



Parks, Recreation and Community Services

Staff Report
August 20, 2019

Date: August 20, 2019
To: Recreation and Parks Commission
From: Jeff Mann, Parks Manager
Subject: Discussion and direction regarding possible approval of proposed Parks and Open Space Agreement for park land in the Caramella Ranch Estates Planned Unit Development in the amount of \$935,000.

Summary: Staff requests the Recreation and Parks Commission provide direction and/or a recommendation regarding possible approval of a proposed agreement with the Master Developer of the Caramella Ranch Estates, a 935 unit Planned Unit Development (PUD). The agreement calls for the purchase of a 16.72 acre site for open space at a cost equal in amount to the total amount of Residential Construction Taxes (RCT) to be collected within the development, currently estimated to be a minimum of \$935,000, plus accrued interest.

Background: The City Council originally approved the PUD Handbook in 2010 with a maximum of 1,316 units. In 2017, City Council approved a tentative map which allowed for construction of a maximum of 935 housing units and which also established the location of the park site. As a condition of approval, City and Developer were to obtain appraisals of the park site, of which ± 5.5 acres of the total area would be graded by Developer for future park development by City. There are also provisions for access, re-vegetation and temporary irrigation to be performed by Developer prior to transfer to the City.

In accordance with the City Council conditions, Developer and City obtained independent appraisals of the ± 5.5 acres of buildable park land. These are based on the hypothetical market value of the property with adjacent city streets, utilities and paved roadway access. The appraised values are:

Developer ordered appraisal:	\$1,650,000
City ordered appraisal:	\$1,615,000

The development is located in the South Meadows area, south of Damonte Ranch, and is bisected by Western Skies Drive. The park is located at the eastern end of the development with access from a future roundabout on Western Skies Drive. The park parcel contains ± 5.5 acres of level, buildable land. The remaining acreage slopes upwards at grades in excess of 15%. To the east are three parcels, owned separately by RiLite Aggregate Company, NV Energy, and a residential owner on a 39 acre lot. The north and west/south boundaries of the site include rockery drainage swales to be maintained by the homeowner's association.

Discussion: Staff and Developer began initial discussions of a potential park site and terms for a development agreement in 2016, and have been actively engaged in negotiations for the past 18 months. The proposed agreement is Developer's last, best offer.

The key terms of the proposed agreement include:

1. Developer shall grade the site (already completed), install an access road, re-vegetate the entire site, provide temporary irrigation, and maintain the site for a period of three years after first re-vegetated by Developer.
2. Developer shall transfer the property to City three years after approval of the agreement, unless requested earlier by City.
3. City shall preserve the site as undeveloped open space in perpetuity. City shall be responsible for maintenance of the site after the three-year period described above.
4. City may elect, in its sole discretion, to construct a traditional neighborhood park in the future. If so constructed, the park shall be named Caramella Ranch Park. City shall be responsible for maintenance of the developed park.
5. City shall reimburse Developer from all RCT funds collected, plus interest accrued, within the Caramella Ranch Estates PUD up to a maximum of \$1,615,000. Reimbursement shall begin after conveyance of the park site to City and then quarterly until the final housing unit is sold.
6. City has no obligation to pay any funds other than RCT collected within the Caramella Ranch Estates PUD.

In prior development agreements with planned unit developments, City has sometimes paid to acquire park land while at other times the developers have provided the land at no cost. However, in no prior case has City obligated the total amount of RCT to be collected within a PUD for the purchase of land, nor has City obligated an amount for purchase of the land which then left insufficient RCT funds within the PUD to build a neighborhood park. Approving the agreement as proposed would therefore set a precedent which may impact City's ability to acquire and build neighborhood parks in future developments.

Reno's closest park is the heavily used Damonte Ranch Park, approximately a two-mile walk from the proposed park site. Washoe County does have Virginia Foothills Park, a 12-acre neighborhood park which is approximately a three-quarter mile walk from the proposed site which is just outside city limits.

Potential options for the Commission to consider include:

1. Recommend approval of the agreement as proposed by Developer. In this case, City will leave the site as open space unless or until such time as future RCT from other developments may become available to build a neighborhood park.
2. Recommend disapproval of the agreement, and use the RCT from this development for other park projects in RCT District 4. This may include completion of Double Diamond Park or additional enhancements at other parks in South Meadows (Cyan, Center Creek, Comstock, Horizon View Parks).
3. Other direction which may include renegotiation of the terms with Developer.

Proposed Motion:

Staff proposes that the Commission provide direction regarding the potential options outlined above, or move to recommend approval or disapproval of the proposed agreement.

Staff also seeks any direction the Commission may propose for incorporation into the Park Development and Maintenance Agreement.

Attachment:

1. Location Map
2. Parks and Open Space Agreement

**Attachment 1
Location Map**

