



Meeting Date: December 5, 2018
Agenda Item: # _____

Mission Statement

It is the mission of the City of Fernley to provide all municipal services in a proactive, innovative, and fiscally responsible way to continue to enhance the community's quality of life, provide a high level of responsive local government services, and promote future prosperity and the balanced growth of the community.

CITY OF FERNLEY CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor & City Council

REPORT THRU: Daphne Hooper, City Manager

REPORT BY: **Colleen Unterbrink, Assistant to the City Manager -
Submitted on behalf of the City of Fernley Redevelopment Agency in compliance with NRS Chapter 279 Section 528 and NRS Chapter 279 Section 578**

REVIEWED BY: Douglas Thornley, Special Attorney to City of Fernley

REVIEWED BY: Denise Lewis, Finance Director

AGENDA ITEM: Submitted on behalf of the City of Fernley Redevelopment Agency in compliance with NRS Chapter 279 Section 528 and NRS Chapter 279 Section 578, discussion and possible action regarding the Rules Governing Participation and Assistance by Property Owners in City of Fernley Redevelopment Project Area No. 1 (UCED Technical Report 2018/19-01) and the City of Fernley Redevelopment Agency, Redevelopment Plan for Redevelopment Project Area No. 1 (UCED Technical Report 2017/18-13).

ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

RECOMMENDED ACTION BY CITY COUNCIL

"I move to receive the preliminary Redevelopment Plan and Rules Governing Participation and Assistance by Property Owners for the City of Fernley Redevelopment Project Area No. 1."

Key Points:

1. The purpose of this meeting is simply to give the City Council an opportunity to review both documents and to make suggested changes in-terms of the areas being considered for inclusion into a redevelopment district (either taking areas out or adding new areas into the study area) or wanting to see additional study of additional blight within the study area.
2. The City Council should feel free to make any suggested recommendations to the Fernley Redevelopment Agency regarding the rules and the plan. Any and all input collected from the Planning Commission and City Council will be then submitted to the Redevelopment Agency of the City of Fernley for their consideration.

What's Left to Do?

Three Questions That Need Answering:

1. Is there sufficient blight (physical, social, and economic) within the study area to merit creation of the Redevelopment District and establishment of the Redevelopment Agency?
2. Is the (draft) Redevelopment Plan consistent with the City of Fernley's current Masterplan?
3. Is it economically and financially feasible to create the Redevelopment District and establish the Redevelopment Agency?

These questions will be answered during the upcoming public hearings.

For Tonight...

Do you have any questions or suggestions regarding the following areas:

1. Would you like to see any of the areas identified in the study area (Historical Downtown, Industrial, West Development, Residential, East Development) added to or taken out or any of the boundaries of the study area changed?
2. Is there any additional analysis presented in the draft redevelopment plan you would like to see expanded upon?
3. Are there any general concerns or comments that the City Council would like to share with the Fernley Redevelopment Agency?

POLICY REFERENCE

Nevada Statutes: NRS 279.428

Fernley Municipal Code: N/A

Policies & Procedure Manual: N/A

Community Assessment: N/A

Other:

SUPPORTING INFORMATION

The Fernley City Council commissioned a study in 2015 to determine the existence of blight conditions within the City. At the unanimous direction of the Fernley City Council the University Center for Economic Development in the College of Business at the University of Nevada, Reno, prepared a comprehensive study which describes blight conditions within the city and identifies the feasibility of redevelopment opportunities in the community. These identified areas could potentially be considered for inclusion into a future redevelopment project area as defined by Nevada Revised Statutes, Chapter 279 Redevelopment of Communities.

The UCED completed this study in January 2016. For a proposed study area to be eligible for inclusion into a redevelopment project area, the legislative body, (City Council) must, in part, determine that the project area is financially and economically feasible. In short, the City Council must find that, over the lifetime of the project area, the redevelopment district will generate enough incremental assessed value and gross tax incremental revenue to support the operations of the redevelopment agency. The financial and economic feasibility study provided a basic assessment of the current trends in total assessed value and total ad valorem (property tax) revenues being currently generated within the proposed redevelopment project area. Additionally, it also provided an estimation of potential future ad valorem revenues that could support redevelopment efforts within the proposed project area over the lifetime of the redevelopment district and agency.

In consultation with city staff, a series of five separate geographic areas were selected. These are:

- Historic Downtown
- Industrial Area
- Residential Area
- West Development Area
- East Development Area

On April 20, 2016 the City Council unanimously voted to “move forward with a request for proposal of a possible area within the City of Fernley that could potentially be included a possible redevelopment project area.” Staff prepared a request for proposal (RFP) for the “City of Fernley Redevelopment Planning Study.” The RFP was advertised on the City of Fernley’s webpage from October 24 through November 11, 2016. Only one entity submitted a proposal, the University Center for Economic Development at the University of Nevada, Reno.

On December 21, 2016, the City Council approved a contract with the University Center for Economic Development to conduct a redevelopment planning study for the City of Fernley. The UCED contract includes completion of the following: required comprehensive blight study for each of the five sub-areas of the proposed redevelopment project area; development and completion of a draft and final redevelopment plan for the proposed redevelopment project area; and development and completion of the draft and final Owner Participation Agreement/Owner Participation Rules for the proposed redevelopment agency. The duration of this study is estimated to be twelve months and for a cost of \$28,000.

On June 21, 2017, City Council unanimously adopted Resolution 17-008, a resolution to direct staff to examine, explore, and assess the feasibility of establishing a redevelopment area and a redevelopment agency for the City of Fernley as laid out in Nevada revised statute Chapter 279 Redevelopment of Communities, with the expectation that staff will reach out to key stakeholders to participate in the process. UCED staff mailed a letter of notification to impacted property owners to inform every property owner within the study area (3,975 parcels) of the future blight survey. UCED staff conducted the blight survey from July 13-16 and July 22-23, 2017.

On November 15, 2017, City Council received the summaries of the blight analysis, blight survey results, the assessed value analysis for the study area, and the socio-demographic and economic analysis. In addition, the UCED proposal included the completion of several community workshops to be developed and moderated by UCED faculty and staff. These community workshops were planned to engage both internal and external stakeholders during the formation process as well as to collect vital information from elected and appointed officials, city staff, private sector business interests, property owners, and private citizens. The community workshops were held on:

- August 18, 2017
- January 27, 2018
- February 5, 2018
- February 10, 2018
- February 26, 2018

In addition to the community workshops, the City reached out to external stakeholders and held a meeting on October 3rd, 2018. The purpose of this meeting was to seek input regarding the draft Redevelopment Plan and draft Owner Participation Agreement/Rules. Representatives from Lyon County, Lyon County School District, North Lyon Fire Protection District, Fernley Pool District, and the State of Nevada were all invited to the meeting.

On October 17, 2018, City Council unanimously adopted Resolution 18-013, a resolution relating to community development; creating a redevelopment agency pursuant to Nevada Revised Statute 279.428; providing for the functions and duties of said agency; providing for an effective date. This Resolution created the Redevelopment Agency, which allows the Agency to complete the required process as established in NRS 279.

NEXT STEPS

- Preliminary Redevelopment Plan and the Preliminary Owner Participation Agreement (OPA)/Rules to the Planning Commission (November 2018). ***The Planning Commission voted to accept the preliminary report. The most significant comments were; (1) to ensure the creation of the proposed redevelopment district is fiscally sustainable and (2) requested information on how the creation of the district may impact the Lyon County School District.***
- **Delivery and Presentation of the Preliminary Redevelopment Plan and the Preliminary Owner Participation Agreement/Rules to the City Council (December 2018).**
- FIRST Adoption of the Final Redevelopment Plan and OPA/Rules to the Planning Commission (December 2018).
- FIRST Adoption of the Final Redevelopment Plan and OPA/Rules to the City Council, Reading of the Ordinance to Adopt (December 2018).
- SECOND and FINAL Adoption of the Final Redevelopment Plan and OPA/Rules to the Planning Commission (January 2019).
- SECOND and FINAL Adoption of the Final Redevelopment Plan and OPA/Rules to the City Council, Reading of the Ordinance to Adopt (January 2019).
- IF adopted and approved, beginning of the mandatory 90-day Challenge Period (January through April 2019).
- IF adopted and approved, and IF the 90-day Challenge Period is successful, DAY 1 of the Fernley Redevelopment Agency (May 2019).

FINANCIAL INFORMATION

FISCAL IMPACT:

1. Is There A Fiscal Impact? No
2. Is it Currently Budgeted?
N/A
3. If Budgeted, Which Line Item/Account?

FISCAL SYNOPSIS:

There will be no fiscal impact from this presentation.

The upcoming public hearings will determine if it is economically and financially feasible to create the Redevelopment District and establish the Redevelopment Agency.

PRIOR COUNCIL ACTION/REVIEW

On October 17, 2018, City Council unanimously adopted Resolution 18-013, a resolution relating to community development; creating a redevelopment agency pursuant to Nevada Revised Statute 279.428; providing for the functions and duties of said agency; providing for an effective date.

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On December 21, 2016, City Council approved a contract with the University Center for Economic Development to conduct a redevelopment planning study for the City of Fernley.

On April 20, 2016 the City Council unanimously voted to “move forward with a request for proposal of a possible area within the City of Fernley that could potentially be included a possible redevelopment project area.”

On July 15, 2015, Dr. Fred Steinman from the UCED presented and outlined the steps of creating a redevelopment agency. Council unanimously approved a motion for staff “to come back with a dollar figure on how much it will cost the City of Fernley to create a redevelopment district.”

ATTACHED INFORMATION

- City of Fernley Redevelopment Agency, Redevelopment Plan for Redevelopment Project Area No. 1 – UCED 2017-18-23
- Rules Governing Participation and Assistance by Property Owners in City of Fernley RDA No. 1 – UCED 2018-19-01