



# CITY OF FERNLEY

## CITY COUNCIL AGENDA REPORT

**Meeting Date: February 19, 2020**

<b>REPORT TO:</b>	Mayor and City Council
<b>REPORT THRU:</b>	Daphne Hooper, City Manager
<b>REPORT BY:</b>	<b>Olivia John, Assistant Planner</b>
<b>REVIEWED BY:</b>	Tim Thompson, Planning Director
<b>REVIEWED BY:</b>	Brent Kolvet, Deputy City Attorney
<b>REVIEWED BY:</b>	Denise Lewis, City Treasurer

<b>FINANCIAL IMPACT:</b>	<b>CURRENTLY BUDGETED:</b>	<b>FUND/ACCOUNT:</b>
Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	N/A

**ACTION REQUESTED:**  Consent  Ordinance  Resolution  Motion  Receive/File

**AGENDA ITEM: Staff Report (For Possible Action):**  
**(For Possible Action) Public Hearing, Second Reading (ANX 2019-001)** - Consideration and possible action to adopt Bill #280 as an ordinance for an Annexation request from M4 New Fernley QOZB, LLC to annex into the City of Fernley approximately 170.13 acres located south of the southern terminus of Nevada Pacific Parkway and north of U.S. Hwy 50A. Upon annexation, the zoning shall convert from the Lyon County zoning designation of M-1 (General Industrial) to a City of Fernley zoning designation of M-1 (General Industrial). (APN: 021-261-04)

**Agenda Item Brief:** This is the second reading to adopt Bill #280 as an ordinance to annex approximately 170.13 acres into the City. The property is the proposed location for the extension of Nevada Pacific Parkway and the development of rail spur lines which will serve not only the subject parcel but also adjacent properties to the north.

**Recommended Motion:**  
**“I move to adopt Bill #280 as an ordinance for an Annexation request, associated with ANX 2019-001, to annex approximately 170.13 acres into the City of Fernley and, upon annexation, the zoning shall convert from the Lyon County zoning designation of M-1 (General Industrial) to a City of Fernley zoning designation of M-1 (General Industrial) henceforth adopting Findings 1 through 3 and the facts supporting these Findings as set forth 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.**

## **PROJECT SUMMARY:**

The approximate 170.13-acre site is located within the Victory Logistics District, formally a part of the Crossroads Commerce Center. The property has long been slated for industrial level development and is the ideal location for the future extension of Nevada Pacific Parkway creating an additional connection between Interstate 80 and U.S. Highway 50A. Also, the subject property will provide rail access linkages through spur lines which will not only serve the eastern portion of the Victory Logistics District but will provide rail service to the northern properties already within the City of Fernley.

## **BACKGROUND:**

In 1994, Wade Development purchased the Crossroads Commerce Center which encompassed approximately 4,184 acres of primarily undeveloped land owned by the Town of Fernley and Lyon County. In 2004, the property was purchased by the Sonterra Development. Sonterra's vision was to develop a master planned community that provided a balance of land uses which included industrial, commercial, residential, open space, and public facilities. In 2008, a Master Plan Amendment (MPA) was approved modifying the land use designations associated with the subject property. The amendment decreased the amount of land designated Industrial to 117 acres and increased the amount of land designated Commercial to 53 acres. Presently, the subject property is within Lyon County and zoned M-1 (General Industrial) with a land use designation of ME (Mixed Employment).

## **ANALYSIS:**

This annexation would bring approximately 170.13 acres into the City of Fernley, is 100% voluntary, and is contiguous to the current corporate boundary for the City of Fernley. The request is consistent with the requirements set forth in NRS 268.625.

Currently, the property has a Lyon County zoning designation of M-1 (General Industrial). Upon annexation to the City of Fernley, the zoning will convert to the City of Fernley zoning designation of M-1 (General Industrial).

A Fiscal Impact Analysis was prepared and submitted along with the application. The subject property is located within the City of Fernley Sphere of Influence and has been identified as a logical extension of the City's corporate boundary. The ± 170.13 acres is situated at the southern end of the Victory Logistics District, formally a part of the Crossroads Commerce Center, where the industrial park's master plan shows the extension of Nevada Pacific Parkway crossing through the site creating a connection with U.S. Hwy 50A. Also, the location will provide rail access linkages through spur lines that will not only serve the subject parcel but will also provide rail service to properties to the north that are already within the City of Fernley.

The application was distributed to the City's Public Works Department, City Engineer, and all outside agencies for comment. Comments were received and provided to the applicant.

Public notice was given, and a public hearing was scheduled per the provisions outlined in the City's Municipal Code and Nevada Revised Statutes. No public comments have been received.

Based on this analysis and the findings listed below, staff recommends City Council adopt Bill #280 as an ordinance to annex approximately 170.13 acres into the City of Fernley.

## **FINDINGS:**

### **1. The request conforms to the requirements of NRS 268.**

**NRS 268.646 Factors to be considered in review of proposed annexation.** Factors that must be considered in the review of an annexation proposal include, but are not limited to:

1. Population, population density, land area and land uses, per capita assessed valuation, topography,

including natural boundaries and drainage basins, proximity to other populated areas, and the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years.

*The subject property is surrounded by land currently within the City of Fernley and is located at the southern end of the Victory Logistics District. The master plan for this 4,300-acre industrial park shows the extension of Nevada Pacific Parkway crossing through the site to make a complete connection to U.S. Hwy 50A. The property also will provide rail access linkages through spur lines that will not only serve the subject parcel but will also provide rail service to properties to the north that are already within the City of Fernley. The rail linkages and vehicular access improvement, that will ultimately come to fruition with the annexation and future infrastructure development planned for the property, will present significant benefit to the city of Fernley and region that will transcend what is typically seen as the benefit derived from simply developing a parcel. A Fiscal Impact Analysis has been prepared in association with this application.*

2. The need for organized community services, the present cost and adequacy of governmental services and controls in the area, probable future needs for such services and controls, and the probable effect of the proposed formation and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

*Connectivity of roadway and rail linkages that will originate on this parcel will help to bring the envisioned, master planned roadway connectivity and industrial plans to reality. The roadway linkage of Nevada Pacific Parkway connecting between U.S. Hwy 50A and Interstate 80 will provide for underground utility ties to serve the Victory Logistics District and benefit the City of Fernley and region. Future development of the subject parcel will present the need for utility and emergency services that can be more efficiently and effectively served by the City of Fernley than by Lyon County, as the property is an island of County land without County services.*

3. The effect of the proposed annexation and of alternative actions on adjacent areas, on mutual social and economic interests and on the local governmental structure of the county.

*The annexation of the subject property will bring a parcel into the City of Fernley. The subject parcel has long recognized to hold the final link of Nevada Pacific Parkway's connection to U.S. Hwy 50A from Interstate 80. This link, when completed, will provide an alternative route for truck traffic travelling between Interstate 80 and U.S. Hwy 50A without continuing the current path through the roundabout at the U.S. Hwy 95A and U.S. Hwy 50A. Additionally, the Nevada Pacific Parkway link will provide existing and future employees in the Victory Logistics District an alternative path to and from work, further reducing the level of peak hour congestion at the roundabout. Once completed, Nevada Pacific Parkway will also provide emergency secondary access to, from, and through the Victory Logistics District from the south.*

4. The effect of the proposed annexation and of alternative actions upon the availability and requirement of water and other natural resources throughout the affected area.

*It is intended that the potential effects upon natural resources will be minimal, if not negligible. Adequate water resources have already been secured by the property owner to accommodate the future development on the subject parcel. The Zone A floodplain will be addressed through a CLOMR process to accommodate the necessary roadway, rail, and future industrial construction on the site.*

5. Any determination by the Bureau of Land Management that the territory proposed to be annexed is suitable for residential, commercial or industrial development, or will be opened to private acquisition.

*This property was removed from supervision of the BLM many years ago and, as such, has no bearing upon the ultimate development potential of this property.*

6. The consistency of the annexation proposal with any applicable comprehensive regional plan, area plan or master plan and any program of annexation adopted and certified pursuant to NRS 268.625.

**NRS 268.6255 Requirements for land proposed for annexation by certified program of annexation.**

1. The land proposed for annexation by a certified program of annexation must be contiguous to the annexing city unless:

- (a) The proposal is a voluntary annexation;
- (b) The timing of the proposal is consistent with the certified program of annexation; and
- (c) The services and facilities required for the development of the land proposed for annexation will be provided upon annexation.

2. The annexation of the land must not have the effect of:

- (a) Creating an island of 40 acres or less; or
- (b) Dividing an individual lot or parcel of land so that only a portion of the lot or parcel is proposed for annexation.

*The proposed annexation is consistent with the requirements contained within NRS 268.625 as the property is contiguous to the City of Fernley on all sides of the parcel and is a voluntary request put forward by the property owner, M4 New Fernley QOZB, LLC. Required services are available and will be provided when necessary and approved for construction after the annexation of the property. The annexation of the subject property will eliminate an island of County land that has existed within the City of Fernley boundary.*

**2. The request conforms to the findings established for annexation.**

a. Location of the property to be considered for annexation;

*The subject property is located within the Victory Logistics District and was previously identified to be part of the Crossroads Commerce Center. The property has long been designated as an area for future industrial level development and to hold the future extension of Nevada Pacific Parkway, forming another connection between Interstate 80 and U.S. Hwy 50A.*

b. The logical extension of City limits;

*The subject property is surrounded by City of Fernley property and it would not make sense for this property to remain in unincorporated Lyon County jurisdiction due to this locational situation.*

c. The need for the expansion to accommodate planned regional growth;

*Expansion of the City of Fernley to include the subject parcel will provide for logical and appropriate future extension of Nevada Pacific Parkway and the future southern development of the Victory Logistics District. Additionally, the rail spur lines to serve the eastern portion of the Victory Logistics District Phase 1 Master Plan area. In short, the subject parcel provides significant vehicular and rail linkages to provide service to the Victory Logistics District and provides another linkage between Interstate 80 and U.S. Highway 50A that will benefit the City of Fernley and the entire region.*

d. The location of existing and planned water and sewer service;

*The extension of Nevada Pacific Parkway will allow for sewer and water service connections between the existing facilities within the Victory Logistics District and U.S. Hwy 50A to the south.*

e. Community goals that would be met by the proposed annexation;

*Following are goals that are identified within the recently update City of Fernley Master Plan that are met with the annexation and future development of the subject property in the City of Fernley jurisdiction.*

**LU.1.1 Encourage and plan for new development in areas where adequate public services and facilities can be provided efficiently.**

*The proposed annexation presents a property that is key to providing future vehicular and rail linkages to better serve the City of Fernley and the region.*

**LU.1.2 Encourage new development to be in accordance with the Comprehensive Master Plan land use category, and other land use controls to accomplish community principles.**

*The subject property is proposed to have industrial land uses and present an appropriate land use transition to the U.S. Hwy 50A frontage. Such land uses are envisioned through the recently updated City of Fernley Master Plan.*

**LU.1.3 Provide a balanced distribution of employment and population.**

*The subject property is located in an area appropriate and long defined by Master Planning to be suitable for industrial level uses as part of the Crossroads Commerce Center and subsequently by the Victory Logistics District.*

**LU.1.4 Ensure existing and future land uses are compatible.**

*The land uses surrounding and directly adjacent to the subject parcel are industrial, commercial, open space and a state highway (U.S. Hwy 50A).*

**LU.1.12 It is the intent of the City of Fernley to provide timely, orderly, and efficient arrangement of adequate public facilities and infrastructure that support existing and planned land use patterns and densities.**

*Future development of the subject property within the City of Fernley will allow for the vehicular linkage of Nevada Pacific Parkway, which (with construction) will allow for connection of underground utilities (water and sewer services) that are provided by the City of Fernley to be appropriately and efficiently linked to existing services to the north within the Victory Logistics District.*

**T.1.3 Implement street design and access standards to provide for safe and efficient movement of goods and people.**

*The future development of the subject parcel will provide for a new linkage between Interstate 80 (I-80) and U.S. Hwy 50A on Nevada Pacific Parkway. Access to I-80 is already provided by a freeway on/off ramp. This linkage will provide a planned, logical additional connection from the City of Fernley to I-80 as the major east/west private and commerce vehicular connection crossing the northern portion of the state of Nevada.*

**T.1.4 Plan for a transportation system that combines a mix of transportation modes and system management techniques while minimizing the impacts upon the environment or upon adjacent development.**

*The subject property contains the linkages of Nevada Pacific Parkway and rail spur ties to the existing Union Pacific main line that will provide a mix of transportation options for commerce and area residents and employees.*

f. The efficient and cost-effective provision of service areas and capital facilities;

*The subject property is currently surrounded by City of Fernley property and the provision of utility, roads, and other services that are not jointly served by Lyon County (except for Sheriff and Fire Protection) will be more efficiently served by the City as opposed to Lyon County.*

g. Fiscal analysis regarding the proposed annexation;

*A Fiscal Impact Analysis is provided with this annexation application “....concludes the annexation and development of the subject parcel will have a positive fiscal impact on the City of Fernley.” Please see Fiscal Impact Analysis findings for detailed projected revenue benefits that were calculated as part of the analysis.*

h. Whether Lyon County has adopted a Community Management Plan for the proposed annexation area;

*There are no County Management Plans as part of the Lyon County Master Plan that cover this property. The City of Fernley boundary map does not classify that this property is outside of the City of Fernley jurisdiction.*

i. Whether the annexation creates any islands; and

*Annexation of the requested property (APN 021-261-04) will eliminate a Lyon County island that is surrounded by City of Fernley.*

j. Any other factors concerning the proposed annexation deemed appropriate for consideration by the City Council.

*The proposed annexation presents a logical planned addition to the City of Fernley. Annexation gets rid of one of the Lyon County island properties that cannot be efficiently served with future development occurring in the unincorporated county.*

### **3. The property requested to be annexed conforms to the Master Plan.**

The subject property is currently master planned ME (Mixed Employment) and zoned M-1 (General Industrial). The annexation of the property will not define the future use; although, the Victory Logistics District Phase 1 Master Plan identifies that the future development of the parcel will conform with the Master Plan and zoning designations on the property. The previously provided response to finding 2.e. provides additional support that this request is conformant to the City of Fernley Master Plan through the review of applicable Master Plan defined goals that are met with the annexation and future development of the subject property in the City of Fernley.

#### **FISCAL IMPACT:**

The annexation of this property will potentially provide additional property tax for the City and, as development occurs, the City will receive the associated development permits and applicable fees.

#### **ATTACHMENTS:**

1. Vicinity Map
2. Map to Support Petition for Annexation
3. Bill #280 – A ordinance for the Annexation
4. Exhibit A – Legal Description
5. Exhibit B – Boundary Map
6. Fiscal Impact Analysis