



C I T Y O F
RENO
Memorandum

DATE: August 18, 2026

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager 

FROM: Trina Magoon, P.E., Director of Utility Services
Chris Holman, P.E., Senior Civil Engineer

DEPT: Utility Services

SUBJECT: Matley Lane Storm Drain Capital Improvement Project — Response to Private Property Owner Compensation Request

The City of Reno is nearing completion on design of a new storm drain system along Matley Lane to address longstanding and frequent localized flooding conditions that have required significant ongoing Maintenance and Operations (M&O) resources to manage. The project is identified as among the highest priorities on the City's Storm Drain Capital Improvement Plan and will provide downstream conveyance to an area that currently functions only as a stormwater storage basin with no outlet. A private property owner adjacent to the project area has requested that the City provide compensation for pavement damage within his parking lot, which he attributes to flooding. This memo provides background on the drainage condition, the City's investment to date, the nature of the property owner's claims, and the City's position regarding those claims.

Background and Context

Portions of Matley Lane and adjacent parcels sit at a lower elevation than the surrounding area, creating a natural sag condition in which stormwater does not have a place to drain following storm events. Historically, the existing storm drain system in the area drained eastward into the Terminal Way drainage system; however, previous development activity severed that downstream connection, creating the sag condition that persists today. The existing storm drain infrastructure in the area therefore functions only as storage rather than as a conveyance system to downstream facilities. Runoff that exceeds the capacity of the storm drain volume will pond in Matley Lane and adjacent parcels.

City of Reno M&O staff have, for a number of years, committed significant resources to mitigating this condition, including closing Matley Lane and pumping stormwater to locations capable of draining downstream during and after storm events. As part of this pumping effort, M&O staff have accessed a detention basin located on the adjacent private parcel, as that basin serves as a confluence point for numerous drainage structures that tie into the existing storm drain system.

In May 2025, City Council approved a consultant agreement with Lumos & Associates, Inc. for professional engineering services encompassing the Matley Lane Storm Drain Rehabilitation Project, including hydrology and hydraulic analysis, geotechnical investigations, field investigations, surveying, and preparation of construction documents. Design of the storm drain is near completion. The project requires approximately 700 feet of new storm drain infrastructure to connect the existing system to the existing storm drain system in Mill Street, with additional catch basins as needed to capture ponding areas.

The proposed project will significantly benefit the adjacent private property owner, as stormwater flow from his parcel will connect to the new storm drain system and will no longer pond to the same extent as under existing conditions.

During initial discussions with the property owner, the City proposed improvements to the detention basin on his parcel and with the removal of the direct connection of Matley Lane drainage features that previously drained into that basin. A permanent easement was discussed that would have allowed the City ongoing access to the basin for maintenance purposes, including the removal of sediment, trash, and debris. However, as negotiations progressed and it became clear that the property owner was seeking compensation for improvements substantially outside the project area, specifically, reimbursement for pavement damage within his parking lot, the City's position shifted. Rather than pursuing a permanent maintenance easement, the City requested only a temporary construction easement to allow completion of the project improvements.

Financial Impact

The City has expended considerable resources from its limited Stormwater budget to retain consultant services for planning, analysis, and design of the storm drain system. The proposed Matley Lane project will account for approximately an entire year of the Stormwater Capital Improvement Program (CIP) budget.

The property owner has asserted that the City is responsible for pavement damage within his parking lot as a result of flooding. While the City acknowledges that the existing drainage deficiency has contributed to flooding in the area, a condition caused by prior private development that severed the downstream connection, the City's obligation is to restore public conveyance infrastructure, not to remediate private property damage. The completion of the Matley Lane storm drain will provide substantial and direct benefit to the property owner's business by significantly reducing the extent of ponding that currently affects his parcel.

