses the City of Reno for fire services pursuant to the adopted Cooperative Agreement between the City of Reno and the Truckee Meadows Fire Protection District.

Fiscal Impact Analysis

The applicant provided an initial fiscal impact analysis with the application that was based on development of 203 single family dwelling units. The 203 units was based on the existing Washoe County zoning districts.

A supplemental fiscal impact analysis was provided that was based on development of 1,256 single family dwelling units. The 1,256 unit count was based on corresponding City of Reno zoning, if the annexation were to be approved.

The applicant has provided a memo dated May 13, 2020 (attached), detailing the assumptions used in the two studies that resulted in a positive fiscal impact to the City.

Annexation Program

The City's 2010-2017 Annexation Program was adopted by Council in August 2010 and certified by the Regional Planning Commission in November 2010. This document identifies portions of the sphere of influence (SOI) that may be considered for City initiated annexations within a seven-year time period and outlines annexation policies and goals. A link to the document can be found here: [2010-2017 City of Reno Annexation Program](#)

State law enables two different means of annexation as outlined below:

- City Initiated Annexations - NRS 268.610 - 268.668
 - Allows cities to pursue annexation of territory identified in an adopted program of annexation.
 - Cities may only directly pursue annexation of areas identified in this program.
 - Does not require 100% of affected property owners to concur.
 - Allows for noncontiguous annexation in certain circumstances.
 - Parcels must be included within the designated SOI to be included in City initiated annexations.
- Voluntary Annexations - NRS 268.670
 - Allows property owners to request incorporation if contiguous.
 - Requires 100% voluntary participation.

For annexations using the first method (City Initiated Annexations), the City must prepare a seven-year Annexation Program which identifies areas within the City's SOI to be considered for possible annexation. The Evans Creek Annexation request is a Voluntary Annexation, requested by the property owner, and an updated Annexation Program is not required. Due to the site's location in the City's SOI and the City's exertion of extraterritorial jurisdiction over the site, all discretionary and ministerial land use approvals fall under the City's jurisdiction. The Reno Master Plan provides the applicable policy framework and municipal code standards would govern further development of the site.

Housing Demand Forecast and Needs Assessment

The Housing Demand Forecast and Needs Assessment Report (August 2016) provides a forecast of housing and land demand over the next 20 years, and an analysis of the City's housing gaps and needs. It was used to help inform the development of housing-related policies and strategies for

the updated Master Plan. Future housing needs were estimated taking major factors—such as the age and lifecycle-stage of householders, housing preferences, and housing affordability—into account. Based on these factors, demand for moderate-density single-family homes (densities ranging from 2 du/ac to 7.26 du/ac) is expected to be greatest in the future.

However, the analysis also estimates that there is likely to be increased demand for higher density units in Reno by 2035, especially as detached single-family homes continue to become less affordable to the average household.

The Master Plan identifies the need for a balanced land use plan that takes into account variables like market demand and supply, existing development patterns and entitlements, infrastructure availability and capacity, community character, environmental protection, access to services and amenities, and many other factors. As such, the Master Plan envisions that future growth in the City of Reno will be accommodated through two different types of development that includes both infill/redevelopment and greenfield development.

The Master Plan prioritizes infill development and redevelopment in targeted areas, generally located within McCarran Boulevard. The Master Plan also identifies prioritizing development in areas where the infrastructure and services needed to support growth can occur concurrent with the demands from growth, and does not create a fiscal burden for the City.

Washoe County Settlement Agreement

In 2007, after a lawsuit between Washoe County and the then property owners of the Evans Creek property, a Settlement Agreement was entered into regarding development applications for the subject site. The City of Reno is not a party to this Settlement Agreement, however, the outcome of the Settlement Agreement is important to know, as it relates to future development of the site, if removed from the Reno Sphere of Influence and development under Washoe County. A memo has been prepared by the City Attorney's office and provides details regarding development potential, deed restricted open space and access on Lone Tree Lane, per the Settlement Agreement.



Nathan Gilbert <gilbertn@reno.gov>

supplemental staff report

3 messages

Frank Thompson <frank@thompson.reno.nv.us>
To: Angela Fuss <fussa@reno.gov>
Cc: gilbertn@reno.gov

Thu, May 14, 2020 at 2:11 PM

Hi Angela and Nathan:

As you know, I represented Evan Creek LLC during the City Council meeting that took place yesterday concerning Evans Creek LLC's annexation application. I write to both correct and clarify some of the statements that were made during the hearing and to ensure an accurate record for the supplemental staff report to be prepared for the May 27, 2020 City Council meeting.

1. Fire – The City of Reno Fire Marshall responded to this issue in a truthful and straightforward effort that should remove this issue from any legitimate objection.
2. TMWA annexation – Evans Creek LLC has of course communicated with TMWA over the past decades. We know that TMWA's protocol upon receipt of a development plan is to conduct necessary studies, and to then annex properties into their annexation area. This protocol is well known and one that Evans Creek LLC will follow when development plans become part of future applications to the City. It is well documented that TMWA has more than sufficient capacity to serve the Evans Creek LLC property now and into the foreseeable future. Furthermore, TMWA provides service to all of the developments that surround the Evans Creek property at issue.
3. Removal of Evans Creek LLC's property from the City's annexation program – This was apparently done by yet unidentified parties without notice to Evans Creek LLC and, importantly, after the City of Reno's inclusion of the entire Evans Creek LLC property in both the City's Sphere of Influence and Service Areas. The purpose of this unexplained removal appears to be yet another attempt to obstruct Evans Creek LLC's exercise of its property rights.
4. Traffic on McCarran Blvd. – A previous application submitted by Evans Creek LLC contained a detailed traffic study which discussed potential impacts for McCarran Blvd. If you cannot locate the study in your files, Evans Creek LLC will provide a copy of it.
5. Density allowed by Washoe County zoning - Your staff report is very clear that current Washoe County zoning provides for 203 homes. There was some discussion in which a Council Member misread the transition zoning chart and incorrectly concluded that current Washoe County zoning provides for 1019 homes. The chart refers to 1,019 acres, the total number of acres comprising the Evans Creek LLC property, not 1019 homes under current Washoe County zoning. Although your original staff report and the original Fiscal Impact Analysis make this fact very clear, please clarify in the supplemental staff report that current Washoe County zoning provides for 203 homes, not 1019.
6. Attached to this email message is a letter from Eugenia Larmore of Ekay Economic Consultants further explaining and clarifying why annexation of the property will have a positive economic impact on the City of Reno.

Evans Creek LLC requests that these corrections and clarifications be provided to the members of the Reno City Council in a supplemental staff report for the May 27, 2020 City Council meeting. Also, consistent with Evans Creek LLC's previous request, Evans Creek LLC again requests that all communications between the City of Reno and Evans Creek LLC concerning the current annexation application be provided to each Council Member with the supplemental staff report to provide full and complete information and background for this application to the public.

Frank W. Thompson, Esq.

241 Ridge St., Suite 210

Reno, Nevada 89501

775-786-9494- office



May 13, 2020

Ms. Angela Fuss
Planning Manager, Community Development
City of Reno
1 E. First Street
Reno, NV 89505

Re: Fiscal Impact Analysis for Evans Creek Annexation (ANX20-00003)

Dear Ms. Fuss,

I am writing to address Councilmember Duerr's question, posed during the May 13, 2020 Reno City Council meeting, regarding the fiscal impact analysis for the Evans Creek property. Councilmember Duerr was concerned about the positive impact shown in the fiscal analysis for this relatively small residential development. According to her comment, staff, in the past, indicated that residential developments typically have a negative fiscal impact on the City, and she was unsure as to why this development is showing a positive fiscal impact.

The ability of residential developments to have a positive fiscal impact on the City depends on various factors, including development location, development type, and more. In this case, the Evans Creek project is surrounded by high-end residential developments. As a result, the analysis assumes home values in the project will be similar to the nearby Villagio Della Montagna development, resulting in high levels of associated property tax revenue.

According to the City of Reno's Fiscal Impact Analysis Guidelines, revenues from other sources (Consolidated Tax, business/liquor licenses, and fees, permits, and charges) are estimated on a per unit basis, regardless of the value of the proposed units. Similarly, General Government, Police, Fire, and Parks costs are also estimated on a per unit basis and do not vary with home value.

As a result, a higher-end development, such as Evans Creek, is going to generate higher than average property tax revenue when compared to less expensive developments, while having the same costs as these lower priced developments. As shown in the fiscal impact for the Evans Creek project, this allows the project's revenues to exceed costs, resulting in a positive fiscal impact. Also, as discussed during the May 13 meeting, the Evans Creek project is located in close

550 W. Plumb Lane, Suite B459
Reno, NV 89509
(775) 232-7203
www.ekayconsultants.com

Ms. Angela Fuss
May 13, 2020
Page 2

proximity to existing services with available capacity. Councilmember Duerr is correct in that a lower priced project or one located at a sufficient distance from existing services or in an area with no additional service capacity, may result in a negative impact on the City, but this does not apply to the Evans Creek project, as shown in the fiscal impact analysis report.

Please contact me with any questions or concerns.

Sincerely,



Eugenia Larmore, PhD, MBA

EKAY | ECONOMIC CONSULTANTS



Reno City Attorney

MEMORANDUM

Date: May 21, 2020
To: Mayor, City Council and City Manager
cc: Dylan Shaver, Chief of Staff
Angela Fuss, Planning Manager
Jonathan D. Shipman, Assistant City Attorney
Thru: Karl S. Hall, City Attorney
From: Jasmine Mehta, Deputy City Attorney
Subject: Summary of Evans Creek Settlement Agreement

On October 22, 2007, Evans Creek, LLC, a Minnesota limited liability company ("Evans Creek"), Angela S. Persigehl, Trustee of the Persigehl Family Trust ("Persigehl"), Julius and Joanne Ballardini ("Ballardini") and Washoe County entered into a settlement agreement regarding property owned by Evans Creek, Persigehl and Ballardini. Evans Creek owns approximately 1,019 acres (APN 222-080-01), and Ballardini and Persigehl owned approximately 222 acres (APN 222-080-02). The settlement resolved three outstanding lawsuits, two in state court and one in federal court, regarding the above property.

Non-Opposition to Development Applications and Density

Pursuant to that Settlement Agreement, the County agreed to not oppose Evans Creek's application to any governmental agency for inclusion in the Truckee Meadows Service Area of the southern portion of its property consisting of approximately 600 acres. The County also agreed not to oppose applications for amendment of the Regional Plan, the County's Comprehensive Plan, and/or the City's Master Plan or zoning to allow a density of the City's Single Family Residential (up to three dwelling units per acre) applicable to the northern 420 acres of Evans Creek's property within the Sphere of Influence, or the County's Comprehensive Plan or the Regional Plan, as may be amended. This would amount to 1,260 units for the 420 acres on the north part of Evans Creek's property, and does not include the 600 acres on the south portion of the property. The County further agreed to not oppose requests for transfers of density and clustered development to limit the reduction of residential development density under applicable hillside and slope ordinances and stream and drainage way ordinances.

The County also agreed not to oppose Evans Creek's applications for development of parcels 048-070-01, 048-061-02 and 048-061-04, consisting of approximately 116 acres, up to one development unit per acre.

The County also agreed that there was no presumed public road on or across the Evans Creek

property or the Ballardini-Persigehl property. The County agreed to assist Evans Creek in negotiations with the United States Forest Service to acquire APN 048-061-03. The County agreed to pay \$13,500,000 to settle the three outstanding lawsuits.

Sale and Deed Restrictions for Open Space on a Certain Portion of the Property

Evans Creek agreed to assist the County in the purchase of the Sale Parcel, consisting of approximately 126 acres, for which the County would pay current fair market value based on its highest and best use. Ballardini-Persigehl and the County agreed to execute deed restrictions/covenants governing the use the Sale Parcel as perpetual, passive Open Space. The parties agreed that an interpretive center, accessory parking lot, nature trails and picnic tables could be constructed on the Sale Parcel. The County was required to construct a no-climb fence around the Sale Parcel. Evans Creek further agreed to dedicate 289 acres of its property as privately owned, deed restricted Open Space upon final approval of its development applications, which Open Space could be limited to areas on which development is restricted or prohibited under applicable codes and ordinances.

Extension of Lone Tree Lane for Access to the Nature Interpretive Center

Pursuant to the Settlement Agreement, the County could construct at its sole expense, an extension of Lone Tree Lane for a distance of 1,000 feet from the terminus of the paved portion to the parking area for the nature interpretive center as a public road. The portion of the existing private driveway and road from the terminus of Lone Tree Lane that crossed the Ballardini-Persigehl property to the Evans Creek Property was to remain private. The County also obtained the right of First Offer or First Refusal ("RFO") to the Retained Parcel, which if exercised would be subject to the same Open Space deed restriction as the Sale Parcel.

Reno's Sphere of Influence

NRS 278.02788(1) provides that, "[i]f a city has a sphere of influence that is designated in the comprehensive regional plan, the city shall adopt a master plan concerning the territory within the sphere of influence. The master plan and any ordinance required by the master plan must be consistent with the comprehensive regional plan. After adoption and certification of a master plan concerning the territory within the sphere of influence and after adopting the ordinances required by the master plan, if any, the city may exercise any power conferred pursuant to NRS 278.010 to 278.630, inclusive, within its sphere of influence." (Emphasis added.)

The City updated its Master Plan as of February 2018 concerning the territory within its Sphere of Influence. Pursuant to Reno Municipal Code ("RMC") Section 18.08.106(a), "[f]or all territory in the sphere of influence where the adopted City of Reno Master Plan has a land use designated, that land use shall apply and the city shall exercise all authority conferred by NRS 278.010 to 278.630 inclusive." For zoning, lands within the sphere of influence "shall be classified in accordance with the hierarchy established for annexation in Section 18.08.105." Where the Master Plan contemplates a range of densities, the density that most closely approximates Washoe County's land use plan or zoning is to be used as the basis for assigning zoning. RMC 18.08.106(b)(2). As set forth in the supporting materials on the May 13, 2020, Council agenda, the northern portion of the Evans Creek Property would be zoned SF-15 and the southern portion would range between UT-5, UT-10, and UT-40. The Evans Creek Property would be subject to the ordinances governing land use within the City's Sphere of Influence,

unless Evans Creek seeks, and the City grants, a request that the City refrain from exercising power over such development within its Sphere of Influence. For example, the proposed development would have to comply with the Reno Municipal Code governing hillside development, and the density of the development would also have to be in conformance with the provisions of RMC 18.08.106(b)(2). While NRS 278.02788(1) gives the City the "right, privilege or power" to exercise the powers conferred by NRS 278.010 through 278.630, the City has indicated its intention to do so under RMC 18.08.106(a). NRS 0.025(1)(a).

If the applicant were to request that the Evans Creek property be removed from the sphere of influence and if such request were granted, then any proposed development would only have to comply with Washoe County's Comprehensive Plan or the Truckee Meadows Regional Plan. Pursuant to the Settlement Agreement, Washoe County is prohibited from opposing any applications by the developer to amend such plans concerning the Evans Creek property.

