



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: August 13, 2019

REPORT TO:	Mayor and City Council
REPORT THRU:	Daphne Hooper, City Manager
REPORT FROM:	Daphne Hooper, City Manager
REVIEWED BY:	Brandi Jensen, City Attorney
REVIEWED BY:	Denise Lewis, City Treasurer

FINANCIAL IMPACT: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	CURRENTLY BUDGETED: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	FUND/ACCOUNT:
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ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

AGENDA ITEM: Staff Report (For Possible Action): Discussion and possible action regarding possible resolution of the Lyon County v. City of Fernley (Redevelopment Area Litigation) matter.

Agenda Item Brief:

Recommended Motion:
"I move to approve the settlement of the Lyon County v. City of Fernley, et al., on the terms negotiated at mediation as outlined and presented in the staff report."

Business Impact (per NRS Chapter 237):

- A Business Impact Statement is Attached.
- A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

BACKGROUND:

Lyon County sued City of Fernley concerning the adoption of a redevelopment plan, which activated the City of Fernley Redevelopment Agency and adopted a redevelopment area. Lyon County School District was initially named as a defendant, but joined Lyon County as a plaintiff. The crux of Lyon County's complaints were: 1) the method for determining "area" of the redevelopment area was improper under Nevada law; and 2) that the tax increment adjustments for certain other public entities were not properly made under Nevada law. City of Fernley filed a motion to dismiss, which had not been decided. The parties agreed to a voluntary mediation of the matter, which resulted in an agreement as follows:

- 1) The City of Fernley will withdraw its current redevelopment plan, upon authorization from the Court to do so;
- 2) Lyon County will pay \$90,000 to the City of Fernley in consideration of the costs City of Fernley expended to create the redevelopment plan;
- 3) City of Fernley's city council may elect to create a new redevelopment plan. If it does so, the plan will utilize the prior plan's foundational documents as a starting point, and the City will involve County planners in revising the redevelopment plan;
- 4) The board of the Redevelopment Agency will include one County Commissioner and one Lyon County Schoolboard member, so long as they meets the statutory requirements for eligibility, the other RDA Boardmembers will be two City Councilmembers, and the Mayor of Fernley will be an automatic member of the RDA Board, but will only vote to break any ties;
- 5) The parties will finalize proposed paperwork and seek Court approval for the above settlement.

LEGAL IMPLICATIONS: Approval of the motion will functionally end the litigation between Lyon County and City of Fernley. If settlement and dismissal is approved by the Court, it will result in the current redevelopment plan being withdrawn at a subsequent City Council meeting. The City is then free to advance a new redevelopment plan, subject to the procedural terms of this settlement agreement. Nothing in this agreement forbids the City from creating a redevelopment area of its choosing.

FINANCIAL IMPLICATIONS:

ATTACHMENTS: