City of Fernley

NEVADA

Members
Jenni McCullar - Chairwoman
Angela Lewis - Vice Chair
Humayoon Lodhi - Commissioner
Barry Williams Sr. - Commissioner
Cody Wagner - Commissioner
Jacob VanderHeiden - Commissioner
Robert Flores - Commissioner

AGENDA
Regular Meeting
Planning Commission
Wednesday, March 13, 2024 • 5:00 PM

Fernley City Council Chambers, 595 Silver Lace Boulevard, Fernley, NV 89408

Zoom information:
Please click the following link to join the webinar: https://us02web.zoom.us/j/82966343247, or one tap mobile: 12532158782, Dial: 669 900 9128, Webinar ID: 829 6634 3247

Public Notice: This agenda has been physically posted in compliance with 241.020 at Fernley City Hall, 595 Silver Lace Blvd. In addition, this agenda has been electronically posted in compliance with NRS 241.020(3) at www.cityoffernley.org and NRS 232.2175 at https://notice.nv.gov/ To obtain further documentation regarding posting, please contact the City Clerk's Office at (775) 784-9830 or cityclerk@cityoffernley.org

Public Comment: Those wishing to address the Planning Commission may submit public comment through the online public comment form, or by sending an email to cityclerk@cityoffernley.org. Comments received prior to 4:00 pm the day of the meeting will be provided to the Planning Commission and added to the record but will not be read during the live meeting. Public comments received after 4 pm the day of the meeting will be included in the record but may not reach commission members before action is taken. Public comment, whether on action items or public comment, is limited to three (3) minutes per person. Unused time may not be reserved by the speaker, nor allocated to another speaker. The public may comment on any matter that is not specifically included on an agenda as an action item or comment on a specific agenda item. Items not included on the agenda cannot be acted upon other than to place them on a future agenda. Additionally, if you wish you can comment in person at the meeting or use the Raise your Hand feature in Zoom (*9 if you are participating via phone).

Accommodations: The Planning Commission and staff will make reasonable efforts to assist and accommodate individuals with disabilities desiring to attend the meeting. Please contact the City Clerk's Office at (775) 784-9830 in advance so that arrangements can be made.

Supporting Material: Staff reports and supporting material for the meeting are available at the City Clerk's Office, and on the City's website at www.cityoffernley.org Pursuant to NRS 241.020(6), supporting material is made available to the general public at the same time it is provided to the City Council.

Order of Business: The presiding officer shall determine the order of the agenda. The Fernley Planning Commission may combine two or more agenda items for consideration; remove an item from the agenda; or delay discussion relating to an item on the agenda at any time. All items are action items unless otherwise noted. Items scheduled to be heard at a specific time will be heard no earlier than the stated time but may be heard later.

1. INTRODUCTORY ITEMS

1.1. Pledge of Allegiance

1.2. Roll Call

1.3. Public Forum

1.4. (For Possible Action) Approval of Agenda

1.5. (Possible Action) Approval of Minutes

2. GENERAL BUSINESS

2.1. Training presentation from Wayne Carlson of POOL/PACT regarding Ethics in Government (NRS 281A).

2.2. Administer Oath of Office to new Planning Commissioner Tessa Garvin.

3. PUBLIC HEARINGS

A. DISCUSSION WITH PLANNING COMMISSION & STAFF B. PUBLIC INPUT C. ADDITIONAL DISCUSSION WITH PLANNING COMMISSION & STAFF D. COUNCIL ACTION OR DIRECTION TO STAFF

3.1. (For Possible Action) Discussion and possible action regarding a conditional use permit application (CUP24001) submitted by Dragonfly Energy to request relief from development standards required by Fernley Municipal Code §32.09.090 for intensification of a substandard development and to establish a general production facility in one quarter of a previously vacant existing structure located at 2275 East Newlands Drive (APN: 021-251-18).

3.2. (For Possible Action) Discussion and possible action regarding a recommendation to City Council for an annexation application (ANX24001) submitted by Summit Engineering on behalf of Lansing Companies regarding a request to annex into the City of Fernley a ±177.7-acre parcel generally located west of Duffy Drive, east of Truck Inn Way, and northwest of Nevada Pacific Parkway at Interstate 80 (APN: 021-581-08).

3.3. (For Possible Action) Consideration and possible action regarding Resolution 24-005, and, if approved, a recommendation that City Council certify said resolution, for a master plan amendment application (MPA24001) submitted by Priority Engineering on behalf of VIA Real Estate to change the designated land use from Multi-Family Residential (MFR) to Commercial (C) at 1200 Fremont Street (APN: 021-271-03).

3.4. (For Possible Action) Consideration, discussion, and possible action to recommend that the City Council approve Bill #342, an Ordinance establishing a Development Agreement (DA22001) between the developer (Mark IV Capital) and the City of Fernley in association with the Victory Logistics District Planned Development relating to improvements of utilities, public services, streets, and other related items.

4. CHAIR AND COMMISSION ITEMS

(SUMMARY OR ACTIVITY REPORTS ON PLANNING ISSUES, ACTIVITIES OR ORGANIZATIONS IN WHICH INDIVIDUAL MEMBERS MAY BE INVOLVED. THIS ITEM IS TO PROVIDE GENERAL INFORMATION TO THE COMMISSION AND PUBLIC. NO DISCUSSION SHALL TAKE PLACE AND NO ACTION WILL BE TAKEN.)

5. PLANNING DIRECTOR ITEMS

(ACTIVITY SUMMARY OR UPDATES ON PROJECTS THAT HAVE BEEN PREVIOUSLY REVIEWED BY THE PLANNING COMMISSION. THIS ITEM IS TO PROVIDE GENERAL INFORMATION TO THE COMMISSION AND PUBLIC. NO DISCUSSION SHALL TAKE PLACE AND NO ACTION WILL BE TAKEN.)

6. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS

7. PUBLIC FORUM

8. ADJOURNMENT

Next Meeting: April 10th @ 5pm

MINUTES OF THE

FERNLEY PLANNING COMMISSION MEETING

FEBRUARY 14, 2024

1. INTRODUCTORY ITEMS

1.1. Pledge of Allegiance

1.2. Roll Call

Present: Chairwoman Jeni McCullar, Vice Chair Angela Lewis, Commissioner Barry Williams, Commissioner Cody Wagner, Commissioner Jacob VanderHeiden, Commissioner Robert Flores, City Attorney Aaron Mouritsen, Deputy City Manager Lydia Altick, City Clerk Kim Swanson, Deputy City Clerk Brenda Gosser, Administrative Specialist I Sandy Harris, Planning Director Michele Rambo, Senior Planner Shay League**. Absent**: Commissioner Humayoon Lodhi.

1.3. Public Forum

None at this time.

1.4. (For Possible Action) Approval of Agenda

Motion: I MOVE TO APPROVE TONIGHT'S AGENDA AS PRESENTED WITH ITEM 4.1 MOVED UP AFTER 3.1. **Action:** Approved. **Moved by**: Commissioner Cody Wagner, **Seconded by**: Commissioner Barry Williams. **Vote**: Passed, **Summary:** Yes 6. **Yes:** Commissioner Williams, Chairwoman McCullar, Vice-Chair Lewis, Commissioner Wagner, Commissioner VanderHeiden, Commissioner Flores**.**

1.5. (Possible Action) Approval of Minutes

Motion: I MOVE TO APPROVE THE MINUTES FROM THE JANUARY 10, 2024, MEETING. **Action:** Approved. **Moved by**: Commissioner Barry Williams, **Seconded by:** Vice-Chair Angela Lewis. **Vote:** Passed, **Summary:** Yes 6. **Yes:** Commissioner Williams, Chairwoman McCullar, Vice-Chair Lewis, Commissioner Wagner, Commissioner VanderHeiden, Commissioner Flores.

2. STAFF REPORTS

None at this time.

3. GENERAL BUSINESS

3.1. Administer Oath of Office to new Planning Commissioner Robert Flores.

City Clerk Kim Swanson administered the Oath of Office to Robert Flores.

3.2. Training presentation from the City Attorney regarding NRS Chapter 241 (Open Meeting Law).

Aaron Mouritsen, City Attorney, gave a presentation on NRS Chapter 241 (Open Meeting Law). He went over the legislative intent; defined what a public body is; meeting definition: gatherings of a public body; teleconference or video conference meetings; electronic serial communications; specific exemptions; legal briefings; decisions by Boards; AB 70 (2019) Delegation by Board; can there be alternates on the board; agendas and notice; state official website posting; notice of emergency meeting; closed personnel sessions - agenda and notice; public comment periods; minutes and recordings; AB 70 (2019) Attorney General Notification; and violations and consequences.

3.3. (For Possible Action) Discussion and possible action to approve Resolution 24-004, an amendment to Section 2-1 (Membership) of the Planning Commission Bylaws to allow the mayor to appoint an alternate member to the Planning Commission.

Michele Rambo, Planning Director, stated that the Mayor would like to appoint an alternate member to the Planning Commission in order to sit in on meetings when other members are absent or there is a vacant seat. This will aid in the overall efficiency of the Planning Commission, especially for more complex projects where a super-majority is required. Staff has prepared a small revision to the bylaws to allow for this option.

Motion: I MOVE TO ADOPT RESOLUTION 24-004 TO AMEND THE PLANNING COMMISSION BYLAWS AS PRESENTED BY STAFF AND REQUEST THAT THE CITY COUNCIL ADOPT THIS ITEM AS A JOINT

RESOLUTION. **Action:** Approved**. Moved by**: Commissioner Jake VanderHeiden, **Seconded by:** Commissioner Barry Williams. **Vote:** Passed**, Summary**: Yes 6**. Yes**: Commissioner Williams, Chairwoman McCullar, Vice-Chair Lewis, Commissioner Wagner, Commissioner VanderHeiden, Commissioner Flores.

4. PUBLIC HEARINGS

4.1. (For Possible Action) Discussion and possible action on Conditional Use Permit 23007 (CUP23007) submitted by Jim Guthrie to allow a tractor-trailer parking lot at 20 Speedway Road (APN 021-442-21). The property is approximately 4.2 acres in size and is located at the northeast corner of Speedway Road and US 95A.

Shay League, Senior Planner, presented that the applicant would like to construct a tractor-trailer parking lot within an existing industrial area located southeast of the Fernley 95A Speedway. Table 32.06.150-2 of the Development Code (otherwise known as the Use Table) indicates that such a use on an industrially zoned parcel requires the approval of a Conditional Use Permit. This parcel is located in the far South of Fernley, beyond even the scope of the South and Southwest future development plans. There is no plan to bring City Water and Sewer services to this parcel. Further, because the City of Fernley contains an area of around 130 square miles, it may never be cost-efficient for the city to provide municipal services for this parcel. Given that, staff recommends not requiring the parcel to hook up to City services, and further waiving the requirement for the applicant to construct a curb, gutter, and sidewalk. While it is true that requiring new developments to provide a proportional share of infrastructure improvements is slowly leading to improved infrastructure within the developed portions of Fernley, this parcel is so remote that requiring the applicant to construct the infrastructure would not benefit Fernley. Findings: (1) The proposed conditional use will be in compliance with the Comprehensive Plan; (2) The conditional use will be compatible with the existing or permitted uses of adjacent properties; (3) The potential impairment of natural resources and the total population which the available natural resources will support without unreasonable impairment. There are no known natural resources that will be impaired on the subject parcel; (4) The proposed use does not impact the need for affordable housing. The parking lot will not have any employees or generate the need for new housing; (5) This project is conditioned to provide security fencing, trash facilities, and portable toilets for those who park there. All parking areas are to be paved, and the applicant will mitigate wastewater runoff by constructing the appropriate storage and drainage facilities; (6) Public notice has been given as required in the NRS and City of Fernley Development Code. The public hearing to be held for this item on February 14, 2024, will fulfill the requirement for a public hearing to be held.

Commissioner Wagner inquired if there is any coordination with and/or requirements from NDOT, in regard to the entrance and exits.

Shay League, Senior Planner, stated that there has not been any coordination with NDOT because of the nature of it and the number of trips projected. It is a condition of approval that they submit a traffic report, it can be amended to include adding NDOT into that process.

Commissioner Robert Flores asked how many spaces would be available.

Mr. Jim Guthrie stated that it will have 50 - 70 parking spaces. It will be a secure lot with fencing and security cameras. It will be for semi's and trailers only.

There was no public input.

Motion: I MOVE TO CONDITIONALLY APPROVE CUP23007 AS PRESENTED BY STAFF BASED ON THE FINDINGS OUTLINED IN THE STAFF REPORT WITH THE ADDITION OF CONDITION #15 THAT ANY FINAL PLANS AND/OR TRAFFIC REPORTS BE SHARED WITH NDOT FOR THEIR COMMENTS. **Action:** Approved**. Moved by**: Commissioner Cody Wagner, **Seconded by:** Vice-Chair Angela Lewis**. Vote:** Passed, **Summary**: Yes 6. **Yes**: Commissioner Williams, Chairwoman McCullar, Vice-Chair Lewis, Commissioner Wagner, Commissioner VanderHeiden, Commissioner Flores.

5. CHAIR AND COMMISSION ITEMS

Commissioner Cody Wagner thanked the city staff for their effort to solicit public input in a number of different meetings.

6. PLANNING DIRECTOR ITEMS

Michele Rambo, Planning Director, reported that they are working on putting together a monthly statistics report for the planning department. Currently, there are 33 active projects going on in the planning department. The average processing time is 3 months for the various applications. The legislative, the master-plan zoning amendments, and plan development are averaging 4 to 4 1/2 months. The number of pre-application meetings is picking up. There were 3 pre-applications meetings in January and there have been 6 in February with several more already scheduled for March. The Victory Logistics Development Agreement is waiting for finalization and will be brought back for consideration.

7. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS

None at this time.

8. PUBLIC FORUM

Mayor Neal E. McIntyre thanked the Commission for passing the resolution for an alternate position.

The next Fernley Planning Commission meeting will be March 13, 2024, at 5:00 pm.

9. ADJOURNMENT

There being no further business to come before it, the Fernley Planning Commission meeting adjourned at 5:53 pm.

Approved by the Fernley Planning Commission on March 13, 2024, by a vote of:

AYES _____ NAYS:_____ ABSTENTIONS:_____ ABSENT:_____

_____ _____

Chairwoman Jenni McCullar ATTEST:

CITY OF FERNLEY

Planning Commission
AGENDA REPORT

Meeting Date: March 13, 2024

REPORT TO:	Fernley Planning Commission
REPORT FROM:	**Michele Rambo, Planning Director**

FINANCIAL IMPACT:		**CURRENTLY BUDGETED:**		**FUND/ACCOUNT:**
Yes:	No: X	Yes:	No: X	N/A

ACTION REQUESTED: Receive/File

AGENDA ITEM:

Training presentation from Wayne Carlson of POOL/PACT regarding Ethics in Government (NRS 281A).

AGENDA ITEM BRIEF:

This is the second training session for the Planning Commission in 2024. Wayne Carlson from POOL/PACT will be reviewing Nevada's ethics law (NRS 281A) and how public officials can apply the law.

RECOMMENDED MOTION:

N/A

BUSINESS IMPACT (per NRS Chapter 237):

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:

N/A

BACKGROUND:

Nevada Revised Statutes Chapter 281A outlines the Nevada ethics law. As public officials, the Planning commission should know these laws and how to avoid conflicts of interest between their private interests and their public duties. This training will cover items such as:

- Who is or is not a public official.
- Code of Ethical Standards
- Disclosure requirements
- When to abstain from a vote
- Commitments in a private capacity
- Pecuniary interest
- Independent judgment
- Ethical decision-making
- Consequences of violations

RELEVANT LAWS, STATUTES, AND REGULATIONS:

NRS Chapter 281A (Ethics in Government)

FINANCIAL IMPLICATIONS:

None

ATTACHMENTS:
None

CITY OF FERNLEY

Planning Commission
AGENDA REPORT

Meeting Date: March 13, 2024

REPORT TO:	Fernley Planning Commission
REPORT FROM:	

FINANCIAL IMPACT:		**CURRENTLY BUDGETED:**		**FUND/ACCOUNT:**
Yes:	No:	Yes:	No:	

ACTION REQUESTED:

AGENDA ITEM:

Administer Oath of Office to new Planning Commissioner Tessa Garvin.

AGENDA ITEM BRIEF:

RECOMMENDED MOTION:

BUSINESS IMPACT (per NRS Chapter 237):

See attached report for background, analysis, alternatives.

ALTERNATIVES:

BACKGROUND:

RELEVANT LAWS, STATUTES, AND REGULATIONS:

FINANCIAL IMPLICATIONS:

ATTACHMENTS:
None

CITY OF FERNLEY

Planning Commission
AGENDA REPORT

Meeting Date: March 13, 2024

REPORT TO:	Fernley Planning Commission
REPORT FROM:	**Shay League**

FINANCIAL IMPACT:		**CURRENTLY BUDGETED:**		**FUND/ACCOUNT:**
Yes:	No: X	Yes:	No: X	N/A

ACTION REQUESTED: Motion

AGENDA ITEM:

(For Possible Action) Discussion and possible action regarding a conditional use permit application (CUP24001) submitted by Dragonfly Energy to request relief from development standards required by Fernley Municipal Code §32.09.090 for intensification of a substandard development and to establish a general production facility in one quarter of a previously vacant existing structure located at 2275 East Newlands Drive (APN: 021-251-18).

AGENDA ITEM BRIEF:

Dragonfly Energy has devised a new process to create electrode feedstock material for battery cell production in their Sparks laboratory space and intends to test production on a large scale using 25% of the existing building space on this site. They will be renting this space from the property owner.

RECOMMENDED MOTION:

Approval
"I move to approve the conditional use permit associated with CUP24001, subject to conditions of approval 1 through 18 as presented by staff. I further move to adopt findings a through f, and the facts supporting these findings, as set forth in the staff report."

BUSINESS IMPACT (per NRS Chapter 237):

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:

Denial

"Based on information received in written materials and at the public hearing on this matter, I move to deny the conditional use permit associated with CUP24001 because I am unable to make the following conditional use permit findings:"

"I am unable to make finding _____ as it relates to _____." *(Repeat for each applicable finding.)*

Note: Though no further language has been provided, all motions consistent with City of Fernley Planning Commission bylaws and rules of procedure are appropriate.

BACKGROUND:

This building was originally constructed in 1997 and was most recently a site for the Webrestaurant retail distribution facility. This site is a substandard development, meaning that it was originally constructed in accordance with the applicable regulations but no longer meets the standards of our current development code. Because this substandard development has been vacant for 6 months or greater, any new use established is considered an intensification of use. An intensification of use on such a site requires the site be brought up to the current development code standards.

ANALYSIS:

FMC §32.08.060(d)(3), regarding intensification of a substandard development, allows the Planning Commission to approve an intensification of use without full compliance of the current development code when the proposed changes are not detrimental to public health, safety, or general welfare.

FMC §32.09.140 requires that the applicant bring the streets along their property boundaries up to current development code standards. Along East Newlands Drive, all required widening, curb, and gutters are present, and the pavement is in good condition. Staff recommends the applicant install a sidewalk along the full length of the Newlands property line to complete the buildout. There is also no sidewalk along Nevada Pacific Parkway; however, staff does not recommend the Planning Commission require sidewalk installation along this property frontage. There is a planned expansion of Nevada Pacific Parkway in conjunction with the Victory Logistics project and any improvements installed before the expansion are likely to be removed during the expansion process.

FMC §32.09.090 requires that the applicant bring the landscaping up to current development standards. The landscaping originally constructed is in poor shape and in some areas, weeds have overtaken the landscaping area. Because this applicant only intends to occupy 25% of the building, staff recommends they only be required to rehabilitate 25% of the existing landscaping. Further, due to the planned Nevada Pacific Parkway expansion, staff does not recommend the Planning Commission require the applicant or property owner to expand the landscaping area due to a possible loss of existing parking.

Staff has not identified any other deficient aspects of this site in relation to current municipal code.

FINDINGS:

a. The proposed conditional use will be in compliance with the comprehensive plan;

The use "General Production Facility" is a permitted use within the Industrial zone, which is in turn an equivalent zoning district of the Industrial land use designation in the comprehensive plan. This site does not currently meet requirements in the "Transportation" section of the comprehensive plan regarding sidewalks; staff recommends a solution to this issue through condition of approval 16, which requires construction of a sidewalk along East Newlands Drive.

b. The conditional use will be compatible with the existing or permitted uses of adjacent properties;

All adjacent properties are zoned Industrial and are currently either occupied by industrial uses or vacant.

Existing adjacent industrial uses include composite wood-alternative manufacturing at TREX, warehousing for retail tools at MSC Industrial Supply, manufacturing in support of lithium extraction at Lilac Solutions, and window/door manufacturing at Deceuninck North America. The proposed use is another industrial use on an industrial parcel and is thereby compatible with the uses of all adjacent properties.

c. The potential impairment of natural resources and the total population which the available natural resources will support without unreasonable impairment;

This conditional use is slated for an existing building on a site that is already built out. Additional impairment of natural resources is not expected.

d. The availability of and need for affordable housing in the community, including affordable housing that is accessible to persons with disabilities;

This project does not address the need for accessible affordable housing in the community; however, this site would be inappropriate for a residential use due to surrounding industrial uses.

e. The conditional use permit's impacts have been conditioned to address identified impacts; and

Other than the code requirement to bring a substandard property into compliance with current uses, Staff has not identified any impacts specific to this site. This site is not expected to attract more traffic than the Webrestaurant distribution center that last occupied the building. Staff has confirmed that no explosives or highly hazardous substances will be present. Condition 13 requires the applicant to conduct water and sewer system modeling and construct any improvements required to serve the facility. Condition 14 requires the applicant or property owner to dedicate water rights for any expected usage greater than previous uses.

f. Public notice has been given, and a public hearing held, per the requirements of the Development Code and the Nevada Revised Statutes.

Staff certifies that public notice was given in accordance with the applicable regulations. A public notice appeared in the February 27, 2024, edition of the Reno Gazette Journal and 71 individual owners of parcels within a 4,000-foot radius were mailed noticing letters. The public hearing will be held during the March 13, 2024, Planning Commission meeting.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

General

Nevada Revised Statutes (NRS), Chapter 278 - Planning and Zoning
Fernley Municipal Code (FMC), Title 32 - Development Code
City of Fernley Public Works Design Standards and Review Guidelines
City of Fernley Public Works Design Standard Details

Specific

NRS §278.315 - Granting of ... conditional use permits
FMC §32.03.050 (b) - Conditional use permit
FMC §32.08.060 - Substandard development
FMC §32.09 - Development Standards

Note

This list is for quick reference and not all-inclusive. City of Fernley Planning Department will monitor this section until the public hearing on March 13, 2024, but does not guarantee the included links will be functional and/or relevant beyond the meeting date.

FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. CUP24001 Conditions of Approval
2. Vicinity Map

Conditions of Approval for CUP24001
CONDITIONAL USE PERMIT

SCOPE AND DURATION OF APPROVAL

1. **APPROVAL**
   THIS CONDITIONAL USE PERMIT IS APPROVED AS SUBMITTED AND CONDITIONED. ANY SUBSTANTIVE CHANGES SHALL REQUIRE REVIEW AND APPROVAL BY PLANNING COMMISSION AS AN AMENDMENT TO THE CONDITIONAL USE PERMIT.

2. **PROJECT DESCRIPTION**
   THE PROJECT APPROVAL IS LIMITED TO RE-ESTABLISHING 64,000 SQUARE-FEET OF THE "GENERAL PRODUCTION FACILITY" USE ON A PARCEL 14.87-ACRES IN SIZE AND LOCATED AT 2275 EAST NEWLANDS DRIVE (APN: 021-251-18).

3. **EXPLOSIVES OR OTHER HAZARDOUS SUBSTANCES**
   IN ACCORDANCE WITH NEVADA REVISED STATUTES (NRS) §278.147 AND NRS §459.816, THIS FACILITY MAY NOT USE, MANUFACTURE, PROCESS, TRANSFER, OR STORE EXPLOSIVES OR CERTAIN OTHER HIGHLY HAZARDOUS SUBSTANCES AS DESIGNATED BY THE STATE ENVIRONMENTAL CONTROL COMMISSION. THE FULL LIST MAY BE OBTAINED FROM THE NEVADA DIVISION OF ENVIRONMENTAL PROTECTION (NDEP). THE ADMINISTRATOR HAS VERIFIED THE HAZARDOUS MATERIALS PROJECTED FOR THIS USE DO NOT APPEAR ON NDEP'S CHEMICAL ACCIDENT PREVENTION PROGRAM (CAPP) HIGHLY HAZARDOUS SUBSTANCES LIST.

4. **EXPIRATION DATE**
   THE CONDITIONAL USE PERMIT SHALL EXPIRE WITHIN ONE YEAR OF THE DATE OF APPROVAL, UNLESS THE PERMITTED USE HAS BEEN ESTABLISHED OR CONSTRUCTION TO ACCOMMODATE THAT USE HAS BEGUN AND IS BEING DILIGENTLY PURSUED. A ONE-YEAR EXTENSION MAY BE GRANTED BY THE PLANNING COMMISSION IF REQUESTED PRIOR TO THE EXPIRATION DATE OF THE CONDITIONAL USE PERMIT.

5. **GOVERNING DOCUMENTS**
   ALL CITY OF FERNLEY MUNICIPAL CODE (FMC) OR DEVELOPMENT CODE REFERENCES HEREIN PERTAIN TO THE VERSION OF THE CODE ESTABLISHED BY ORDINANCE NUMBER 2023-010, UNLESS OTHERWISE NOTED. THE DEVELOPER MAY SUBSTITUTE REQUIREMENTS ESTABLISHED IN FUTURE CITY OF FERNLEY MUNICIPAL CODE UPDATES, IF APPROVED BY THE ADMINISTRATOR.

   THE DEVELOPER SHALL ALSO COMPLY WITH ALL STANDARDS FOUND WITHIN "CITY OF FERNLEY DEPARTMENT OF PUBLIC WORKS DESIGN STANDARDS & REVIEW GUIDELINES" OF MAY 2008, "CITY OF FERNLEY STANDARD DETAILS FOR PUBLIC WORKS CONSTRUCTION" OF JULY 15, 2008, AND "CITY OF FERNLEY COMPREHENSIVE MASTER PLAN" OF AUGUST 2018.

DRAFT

DESIGN STANDARDS

6. WAIVER OF CERTAIN DEVELOPMENT STANDARDS

DUE TO A PLANNED EXTENSION OF NEVADA PACIFIC PARKWAY—AND GIVEN THAT THE APPLICANT WILL NOT BE OCCUPYING THREE-QUARTERS OF THE EXISTING BUILDING—CITY OF FERNLEY PLANNING COMMISSION FINDS THAT CERTAIN DEVELOPMENT STANDARDS FOR LANDSCAPING AND STREET IMPROVEMENTS REQUIRED BY FMC §32.09 ARE HEREBY WAIVED IN ACCORDANCE WITH FMC §32.08.060. SEPARATE CONDITIONS THAT ADDRESS SPECIFIC REQUIREMENTS FOR LANDSCAPING AND STREET IMPROVEMENTS ARE INCLUDED WITHIN THESE CONDITIONS OF APPROVAL.

THIS WAIVER OF CERTAIN DEVELOPMENT STANDARDS MAY EXTEND TO NEW INDUSTRIAL USES ESTABLISHED IN THE REMAINDER OF THE EXISTING BUILDING FOR TWO YEARS AFTER THE USE REFERENCED IN THE PROJECT DESCRIPTION IS ESTABLISHED, WITH THE FOLLOWING LIMITATIONS:

A. THE TWO-YEAR PERIOD MAY NOT BE EXTENDED.
B. THIS WAIVER IS NOT EXTENDED FOR ANY NEW INDUSTRIAL USES THAT REQUIRE APPROVAL BY PLANNING COMMISSION THROUGH A CONDITIONAL USE PERMIT.
C. STAFF SHALL REQUIRE THE DEVELOPER TO REHABILITATE A PERCENTAGE OF THE EXISTING LANDSCAPE EQUIVALENT TO THE PROPOSED NEWLY RE-OCCUPIED AREA OF THE EXISTING BUILDING.
D. STAFF MAY REQUIRE DEDICATION OF WATER, WATER AND SEWER MODELING, CONSTRUCTION OF RELATED INFRASTRUCTURE, OR SIMILAR, WHEN WARRANTED.
E. STAFF SHALL NOT REQUIRE THE DEVELOPER TO MAKE ANY PARKING OR STREET IMPROVEMENTS DURING THIS TWO-YEAR PERIOD TO RE-ESTABLISH USES PERMITTED BY RIGHT, OR THAT MAY BE PERMITTED THROUGH THE ADMINISTRATIVE REVIEW PROCESS, IN THE INDUSTRIAL ZONE.

7. PARKING

THIS SITE IS A MULTI-TENANT BUILDING AND USE OF THE ENTIRE BUILDING MAY BEST BE DESCRIBED AS “WHOLESALE DISTRIBUTION, WAREHOUSING, AND STORAGE”, WHICH REQUIRES 1 PARKING SPACE PER 2,000 SQUARE-FEET, OR AS “INDUSTRIAL WAREHOUSE”, FOR WHICH THERE IS NOT AN EQUIVALENT PARKING RATIO LISTED IN FMC §32.09.120, TABLE 32.09.120-2.

FOR AN “INDUSTRIAL WAREHOUSE” EQUIVALENT, THE ADMINISTRATOR CALCULATED A MINIMUM MEAN PARKING RATIO REQUIREMENT OF 1 PARKING SPACE PER 1,650 SQUARE-FEET FOR ALL 20 USES LISTED IN THE INDUSTRIAL SECTION OF THE PARKING RATIO TABLE. WITH A PARKING RATIO OF 1 PARKING SPACE PER 1,576 SQUARE-FEET, THIS SITE EXCEEDS THE TARGET THRESHOLD THE ADMINISTRATOR CALCULATED FOR A MIX OF INDUSTRIAL USES.

PLANNING COMMISSION HEREBY ADOPTS THE ADMINISTRATOR’S FINDINGS AND CONFIRMS THAT THE EXISTING CONFIGURATION OF 156 PARKING SPACES PER 256,000 SQUARE-FEET COMPLIES WITH THE PARKING DEVELOPMENT STANDARDS OUTLINED IN FMC §32.09.120.

GRADING AND CIVIL PERMIT CONDITIONS

8. **GEOTECHNICAL REPORT**
   IF A GRADING PERMIT IS REQUIRED, THE DEVELOPER SHALL PROVIDE A FINAL GEOTECHNICAL REPORT FOR THE PROJECT IN CONFORMANCE WITH THE REQUIREMENTS OF THE DEVELOPMENT CODE FOR REVIEW AND APPROVAL BY THE CITY ENGINEER PRIOR TO ISSUE OF A GRADING PERMIT OR BUILDING PERMIT.

9. **GRADING PERMIT**
   IF THE TENANT IMPROVEMENT CONSTRUCTION, SIDEWALK CONSTRUCTION, LANDSCAPE REHABILITION, OR RELATED ACTIVITIES CUMULATIVELY REQUIRE GRADING OVER 50 CUBIC YARDS OF MATERIAL, THE DEVELOPER SHALL COMPLY WITH ALL GRADING REQUIREMENTS SET FORTH IN THE CITY OF FERNLEY DEVELOPMENT CODE, AS WELL AS ALL STATE AND FEDERAL REGULATIONS, INCLUDING, BUT NOT LIMITED TO, STORM WATER POLLUTION PREVENTION AND AIR QUALITY.

   IF A GRADING PERMIT IS REQUIRED, THE DEVELOPER SHALL PROVIDE VERIFICATION OF A CONSTRUCTION STORM WATER DISCHARGE PERMIT FROM THE NEVADA DEPARTMENT OF ENVIRONMENTAL PROTECTION AS WELL AS A SURFACE AREA DISTURBANCE PERMIT, IF APPLICABLE, PRIOR TO ISSUE OF A GRADING PERMIT. THIS REQUIREMENT IS SUBJECT TO APPROVAL OF THE CITY ENGINEER.

CONSTRUCTION PHASE

10. **CONSTRUCTION DEBRIS**
    ALL CONSTRUCTION SITES SHALL HAVE APPROVED TRASH RECEPTACLE(S) OR AN APPROVED TRASH REMOVAL PLAN IN PLACE AT THE TIME OF THE FIRST INSPECTION AND DURING CONSTRUCTION, UNTIL COMPLETION OF THE FINAL BUILDING PERMIT INSPECTION. THE RECEPTACLE(S) SHALL BE USED APPROPRIATELY TO MAINTAIN A CLEAN WORK SITE.

11. **CONSTRUCTION HOURS**
    PRIOR TO THE START OF ANY CONSTRUCTION-RELATED ACTIVITY, THE DEVELOPER SHALL INSTALL SIGNS AT ALL ACCESS POINTS TO THE PROJECT THAT CLEARLY INDICATE THE HOURS OF ACTIVITY ON-SITE. ALL CONSTRUCTION-RELATED ACTIVITIES SHALL BE LIMITED TO BETWEEN THE HOURS OF 7:00 AM AND 7:00 PM, SEVEN DAYS PER WEEK. ONCE CONSTRUCTION IS FINISHED, THE DEVELOPER SHALL REMOVE THESE SIGNS.

12. **PROJECT CONTACT**
    PRIOR TO ISSUE OF ANY GRADING, BUILDING, OR OTHER CONSTRUCTION-RELATED PERMIT, THE DEVELOPER SHALL DESIGNATE A PROJECT CONTACT PERSON TO THE ADMINISTRATOR. THE CONTACT PERSON SHALL BE AUTHORIZED TO CORRECT ANY PROJECT-RELATED ISSUES ON A 24-HOUR, 7-DAYS-PER-WEEK BASIS.

DRAFT

BUILDING PERMIT AND INSPECTION REQUIREMENTS

13. **WATER AND SEWER SYSTEM MODELING**
    PRIOR TO ISSUE OF THE TENANT-IMPROVEMENT BUILDING PERMIT, THE DEVELOPER SHALL COMPLETE WATER AND SEWER MODELING, AND CONSTRUCT ANY IMPROVEMENTS IDENTIFIED AS NECESSARY TO SERVE THE PROJECT IN ACCORDANCE WITH STATE AND LOCAL REGULATIONS. THE FINAL REPORT GENERATED BY THE WATER AND SEWER MODELING PROCESS FULFILLS THE REQUIREMENT FOR AN INDEPENDENT SANITARY SEWER REPORT AS REQUIRED BY FERNLEY MUNICIPAL CODE §32, APPENDIX A-4, ITEM 62. THIS REQUIREMENT IS SUBJECT TO APPROVAL OF THE CITY ENGINEER AND PUBLIC WORKS DIRECTOR.

14. **WATER RIGHTS**
    PRIOR TO ISSUE OF THE TENANT-IMPROVEMENT BUILDING PERMIT, THE APPLICANT OR PROPERTY OWNER SHALL DEDICATE THE APPROPRIATE AMOUNT OF WATER RIGHTS, AS CALCULATED BY THE CITY ENGINEER. THE CITY ENGINEER WILL COMPARE PROJECTED WATER USAGE FROM THE WATER AND SEWER MODELING REPORT TO DETERMINE IF MORE WATER WILL BE USED THAN PRIOR USES. FULFILLMENT OF THIS REQUIREMENT IS SUBJECT TO APPROVAL OF THE CITY ENGINEER AND PUBLIC WORKS DIRECTOR. IF ACTUAL WATER USAGE CONSISTENTLY EXCEEDS PROJECTED USAGE ONCE THE USE IS ESTABLISHED, THE APPLICANT OR PROPERTY OWNER MAY BE REQUIRED TO DEDICATE FURTHER WATER RIGHTS IN ORDER TO CONTINUE THE USE.

15. **LANDSCAPING**
    PRIOR TO FINAL INSPECTION FOR THE TENANT-IMPROVEMENT BUILDING PERMIT, AND PRIOR TO ESTABLISHING THIS USE, THE APPLICANT OR PROPERTY OWNER SHALL REHABILITATE TWENTY-FIVE PERCENT OF THE EXISTING LANDSCAPING TO INCLUDE: REPLACEMENT OF ANY DEAD OR DYING PLANTS, REMOVAL OF WEEDS, REINSTALLATION OF GROUND COVERING, REPAIR/REPLACEMENT OF ANY DAMAGED IRRIGATION COMPONENTS, INSTALLATION OF A BACKFLOW DEVICE FOR IRRIGATION IF ONE IS NOT PRESENT, AND TESTING THE BACKFLOW DEVICE FOR APPROPRIATE FUNCTION.

    THE REQUIRED SIDEWALK INSTALLATION MAY NOT BE USED IN ANY CALCULATION TO DETERMINE PERCENTAGE RESTORATION, EITHER AS EXISTING LANDSCAPING AREA OR AS THE RESTORED PERCENTAGE OF EXISTING LANDSCAPING AREA. THIS CONDITION IS SUBJECT TO THE APPROVAL OF THE ADMINISTRATOR.

16. **STREET IMPROVEMENTS**
    PRIOR TO FINAL INSPECTION OF THE TENANT-IMPROVEMENT BUILDING PERMIT, AND PRIOR TO ESTABLISHING THIS USE, THE DEVELOPER SHALL CONSTRUCT A SIDEWALK WITH ADA-COMPLIANT PEDESTRIAN RAMPS ALONG EAST NEWLANDS DRIVE FOR THE ENTIRE LENGTH OF THE PARCEL. THIS CONDITION IS SUBJECT TO APPROVAL OF THE CITY ENGINEER AND PUBLIC WORKS DIRECTOR.

REGULATORY AGENCIES

17. **NORTH LYON COUNTY LYON FIRE PROTECTION DISTRICT**
    THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF THE MOST RECENT FIRE CODE ADOPTED BY THE NORTH LYON COUNTY FIRE PROTECTION DISTRICT, TO THE APPROVAL OF THE FIRE CHIEF, FIRE MARSHAL, OR DESIGNEE.

18. **FEDERAL, STATE, AND LOCAL AGENCIES**
    THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF ANY FEDERAL, STATE, LOCAL AGENCY, DEPARTMENT, OR LICENSED PROFESSIONAL WITH JURISDICTION OVER THE PROJECT INCLUDING, BUT NOT LIMITED TO: BUREAU OF RECLAMATION (BOR), NEVADA DEPARTMENT OF TRANSPORTATION (NDOT), NEVADA DIVISION OF ENVIRONMENTAL PROTECTION (NDEP), NEVADA DIVISION OF WATER RESOURCES (NDWR), NEVADA BUREAU OF WATER POLLUTION CONTROL, NEVADA BUREAU OF SAFE DRINKING WATER, NEVADA STATE ENVIRONMENTAL COMMISSION, TRUCKEE CARSON IRRIGATION DISTRICT (TCID), THE CITY OF FERNLEY BUILDING OFFICIAL, THE CITY OF FERNLEY ENGINEER, CITY OF FERNLEY PLANNING DEPARTMENT, CITY OF FERNLEY PUBLIC WORKS DEPARTMENT, AND THE CITY OF FERNLEY PROFESSIONAL LAND SURVEYOR.

DRAFT

2275 E. Newlands Drive, Fernley, NV 89408

CITY OF FERNLEY

Planning Commission
AGENDA REPORT

Meeting Date: March 13, 2024

REPORT TO:	Fernley Planning Commission
REPORT FROM:	**Shay League**

FINANCIAL IMPACT:		**CURRENTLY BUDGETED:**		**FUND/ACCOUNT:**
Yes:	No: X	Yes:	No: X	N/A

ACTION REQUESTED: Motion

AGENDA ITEM:

(For Possible Action) Discussion and possible action regarding a recommendation to City Council for an annexation application (ANX24001) submitted by Summit Engineering on behalf of Lansing Companies regarding a request to annex into the City of Fernley a ±177.7-acre parcel generally located west of Duffy Drive, east of Truck Inn Way, and northwest of Nevada Pacific Parkway at Interstate 80 (APN: 021-581-08).

AGENDA ITEM BRIEF:

This parcel is contiguous to City of Fernley boundaries and the applicant has filed a petition of annexation. The subject parcel is directly north of the 155.6-acre parcel the applicant recently annexed, and both parcels are intended to be developed as a project with the working name of "Nevada Pacific Industrial Park". The parcels are located within the North Fernley Future Development Area.

RECOMMENDED MOTION:

Approval
"I move to adopt the findings related to considerations of approval a through d as presented by staff. I further move to recommend City Council adopt an ordinance that approves the annexation petition associated with ANX24001, converts the zoning of the associated parcel from RR5 to GR20, and prohibits development on this parcel until the North Fernley Area Plan is complete."

Denial
"Based on information received in written materials and the public hearing on this matter, I move to recommend City Council deny the annexation petition associated with ANX24001 because I am unable to make the following considerations of approval:"
"I am unable to make consideration of approval _____ as it relates to _____." *(Repeat for each applicable condition of approval.)*

BUSINESS IMPACT (per NRS Chapter 237):

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:

Though no further language has been provided, all motions consistent with Fernley Planning Commission bylaws and rules of procedure are appropriate.

BACKGROUND:

In late 2023, 177 Fernley LLC—whose parent company is understood to be Lansing Companies—purchased this parcel with the intention of expanding the area for the planned Nevada Parkway Industrial Center. Alongside the previously annexed parcel, if this parcel is annexed, the area for this industrial project will become 333.3-acres in size. The parcel is currently vacant and surrounded by similarly vacant parcels, but abuts land undergoing the development process as part of the Victory Logistics project. Completion of the Victory Logistics project will extend the City of Fernley's industrial core northward towards this parcel.

CONSIDERATIONS FOR APPROVAL

a. The request conforms to the requirements of NRS chapter 268.

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 parcel and surrounding parcels are currently vacant. The nearest land uses are industrial in nature. This area is designated as being in the North Fernley Future Development Area in the City of Fernley Comprehensive Plan.

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.

Because the subject parcel is within the North Fernley Future Development Area, Staff recommends it not be allowed to develop if annexed until the North Fernley Area Plan is complete. This will allow for a better determination regarding how to address the need for organized community services, etc. in the area.

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 proposed annexation is expected to eventually have a positive impact on the mutual social and economic interests of City of Fernley and Lyon County. As it currently exists, the parcel is in an outlying portion of Lyon County that cannot serve an industrial facility with the types of utilities needed. If annexed to City of Fernley, and planned for adequately during the area plan process, staff believes this parcel may be developed to the mutual economic benefit of Lyon County and City of Fernley.

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.

As part of the City of Fernley development process, the applicant will be required to ensure adequate water access to the subject parcel.

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.

Not Applicable. This parcel is not being annexed from the Bureau of Land Management.

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

This parcel is currently designated by the Lyon County Comprehensive Plan as a cooperative planning area. The county expects this parcel to be developed by (or with the input of) City of Fernley. The City of Fernley Comprehensive Plan currently designates this parcel as General Rural, and as part of the North Fernley Future Development Area. Staff's recommendation is that City of Fernley keep our General Rural land use designation and convert the zoning from Lyon County's RR5 to our GR20 if the parcel is annexed. The GR20 is expected to be a placeholder zoning designation until the area plan process indicates a preferred land use.

b. The request conforms to the findings established for annexation:

Location of the property to be considered for annexation

The parcel is contiguous to current City of Fernley boundaries.

The logical extension of City limits

Because this parcel is contiguous, and because we are looking toward future development near this area, this could be considered a logical extension of City limits.

The need for expansion to accommodate planned regional growth

Though the area plan is not yet complete, this area is primed for development of an extensive industrial area. This parcel hopes to develop in the same manner and it would be much easier for the developer to succeed in their endeavor if the parcel were a part of City of Fernley rather than Lyon County.

The location of existing and planned water and sewer service

It would be inefficient for Lyon County to provide water and sewer service to this parcel. While it would currently also be inefficient for City of Fernley to provide these services, we hope to address that through the area plan process.

Community goals that would be met by the proposed annexation

Staff was unable to identify any of Fernley's 52 community goals that apply specifically to this project. There are some action strategies that we apply to our development application process in general to support these goals; however, none of them are unique to this project. The applicant offers that construction of the proposed logistics center will support the need for affordable housing within the core downtown area.

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

City of Fernley does not yet know the best manner to provide efficient and cost-effective services to this area; however, we are currently working on an area plan to address that question.

Fiscal analysis regarding the proposed annexation

The submitted fiscal impact analysis is attached to this report for your consideration. It reports that City of Fernley should expect this entire project (both parcels) to generate an $11.6 million revenue surplus over the 20-year analysis period and a $21.8 million revenue surplus over the 40-year analysis period for the General Fund. Much of the revenue in the report appears to be attributed to our building and planning fees and property tax revenue.

Whether Lyon County has adopted a community management plan for the proposed annexation area

Lyon County has not adopted a community management plan for the proposed annexation area.

Whether the annexation creates any islands

This annexation would not create any islands.

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

Staff has not identified any additional factors to consider, but is happy to provide information regarding any factors that Planning Commission or Council deem appropriate for consideration.

c. The property requested to be annexed conforms to the comprehensive plan.

If City of Fernley converts Lyon County's RR5 zone to GR20 through the annexation process, the property will conform with our comprehensive plan designated land use of General Rural. Staff prefers, and our code supports, preventing development on this parcel (if annexed) until the area plan process determines whether a new comprehensive plan land use designation will be more appropriate for this parcel than the current one. Given the parcel's location along the I-80 corridor, it is likely our area plan process will determine that a more intensive use (such as Commercial or Industrial) is appropriate; however, staff would like to ensure that the adopted North Area Plan supports this type of development in the North Fernley Future Development area.

d. Public notice was given, and a public hearing held per the requirements of the development code.
Staff certifies that public notice was given in compliance with Nevada Revised Statutes and Title 32 of Fernley Municipal Code. The applicant's parcel is the only parcel proposed for annexation, so there were no individual property owner notices to mail. Staff notified the Lyon County Board of Commissioners via letter and a public notice appeared in the Reno Gazette Journal on February 23, 2024.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

General
Nevada Revised Statutes (NRS), Chapter 268 - Powers and Duties Common to Cities and Towns Incorporated Under General or Special Laws
Fernley Municipal Code (FMC), Title 32 - Development Code
City of Fernley Public Works Design Standards and Review Guidelines
City of Fernley Public Works Design Standard Details

Specific
NRS §268.610 - 268.671 - Annexation by Cities in Other Counties
FMC §32.03.040 (a) - Annexation

Note: This list is for quick reference and not all-inclusive. City of Fernley Planning Department will monitor this section until the public hearing on March 13, 2024, but does not guarantee the included links will be functional and/or relevant beyond the meeting date.

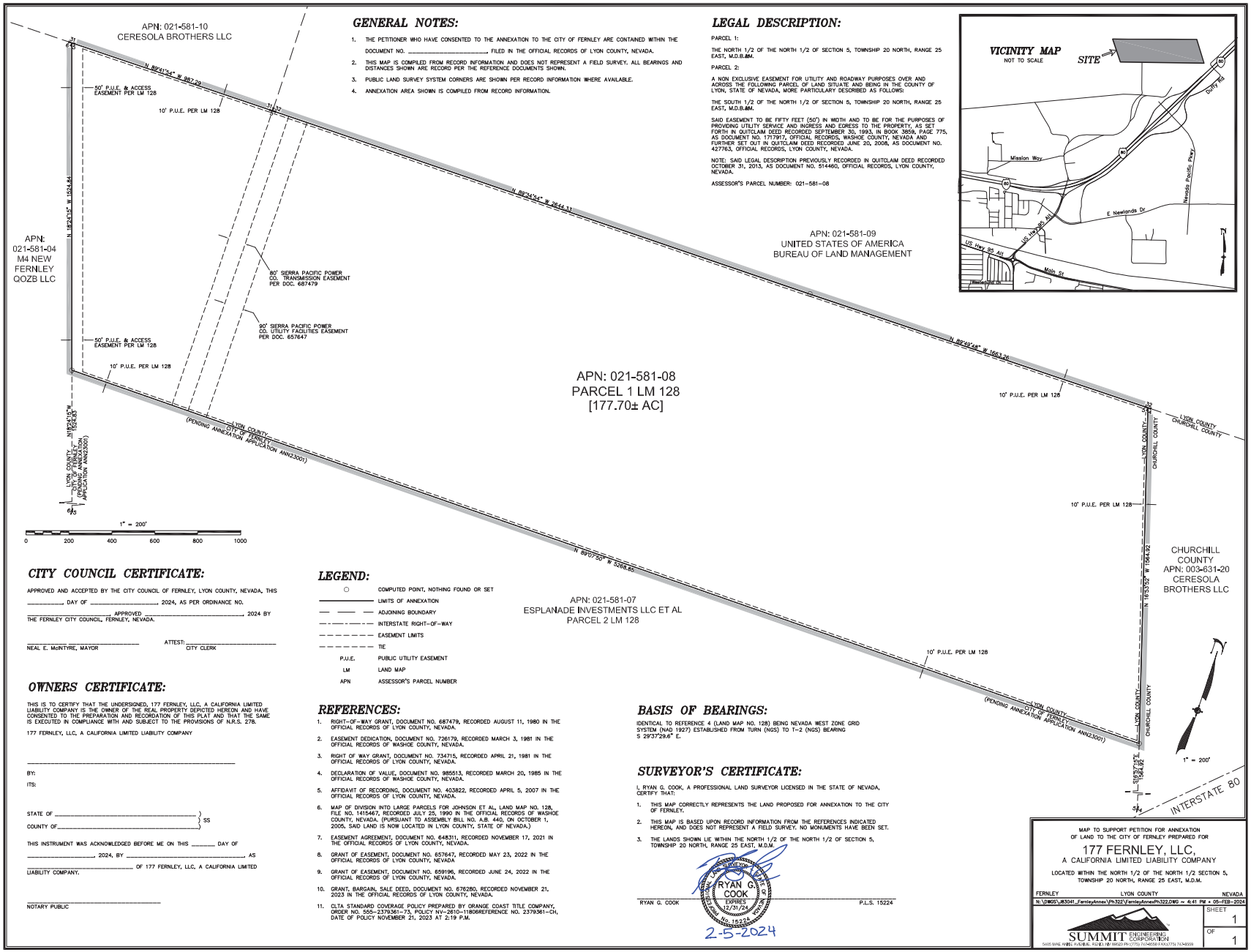
FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. Proposed Annexation Map
2. Legal Description
3. Petition to Annex
4. Applicant Narrative
5. Vicinity Map
6. Fiscal Analysis

PRELIMINARY, FOR REVIEW ONLY



GENERAL NOTES:

1. THE PETITIONER WHO HAVE CONSENTED TO THE ANNEXATION TO THE CITY OF FERNLEY ARE CONTAINED WITHIN THE DOCUMENT NO. _____, FILED IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
2. THIS MAP IS COMPILED FROM RECORD INFORMATION AND DOES NOT REPRESENT A FIELD SURVEY. ALL BEARINGS AND DISTANCES SHOWN ARE RECORD PER THE REFERENCE DOCUMENTS SHOWN.
3. PUBLIC LAND SURVEY SYSTEM CORNERS ARE SHOWN PER RECORD INFORMATION WHERE AVAILABLE.
4. ANNEXATION AREA SHOWN IS COMPILED FROM RECORD INFORMATION.

LEGAL DESCRIPTION:

PARCEL 1:

THE NORTH 1/2 OF THE NORTH 1/2 OF SECTION 5, TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.B.&M.

PARCEL 2:

A NON EXCLUSIVE EASEMENT FOR UTILITY AND ROADWAY PURPOSES OVER AND ACROSS THE FOLLOWING PARCEL OF LAND SITUATE AND BEING IN THE COUNTY OF LYON, STATE OF NEVADA, MORE PARTICULARY DESCRIBED AS FOLLOWS:

THE SOUTH 1/2 OF THE NORTH 1/2 OF SECTION 5, TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.B.&M.

SAID EASEMENT TO BE FIFTY FEET (50') IN WIDTH AND TO BE FOR THE PURPOSES OF PROVIDING UTILITY SERVICE AND INGRESS AND EGRESS TO THE PROPERTY, AS SET FORTH IN QUITCLAIM DEED RECORDED SEPTEMBER 30, 1893, IN BOOK 3B58, PAGE 775, AS DOCUMENT NO. 1717917, OFFICIAL RECORDS, WASHOE COUNTY, NEVADA AND FURTHER SET OUT IN QUITCLAIM DEED RECORDED JUNE 20, 2008, AS DOCUMENT NO. 427763, OFFICIAL RECORDS, LYON COUNTY, NEVADA.

NOTE: SAID LEGAL DESCRIPTION PREVIOUSLY RECORDED IN QUITCLAIM DEED RECORDED OCTOBER 31, 2013, AS DOCUMENT NO. 514460, OFFICIAL RECORDS, LYON COUNTY, NEVADA.

ASSESSOR'S PARCEL NUMBER: 021-581-08

CITY COUNCIL CERTIFICATE:

APPROVED AND ACCEPTED BY THE CITY COUNCIL OF FERNLEY, LYON COUNTY, NEVADA, THIS _____ DAY OF _____, 2024, AS PER ORDINANCE NO. _____, APPROVED _____, 2024 BY THE FERNLEY CITY COUNCIL, FERNLEY, NEVADA.

_____ ATTEST: _____
NEAL E. McINTYRE, MAYOR CITY CLERK

OWNERS CERTIFICATE:

THIS IS TO CERTIFY THAT THE UNDERSIGNED, 177 FERNLEY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IS THE OWNER OF THE REAL PROPERTY DEPICTED HEREON AND HAVE CONSENTED TO THE PREPARATION AND RECORDATION OF THIS PLAT AND THAT THE SAME IS EXECUTED IN COMPLIANCE WITH AND SUBJECT TO THE PROVISIONS OF N.R.S. 278.

177 FERNLEY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

_____

BY:

ITS:

STATE OF _____)
) SS
COUNTY OF _____)

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON THIS _____ DAY OF _____, 2024, BY _____, AS _____ OF 177 FERNLEY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY.

_____
NOTARY PUBLIC

LEGEND:

○	COMPUTED POINT, NOTHING FOUND OR SET
———	LIMITS OF ANNEXATION
— — —	ADJOINING BOUNDARY
— · — · —	INTERSTATE RIGHT-OF-WAY
— — — —	EASEMENT LIMITS
— — — —	TIE
P.U.E.	PUBLIC UTILITY EASEMENT
LM	LAND MAP
APN	ASSESSOR'S PARCEL NUMBER

REFERENCES:

1. RIGHT-OF-WAY GRANT, DOCUMENT NO. 687479, RECORDED AUGUST 11, 1980 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
2. EASEMENT DEDICATION, DOCUMENT NO. 726179, RECORDED MARCH 3, 1981 IN THE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA.
3. RIGHT OF WAY GRANT, DOCUMENT NO. 734715, RECORDED APRIL 21, 1981 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
4. DECLARATION OF VALUE, DOCUMENT NO. 985513, RECORDED MARCH 20, 1985 IN THE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA.
5. AFFIDAVIT OF RECORDING, DOCUMENT NO. 403822, RECORDED APRIL 5, 2007 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
6. MAP OF DIVISION INTO LARGE PARCELS FOR JOHNSON ET AL, LAND MAP NO. 128, FILE NO. 1415467, RECORDED JULY 25, 1990 IN THE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA. (PURSUANT TO ASSEMBLY BILL NO. A.B. 440, ON OCTOBER 1, 2005, SAID LAND IS NOW LOCATED IN LYON COUNTY, STATE OF NEVADA.)
7. EASEMENT AGREEMENT, DOCUMENT NO. 648311, RECORDED NOVEMBER 17, 2021 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
8. GRANT OF EASEMENT, DOCUMENT NO. 657647, RECORDED MAY 23, 2022 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA
9. GRANT OF EASEMENT, DOCUMENT NO. 659196, RECORDED JUNE 24, 2022 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
10. GRANT, BARGAIN, SALE DEED, DOCUMENT NO. 676280, RECORDED NOVEMBER 21, 2023 IN THE OFFICIAL RECORDS OF LYON COUNTY, NEVADA.
11. CLTA STANDARD COVERAGE POLICY PREPARED BY ORANGE COAST TITLE COMPANY, ORDER NO. 505-2379361-73, POLICY NV-2610-11806REFERENCE NO. 2379361-CH, DATE OF POLICY NOVEMBER 21, 2023 AT 2:19 P.M.

BASIS OF BEARINGS:

IDENTICAL TO REFERENCE 4 (LAND MAP NO. 128) BEING NEVADA WEST ZONE GRID SYSTEM (NAD 1927) ESTABLISHED FROM TURN (NGS) TO T-2 (NGS) BEARING S 29°37'29.6" E.

SURVEYOR'S CERTIFICATE:

I, RYAN G. COOK, A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF NEVADA, CERTIFY THAT:

1. THIS MAP CORRECTLY REPRESENTS THE LAND PROPOSED FOR ANNEXATION TO THE CITY OF FERNLEY.
2. THIS MAP IS BASED UPON RECORD INFORMATION FROM THE REFERENCES INDICATED HEREON, AND DOES NOT REPRESENT A FIELD SURVEY. NO MONUMENTS HAVE BEEN SET.
3. THE LANDS SHOWN LIE WITHIN THE NORTH 1/2 OF THE NORTH 1/2 OF SECTION 5, TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.M.

NEVADA LAND SURVEYOR RYAN G. COOK No. 15224 EXPIRES 12/31/24

RYAN G. COOK P.L.S. 15224

2-5-2024

MAP TO SUPPORT PETITION FOR ANNEXATION OF LAND TO THE CITY OF FERNLEY PREPARED FOR

177 FERNLEY, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

LOCATED WITHIN THE NORTH 1/2 OF THE NORTH 1/2 SECTION 5, TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.M.

FERNLEY LYON COUNTY NEVADA

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SUMMIT ENGINEERING CORPORATION
5405 MAE ANNE AVENUE, RENO, NV 89523 PH:(775) 747-8550 FAX:(775) 747-8559

SHEET 1 OF 1

EXHIBIT "A"

LEGAL DESCRIPTION

APN 021-581-08

Parcel 1:
The North 1/2 of the North 1/2 of Section 5, Township 20 North, Range 25 East, M.D.B.&M.

PARCEL 2:
A nonexclusive easement for utility and roadway purposes over and across the following parcel of land situate and being in the County of Lyon, State of Nevada, more particularly described as follows:

The South 1/2 of the North 1/2 of Section 5, Township 20 North, Range 25 East, M.D.B.&M.

Said easement to be fifty feet (50') in width and to be for the purposes of providing utility service and ingress and egress to the property, as set forth in Quitclaim Deed recorded September 30, 1993, in Book 3859, Page 775, as Document No. 1717917, Official Records, Washoe County, Nevada and further set out in Quitclaim Deed recorded June 20, 2008, as Document No. 427763, Official Records, Lyon County, Nevada.

NOTE: Said legal description previously recorded in Quitclaim Deed recorded October 31, 2013, as Document No. 514460, Official Records, Lyon County, Nevada.

Assessor's Parcel Number: 021-581-08

Description Prepared By:

Ryan G. Cook, PLS 15224

Summit Engineering Corporation

A Sanderson Bellecci Company

5405 Mae Anne Ave., Reno, NV 89523

775-747-8550

1-12-2024

APN 021-581-08

Recording Requested By:
City of Fernley
Attn: Shay League, Senior Planner
595 Silver Lace Boulevard
Fernley, Nevada 89408

PETITION TO ANNEX

I am the owner of record of that certain property located in Lyon County, Nevada, Assessor's Parcel Number (APN) 021-581-08.

Parcel Location: 177.70+/- acres approx. 4000 feet North of the Intersection of Interstate 80 and Nevada Pacific Parkway and described as:

> The North 1/2 of the North 1/2 of Section 5, Township 20 North, Range 25 East, M.D.B.&M, being also known as Parcel 1 as shown on Map of Division into Large Parcels, for Johnson et al, Land Map No. 128, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on July 25, 1990, as File No. 1415467, Official Records (Pursuant to Assembly Bill No. A.B. 440, on October 1, 2005, said land is now located in Lyon County, State of Nevada).

I hereby petition the City of Fernley, Nevada to annex said property into the City of Fernley.

177 Fernley, LLC, a California limited liability company
505 Lomas Sante Fe Drive #230
Solana Beach, CA 92075

SEE ATTACHED SIGNATURE AND NOTARY

Joining in execution to approve the **PETITION TO ANNEX**
177 Fernley, LLC, a California limited liability company

By: GREGORY P. LANSING

Its: MANAGER

SEE CA NOTARY ACKNOWLEDGMENT ATTACHED

STATE OF)
)SS
COUNTY OF)

On _____, 2024 before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____

Signature of Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On this 12th day of February, 2024, before me, W.STANLEY, Notary Public, personally appeared GREGORY P. LANSING who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument..

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)

January 14, 2024

City of Fernley, Nevada
Planning Department
595 Silver Lave Boulevard
Fernley, NV 89408
Ph: (775) 784-9810

REQUEST FOR ANNEXATION – FERNLEY, NV – 177.7 ACRES - APN 021-581-08

Pursuant to the items as required for the request to annex said property into the City of Fernley, the information is as follows:

LOCATION OF PROPERTY
The subject property is located on the north side of Interstate 80 at Nevada Pacific Parkway interchange, contiguous to the City of Fernley boundary.

LOGICAL EXTENSION OF CITY LIMITS
Being that the subject property is contiguous to the current City of Fernley boundary makes it easy to wrap said property within the city limits. The 177.7 Acres is adjacent to our 155.06 acres APN: 021-581-07 that we are currently annexing on to the City of Fernley (ANX23001).

THE NEED FOR THE EXPANSION TO ACCOMMODATE PLANNED REGIONAL GROWTH WITHIN 7 YEARS
The future growth areas currently being seen are within the industrial zoned areas in and around Interstate 80 and Nevada Pacific Parkway. Mark IV Development and others have set the precedent with Victory Logistics, and we believe that our vision for future development within our said 155.06 and 177.7 acres will continue the trend for economic growth as a benefit to the City of Fernley.

UTILITIES - LOCATION OF WATER AND SEWER
Currently there is an existing water main that runs within or around the future Truck Inn Way alignment from Interstate 80 interchange at Flying J Truck Stop east to an existing water tank within our said 155.60 acres. The nearest existing sanitary sewer service is adjacent to the existing Flying Truck Stop to the west of said 155.60 and 177.7 acres.

ACCEPTED LEVEL OF SERVICE CAN BE PROVIDED
We currently have an existing oversize water main that passes through our said 155.60 acres APN 021-581-07 the level of domestic water can be provided. If not, we would propose a new water main in Truck Inn Way west to point of connection at Flying J Truck Stop. Furthermore, being that the proposed use is for a logistics center, the number of bathroom facilities needed for said buildings will be minimal. We would propose as an interim condition for commercial septic until such time as a gravity of force main sewer system is constructed west with the Truck Inn Way alignment west to tie in at the interchange by Flying J Truck Stop where existing sewer exists.

There is currently existing overhead power and telephone adjacent and with said 155.60 acres APN 021-581-07. We granted NV Energy a new overhead power transmission easement as an upgrade to the existing power / sub-station on the north side of Interstate 80. Furthermore, NV Energy is expanding the existing sub-station in conjunction with the future transmission line as proposed for future electrical service to the area.

CITY GOALS / POLICIES THAT WOULD BE MET BY U1E PROPOSED ANNEXATION

Pursuant to the Comprehensive Master Plan – Goals and Policies – Section 1.5, being that this proposed annexation for said 177.7 acres is for a proposed logistics center which will create jobs within the City of Fernley which will further support the need for affordable housing within the "CORE" area.

THE EFFICIENT AND COST-EFFECTIVE PROVISION OF SERVICE AREAS AND CAPITAL FACILITIES

If we are required to construct a new gravity or force main sewer system within Truck Inn Way from the existing sewer system at Flying J Truck Stop east to said 177.7 acres, we would work with the City of Fernley to design for future growth needs on the north side of interstate 80 to be serviced by said new sewer system.

FISCAL ANALYSIS REGUARDING THE PROPOSED ANNEXATION DEMONSTRATING FISCALLY POSITIVE FOR 20 YEARS

Fiscal analysis is provided by EKAY Economics – Attached pursuant to our current annexation application (ANX23001) for APN 021-581-07 which is adjacent to our proposed annexation for said 177.7 acres APN 021-581-08.

ARE THERE ANY ADOPTED PLANS FOR THE PROPOSED ANNEXATION AREA

None that we are aware of at this time.

DOES ANNEXATION CREATE AN ISLAND

The proposed annexation of said 177.7 acres borders the City of Fenley's boundary to the south and east thus NO ISLAND is created by such annexation. The New City of Fernley boundary would wrap our said 155.60 acres APN 021-581-07 and proposed annexation for said 177.7 acres APN 021-581-08.

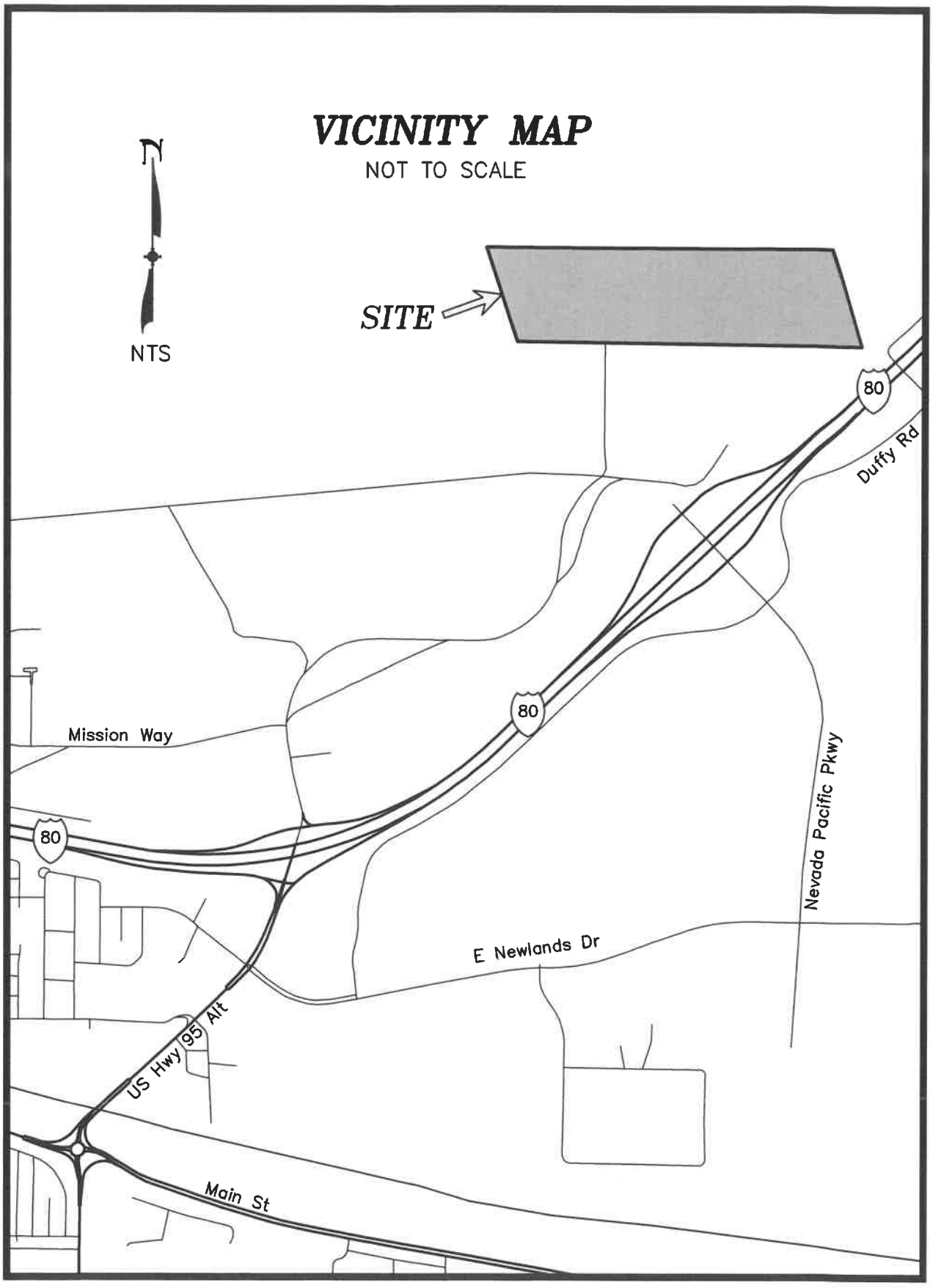
LIST OF ITEMS ATTACHED:

a. Application / Letter of Authorization / Articles of Ownership
b. Title Report
c. Street / Vicinity Map
d. Annexation / Boundary Map
e. Survey Map / Legal Description – Wet Stamped by Professional Land Surveyor
f. Conceptual Site Plan
g. Fiscal Impact Analysis

Thank you for your consideration of our formal request to annex said 177.7 acres within the City of Fernley, Nevada.

Sincerely

Will Roberts
VP of Land Acquisition & Development
LANSING COMPANIES – RENO, NV
5190 Neil Road, Suite 420
Reno, NV 89502
C (702) 305-8638
P (775) 800-1459
Email: wroberts@lansingcompanies.com


VICINITY MAP
NOT TO SCALE
N
NTS
SITE
80
Duffy Rd
Mission Way
80
80
Nevada Pacific Pkwy
E Newlands Dr
US Hwy 95 Alt
Main St

NEVADA PACIFIC INDUSTRIAL PARK

City of Fernley

Fiscal Impact Analysis

JANUARY 16, 2024

Prepared by:

EKAY Economic Consultants, Inc.
Economics for the changing world

550 West Plumb Lane
Suite B459
Reno, NV 89509
(775) 232-7203
www.ekayconsultants.com

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EXECUTIVE SUMMARY

Ekay Economic Consultants, Inc. (EEC) of Reno, Nevada was retained to conduct a fiscal impact analysis of the 333-acre Nevada Pacific Industrial Park located north of I-80 and Nevada Pacific Parkway and proposed to be annexed to the City of Fernley, Nevada. Project details and findings of the fiscal impact analysis are summarized below.

Project Overview

- The project is expected to include six buildings totaling 3.5 million square feet of industrial space constructed on 333 acres.
- The project is expected to add 217,800 square feet of roads to the City of Fernley inventory, upon development.

Fiscal Impact Findings

- The project is estimated to generate a **$11.6 million revenue surplus** (net fiscal impact) over the 20-year and **$21.8 million** over the 40-year analysis periods for the City of Fernley's General Fund.
    - The project is estimated to generate $13.8 million in revenue for the General Fund over the 20-year and $27.7 million over the 40-year analysis periods. This includes property tax and building permit/planning fee revenue.
    - The project is estimated to generate $1.1 in operating expenditures for the City's General Fund over the 20-year and $2.2 million over the 40-year analysis periods. This includes expenditures for the Public Works and Building and Planning departments.
    - The project is also estimated to generate $1.1 million in infrastructure replacement costs over the 20-year and $3.7 million over the 40-year analysis periods.
- The project will have a **positive** fiscal impact on the City of Fernley.

DEVELOPMENT DESCRIPTION

The project will be constructed on 333 acres of land proposed to be annexed to the City of Fernley, Nevada. The project includes two parcels, APN 021-581-08 (177.7 acres) and APN 021-581-07 (155.6 acres). Upon completion, the project will deliver approximately 3.5 million square feet of industrial building space across six buildings, with construction expected to start in two years and continue over an 11-year buildout period. The fiscal impact analysis includes estimates of the impact of the project over this period, plus an additional twenty-nine years for a total analysis period of 40 years.

Detailed project information, including acres and building square feet developed by use type, by year, is shown in Appendix 1 at the end of this report.

METHODOLOGY

City of Fernley is working with a consulting company, Verdunity, to arrive at a methodology for estimating fiscal impacts of future projects on the City. A tool has been created for City staff to estimate fiscal impacts of projects based on project-related information provided by developers.

EEC was provided a copy of the "Development Fiscal Impact Analysis Tool Methodology and Instructions" report by Verdunity, dated July 2021. The report outlined much of the methodology and assumptions behind the City's fiscal impact tool. EEC provided a number of questions to the City regarding this methodology, answers to which were not received prior to the due date of this report. As a result, findings of the fiscal impact analysis contained in this report, which are based on our understanding of Verdunity's methodology, may need to be updated as additional information becomes available.

The following assumptions were made in this analysis:

1. In order to estimate the fiscal impact of the project on the City, the analysis assumes the project is successfully annexed to the City of Fernley, generating city-based revenues and expenditures.

2. Industrial land and improvement values for the project are unavailable at this early stage in the planning process. As a result, the analysis uses average taxable land and improvement values for nearby industrial uses in City of Fernley, as these provide the latest market information for similar products in the City. Detailed information for this assumption is shown in Appendix 1.

3. The Verdunity methodology covers all General Fund revenues and expenditures. However, it assumes non-residential developments only impact some of these sources. For this industrial development, EEC estimated revenues associated with property tax and building/planning fees only. Operating expenditures for only Public Works and Building and Planning services are included.

4. Additionally, the Verdunity methodology includes a discussion of the long-term impact of a project on infrastructure costs to replace and repair city streets. However, no actual cost for this estimate is provided in the Verdunity report. EEC uses street replacement costs for the City of Sparks of $7 per square foot in 2018 dollars, inflated and rounded to a conservative $8.50 per square foot for this analysis in 2023 dollars. City of Sparks street replacement occurs 20 years after road construction. As a result, two periods of total road replacement are included in the analysis to cover the 40-year analysis period.

5. The Verdunity report provides no discussion of inflation, as a result, no inflation adjustments have been made to any estimates over the 40-year analysis period.

6. Additional information for revenue and cost estimate methodology, sources of data, calculations, and findings is provided in the appendices attached to this report.

FINDINGS

Findings of the fiscal impact analysis are presented below using table and figure templates from the Verdunity report. Appendices 1-3 attached to this narrative include a detailed calculation of these revenues and expenditures by year and use type, as well as a detailed discussion of all methodology, data, and assumptions.

Table 1. Fiscal Impact Analysis Results

Non-Inflated Values	Buildout	10 Years	20 Years	30 Years	40 Years
Property Tax Revenue	$ 5,780,009	$ 5,084,819	$ 12,036,726	$ 18,988,634	$ 25,940,542
One-Time Fee Revenue	1,770,996	1,721,417	1,770,996	1,770,996	1,770,996
Total Revenue	**$7,551,005**	**$ 6,806,235**	**$ 13,807,722**	**$ 20,759,630**	**$27,711,538**
Commercial Expense	$ 539,946	$ 539,946	$ 1,079,892	$ 1,619,838	$ 2,159,784
Savings for Streets	-	-	1,149,083	2,425,841	3,702,600
Total Costs	**$ 539,946**	**$ 539,946**	**$ 2,228,975**	**$ 4,045,679**	**$ 5,862,384**
Net Fiscal Impact	**$7,011,059**	**$ 6,266,289**	**$ 11,578,748**	**$ 16,713,951**	**$21,849,154**
Per Acre-Revenue	*$ 22,655*	*$ 20,421*	*$ 41,427*	*$ 62,285*	*$ 83,143*
Per Acre-Expense	*1,620*	*1,620*	*6,688*	*12,138*	*17,589*
Per Acre-Net Impact	***$ 21,035***	***$ 18,801***	***$ 34,740***	***$ 50,147***	***$ 65,554***

Figure 1. Budget Impact

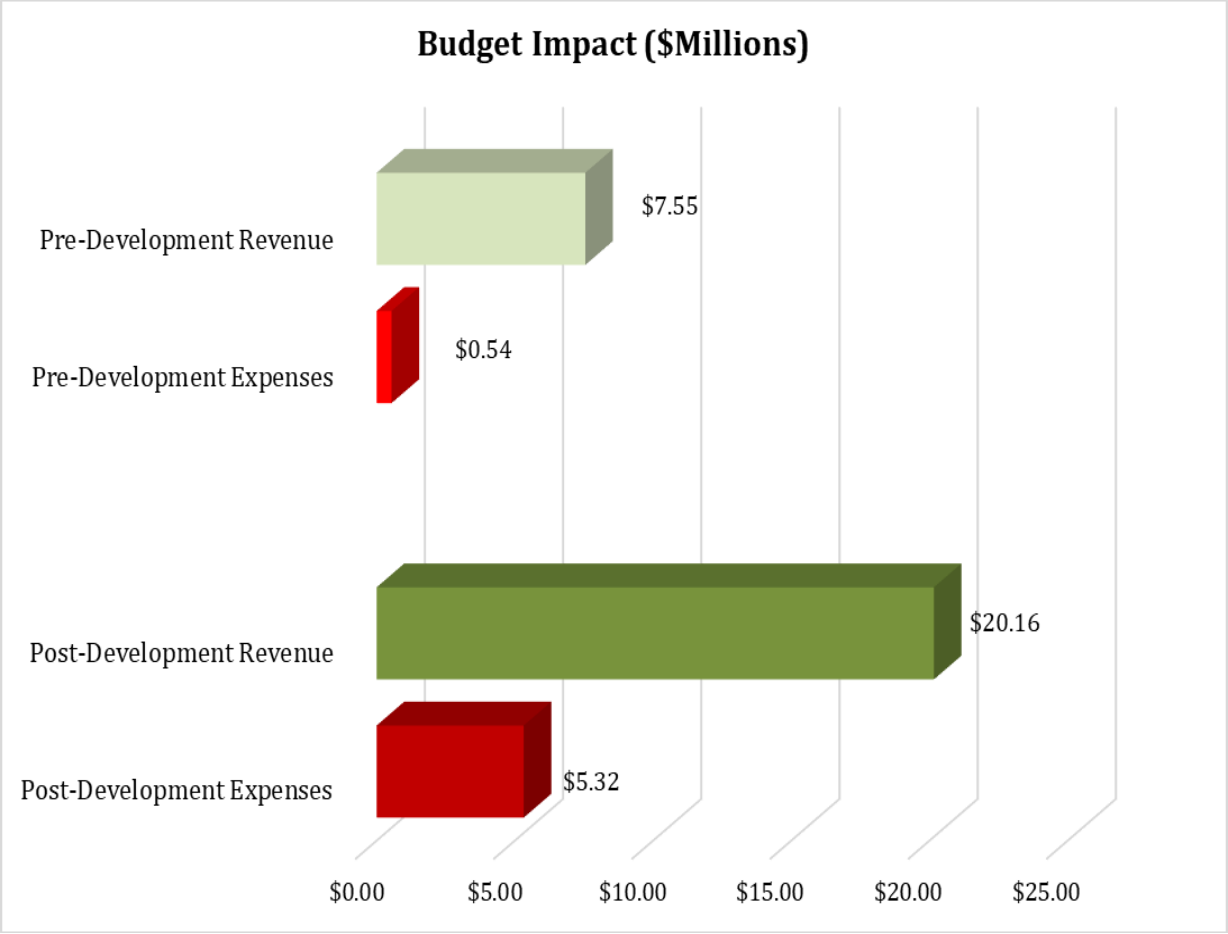
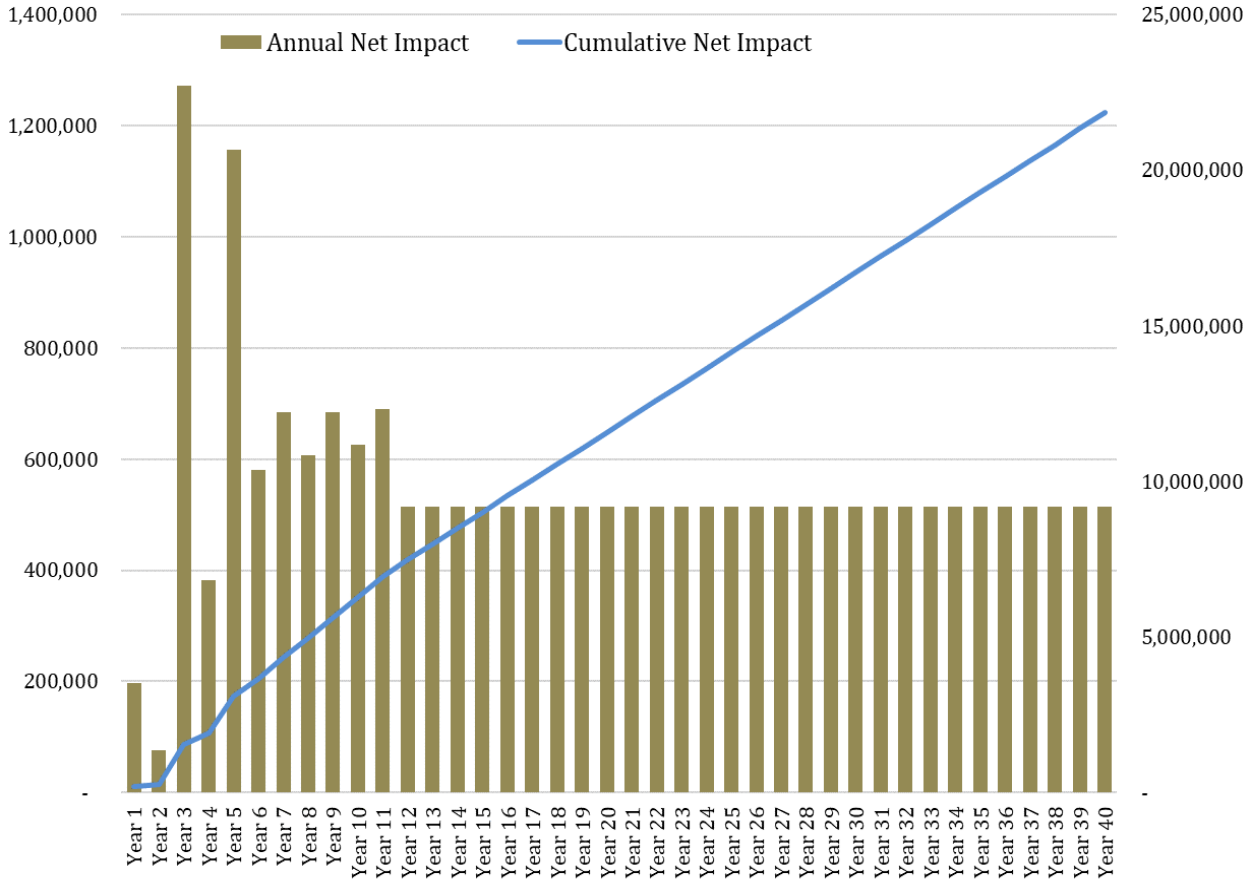


Figure 2. Fiscal Impact Analysis Results



The project is estimated to generate a $11.6 million revenue surplus (net fiscal impact) over the 20-year and $21.8 million over the 40-year analysis periods for the City of Fernley's General Fund. This includes $13.8 million in revenue for the General Fund over the 20-year and $27.7 million over the 40-year analysis periods generated through property tax and building permit/planning fee revenues.

The project is estimated to generate $1.1 million in operating expenditures for the General Fund over the 20-year and $2.2 million over the 40-year analysis periods. This includes expenditures for the Public Works and Building and Planning departments. The project is also estimated to generate $1.1 million in infrastructure replacement costs over the 20-year and $3.7 million over the 40-year analysis periods.

The project will have a **positive** fiscal impact on the City of Fernley as project-related revenues significantly exceed project costs, including long-term infrastructure replacement costs.

LIMITING CONDITIONS & DISCLOSURES

In the preparation of this report, EEC asserts:

- The report is to be used in its entirety, and no part is to be used without the whole.
- In preparing this report, EEC relied on information provided by other individuals or found in previously existing records and/or documents. This information is assumed to be reliable. However, no warranty, either expressed or implied, is given by EEC for the accuracy of such information and EEC assumes no responsibility for information relied upon later found to have been inaccurate.
- EEC may amend this report in the event additional documents and/or other material discovered subsequent to the submission of this report and pertinent to the report and/or the conclusions contained herein are made available.
- EEC assumes no responsibility for economic, physical, or demographic factors, which may affect or alter the opinions of this report if said economic, physical, or demographic factors were not present or known as of the date of this report.
- Possession of this report, or a copy of this report, does not carry with it the right of publication. Without the consent of EEC, this report may not be used for any purpose by any person other than the party for whom this report was prepared.

APPENDICES

APPENDIX 1
BUILDOUT ASSUMPTIONS

YEAR	USE TYPE	SQ.FT. ADDED	# OF ACRES	ESTIMATED LAND VALUE	ESTIMATED IMPROV. VALUE	BUILD. PERMIT VALUATION
Year 1	Building A	234,000			$ 16,965,000	$ 21,677,760
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		**234,000**	**333.30**	**$ 38,519,770**	**16,965,000**	**21,677,760**
Year 2	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Year 3	Building A	-			-	-
	Building B	1,792,000			129,920,000	166,010,880
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		**1,792,000**	**-**	**-**	**129,920,000**	**166,010,880**
Year 4	Building 1	-			-	-
	Building 2	-			-	-
	Building 3	-			-	-
	Building 4	-			-	-
	Building 5	-			-	-
	Building 6	-			-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Year 5	Building A	-			-	-
	Building B	-			-	-
	Building C	1,157,000			83,882,500	107,184,480
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		**1,157,000**	**-**	**-**	**83,882,500**	**107,184,480**
Year 6	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Year 7	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	149,500			10,838,750	13,849,680
	Building E	-			-	-
	Building F	-			-	-
Subtotal		**149,500**	**-**	**-**	**10,838,750**	**13,849,680**

APPENDIX 1
BUILDOUT ASSUMPTIONS

YEAR	USE TYPE	SQ.FT. ADDED	# OF ACRES	ESTIMATED LAND VALUE	ESTIMATED IMPROV. VALUE	BUILD. PERMIT VALUATION
Year 8	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		-	-	-	-	-
Year 9	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	112,000			8,120,000	10,375,680
	Building F	-			-	-
Subtotal		**112,000**	-	-	**8,120,000**	**10,375,680**
Year 10	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	-			-	-
Subtotal		-	-	-	-	-
Year 11	Building A	-			-	-
	Building B	-			-	-
	Building C	-			-	-
	Building D	-			-	-
	Building E	-			-	-
	Building F	92,000			6,670,000	8,522,880
Subtotal		**92,000**	-	-	**6,670,000**	**8,522,880**
TOTAL		**3,536,500**	**333.30**	**$ 38,519,770**	**$ 256,396,250**	**$ 327,621,360**

APPENDIX 1, ASSUMPTIONS:

1. The following information represents the Developer's best estimate and market data as of the date of this report:

Building	Building Square Feet	Land Acres
Building A	234,000	
Building B	1,792,000	
Building C	1,157,000	
Building D	149,500	
Building E	112,000	
Building F	92,000	
Total	**3,536,500**	**333.3**

Source: Buildout schedule and square footage data from Developer. Development acreage from Lyon County Assessor's Office website.

Land Use	Land Use Code	Land Value/Acre	Improv. Value/Sq.Ft.
Industrial	500/510	$ 115,571	$ 72.50

Land and improvement value information from actual taxable values for similar land uses in the City of Fernley, data from Lyon County Assessor's website for FY 2023-24. The analysis is conservative in not inflating these values over the analysis period.

2. Building Permit Valuation is estimated at **$ 92.64** per square foot for industrial uses.
Source: International Code Council, Building Valuation Data – August 2020 as posted on the City of Fernley Building Department Document Center. Data for Factory and Industrial, IIIA building type.

APPENDIX 2
CITY OF FERNLEY
ESTIMATED GENERAL FUND REVENUE

YEAR	LAND USE	TOTAL TAXABLE VALUE	CUMULATIVE TOTAL TAX VALUE	BUILDING PERMIT VALUATION	REAL PROP. TAX REVENUE	BUILD. PERMIT & PLAN CHECK REVENUE	TOTAL REVENUE
Year 1	Industrial	$ 55,484,770	$ 55,484,770	$ 21,677,760	$ 130,791	$ 119,688	$ 250,479
Year 2	Industrial	-	55,484,770	-	130,791	-	130,791
Year 3	Industrial	129,920,000	185,404,770	166,010,880	437,045	888,911	1,325,957
Year 4	Industrial	-	185,404,770	-	437,045	-	437,045
Year 5	Industrial	83,882,500	269,287,270	107,184,480	634,777	575,396	1,210,173
Year 6	Industrial	-	269,287,270	-	634,777	-	634,777
Year 7	Industrial	10,838,750	280,126,020	13,849,680	660,327	77,968	738,295
Year 8	Industrial	-	280,126,020	-	660,327	-	660,327
Year 9	Industrial	8,120,000	288,246,020	10,375,680	679,468	59,453	738,921
Year 10	Industrial	-	288,246,020	-	679,468	-	679,468
Year 11	Industrial	6,670,000	294,916,020	8,522,880	695,191	49,579	744,770
Year 12	Industrial	-	294,916,020	-	695,191	-	695,191
Year 13	Industrial	-	294,916,020	-	695,191	-	695,191
Year 14	Industrial	-	294,916,020	-	695,191	-	695,191
Year 15	Industrial	-	294,916,020	-	695,191	-	695,191
Year 16	Industrial	-	294,916,020	-	695,191	-	695,191
Year 17	Industrial	-	294,916,020	-	695,191	-	695,191
Year 18	Industrial	-	294,916,020	-	695,191	-	695,191
Year 19	Industrial	-	294,916,020	-	695,191	-	695,191
Year 20	Industrial	-	294,916,020	-	695,191	-	695,191
Year 21	Industrial	-	294,916,020	-	695,191	-	695,191
Year 22	Industrial	-	294,916,020	-	695,191	-	695,191
Year 23	Industrial	-	294,916,020	-	695,191	-	695,191
Year 24	Industrial	-	294,916,020	-	695,191	-	695,191
Year 25	Industrial	-	294,916,020	-	695,191	-	695,191
Year 26	Industrial	-	294,916,020	-	695,191	-	695,191
Year 27	Industrial	-	294,916,020	-	695,191	-	695,191
Year 28	Industrial	-	294,916,020	-	695,191	-	695,191

APPENDIX 2
CITY OF FERNLEY
ESTIMATED GENERAL FUND REVENUE

YEAR	LAND USE	TOTAL TAXABLE VALUE	CUMULATIVE TOTAL TAX VALUE	BUILDING PERMIT VALUATION	REAL PROP. TAX REVENUE	BUILD. PERMIT & PLAN CHECK REVENUE	TOTAL REVENUE
Year 29	Industrial	-	294,916,020	-	695,191	-	695,191
Year 30	Industrial	-	294,916,020	-	695,191	-	695,191
Year 31	Industrial	-	294,916,020	-	695,191	-	695,191
Year 32	Industrial	-	294,916,020	-	695,191	-	695,191
Year 33	Industrial	-	294,916,020	-	695,191	-	695,191
Year 34	Industrial	-	294,916,020	-	695,191	-	695,191
Year 35	Industrial	-	294,916,020	-	695,191	-	695,191
Year 36	Industrial	-	294,916,020	-	695,191	-	695,191
Year 37	Industrial	-	294,916,020	-	695,191	-	695,191
Year 38	Industrial	-	294,916,020	-	695,191	-	695,191
Year 39	Industrial	-	294,916,020	-	695,191	-	695,191
Year 40	Industrial	-	294,916,020	-	695,191	-	695,191
TOTAL		**$ 294,916,020**		**$ 327,621,360**	**$ 25,940,542**	**$ 1,770,996**	**$ 27,711,538**

APPENDIX 2, ASSUMPTIONS:

1. Development taxable value and building permit valuation from Appendix 1.
2. City of Fernley FY 2022-23 property tax rate of **$ 0.6735** is assumed to remain unchanged over the analysis period.
3. Property tax calculation: Taxable X 35% = Assessed Value; Assessed Value/100 X Tax Rate = Property Tax Revenue.
4. Analysis assumes a single building permit for each land use in each year. Building permit fee calculation is based on the following rate:
   $ 3,314.59 per first **$ 500,000** plus **$ 4.87** for each additional **$1,000** of value.
   $ 5,748.97 per first **$ 1,000,000** plus **$ 3.23** for each additional **$1,000** of value. Source: Building Permit Fee Schedule (BPFS), City of Fernley, June 3, 2020.
5. Plan Check fee revenue calculated at **65.0%** of building permit revenue.
   Source: Building Permit Fee Schedule (BPFS), City of Fernley, June 3, 2020.

APPENDIX 3
CITY OF FERNLEY
COMPARISON OF ESTIMATED GENERAL FUND REVENUES AND EXPENDITURES

YEAR	LAND USE	CUMULATIVE # OF ACRES	ESTIMATED GEN. FUND REVENUE	ESTIMATED GEN. FUND COSTS	ROADS REPLACEMENT COSTS	ESTIMATED REVENUE SURPLUS
Year 1	Industrial	333.30	$ 250,479	$ 53,995	$ -	$ 196,485
Year 2	Industrial	333.30	130,791	53,995	-	76,797
Year 3	Industrial	333.30	1,325,957	53,995	-	1,271,962
Year 4	Industrial	333.30	437,045	53,995	-	383,051
Year 5	Industrial	333.30	1,210,173	53,995	-	1,156,179
Year 6	Industrial	333.30	634,777	53,995	-	580,783
Year 7	Industrial	333.30	738,295	53,995	-	684,301
Year 8	Industrial	333.30	660,327	53,995	-	606,332
Year 9	Industrial	333.30	738,921	53,995	-	684,927
Year 10	Industrial	333.30	679,468	53,995	-	625,473
Year 11	Industrial	333.30	744,770	53,995	-	690,775
Year 12	Industrial	333.30	695,191	53,995	127,676	513,520
Year 13	Industrial	333.30	695,191	53,995	127,676	513,520
Year 14	Industrial	333.30	695,191	53,995	127,676	513,520
Year 15	Industrial	333.30	695,191	53,995	127,676	513,520
Year 16	Industrial	333.30	695,191	53,995	127,676	513,520
Year 17	Industrial	333.30	695,191	53,995	127,676	513,520
Year 18	Industrial	333.30	695,191	53,995	127,676	513,520
Year 19	Industrial	333.30	695,191	53,995	127,676	513,520
Year 20	Industrial	333.30	695,191	53,995	127,676	513,520
Year 21	Industrial	333.30	695,191	53,995	127,676	513,520
Year 22	Industrial	333.30	695,191	53,995	127,676	513,520
Year 23	Industrial	333.30	695,191	53,995	127,676	513,520
Year 24	Industrial	333.30	695,191	53,995	127,676	513,520
Year 25	Industrial	333.30	695,191	53,995	127,676	513,520
Year 26	Industrial	333.30	695,191	53,995	127,676	513,520
Year 27	Industrial	333.30	695,191	53,995	127,676	513,520
Year 28	Industrial	333.30	695,191	53,995	127,676	513,520

APPENDIX 3
CITY OF FERNLEY
COMPARISON OF ESTIMATED GENERAL FUND REVENUES AND EXPENDITURES

YEAR	LAND USE	CUMULATIVE # OF ACRES	ESTIMATED GEN. FUND REVENUE	ESTIMATED GEN. FUND COSTS	ROADS REPLACEMENT COSTS	ESTIMATED REVENUE SURPLUS
Year 29	Industrial	333.30	695,191	53,995	127,676	513,520
Year 30	Industrial	333.30	695,191	53,995	127,676	513,520
Year 31	Industrial	333.30	695,191	53,995	127,676	513,520
Year 32	Industrial	333.30	695,191	53,995	127,676	513,520
Year 33	Industrial	333.30	695,191	53,995	127,676	513,520
Year 34	Industrial	333.30	695,191	53,995	127,676	513,520
Year 35	Industrial	333.30	695,191	53,995	127,676	513,520
Year 36	Industrial	333.30	695,191	53,995	127,676	513,520
Year 37	Industrial	333.30	695,191	53,995	127,676	513,520
Year 38	Industrial	333.30	695,191	53,995	127,676	513,520
Year 39	Industrial	333.30	695,191	53,995	127,676	513,520
Year 40	Industrial	333.30	695,191	53,995	127,676	513,520
TOTAL			**$ 27,711,538**	**$ 2,159,784**	**$ 3,702,600**	**$ 21,849,154**

APPENDIX 3, ASSUMPTIONS:

1. Number of developed acres shown in Appendix 1.
2. The project is estimated to add **217,800** square feet of roadways to the City's inventory. Source: Project developers.
3. Revenue estimated in Appendix 2.
4. General Fund costs estimated at **$ 162.00** per acre of developed space. Source: Development Fiscal Impact Analysis Tool Methodology and Instructions, Verdunity, July 2021. No inflation factors are included.
5. Road maintenance costs, according to the Verdunity report, are included in above General Fund cost estimates. Costs for road replacement are not provided in Verdunity report and are estimated using City of Sparks costs of **$ 8.50** per square foot occurring every 20 years. At the end of the 40-year analysis period, infrastructure replacement costs are estimated at **$ 3,702,600** Road Replacement Costs show total replacement cost divided by 29 years of analysis and shown in every year of the analysis following project buildout.
6. Estimated Revenue Surplus=Estimated General Fund Revenue-Estimated General Fund Costs-Road Replacement Costs.

CITY OF FERNLEY

Planning Commission
AGENDA REPORT

Meeting Date: March 13, 2024

REPORT TO:	Fernley Planning Commission
REPORT FROM:	**Shay League**

FINANCIAL IMPACT:		**CURRENTLY BUDGETED:**		**FUND/ACCOUNT:**
Yes:	No: X	Yes:	No: X	N/A

ACTION REQUESTED: Motion
Resolution

AGENDA ITEM:

(For Possible Action) Consideration and possible action regarding Resolution 24-005, and, if approved, a recommendation that City Council certify said resolution, for a master plan amendment application (MPA24001) submitted by Priority Engineering on behalf of VIA Real Estate to change the designated land use from Multi-Family Residential (MFR) to Commercial (C) at 1200 Fremont Street (APN: 021-271-03).

AGENDA ITEM BRIEF:

To develop a Commercial use, a comprehensive plan amendment of the designated land use from MFR to Commercial (C) is necessary. The zone of this vacant parcel is Commercial, but the current designated land use is Multi-Family Residential (MFR). The applicant would like to develop a Tractor Supply on this parcel and has submitted a conditional use permit that will come before this Commission for consideration in April.

RECOMMENDED MOTION:

Approval
"I move to adopt Resolution 24-005, and recommend City Council certify this resolution and approve the master plan amendment application associated with MPA24001. I further move to adopt findings a, b, and c, and the facts supporting these findings, as set forth in the staff report."

Denial
"Based on information received in written materials, and at the public hearing on this matter, I move to deny the master plan amendment request associated with MPA24001 because I am unable to make the following required findings:"

"I am unable to make finding _____ as it relates to _____." *(Repeat for each applicable finding.)*

BUSINESS IMPACT (per NRS Chapter 237):

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:

Note
Though no other language has been provided, all other motions consistent with City of Fernley Planning Commission Bylaws and Rules of Procedure are appropriate.

BACKGROUND:

VIA Real Estate is pursuing the purchase of this parcel from Relief Springs, LLC on behalf of Tractor Supply in hopes of developing a new Tractor Supply location in Fernley. There was previously a plan to construct multi-family housing on this site. The current property owner would like to retain the multi-family residential land use designation if the Tractor Supply store is not approved or the sale does not go through for some other reason. By request of the applicant, the new land use designation will only become effective if the property is sold.

FINDINGS:

a. The comprehensive plan amendment would implement the goals listed within the City of Fernley Comprehensive Plan as listed in the staff report.

Staff was unable to identify any of the City of Fernley's 52 community goals that are unique to this project; however, there are several action strategies implemented by City of Fernley's application process in support of our community goals that allow the amendment to support our community goals indirectly.

The applicant has offered that their project specifically supports 5 of our community goals. They further offer that this project supports the following community principles:

- Promotion of economic development and planned redevelopment opportunities.
- Improving employment and education opportunities and avoiding the continuing "Bedroom Community" label.
- Providing more commercial services and amenities within Fernley.

Please see the attached "Applicant Response" for a full outline of the applicant's reasoning regarding how this application supports our community goals.

b. The comprehensive plan amendment would be compatible with surrounding land uses.

The land uses surrounding this project are as follows:

Direction	Designated Land Use	Current Land Use
Northeast	Commercial	Commercial (Raley's Shopping Center)

North, West, and Southwest	Mixed Residential	Single-Family Housing
South	Multi-Family Residential	Multi-Family Housing (Fremont Apartments)
Southwest	Commercial	Commercial (Walgreen's and Lickety Split Carwash)

This amendment is compatible with both the current and designated land uses. The Tractor Supply store fits well with the neighboring Commercial that currently includes the Raley's Shopping Center, Walgreen's, and the Lickety Split Carwash that expects to open in May of this year. Best practices for land use often locate multi-family residential adjacent to commercial uses and both near arterial streets such as Business 80. Single-Family Housing and Commercial uses are not always compatible; however, there is a significant land buffer containing drainage retention basins for the neighboring shopping center that serves as a buffer between the site of the proposed commercial use and the neighboring residential homes to the North and West. The homes located Southwest of this site are buffered by Fremont Street.

c. Public notice was given, and a public hearing held per the requirements of Nevada Revised Statutes and Fernley Development Code.

Staff certifies that public notice was given in accordance with the requirements of Nevada Revised Statutes and Title 32, the Development Code section of Fernley Municipal Code. A public hearing will be held as part of the March 13, 2024, Planning Commission meeting and again at the April 3, 2024, City Council meeting.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

General
Nevada Revised Statutes, Chapter 278 - Planning & Zoning
Fernley Municipal Code (FMC), Title 32 - Development Code
City of Fernley Comprehensive Plan
City of Fernley Public Works Design Standards and Review Guidelines
City of Fernley Public Works Design Standard Details

Specific
NRS §278.210 - Adoption of master plan and amendment by commission
FMC §32.03.040 (b) - Comprehensive master plan amendments

Note: This list is for quick reference and not all-inclusive. City of Fernley Planning Department will monitor this section until the public hearing on March 13, 2024, but does not guarantee the included links will be functional and/or relevant beyond the meeting date.

FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. Resolution # 24-005
2. Vicinity Map
3. Aerial Map
4. Applicant Narrative

5. Applicant Response

CITY OF FERNLEY
RESOLUTION # 24-005

A RESOLUTION OF THE FERNLEY PLANNING COMMISSION, CERTIFIED BY THE FERNLEY CITY COUNCIL, STATE OF NEVADA, ASSOCIATED WITH CASE NUMBER MPA24001, TO CHANGE THE DESIGNATED LAND USE ON A ±5.14-ACRE PARCEL FROM MULTI-FAMILY RESIDENTIAL (MFR) TO COMMERCIAL (C). THE PARCEL IS APPROXIMATELY LOCATED AT 1200 FREMONT STREET (APN: 021-271-03).

WHEREAS, the 2018 Fernley Comprehensive Plan was adopted by Resolution of the Planning Commission August 8, 2018, and certified by the City Council on August 15, 2018; and

WHEREAS, Nevada Revised Statutes 278.210 specifies that master (comprehensive) plans and amendments must be adopted by resolution of the Planning Commission; and

WHEREAS, the proposed amendment is consistent with or supports community goals LU.1.3, LU.1.4, LU.1.12, PSF.1.1, and PSF.3.3 of the City of Fernley Comprehensive Plan;

BE IT RESOLVED BY FERNLEY PLANNING COMMISSION, AND CERTIFIED BY FERNLEY CITY COUNCIL, that based on the discussion and findings provided in the staff report and public testimony presented at the March 13, 2024, and April 3, 2024 public hearing, that the land use classification of Commercial (C) for this parcel be adopted as part of the City of Fernley's Comprehensive Plan.

BE IT FURTHER RESOLVED by request of the property owner and applicant, that the land use classification change will not be adopted unless and until the parcel is sold from Relief Springs, LLC to the client of VIA Real Estate, LLC.

RESOLUTION PASSED, APPROVED, AND ADOPTED this 13th day of March, 2024, by the Fernley Planning Commission, City of Fernley, State of Nevada.

Aye: _____ Nay: _____ Abstention: _____ Absent: _____

ACKNOWLEDGED AND APPROVED: DATED:

_____ _____
Angela Lewis, Vice-Chair

ATTEST:

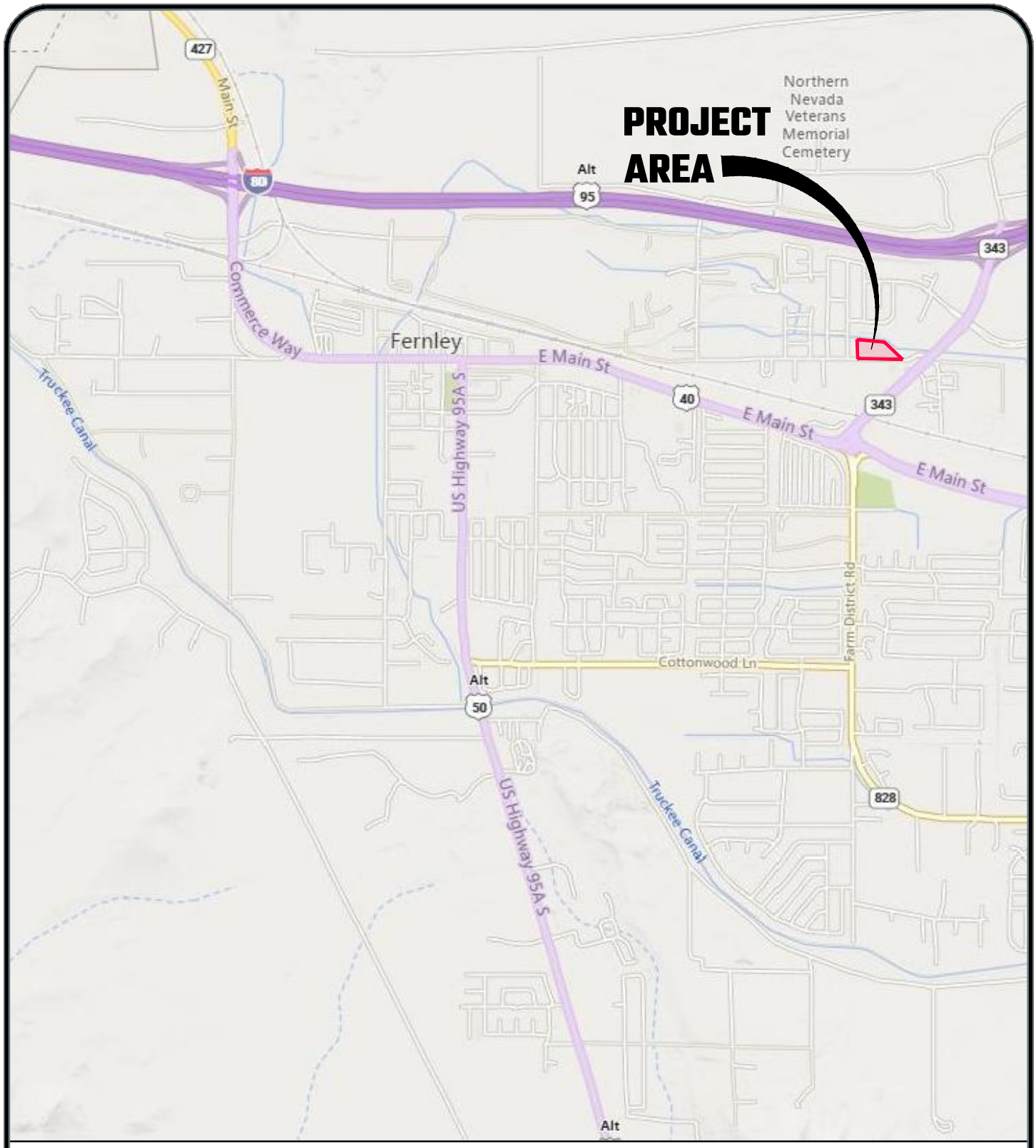
_____ _____
Brenda Gosser, Deputy City Clerk

RESOLUTION PASSED, APPROVED, AND CERTIFIED this 3rd day of April, 2024, by the Fernley City Council, City of Fernley, State of Nevada.

Aye: _____ Nay: _____ Abstention: _____ Absent: _____

ACKNOWLEDGED AND APPROVED: DATED:

_____ _____
Neal E. McIntyre, Mayor



GRAPHIC SCALE: NOT TO SCALE

No.	Revision Date

VICINITY MAP

1200 FREEMONT ST
FERNLEY, LYON COUNTY, NV

7B DEVELOPMENT TSC FERNLEY NV

Date 1/15/2024	Project No. 23-0016
CADD BAH	Scale: AS NOTED
PM KMA	Sheet No. 1 OF 1

PRIORITY ENGINEERING, LLC
HQ: 23208 EMERSON WAY
LAND O' LAKES, FL 34639
PH: 813.406.4234

N
W
E
S

0' 150' 300'

GRAPHIC SCALE: 1" = 150'

No.	Revision Date

AERIAL MAP

1200 FREEMONT ST
FERNLEY, LYON COUNTY, NV

7B DEVELOPMENT TSC FERNLEY NV

Date 1/15/2024	Project No. 23-0016
CADD BAH	Scale: AS NOTED
PM KMA	Sheet No. 1 OF 1

PRIORITY ENGINEERING, LLC
HQ: 23208 EMERSON WAY
LAND O' LAKES, FL 34639
PH: 813.406.4234

MASTER PLAN AMENDMENT

1200 FREMONT ST
FERNLEY, LYON COUNTY, NEVADA

Engineer:

Attn: Kirt M. Andersen, PE
Priority Engineering, LLC
23208 Emerson Way
Land O Lakes, Florida, 34639
Ph: (813) 406-4234
PE Project No.: 23-0016

Applicant:

Attn: Alan Kirchhoff
7B Building and Development
13105 Dover Avenue
Lubbock, Texas, 79424
PH: (806) 368-7843
website: www.7bdev.com

Owner:
Attn: Todd Pardula
Relief Springs, LLC
14230 E Windriver Lane
Reno, Nevada, 89511

Prepared On: January 15, 2024

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3) JUSTIFICATION FOR MASTER PLAN AMENDMENT: 8
MASTER PLAN AMENDMENT FINDINGS FOR APPROVAL 11

EXECUTIVE SUMMARY

Project Name:	7B Development Tractor Supply Company Fernley NV
Site Location:	1200 Fremont Street, Fernley, NV
APN Number:	021-271-03
Applicant:	VIA Real Estate, LLC
Applicant's Engineer:	Priority Engineering, LLC
Owner:	Relief Springs, LLC
Proposed Action:	Master Plan Amendment from MFR to Commercial
Current Land Use Classification:	Vacant
Proposed Land Use Classification:	Commercial
Current Zoning:	C-2 General Commercial
Flood Zone Designation:	Zone X
Gross Site Area:	5.10 Acres

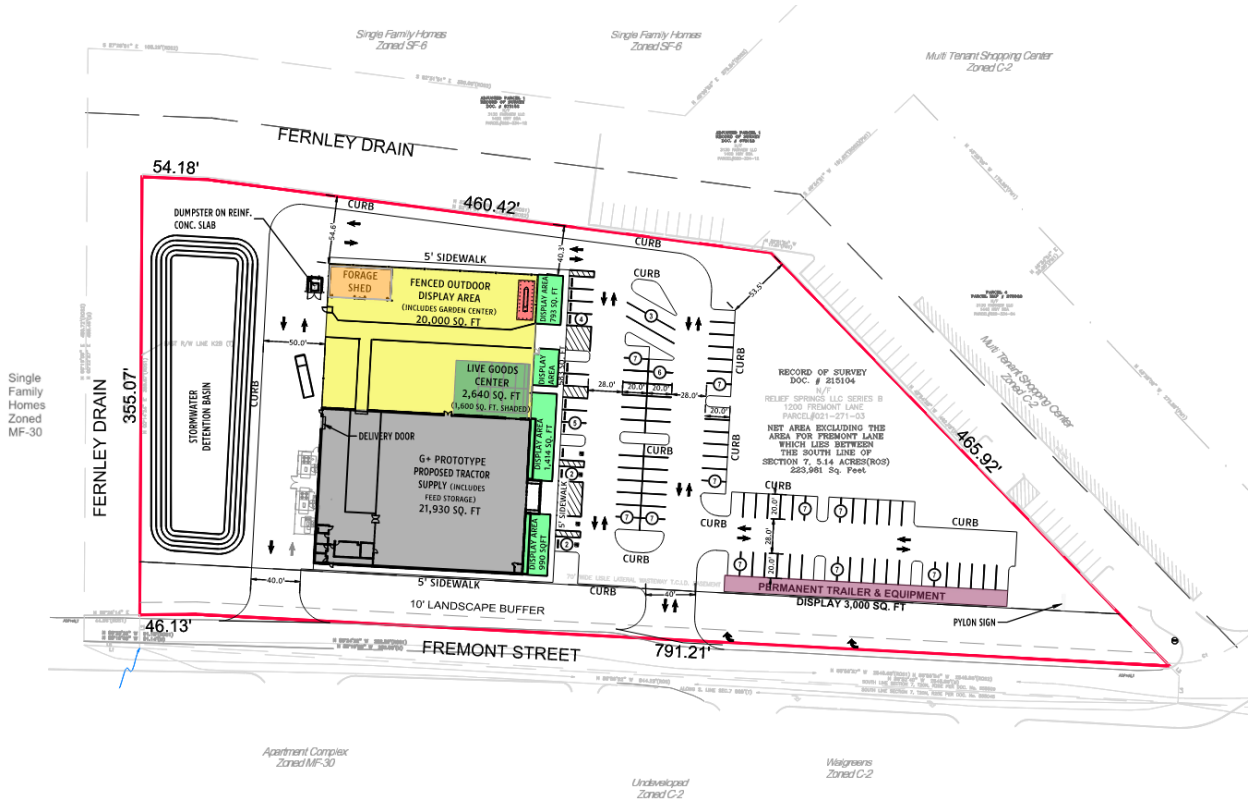


Fig 1. Tractor Supply Company - Concept Plan

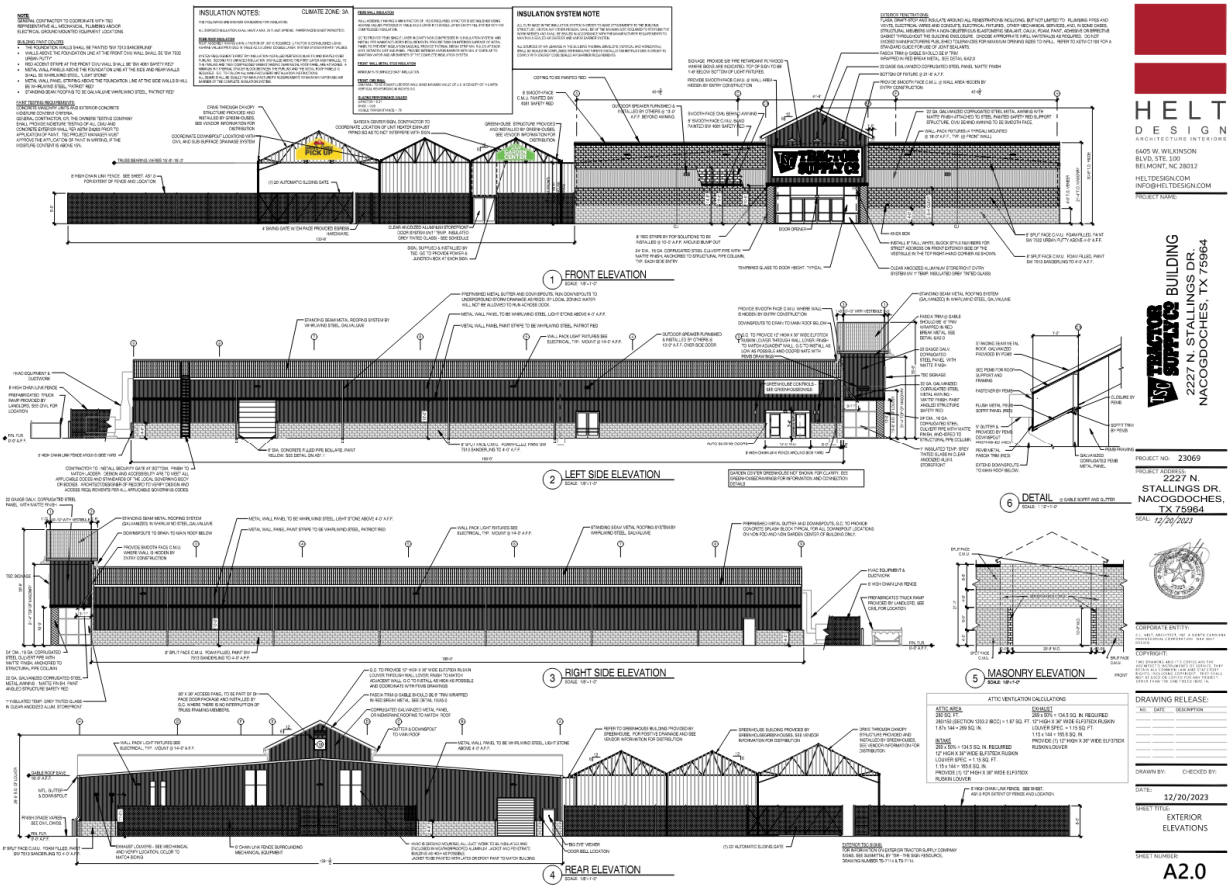


Fig 2. Tractor Supply Company – Typical Elevation

ANALYSIS

1) PROPERTY BACKGROUND / EXISTING CONDITIONS:

The subject parcel, identified as Parcel 3 on the County Assessors Map is located at 1200 Fremont St, City of Fernley, Lyon County, Nevada. The proposed development consists of approximately 5.10 acres. The parcel is currently undeveloped, and the parcel is zoned C-2 "General Commercial". The intent of the project is to construct a G+ prototype building and supporting infrastructure for a Tractor Supply Company facility.

During the pre-application meeting with the city, a conflict was discovered between the zoning and future land use maps for Fernley. The site is zoned commercial, but the master plan designates Multi-Family Residential. The City staff investigating the matter recommended we apply for the Master Plan Amendment to correct this planning issue to move forward with our entitlements and the development of the property.

The City of Fernley Zoning Map shows the property currently zoned as C2, General Commercial. Per the City of Fernley Code of Ordinances Chapter 32.06 – Development Code – Zoning Districts, C2 district is intended to create and preserve areas for businesses that provide a variety of wholesale and retail goods and services and serve a community or regional market.

Typical uses may include retail stores, shopping centers, personal services, offices, restaurants, and other compatible activities. Single-use or "strip center" commercial patterns of development are discouraged unless the development is designed for pedestrian use. Based on surrounding C2 developments, a Tractor Supply appears to be a permitted use.

From the national wetland inventory map, it appears that wetlands exist on the subject property, with a ravine along the west and north property lines. The below image was downloaded on October 19, 2023, from the National Wetlands Inventory website. Discussions with the City will be needed to identify if a wetland delineation is required. Currently, proposed improvements from the provide plan do not appear to impact the wetlands. A portion of the Fernley Drain appears to be enclosed.

U.S. Fish and Wildlife Service
National Wetlands Inventory

1200 Fremont St, Fernley NV

October 19, 2023

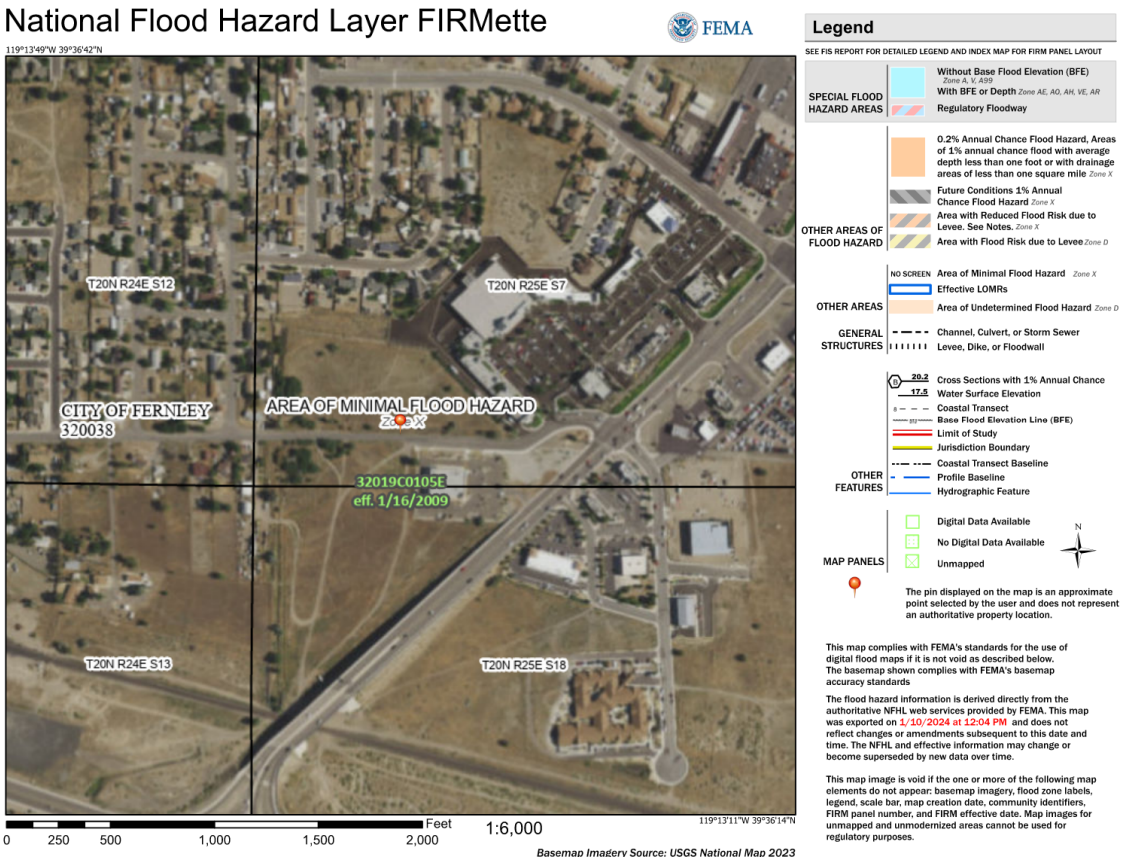
Wetlands

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- Lake
- Other
- Riverine

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

National Wetlands Inventory (NWI)
This page was produced by the NWI mapper

A FIRMette panel was downloaded from the FEMA Floodplain web portal on October 19, 2023, and the property is located within "ZONE X". Zone X is defined as an area of minimal flood hazard, which are the areas outside the special flood hazard area (SFHA) and higher than the elevation of the 0.2-percent-annual-chance flood. See below image from FEMA.



2) MASTER PLAN DESIGNATION:

The Master Plan land use designation is Multi-Family Residential (MFR), which allows for a higher density residential development. The surrounding land uses are listed as single family, commercial and multi-family. The site is accessed off Fremont Street, located along the south side and bordered on the west, north and east by the Fernly Drain. These two feature items (street and drain) would be described as transitional areas from the commercial development to the single-family development to the west and north of the site and multi-family residential to the south, on the opposite side of Fremont Street. Commercial use and zoning are currently in place directly adjacent to the east. See below aerial imagery for the development surrounding the site.

On behalf of the applicant, VIA Real Estate, LLC, we are requesting an amendment to the Master Plan for the subject parcel. The approval of this amendment by the City is required prior to the start of the entitlement process with the City to support the applicant's objective of developing a Tractor Supply Company store.

3) JUSTIFICATION FOR MASTER PLAN AMENDMENT:

The City of Fernley 2018 Comprehensive Master Plan provides guidance for the principals and goals for a diverse future demand of residential and non-residential growth for the community. Per Sec. 32.06.100 of Fernley Code of Ordinances, "Commercial districts are intended to create and preserve areas for businesses that provide a variety of retail and other commercial services in concentrated centers that serve the local community, or tourist-oriented uses adjacent to I-80 and downtown Fernley. It may also include larger retail centers that serve as a regional draw." We feel the Master Plan Amendment requested will allow the property to serve the community as outlined above.

Fernley is in Lyon County, in the western portion of Nevada and approximately 30 miles east of Reno. The city is situated in the high desert region of Nevada, and it experiences a semi-arid climate. The population of Fernley has been growing, especially due to its proximity to Reno and its more affordable housing options. The city has a mix of residential, commercial, and industrial areas. The city has historically had an economy tied to agriculture and ranching. However, with its location along the I-80 corridor, the city has seen growth in warehousing and distribution industries. The proximity to the Reno-Sparks metropolitan area has also contributed to economic development.

Compatibility

The Fremont "Corridor" has commercial uses on both the north and south portion of the roadway. The existing Walgreens to the south demonstrates that Fremont Avenue has

become a Mixed-Use Corridor and that this proposed use is consistent with that evolution of this area.

The Fremont Street corridor and surrounding commercial and high density residential make the subject property a viable use for a commercial designation in the master plan for the community. According to the master plan, Fernley is likely looking at a population increase to 40,000 people in the next 20 years. This growth will require a diversity of residential and non-residential development strategically located to not conflict with any adjacent uses.

The subject parcel is situated along the north side of Fremont Street and is bordered on the other three parcel sides by the Fernly Drain. These two elements serve as a transitional zone, bridging the gap between commercial and single-family as well as multi-family residential areas. It's important to highlight that the site directly abuts commercial use zoning on the eastern side. This parcel is compatible as a C-2 General Commercial to the surrounding properties.

Transportation

Overall, Fernley is well-connected by Interstate 80, part of the Truckee Meadows, which runs through the city, providing easy access to other areas of Nevada and neighboring states. The city also has a municipal airport, Fernley Municipal Airport, for general aviation.

Since the Trip Generation Letter indicates generally less traffic impact from the proposed development as opposed to the former 114-unit apartment complex, there will be less traffic impact on the surrounding infrastructure and therefore less congestion in the general area along the Fremont Corridor and its connection to A-95. Fremont Street will provide access for the commercial development with two access points currently identified to the property as shown in the Concept Plan above. Delivery and commercial traffic will be separated from the retail traffic with a service drive accessing the back of business operations to be located on the west side of the site. The separation of the commercial vehicles and retail traffic will reduce the potential for conflict and will improve overall pedestrian safety.

Proposed road and drainage improvements to Fremont Street will be determined during the design phase of the project. As shown in the Concept Plan, a stormwater management pond is identified for the development, to be located on the western side of the site, which by location will also provide further buffer to the single family homes located further to the west. The detailed engineering design will comply with local and county requirements.

Sanitary Sewer, Water Main, Storm Sewer, and Dry Utilities

Public water main and sanitary sewer services are available within the Freemont Street right-of-way and no capacity issues for either service have been communicated to the development team. The city water main is likely an 8-inch diameter that transitions to a 12-inch water main in Freemont Street. Water rights and consumption amount for the property is a large issue for the community. An application will be submitted to the city once the developer begins the entitlement process. It is worth noting that a proposed multi-family residential development would have a much larger demand for water and a larger sanitary sewer contribution as compared to the proposed Tractor Supply Company store.

Based on our research, Southwest Gas and NV Energy will provide gas and electric service to the proposed development. Telecommunication services will be provided by AT&T or Charter Communications.

Schools

The proposed commercial change will have a reduced impact to the existing school system since it is a non-residential use.

Police & Fire

Police and Fire public service in this area will be provided by the Lyon's County Sheriff's office and the North Lyon County Fire Protection. It is anticipated that the impact to these service providers would be lower for the proposed commercial development versus a multi-family residential development, requiring fewer dispatches to the property.

Parks & Recreation

This land use, because of the location of the western edge for a stormwater detention basin, has a less direct physical impact to the existing residential properties to the west and therefore creates a better open space buffer to the surrounding area. The proposed use of the site as a commercial development is anticipated to have little to no impact on the Parks & Recreation amenities. However, it is anticipated that the Tractor Supply store would be a good resource for the city to obtain materials and supplies in an immediate needs type purchase.

Positive Fiscal Support

Since the City of Fernley has in the past as well as currently is experiencing financial challenges, it should be noted that this land use will generate both sales and property tax revenues for the City. Also, since the previously approved land use was residential, some of public demands for adequate school capacity and public parks will either be significantly lessened or eliminated.

The vacant parcel is infill property, bordered by a mix of residential and commercial properties. The suggested shift to a commercial designation would align this vacant parcel with the City's future planning direction. This modification aims to harmonize the proposed development with the broader city planning vision. The envisioned commercial development seeks to enhance the adjacent residential area by providing additional resources to the community in obtaining goods and services that will support municipal, commercial, and residential constituents of the city. Further, the Tractor Supply corporation has a history of providing outstanding support to a community as an "outstanding corporate citizen".

MASTER PLAN AMENDMENT FINDINGS FOR APPROVAL

Pursuant to the City of Fernley Municipal Code Section 32.03.040(b)(6) findings for approval, a master plan amendment may be approved if it is:

1) The master plan amendment would implement the goals listed within the City of Fernley Master Plan as listed in the staff report.

   Response: The proposed Master Plan Amendment to change 5.10 +/- acres from MFR to C-2 would help meet several goals identified in the 2018 City of Fernley Master Plan. Specifically identified in the community principles, "provide more commercial services and amenities with Fernley". Additionally, the surrounding residential development will support a mixture of commercial job opportunities within this area.

   Applicable Master Plan Policies

2) The Master Plan Amendment would be compatible with surrounding land uses.

   Response: The presence of the Fremont Street corridor, along with the nearby commercial and high-density residential areas, renders the subject property suitable for a commercial designation in the community's master plan. The community's master plan anticipates a population increase to 40,000 people over the next two decades, necessitating a strategic mix of residential and non-residential developments that do not conflict with adjacent uses.

   Located adjacent to Fremont Street and surrounded by the Fernly Drain, the subject property serves as a transitional zone connecting commercial, single-family, and multi-family residential areas. Notably, the site directly borders commercial use zoning on its eastern side. Given these considerations, designating the property as C-2 General Commercial aligns with the surrounding properties, ensuring compatibility and strategic development and further supporting Fernley's projected growth.

3) Public notice was given, and a public hearing held per the requirements of Nevada Revised Statutes and Fernley Development Code.

   Response: The Applicant acknowledges that public notice and a public hearing are required per the development code and Nevada Revised Statutes and commits that the development team will complete this task as part of the project process.

4) Certification by the City Council shall be by the affirmative votes of a simple majority of the entire City Council.

   Response: The final step in the Master Plan Amendment will be voted upon by the City Council. The development team will be available to answer questions or provide additional information as requested by the city council.

PRIORITY
ENGINEERING, LLC

23208 EMERSON WAY
LAND O' LAKES, FL 34639

PH: 813.406.4234

2/26/2024

Shay League – Senior Planner
City of Fernley – Planning Department
595 Silver Lace Boulevard
Fernley, Nevada 89408

Email - sleague@cityoffernley.org

Re: Master Plan Amendment
Tractor Supply Company
Application Number: 021-271-03

Dear Ms. League,

Priority Engineering, LLC (PE) is pleased to provide responses to the comments received from your February 13, 2024 letter for the above-mentioned master plan amendment. To assist you in your review of our response to the comments, please find the following detailed response:

COMMENT - "Staff is unable to discern any of Fernley's 52 community goals this project supports adequately. A list of these goals is attached to this letter, and Staff advises you provide Planning Commission and Council with an argument to support one or more of them. You may either resubmit a written narrative for inclusion in the staff report or bring an argument to present at the public hearings for this item."

RESPONSE TO COMMENT - The master plan "fosters the City's mission, promoting future prosperity and balanced growth of the community promoting economic development and improving the quality of life enjoyed by community residents." There are several community principles which form the foundation of the Comprehensive Plan. These three are of relevance to this application:

1. Promote economic development and planned redevelopment opportunities.

This commercial development will provide for the efficient utilization of an existing infill parcel in an area that has evolved into a Mixed Suburban pattern. That is the parcel is adjoined by commercial land uses to the east and north and there is a Walgreens on the south side of Fremont Avenue. The developers proposed investment of 5 to 6 million dollars in the buildings and grounds will make a strong contribution to the property and sales tax revenues of the

community. It will also diversify the types of commercial services available to the community.

2. Improve employment and education opportunities, avoid continuing the Bedroom Community label.

This project will provide between 12 and 15 primary jobs for the community and hence will diversify and expand the employment opportunities available for the community. It will also provide a market niche that nicely compliments the Fernley demographic in terms of the sale of merchandise and services.

3. Provide more commercial services and amenities within Fernley.

This proposed land use diversifies commercial services that currently exist in the community. Economic studies have shown that Fernley experiences significant commercial "leakage" in terms of lost revenue. There are several factors that impact this, but this use would give Fernley residents more commercial diversity and hence reduce the leakage and strengthen the revenue base for the community.

We have extracted these three Principles from the Plan and provided the above that applies to our proposed change to the comprehensive master plan. Additionally, from the specific 52 community goals from the "City of Fernley Comprehensive Master Plan, August 2018, 3rd Update" we offer the following:

Land Use:

LU.1.3 – Provide a balanced distribution of employment and population.
LU.1.4 – Ensure existing and future land use are compatible.
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.

Public Services and Facilities:

PSF.1.1 – To provide and maintain a reliable and adequate water supply and delivery system.
PSF.3.3 – Ensure appropriate levels of public services and facilities are continually provided.

In summary of the above items, the proposed master plan amendment will provide employment opportunities to the community, the proposed change is compatible with the surrounding uses that provides a nice transition from commercial to residential, and the commercial use will have a reduction to the impact to local public facilities and infrastructure compared to a Multi-Family designation. We are hoping that we have provided sufficient planning and engineering discussion above to garner the support of the

City and Staff in accepting the submitted Master Plan Development for proposed change to Commercial from Multi-Family in the Comprehensive Master Plan.

If you have any questions, please contact Greg Evangelatos, AICP by email at ggevangelatos@fastmail.fm or Kirt M. Andersen, PE, at (813) 406-4234 or by e-mail: andersen@priority-eng.com.

Sincerely,

Greg Evangelatos

Greg Evangelatos, AICP
Nevada Planning Consulting

Kirt M. Andersen, PE
Priority Engineering, LLC

CITY OF FERNLEY

Planning Commission
AGENDA REPORT

Meeting Date: March 13, 2024

REPORT TO:	Fernley Planning Commission
REPORT FROM:	**Michele Rambo, Planning Director**

FINANCIAL IMPACT:		**CURRENTLY BUDGETED:**		**FUND/ACCOUNT:**
Yes:X	No:	Yes:	No: X	N/A

ACTION REQUESTED: Motion

AGENDA ITEM:

(For Possible Action) Consideration, discussion, and possible action to recommend that the City Council approve Bill #342, an Ordinance establishing a Development Agreement (DA22001) between the developer (Mark IV Capital) and the City of Fernley in association with the Victory Logistics District Planned Development relating to improvements of utilities, public services, streets, and other related items.

AGENDA ITEM BRIEF:

The property owner, Mark IV Capital, and the City of Fernley have negotiated a Development Agreement to accompany the development of the Victory Logistics District Planned Development. This agreement outlines requirements for both the developer and the City to follow as the project develops over the next 20 years. Items discussed include a new fire station, how to address the need for future sewer infrastructure, traffic mitigation, and the need to move a City well if a railroad spur is expanded.

RECOMMENDED MOTION:

I move to recommend that the City Council approve Bill #342, an Ordinance establishing a Development Agreement between Mark IV Capital and the City of Fernley regarding the improvements of utilities, public services, streets, and other related items based on the findings outlined in the staff report.

BUSINESS IMPACT (per NRS Chapter 237):

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:

I move to recommend that the City Council deny Bill #342 because Finding No. __ cannot be met for the following reason: _____.

BACKGROUND:
The first phase of Victory Logistics District Planned Development consists of approximately 2,174 acres generally located south of Interstate 80 and east of Nevada Pacific Parkway. The District will consist of mainly industrial uses, but a small amount of commercial is anticipated to be scattered throughout, especially around the Interstate 80/Nevada Pacific Parkway interchange. The existing railroad spur in the southern portion of the development is anticipated to be used by future buildings.

The Planned Development is envisioned to create a large-scale employment center with an overall positive impact to the local economy by providing jobs to Fernley residents. These jobs will be found through a diverse range of uses extending from distribution warehouses and e-commerce to high end manufacturing and data centers. Commercial uses will be integrated throughout the development to serve residents, employees of the area, and travelers along Interstate 80. The map below shows the extent of the currently proposed Planned Development.

This Development Agreement is the third of several approvals needed before development of the area can occur. A Planned Development Handbook and Tentative Subdivision Map have both been approved by City Council. Following the approval of this Development Agreement, the next step would be for the developer to

record the PD Handbook and Development Agreement, submit for the approval of one or more Final Maps, and begin developing the needed public improvements.

In general, a Development Agreement is a contract between a local governmental body (the City of Fernley) and a landowner/developer (Mark IV Capital) detailing the obligations of both parties for the development of the property. The proposed agreement outlines the timing and extent of public improvements to be installed by the Master Developer. It also provides the city with assurances that public services and infrastructure will be sufficient to protect the health, safety, and welfare of residents as the project grows. In this instance, there are four main issues covered in the Development Agreement:

Fire:

As part of this development, the North Lyon Fire Protection District has required the construction of a new fire station. The current stations in Fernley are both south of the railroad tracks, and with only two routes to get over the tracks, response times for the area north of the tracks are already stretched to the maximum. In order to provide adequate public safety, which is ultimately needed to conform with the City of Fernley Master Plan, this new station is required.

Section 4.1 of the proposed Development Agreement outlines the requirements for the developer related to the location of the station and the timing of which it must be completed. These requirements include:

- Developer agrees to dedicate a parcel of land to the City for the development of a new fire station
- Developer agrees to construct a new fire station on the dedicated site
- City and/or Fire District will reimburse developer for costs associated with fire facilities providing excess capacity
- Developer shall submit building plans at the 50 percent, 90 percent, and 100 percent plan set level for review and approval by the City
- Prior to first certificate of occupancy, the foundation, slab, and perimeter walls must be completed
- Prior to the second certificate of occupancy, the fire station must be complete

A fire study was completed to determine the sites which would be appropriate for the needed fire station. The study identified five potential sites for the new fire station. After several discussions, it was determined that APN 021-232-50 is the best option. This site, located on Duffy Road between Lowe's and Sherwin Williams, provides the required response times to the far reaches of the Victory Logistics development while also being ideally located to serve future development north of Interstate 80. There are some existing easements running through the property that may prove challenging, so this site is tentative at the moment.

Sewer:

Original studies indicated that the size and scope of the Planned Development created an issue with the current wastewater treatment plant on the east side of town. However, further study has indicated that the actual amount of wastewater generated by the process may not be as much as originally anticipated. Therefore, this project alone may not cause issues with capacity at the wastewater treatment plant as originally thought However, this project in conjunction with other large projects anticipated, may play a part in future capacity issues. Therefore, the treatment plant may need to be expanded at some point before project buildout.

Section 4.2 of the Development Agreement outlines the obligations of both the City of Fernley and the developer if it becomes necessary to increase capacity:

- The City of Fernley will monitor the capacity of the wastewater treatment plant.
- If new facilities are required at some point during the project's development, developer will be subject to any new connection fees, usage fees, or impact fees.

- The City reserves the right to delay or stop construction and development until capacity is increased.

City of Fernley Well No. 9:
As originally designed, a new extension of the railroad track running throughout the project would be placed near existing City of Fernley Well No. 9. The state has determined that the well would need to be relocated by the developer before any permits are issued for the originally proposed railroad track. The developer has instead chosen not to extend the railroad spur to avoid moving the well as would be required. Section 4.3 of the Development Agreement outlines the requirements for the developer if this was to change in the future:

- Any extension of the proposed railway to an area within 150 feet of Well No.9 will require approval from the City.
- This approval may include the requirement to relocate the well.

Traffic:
A traffic study has been submitted outlining the steps needed to mitigate the significant amount of increased traffic anticipated at project build-out. Part of the needed improvements includes the extension of Nevada Pacific Parkway south to US 50A. Section 5.6(a) of the Development Agreement requires that the extension be "substantially complete, dedicated to the City, and open to the public" by the time the project reaches the "Traffic Milestone", defined as 1,640 PM peak hour trips. This equates to approximately 35 percent of the projected peak traffic flows. Section 5.6(b) of the Development Agreement allows for the City to require future updates to the traffic study if things change substantially from the assumptions made in the original Master Traffic Study as development occurs.

ANALYSIS/FINDINGS:

The City of Fernley Development Code requires that the following findings be met in order to approve the Development Agreement:

DA1
The Development Agreement is consistent with the city's master plan.

Staff has determined that the Development Agreement and/or the Planned Development in general is consistent with the following goals and/or policies of the City of Fernley Master Plan:

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

The Planned Development is located adjacent to an existing industrial area, which is currently served by public services and facilities. While the size of the Victory Logistics District does impact these public services and facilities to some extent, the Development Handbook and the Development Agreement will incorporate the mitigations to reduce the impact to an acceptable level.

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

The proposed Planned Development will provide a substantial amount of jobs for Fernley residents as the development is built-out. This will help even out the ratio of residents to local jobs and improve the quality of life for many.

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

As mentioned earlier, the Victory Logistics District is located on the edge of the city adjacent to other industrial uses. The nearest residential uses are located to the south across the US 50A highway. This highway will provide a buffer between these two land uses suitable for creating compatibility.

T 1.1 – Require that roadway facilities be maintained and constructed as needed to ensure high quality and safe travel on major streets and at major intersections.

All roadways will be improved and maintained as required in the City of Fernley code, the Development Handbook, and/or the Development Agreement. A traffic study was submitted for this project which recommended modifications at several existing intersections and the extension of Nevada Pacific Parkway to US 50A to the south. The project has been conditioned to follow all traffic study recommendations. This will ensure the high quality and safe travel that the Master Plan envisioned.

PSF 3.3 – Ensure appropriate levels of public services and facilities are continually provided.

With the exception of fire department service, all public services and facilities will be available to serve the Victory Logistics District Planned Development. Therefore, once the required fire station is built, the development will be consistent with the Master Plan.

PSF 3.10 – Provide adequate levels of fire protection and response to life safety threats throughout Fernley.

The need for a new fire station has been identified by the North Lyon County Fire Protection District as being critical to providing an adequate level of service for this new development. Once this fire station is complete, the project will be consistent with the Master Plan. The details of the fire station's location, funding, and timing are included in the Development Agreement between Mark IV Capital and the City of Fernley.

PSF 3.11 – Require large-scale developments to be within adequate fire service areas.

As discussed above in PSF 3.10, the North Lyon County Fire Protection District has identified that the Victory Logistics District is not located within an adequate fire service area as the fire department stands today. Therefore, a new fire station located within the Planned Development is needed to ensure that the department can provide adequate services for both fire protection and emergency medical assistance. Once the needed fire station is complete, the project will comply with the Master Plan.

DA2
The Development Agreement is otherwise consistent with Nevada or federal law.

The creation of the proposed Development Agreement was done under the guidance of Nevada Revised Statute sections 278.0201 through 278.0207. Based on this, the Development Agreement is consistent with Nevada law.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

Fernley Development Code Section 32.03.100(a) - Development Agreements
Nevada Revised Statutes Section 278.0201 through 278.0207

FINANCIAL IMPLICATIONS:

Potential cost to reimburse developer for infrastructure improvements

ATTACHMENTS:

1. Bill 342
2. Mark IV DA - Draft Final Copy

BILL #342
CITY OF FERNLEY
ORDINANCE # _____

AN ORDINANCE AUTHORIZING THE CITY OF FERNLEY TO ENTER INTO A DEVELOPMENT AGREEMENT (DA22001) WITH MARK IV CAPITAL IN ASSOCIATION WITH PHASE 1 OF THE VICTORY LOGISTICS DISTRICT PLANNED DEVELOPMENT RELATING TO IMPROVEMENTS OF UTILITIES, PUBLIC SERVICES, STREETS, AND OTHER RELATED ITEMS LOCATED GENERALLY SOUTH OF INTERSTATE 80 AND EAST OF NEVADA PACIFIC PARKWAY, APN(S): 021-201-01 and -16; 021-211-02, -03, -04, and -06; 021-242-11 and -17; 021-251-25; 021-261-43 and -44.

THE CITY COUNCIL OF THE CITY OF FERNLEY, hereinafter "the Council" DO HEREBY ORDAIN:

Based on the provisions set forth in Nevada Revised Statutes and the City of Fernley Development Code, the Council does hereby authorize the City of Fernley to enter into a Development Agreement with Mark IV Capital, as attached.

The Development Agreement involves Phase 1 of the Victory Logistics District Planned Development approved pursuant to Chapter 278 of Nevada Revised Statutes. Current APN's: 021-201-01 and -16; 021-211-02, -03, -04, and -06; 021-242-11 and -17; 021-251-25; 021-261-43 and -44.

BILL # 342 BEING HEREBY PROPOSED on the ____ day of _____, 2024.

BILL #342 BEING HEREBY PASSED, APPROVED and ADOPTED this __ day of _____, 2024, by the following vote of the Council:

Ayes: ____ Nays: ____ Abstentions: ____ Absent: ____

FERNLEY CITY COUNCIL

By: _____ Date: _____
Neal E McIntyre, Mayor

Attest By: _____ Date: _____
Kim Swanson, City Clerk

APNs: 021-201-01, 021-201-16, 021-211-02,
021-211-03, 021-211-04, 021-211-06,
021-242-11, 021-242-17, 021-251-25,
021-261-43, and 021-261-44

Recording Requested By And
When Recorded, Mail To:

City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408
Attn: City Clerk

DEVELOPMENT AGREEMENT

BETWEEN

CITY OF FERNLEY,
a Nevada municipal corporation

AND

MARK IV CAPITAL PROPERTIES, INC.,
a California corporation

M4 NEW FERNLEY LLC
a Nevada limited liability company

M4 NEW FERNLEY QOZB LLC
a Nevada limited liability company

M4 FERNLEY JACKSON LLC
a Nevada limited liability company

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[NTD: TO BE INSERTED IN FINAL DRAFT]

EXHIBITS

EXHIBIT A LEGAL DESCRIPTION

EXHIBIT B HANDBOOK

EXHIBIT C DEPICTION OF WELL NO. 9

EXHIBIT D DEPICTION OF DUFFY ROAD REALIGNMENT

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered into by and among (i) the City of Fernley, a Nevada municipal corporation (the "**City**"), (ii) Mark IV Capital Properties, Inc., a California corporation ("**Developer**"), and (iii) M4 NEW FERNLEY LLC, a Nevada limited liability company, M4 NEW FERNLEY QOZB LLC, a Nevada limited liability company, and M4 FERNLEY JACKSON LLC, a Nevada limited liability company (collectively the "**Property Owners**" and each, individually, a "**Property Owner**").

RECITALS

A. The Property Owners are the current owners of the real property located within the City's municipal limits, which real property is more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the "**Property**"), is comprised of approximately 2,173.64 acres of land, and is the subject of this Agreement.

B. The City has authority to enter into development agreements pursuant to Nevada Revised Statutes ("**NRS**") Sections 278.0201 through 278.0207, inclusive, and Section 32.03.100(a) of the Fernley Municipal Code (as amended from time to time, the "**Code**") with persons having a legal or equitable interest in land to establish long-range plans for the development of such land.

C. On November 15, 2023, the City of Fernley City Council (hereinafter, the "**City Council**") voted to conditionally approve Developer's application to rezone the Property as a Planned Development (PD) district (PD23001) ("**Zoning Approval**") and, in connection therewith, the City has adopted the master plan and development standards set forth in the Victory Logistics District MPA1 Planned Unit Development Handbook attached hereto as **Exhibit B** (as amended from time to time, the "**Handbook**").

D. On January 17, 2024, the City Council voted to conditionally approve Developer's request for a tentative commercial and industrial subdivision map covering the entirety of the Property (TSM22002) (the "**Tentative Map**") for the purpose of developing, constructing, operating, and/or using distinct industrial and commercial buildings within the Property, as such subdivision plan is more particularly set forth in the Tentative Map application.

E. The City Council conditioned its grant of the Zoning Approval and approval of the Tentative Map upon the Developer and the City entering into this Agreement.

F. All preliminary processing regarding this Agreement has been duly completed in conformance with all applicable laws, rules, and regulations. The City Council having given notice as required by law, held a public hearing on Developer's application seeking approval of the form of this Agreement and the execution hereof by the City. At that hearing, the City Council found that this Agreement is consistent with the City's plans, policies, and regulations, including the City's Comprehensive Master Plan, and that the execution of this Agreement on behalf of the City is in the public interest and is lawful in all respects.

G. The City desires to enter into this Agreement in conformance with the requirements of NRS Chapter 278, and as otherwise permitted by law and this Agreement, to provide for public services, public uses and urban infrastructure, to further the goals and values of the City's Comprehensive Master Plan, to promote the health, safety and general welfare of the City and its inhabitants, to minimize uncertainty in planning for and securing orderly development of the Property and surrounding areas, to insure attainment of the maximum efficient utilization of resources within the City at the least economic cost to its citizens and otherwise achieve the goals and purposes for which the laws governing development agreements were enacted. As a result of the development of the Property, the City will receive needed jobs, sales and other tax revenues, significant increases to its real property tax base and substantial improvements to the public infrastructure. The City will additionally receive a greater degree of certainty with respect to the phasing, timing and orderly development of the City infrastructure by a developer with significant economic resources and experience in the development process.

H. By entering into this Agreement affixing the laws and development standards applicable to the Property, the City will achieve the certainty both the City and Developer require to move forward with the development of the Property, which in turn will support the goals set forth in the City's Comprehensive Master Plan, as required by NRS 278.0203 and Section 32.03.100(A)(6)(a) of the Code.

NOW, THEREFORE, in exchange for mutual considerations, the sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1
DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings when used in this Agreement:

"**Affiliate**" of any Person means (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person and (b) any other Person that beneficially owns at least fifty (50%) percent of the voting common stock or partnership interest or limited liability company interest, as applicable, of such Person. For the purposes of this definition, "control" when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, partnership interests, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agreement**" has the meaning assigned in the preamble and includes all addenda and exhibits incorporated by reference and all amendments hereafter duly entered into in accordance with the terms of this Agreement.

"**Applicable Rules**" means and refers to:

(a) The provisions of the Code and all other uniformly applied City rules, regulations, ordinances, laws, general or specific, which were in effect on the Effective Date.

(b) The provisions of the Handbook, including but not limited to the design and development rules and standards set forth therein;

(c) The Tentative Map and all conditions of approval thereon; and

(d) The terms and conditions of this Agreement, as amended, supplemented, or otherwise modified from time to time.

The term "Applicable Rules" does not include (i) any ordinances, laws, policies, regulations, or procedures adopted by a governmental entity other than the City; or (ii) any fee or monetary payment prescribed by City ordinance which is uniformly applied to all development and construction subject to the City's jurisdiction.

"**Architectural Review Committee**" or "**ARC**" means and refers to a design review committee from time-to-time appointed or designated for a portion of the Project in accordance with, and as further described in, any CC&Rs (including, without limitation, the "Committee" as defined in the Master Declaration).

"**CC&Rs**" means, collectively, the declarations of covenants, conditions, and restrictions for all or a portion of the Project to the extent approved by Developer in writing and recorded in the Official Records of the Lyon County Recorder, including, without limitation, the Master Declaration, each as amended, supplemented, or otherwise modified from time to time.

"**City"** has the meaning assigned in the preamble hereof.

"**City Council**" has the meaning assigned in Recital C above.

"**Code**" has the meaning assigned in Recital B above.

"**Connection Fees**" means customary fees charged by the City for connections to community water and community sewer systems.

"**Cost-based Fees**" means customary fees charged by the City for issuance of building permits, plan checks, inspections, or the like which are based upon actual costs to the City.

"**Developer**" has the meaning assigned in the preamble hereof.

"**Development Approvals**" means and refers to : (a) the Zoning Approval; (b) the Handbook; (c) the Tentative Map; and (d) all excavation, grading, building, construction, encroachment, or street improvement permits, Subdivision Maps, occupancy certificates, utility connection authorizations, and any other permits or entitlements approved by the City for development of the Project after the Effective Date.

"**Effective Date**" has the meaning assigned in Section 9.1 below.

"**Handbook**" has the meaning assigned in Recital C above.

"Hwy 50" means the US Highway 50 right-of-way that runs through the City.

"I-80" means the federal Interstate 80 right-of-way that runs through the City.

"**Land Use Application**" means any application seeking any approval authorized or required by Title 30 of the Code or the Handbook.

"Main St" means the Main Street/Alternate Highway 95A right-of-way in the City.

"**Master Declaration**" means that certain Declaration of Covenant, Conditions and Restrictions for Victory Logistics District recorded in the Official Records of the Lyon County Recorder on April 9, 2021, as Document Number 635132, as amended, supplemented, or otherwise modified from time to time.

"**Master Drainage Study**" means the Drainage Report for Victory Logistics District prepared by Lumos and Associates, Inc., as revised September 2023. **[NTD: Update to current version prior to execution.]**

"**Master Sewer Study**" means the Preliminary Sewer Report for Victory Logistics District prepared by Lumos and Associates, Inc., as revised September 2023. **[NTD: Update to current version prior to execution.]**

"**Master Studies**" means the Master Drainage Study, the Master Sewer Study, the Master Traffic Study, the Master Water Study, and any other studies or updates that are required and/or approved by the City pursuant to Section 5.2, all of which shall be reviewed and accepted by the City.

"**Master Traffic Study**" means the Traffic Impact Study for Victory prepared by Headway Engineering, as revised November 17, 2023.

"**Master Water Study**" means the Preliminary Water Report prepared by Lumos and Associates, Inc., revised September 2023. **[NTD: Update to current version prior to execution.]**

"**Mortgage**" means any form of security instrument encumbering title to a portion of the Property as security for an obligation, including a mortgage, deed of trust, trust deed, security deed, or other consensual lien or title retention contract intended as security for an obligation.

"**Mortgagee**" means any beneficiary, mortgagee, or holder of a Mortgage, and/or the assignee of such beneficiary, mortgagee, or holder.

"**NDEP**" means the Nevada Division of Environmental Protection.

"NDOT" means the Nevada Department of Transportation.

"NPP" means the Nevada Pacific Parkway right-of-way in the City.

"**NRS**" has the meaning assigned in Recital B above.

"**Parcel**" means legal parcel created by a Subdivision Map in accordance with the Tentative Map that is intended to be developed or further subdivided.

"**Parcel Owner**" means any Person other than a Property Owner that owns any Parcel of real property within the Project, whether prior to or after the Effective Date. For purposes of the Applicable Rules, the term Parcel Owner is intended to differentiate between the Developer and Property Owners in their respective capacities as a developer or owner of the Property and any other Person that engages in the development of a structure or other improvements within the Project.

"**Person**" means any individual or form of business entity authorized under the laws of the State of Nevada.

"**Project**" means all development and improvements constructed within the Property subject to the Applicable Rules.

"**Property**" has the meaning assigned in Recital A above .

"**Property Owners**" has the meaning assigned in the preamble and includes any Affiliates of any of such entities who hold title to all or a portion of the Property.

"RAISE Grant" means the federal grant awarded under the Rebuilding American Infrastructure with Sustainability and Equity program for completion of the RAISE Improvements.

"RAISE Improvements" means the right-of-way improvements completing the remaining 3,100 feet of Nevada Pacific Parkway, including a bridge component over the existing Union Pacific Railroad track that will connect the current terminus of NPP to Hwy 50, and the RAISE Traffic Signals.

"RAISE Traffic Signals" means the traffic signals included in the RAISE Grant for signalization of the intersections of NPP with Gavin Road and East Newlands Drive.

"**Subdivision Map**" means a final subdivision map, parcel map, record of survey, or commercial subdivision map (as described in NRS Section 278.325), which are consistent with the Tentative Map and recorded in the Official Records of the Lyon County Recorder, each as may be amended and supplemented from time to time.

"**Tentative Map**" has the meaning assigned in Recital D above, as such tentative map and/or the conditions thereof may be amended from time to time.

"Traffic Milestone" means 1,640 PM peak hour Project trips (which the Master Studies estimate as equivalent to approximately 35% of projected peak traffic flows).

"Uncontrolled NPP Improvements" collectively, proposed rights-of-way and improvements to NPP north of the proposed Gavin Road, including, without limitation, acquisition of sufficient rights-of-way (i) to widen NPP to a width of not less than approximately 110 feet from the southern border of the existing NPP terminus north to the north side of the intersection of MacDonald Drive and NPP, or (ii) to modify any NPP intersections, including the proposed

intersection at Gavin Road and the NPP intersections at East Newlands Drive, MacDonald Drive, Gateway Drive, Duffy Road, the I-80 offramps on the south side and north side of I-80.

"**Usage Fees**" means customary fees charged by the City for the use or consumption of potable and/or reused water, sewer service, or drainage service.

"**Wholesale Transaction**" refers to a bulk sale, transfer, conveyance, or assignment of all of the Property, or of the portion thereof which consists of vacant land. "Wholesale Transaction" shall not include any transfer to a public or quasi-public entity for public use and/or maintenance, any transfer of "common area" to an owners association as those terms are described in the CC&Rs, or any transfer of the Property to an Affiliate of Developer.

"**Zoning Approval**" has the meaning assigned in Recital C above, as such approval may be amended from time to time.

SECTION 2
PLANNING AND DEVELOPMENT OF THE PROJECT

2.1 **The Project**. Developer anticipates that between 25 million and 29 million square feet of industrial space can be developed on the parcels shown in the Tentative Map while conforming to the design and development standards in the Handbook. The actual size at complete buildout will vary depending upon the mix of uses since distribution warehouses may result in far greater land coverage ratios than manufacturing uses and both of those are very different than data center uses, but Developer is entitled to develop any such uses at such densities subject to compliance with the Applicable Rules.

2.2 **Common Name for the Project**. The common name for the Project is "Victory Logistics District." The parties agree that Developer shall have the exclusive right to own, control and license the name. The City shall have no obligation to police the use, wrongful or otherwise, of the name by third parties.

2.3 **Modified Code**. This Agreement, together with the exhibits, and particularly the development standards set forth in the Handbook, is intended to provide a "development code" for the Project, and upon which Developer may rely in developing the Property.

2.4 **Permitted Use, Density, Height and Size of Structures**. The permitted uses of the Property, the density and intensity of use, the standards for the design, improvement, and construction of the Property, and other terms and conditions of development applicable to the Project and the Property shall be as set forth in the Handbook except as otherwise provided in this Agreement.

2.5 **Timing and Phasing of Development**. The parties acknowledge and agree that it is in their respective best interests that the development of the Project be accomplished in a reasonably expeditious manner. Subject to the terms of this Agreement and the Applicable Rules, Developer shall have discretion as to the time of commencement, construction, phasing, and completion of the Project. Developer shall include a comprehensive report on the status of development of the Project in each report required by Section 8.2.

2.6 Application Processing.

(a) In General. All Land Use Applications shall be processed in accordance with the Applicable Rules. Any additional application requirements expressly delineated herein shall be supplemental and in addition to such procedures. The City agrees to cooperate with Developer to: (i) expeditiously process all Land Use Applications submitted by Developer in connection with the Property that comply with the Applicable Rules; and (ii) subject to reasonable conditions not otherwise in conflict with the Applicable Rules, promptly consider the approval of such Land Use Applications.

(b) Sequencing Requirements. Notwithstanding anything in this Agreement to the contrary, the City reserves the right to deny or conditionally approve any Land Use Applications not submitted in the proper sequence. For purposes of this Agreement, "proper sequence" means the submission, review, and approval of Land Use Applications in accordance with this Agreement. Developer acknowledges that submission of Land Use Applications in other than the proper sequence may delay the consideration of many related Land Use Applications. Therefore, Developer agrees to submit Land Use Applications in the proper sequence to avoid coordination problems with reviews.

(c) Timeline to Submit Final Maps. Pursuant to NRS 278.0201, the City and Developer agree that, notwithstanding NRS 278.360 or Section 32.03.060(F)(1)(h) of the Code, the Tentative Map shall not expire or lapse so long as a final map covering a portion of the Tentative Map is recorded in the Official Records of the Lyon County Recorder on or before December 31, 2027, and thereafter a final map covering a portion of the Tentative Map is recorded in the Official Records of the Lyon County Recorder within four years of recordation of the most recent final map covering a portion of the Tentative Map.

(d) Limited Exception on Civil Drawings. Subject to NDEP approval, the City shall accept 60% civil drawings for subdivision improvements required in connection with a final map application for parcels 6 and 9 (as identified in the Tentative Map), As a condition to approval of such final map application, the City may require that Developer record a subdivision improvements agreement and post a bond for the public improvements described on the final map in accordance with the City's standard bonding requirements.

2.7 CC&Rs and Architectural Review Committee. The Property shall be developed in accordance with the CC&Rs including, without limitation, any provisions for common area ownership and maintenance set forth therein, the design standards set forth therein, and all provisions related to the establishment of any Architectural Review Committee (ARC) (including, without limitation, provisions related to the establishment by such committee of additional design criteria and procedures). The City shall not issue permits for development or construction of any improvements or structures without the prior written approval of the ARC. Any Land Use Application submitted without a letter of approval from the ARC shall be deemed incomplete.

SECTION 3
APPLICABLE RULES AND CONFLICTING LAWS

3.1 Reliance on Applicable Rules. The City and Developer agree that Developer is approved and permitted to carry out and complete the entire Project in accordance with the standards, uses, densities and other provisions set forth in the Applicable Rules. To the extent of any conflict within the Applicable Rules: (a) the terms of this Agreement shall supersede any conflicting provision/condition of the Tentative Map, (b) the terms of this Agreement and the Handbook shall supersede any conflicting provision of the Code except as provided in Section 3.2 below;, and (c) should the Handbook or this Agreement fail to address a Code requirement, then the Code shall prevail.

3.2 Application of Subsequently Enacted Rules. The City shall not amend, alter, or change any Applicable Rule as applied to the development of the Project, or apply a new fee, exaction, rule, resolution, policy, or ordinance to the development of the Project, except as follows:

(a) Nothing in this Agreement shall be construed as preventing the City from adopting new rules, regulations, and policies relating to uniform codes, or amendments thereto, such as the Uniform Building Code, or Uniform Fire Code (the "**Uniform Codes**"), which relate to public safety, are based on recommendations of multi-state professional organizations, and become applicable City-wide; The development of the Project shall be subject to the Uniform Codes in effect at the time of issuance of the permit for a particular development activity.

(b) Nothing in this Agreement shall preclude the City from charging Cost-based Fees, Connection Fees, or Usage Fees with respect to the Property and Developer's development of the Project adopted or increased by the City after the Effective Date. The City agrees to (i) impose such fees in a consistent manner on all Persons served by the infrastructure or service to which the fee relates, and (ii) issue to Developer credit and/or reimbursement rights for those fees related to capital improvement costs otherwise offset by Developer as required by law (which credit and/or reimbursement rights shall be more fully set forth in an additional agreement related to the capital improvement(s) at issue).

(c) Nothing in this Agreement shall preclude the City from applying new or changed rules, regulations, policies, resolutions or ordinances specifically mandated and required by changes in state or federal laws or regulations. In such event, Sections 3.3 and 3.4 of this Agreement shall apply.

(d) Notwithstanding Section 7.3 of this Agreement, if the City adopts any rules, regulations, or policies outlining the circumstances under which the City will consider the creation of a special improvement district or other form of assessment district ("**Improvement District Guidelines**"), any district created to finance improvements benefitting the Project shall comply with the minimum requirements established by the Improvement District Guidelines.

Should the City adopt or amend rules, regulations, policies, resolutions or ordinances other than those described in paragraphs 3.2(a) through 3.2(d) above, Developer shall have the option, in its sole discretion, of accepting such new or amended rules by giving written notice of such acceptance. The City and Developer shall subsequently execute an amendment to

this Agreement evidencing the Developer's acceptance of the new or amended ordinance, rule, regulation or policy within a reasonable time.

3.3 Conflicting Federal or State Rules. If any federal or state laws or regulations prevent or preclude compliance by the City or Developer with one or more provisions of this Agreement or require changes to any approval given by City, this Agreement shall remain in full force and effect as to those provisions not affected, and:

(a) Either party, upon learning of any such matter, will provide the other with written notice thereof and provide a copy of any such law, rule, regulation, or policy together with a statement of how any such matter conflicts with the provisions of this Agreement; and

(b) The parties shall, within thirty (30) calendar days of the notice referred to in the preceding subsection, meet and confer in good faith and attempt to modify this Agreement to bring it into compliance with any such federal or state law, rule, regulation or policy.

3.4 Amendments to Comply with Changes in State and Federal Law. In the event either party believes that an amendment to this Agreement is necessary because of any federal or state law, rule, regulation or policy, the proposed amendment shall be scheduled for hearing before the City Council to determine the exact nature of the amendment necessitated by such federal or state law or regulation. The Developer shall have the right to present oral and written testimony at the hearing.

(a) Any amendment ordered by the City Council pursuant to a hearing contemplated by this Section 3.4 is subject to judicial review, but such review shall be filed within twenty-five (25) calendar days from the date of the hearing.

(b) The City shall cooperate with the Developer in securing any City permits, licenses or other authorizations that may be required because of any amendment necessitated by a change in state or federal law. As required by the Applicable Rules, the Developer shall be responsible for paying all applicable fees in connection with securing such permits, licenses, or other authorizations.

SECTION 4
PUBLIC FACILITIES

4.1 Fire Protection. Fire protection services in the City are provided exclusively by the North Lyon County Fire Protection District ("**Fire District**") and the Fire District chief (the "**Chief**") is the official charged with administering all fire control laws in the City. The parties acknowledge that as of the Effective Date the Fire District does not have the facilities or capacity required to provide adequate fire protection services for the Project, nor does the Fire District have within its budget the ability to pay for such facilities. The parties further acknowledge that the Fire District has a legitimate interest in designing new facilities to meet the long-term needs of the community ("**Fire Needs**") and not solely to meet the increase in service demands resulting from development of the Project ("**Project Fire Demands**"). Accordingly, the parties agree as follows:

(a) Developer has engaged Summit Fire National Consulting, LLC, a Delaware limited liability company (the "**Fire Consultant**") to study the Fire Needs and Project

Fire Demands and make recommendations for future infrastructure and fire protection facilities, as provided in that certain Consultant Services Agreement between Developer and Fire Consultant dated October 17, 2023. Developer, the Fire District, and the City shall cooperate with the Fire Consultant in good faith so as to assist Fire Consultant in preparation of its draft report, which shall: (i) address the fire facilities necessary to serve the Fire Needs when the Project is completely built out, (ii) prepare a phasing plan for the timing of construction of such facilities, and (iii) determine the extent to which such fire facilities will serve areas outside the Project. All costs associated with engagement of the Fire Consultant and preparation of the Fire Consultant's report shall be borne solely by Developer.

(b) The Fire Consultant has delivered a preliminary draft of its report dated _____ ("**Preliminary Report**"). Within thirty (30) days after the Effective Date, or as soon as reasonably possible thereafter, Developer, the City, and the Fire District shall either approve or disapprove the Preliminary Report. If any such party disapproves the Preliminary Report, they shall confer in good faith to resolve the disapproving party's concerns and reach agreement on the Preliminary Report and its recommendations. Upon agreement between Developer, the City, the Fire District, and the Fire Consultant on the final form of the Preliminary Report and its recommendation, such final draft shall be deemed the **"FFS Plan"** herein.

(c) Developer agrees to dedicate a parcel of land to the City for the development of a new fire station within the Project ("**Fire Station Site**"). The size and location of the Fire Station Site shall be subject to approval by the City Manager and consistent with the recommendations of the FFS Plan; provided, however, that it shall not be located in the following areas of the Project: (i) any portion of the Project with a "locational commercial" land use designation in the Handbook, or (ii) the portion of the Project in the vicinity of the southeast or southwest intersections of Nevada Pacific Parkway and I-80. The Fire Station Site shall be dedicated to the City immediately after completion of the new fire station.

(d) The Developer shall construct a new fire station on the Fire Station Site at the Developer's sole cost and expense. Notwithstanding the foregoing, the City and/or the Fire District shall reimburse Developer for costs associated with the fire facilities identified in the FFS Plan as providing excess capacity (that is, the extent to which the fire service capacity afforded by the fire facilities exceeds the Project Fire Demands), which costs may be levied by the City or Fire District on areas outside the Project in the form of impact fees or by other similar method.

(e) The new fire station is to be built in accordance with the Fire District's specifications (equipment and furnishing to be provided separately by the Fire District) based upon the recommendations of the FFS Plan. Developer shall meet with the City and Fire District before commencing design of the fire station and shall submit building plans and specifications at the fifty percent (50%), ninety percent (90%), and one hundred percent (100%) plan set level for review and final approval by the City.

(f) Prior to the issuance of the first certificate of occupancy for any building in the Project, the foundation work must be complete, the slab must be poured, and the perimeter walls of the fire station must be erected, as determined by the City's chief building inspector. Prior to the issuance of the second certificate of occupancy for any building in the Project, the fire station must be complete, with completion meaning completion of a "shell" building as determined by the

City's chief building inspector. The City shall withhold the issuance of any further certificates of occupancy until construction of the fire station has been completed. Upon completion, the City agrees to provide or cause the provision of municipal fire services for the Project from the completed fire station.

(g) Following completion of the FFS Plan, Developer and the City shall cooperate in good faith to effectuate the transfer of the Fire Station Site to the City and, if necessary, creation of the Fire Station Site as a separate, legally subdivided parcel. The City further agrees to cooperate with Developer to cause the issuance of such permits as are required for construction of the FFS Plan's recommended fire station facility thereon. Developer shall assign to the City, to the extent assignable, any applicable warranties by Developer's contractor relating to the newly constructed fire station.

4.2 Wastewater Treatment Facilities.

(a) **Generally**. Wastewater treatment service for the Project will be provided through connection to the City's East Waste Water Treatment Plant ("**Treatment Plant**"). Specifically, development in the Project will connect to the Treatment Plant in accordance with the Applicable Rules, including payment of all required Connection Fees. Developer acknowledges that the City has the sole authority for planning for the eventual depletion of the existing capacity of the Treatment Plant, and the City is solely responsible for monitoring the impacts of all existing users of the Treatment Plant and the incremental impacts of new users (including the expected flow volumes and effluent substance concentrations from any development to be served by the Treatment Plant) over time that include sampling and characterization of the influent and effluent to and from the Treatment Plant of such existing and new incremental users impact on plant capacity and their relative environmental impacts as well as the mitigation measures may be required for the Treatment Plant.

(b) Notwithstanding any other provision herein to the contrary, if new facilities are required in the future to expand or upgrade the Treatment Plant (excepting facilities that are required solely as a result of a change in law), all development in the Project will be subject to any new Connection Fees, Usage Fees, or impact fees associated with expansion or upgrade, provided that such charges are uniformly applied to all future development that would be serviced by the expansion or upgrade, as applicable. If new facilities are required solely as a result of a change in law, any new Connection Fees, Usage Fees, or impact fees associated with expansion or upgrade shall apply to the Project provided that such charges are uniformly applied to all users serviced by the Treatment Plant.

(c) Developer further acknowledges that, in the event the City lacks the resources to perform or implement any expansions, upgrades, or operational changes required to modify the wastewater treatment system in accordance with NDEP Permit No. NS0080011 (including any new regulatory changes) development in the Project may be delayed or subject to a moratorium until any such resource deficiency is addressed as reasonably required by the City Engineer and Public Works Director, provided such delay and/or moratorium is uniformly applied to all development and construction serviced by the Treatment Plant for which building permits have not been issued, excepting for the avoidance of doubt any development or construction which does not increase the demand for water or sewer services.

(d) **Cooperation on Future Planning**. The parties believe that cooperation on planning for future wastewater needs and facilities in the City, including the Project, may be beneficial to both Developer and the City. In order to foster such cooperation, the City may share information upon Developer's request from time-to-time with respect to (i) operation of the Treatment Plant and the City's forecasts and plans for modifications to the Treatment Plant and other wastewater facilities operated by the City, (ii) sampling and characterization of influent and effluent to and from the Treatment Plant, (iii) treatment and technology investigations related to the Treatment Plant, (iv) studies and reports related to improving the capacity and performance of the Treatment Plant, and (v) expected flow volumes and effluent substance concentrations from development to be served by the Treatment Plant in the future. Additionally, Developer and the City may engage in good faith discussions from time-to-time as to possible areas of collaboration between Developer and the City with respect to wastewater treatment service in the Project and surrounding parts of the City.

4.3 City Well 9 Mitigation. Developer acknowledges and agrees that, as to any extension of the proposed railway through the Project ("**Lead Track**") to any area within 150 feet of an existing City well ("**Well 9**"), such extension shall be subject to the City's prior approval, which approval may be granted, withheld, or conditioned in the City's sole discretion. The City may condition the approval of any such extension upon, among other things, relocation of Well 9 to the City's satisfaction.

SECTION 5
PROJECT INFRASTRUCTURE IMPROVEMENTS

5.1 Conformance to Master Studies. Developer agrees to construct and dedicate to City or other governmental or quasi-governmental entity or appropriate utility company, all infrastructure necessary for the development of the Project as identified by the accepted Master Studies (as may be revised pursuant to Section 5.2) and this Agreement, including all off-site and on-site improvements. Such project infrastructure improvements will be constructed in conformance with, and in the manner and timeframes, set forth in this Agreement and the accepted Master Studies.

5.2 Updates to Master Studies. If, in the City Engineer's reasonable opinion, the project proposed in a Land Use Application would result in a substantial deviation from the assumptions approved in a Master Study, the Developer or a Parcel Owner, as applicable, shall submit to and receive approval from the City Engineer of an update to that particular Master Study prior to the approval of said Land Use Application. Similarly, if Developer believes in its reasonable opinion that the assumptions made in an approved Master Study substantially deviate from the actual circumstances of development in the Project, Developer may submit to and receive approval from the City Engineer of an update to that particular Master Study in City Engineer's reasonable discretion.

5.3 Acquisition of Rights-of-Way and Easements for Uncontrolled NPP Improvements. The parties agree that they have a vested interest in undertaking efforts to improve NPP given its critical role in providing (i) an alternate travel route to Main St, which as of the Effective Date suffers from a failure level of service (LOS) at the existing roundabout with Hwy 50, which at various elevated traffic hours impairs the LOS at all the Main St intersections north

of Hwy 50 to East Newlands Drive, and which in turn impairs other intervening intersections in the surrounding area; and (ii) upon completion of the RAISE Improvements, a direct connection from I-80 to Hwy 50. The parties acknowledge that Developer's ability to undertake and reliably deliver any improvements to NPP or any of its intersections (including signalization or reconfiguring lanes) is limited to those proposed portions of NPP south of the proposed Gavin Road, where Developer owns all the surrounding contiguous land.

In light of the foregoing, the parties agree to coordinate with one another to acquire needed rights of way, easements, or other interests for the development of the Uncontrolled NPP Improvements. Such coordination shall include, without limitation: use of the City's power of eminent domain (or condemnation authority); provided the City and Developer shall have first entered into a mutually acceptable refunding/reimbursement agreement by which Developer funds the costs for designing, constructing, and/or financing the Uncontrolled NPP Improvements (including, without limitation, rights-of-way acquisition costs and condemnation legal fees and awards), in exchange for refunding or reimbursing of its costs in excess of its pro-rata share allocated with respect to the Project's utilization of the capacity of the Uncontrolled NPP Improvements. In no event shall City or Developer be liable for any delays by any third party in acquiring private or public rights of way or for obtaining necessary approvals or permits from public or private agencies or entities having jurisdiction.

Without limiting the foregoing, in any refunding/reimbursement agreement between the City and Developer related to the Uncontrolled NPP Improvements, Developer's pro-rata share shall initially be determined based upon the approved Master Traffic Study and adjusted from time to time as development occurs, whenever the City Engineer requests an update to the Master Traffic Study, or as determined by the City Manager. The intent of such adjustments is to enable the parties to "true up" their respective contributions over time such that the allocation of costs accurately reflects the Project's utilization of capacity as-built.

5.4 Oversizing Reimbursement/Refunds. To the extent Developer has undertaken the construction of infrastructure and/or contribution of certain public facilities/apparatus in connection with its pursuit of the Project, the parties acknowledge that the City may request that Developer construct and/or contribute such infrastructure and/or public facilities/apparatus in a manner, or at a size or with a capacity to serve the needs of both the Project and properties, developments, or dwelling units located outside the boundaries of the Project. Developer shall accommodate such requests from the City, provided that the implementation thereof does not result in material delay or material un-reimbursable additional costs to Developer in its development of the Project. If the City has requested Developer to provide such oversized infrastructure or public facilities/apparatus, the City and Developer shall enter into mutually acceptable refunding/reimbursement agreement(s). Such agreement shall be prepared in accordance with the Code and will contain provisions for refunding or reimbursing the Developer for incremental direct and indirect costs it has incurred in order to provide the over-sized improvement as requested by the City.

5.5 Customary Improvements, Facilities and Services. Subject to Developer's full compliance with the Development Approvals and provision of all project infrastructure improvements required under the Applicable Rules, the City agrees to provide to the Property all customary public services otherwise provided by the City within its municipal limits, including

community sewer and community water service, public building and road maintenance and other general public works services (excepting drainage improvements or open space improvements to be maintained by an owners association pursuant to the CC&R's). All City services provided to the Property shall be at least at a level equal to that generally provided within the remainder of the City and at a cost no greater than that charged by common purveyors of those services to other comparable areas of the City.

5.6 Traffic and Transportation Improvements. The City and Developer have worked cooperatively to obtain the RAISE Grant to complete the RAISE Improvements. The City, Developer, and Property Owners shall continue cooperating in good faith in pursuit of the RAISE Grant and completion of the RAISE Improvements on the terms and conditions set forth in that certain Memorandum of Understanding dated March 15, 2023, by and between the City and certain of the Property Owners. Until the RAISE Improvements are completed, the development of the Project has the potential to create significant traffic issues in and around the Property. Therefore, Developer agrees as follows:

(a) When traffic within the Project reaches the Traffic Milestone, the City shall not issue any further building permits until the RAISE Improvements are substantially complete, dedicated to the City, and open to the public.

(b) If, in the opinion of the City Engineer, existing conditions deviate substantially from the assumptions employed in the approved Master Traffic Study, Developer shall submit an update to the Master Traffic Study for the City's approval and, if required by the City, NDOT concurrence. By way of example only, if the recommendations of the approved Master Traffic Study depend on assumptions regarding off-site infrastructure and/or traffic control devices that have not been completed, the updated Master Traffic Study shall include recommendations based on existing off-site conditions and the Traffic Milestone shall be modified to reflect the same.

5.7 Water Conservation. The City and Developer recognize that, as stated in Section 5.2 of the City's Comprehensive Master Plan, "water is an especially precious commodity" in northern Nevada. In order to avoid waste and maximize available water resources, the City agrees to cooperate with Developer on such deviations from Code requirements with respect to landscaping as may be beneficial to conserve water resource that might otherwise be wasted on excessive irrigation.

5.8 Transfers to the City. The City hereby agrees that upon completion, to the standards set forth in the Handbook, of rights-of-way identified as "public" in the Development Approvals and/or Master Studies, the City will cooperate with Developer to complete Developer's dedication and the City's acceptance of such rights-of-way (excepting any such rights-of-way identified in the Development Approvals and/or Master Studies as intended for dedication to NDOT). Without limiting the generality of the foregoing, the City further agrees to cooperate with Developer to complete Developer's dedication and the City's acceptance of "New Duffy Road"—and to complete the corresponding transfer to Developer, for no additional consideration to the City, of "Old Duffy Road"—upon Developer's completion of the realignment of Duffy Road as set forth on **Exhibit D** attached hereto (with "New Duffy Road" and "Old Duffy Road" being as depicted on said **Exhibit D**). Any property Developer transfers or dedications to the City shall be

free and clear of any mortgages, deeds of trust, and other monetary liens or encumbrances and shall only be considered transferred or dedicated upon acceptance by the City.

SECTION 6
OPEN SPACE

The Project must provide a minimum of ten percent (10%) of the gross site area as open space as required by Section 32.06.140(d)(3) of the Code. The City agrees that certain land uses shall be credited towards the open space requirement as provided in Section 6 of this Agreement. Furthermore, landscape areas, inclusive of planted and inert material areas and plaza areas at Project or building entries that incorporate enhanced, stamped concrete or pavers or other elements of differentiation may be counted toward the total required open space acreage.

6.1 Amenitized Stormwater Management Facilities. For purposes of this Agreement, the term "Amenitized Basin" means and refers to an area that is designed to capture, store, channel, or release stormwater and that is designed as a site amenity by being aesthetically pleasing, having a natural appearance, and providing recreational or aesthetic value. Amenitized Basins located on private land may be counted toward the total required open space acreage with the approval of the Planning Director when integrated into the overall site and landscape design with at least three of the following features:

(a) Side slopes generally no steeper than four to one (4:1).

(b) Contiguous with and visible from a public street.

(c) Shaped to create natural looking appearance (avoid use of "boxy" or geometric shapes).

(d) Berms between a primary building and a street right-of-way no higher than four (4) feet above the finished grade of any contiguous sidewalk.

6.2 Incentive for Public Open Space. Each one (1) acre of land or portion thereof that satisfies the requirements of Section 6.1 above shall be applied a multiple of three (3) for purposes of satisfying the open space requirements if:

(a) At least one acre remains around the perimeter and such area remains open to public use; and

(b) The perimeter area features passive and active recreational opportunities, such as strolling and running trails, viewpoints, benches, and picnic and sitting areas.

To receive appropriate open space credit for an Amenitized Basin, Developer shall submit plans prepared by a licensed landscape architect to the City Planning Department with a request for a written determination regarding compliance with Sections 6.1 or 6.2 of this Agreement, as applicable. Within seven (7) working days after receipt of such plans, the Planning Department shall issue a written letter identifying the requirements of Section 6.1 and that the Amenitized Basin meets or does not meet, as applicable, as determined by the Director of Planning in his or her sole and absolute discretion. The Planning Department's determination pursuant to this

paragraph shall not be subject to judicial review or otherwise subject to challenge in any legal proceeding.

6.3 Land Donated for Fire Station. Any land donated to the City or the Fire District for construction of a new fire station shall be credited against the open space requirement.

6.4 Interconnected Trail System. The open space requirement for the Project shall be reduced by 20% (i.e., from 10% of the gross site area to 8%) if Master Developer designs and constructs a continuous network of sidewalks and trails extending from Duffy Road to the future intersection of Nevada Pacific Parkway and US Highway 50.

6.5 Project Identification Monument Signs. Privately maintained landscaping areas with "grand" monument signs (as identified in the Handbook) may be counted towards the open space requirements if located adjacent to and visible from Interstate 80 or US Highway 50.

SECTION 7
CITY AND DEVELOPER COOPERATION

7.1 Cooperation and Implementation. The City agrees that it will cooperate with and assist Developer to the fullest extent permitted by law to implement this Agreement; provided, however, such cooperation and assistance shall come at no cost to the City other than City employees' salaries and general City administrative expenses, or as expressly agreed to in writing by the City in an instrument subsequent to the Effective Date (for example, a reimbursement agreement in connection with over-sizing of infrastructure).

7.2 Cooperation in Securing Government and Utility Permits/Approvals. Without limiting the generality of Section 7.1 above, the City agrees to cooperate with and assist Developer in obtaining any permits, licenses, or other authorizations that may be required from other governmental agencies and utility providers to proceed with the Project; provided again, however, such cooperation and assistance shall come at no cost to the City other than City employees' salaries and general City administrative expenses, and further provided that Developer will reimburse the City for any direct out-of-pocket expenses reasonably incurred by the City in assisting Developer in securing such permits, licenses, and/or authorizations.

7.3 Future Discussion Regarding Financing. The City and Developer may engage in good faith discussions regarding various options to provide mechanisms that will insure the timely and economically efficient provision of the infrastructure improvements identified in the Handbook, this Agreement, the FFS Plan, the Master Studies, and the Final Sewer Report. Elements of those mechanisms may include, without limitation:

(a) Possible impact fee programs adopted by the City under Section 32.13.010 of the Code;

(b) One or more reimbursement agreements entered into by the City under Section 32.13.020 of the Code, or Section 32.09.170(e)(2) of the Code;

(c) The formation of one or more Special Improvement Districts pursuant to Consolidated Local Improvement Law, as amended (NRS Chapter 271),

(d) Coordination on application and underwriting associated with federal and State grants associated with wastewater and recycled water facilities; and

(e) The formation of one or more Tax Increment Areas pursuant to NRS Chapter 278C.

The parties agree that participation in such discussions shall in no way obligate the City to advance public funds on any particular timetable nor participate in any form of public financing for any improvement or infrastructure for the Project. The parties further agree that nothing contained in this Section or elsewhere in this Agreement constitutes in any way a pre-approval or authorization of any such special improvement district and any special improvement district must be processed and approved pursuant to State law and the Applicable Rules.

SECTION 8
REVIEW OF DEVELOPMENT

8.1 Project Review. As authorized by NRS 278.0205, Developer shall appear before the City Council to review the development of the Project.

8.2 Frequency of Reviews. The parties agree that the first review shall occur no later than twenty-four (24) months after the Effective Date of this Agreement, and again every twenty-four (24) months on the anniversary date of that first review thereafter, or as otherwise requested by City upon thirty (30) days' written notice to Developer.

(a) For any such review, Developer shall provide, and City shall review, a report submitted by Developer documenting the extent of Developer's and City's material compliance with the terms of this Agreement during the preceding period. The reports required pursuant to this Section shall contain information regarding the progress of development within the Project, including, without limitation:

(i) A table summarizing the party's obligations under this Agreement and whether the parties are in compliance with each such obligation;

(ii) data showing the total square footage of buildings built and approved as of the date of the report;

(iii) data showing the amount of open space provided in the Project, expressed as percentage of the gross acreage of all lots or parcels upon which construction of vertical improvements has been completed or is underway as of the date of the report.

(iv) The status of development within the Project and the anticipated phases of development for the next calendar year.

(b) In the event Developer fails to submit such a report within thirty (30) days following written notice from the City that the deadline for such a report has passed, Developer shall be in default of this provision and the City shall prepare such a report and conduct the required review in such form and manner as the City may determine in its sole discretion. The City shall

charge Developer for its reasonable expenses, fees and costs incurred in conducting such review and preparing such report.

(c) If at the time of review an issue not previously identified in writing is required to be addressed, the review at the request of either party may be continued to afford reasonable time for response.

8.3 Opportunity to be heard. The report required by Section 8.2 shall be considered solely by the City Council. Developer shall be permitted an opportunity to be heard orally and in writing before the City Council regarding performance of the parties under this Agreement. The Director of Planning may provide copies of the report to members of the City's Planning Commission for their information and use.

8.4 Action by the City Council. At the conclusion of the public hearing on the review, the City Council may take any action permitted by NRS 278.0205 and/or this Agreement, subject to compliance with Section 9.4 below.

SECTION 9
TERM AND TERMINATION

9.1 Effective Date. This Agreement is not effective until it has been approved by ordinance by the City Council and recorded in the office of the Lyon County Recorder (the date of recordation is referred to herein as the "**Effective Date**").

9.2 Duration of Agreement. The Term of this Agreement shall commence upon the Effective Date and shall expire on the thirtieth (30th) anniversary of the Effective Date, unless terminated earlier pursuant to the terms hereof. City agrees that the Developer shall have the right to request extensions of the Term of this Agreement for an additional five (5) years upon the following conditions:

(a) Developer provides written notice of such extension to City at least one hundred eighty (180) days prior to the expiration of the original Term of this Agreement;

(b) Developer is not in default of this Agreement; and

(c) Developer and City enter into an amendment to this Agreement memorializing the extension of the Term.

9.3 Arbitration. Any dispute arising from rights or obligations of this Agreement may be submitted to arbitration pursuant to the Commercial Rules of the American Arbitration Association and the Uniform Arbitration Act of 2000 [NRS 38.206 - 38.248], including any disputes regarding consents or approvals to be given by a party. The decision of the arbitrator shall be final and binding on both parties. In the event of any judicial enforcement or confirmation proceeding required relating to an arbitration award, the prevailing party shall be entitled to all reasonable costs and attorneys' fees. Any arbitrator appointed shall have recognized real estate or commercial law experience in the State of Nevada and shall be an "AV" rated attorney by Martindale-Hubbell.

9.4 Statutory Cancellation/Amendment. Notwithstanding Section 9.3 above, any proposed amendment or cancellation of this Agreement by the City, in whole or in part and without the mutual consent of the parties, shall be in accordance with NRS 278.0205. The City shall, after completing its review of the development of the Property pursuant to 8.1 of this Agreement, provide Developer a description in writing, both detailed and specific, of any terms or conditions of the Agreement that have been allegedly breached by Developer and the manner and period of time in which the breach may be corrected. Developer shall have ninety (90) days to either cure the breach or respond in writing to City, both detailed and specific, as to why it has not breached the Agreement.

(a) If the breach is not cured or the parties are unable to reach a resolution with regard to matters put in issue pursuant to this Section, and prior to any publication of any notice of intention to amend or cancel pursuant to NRS 278.0205(2), there shall then be scheduled a meeting or meetings to be held within thirty (30) days between a representative of Developer and the City Manager to seek resolution short of amendment or cancellation. Absent resolution by such meeting or meetings, a written report of the results of said meeting or meetings, including a description of any remaining unresolved issues, shall be agreed upon and executed by both parties.

(b) If there remain any unresolved issues, or if the resolution of any issues requires an amendment to this Agreement, the City shall proceed to either cancel or amend in accordance with NRS 278.0205(2). The written documentation required by this Section, and any other applicable material, shall be provided to Developer at least fifteen (15) days prior to the meeting at which the amendment and/or cancellation is to be considered by the City Council. Developer shall have the opportunity to be heard orally and/or in writing before the City Council at that meeting.

Except as expressly permitted by NRS 278.0205, the City shall have no right to cancel or amend this Agreement without the express written consent of Developer.

9.5 Limitation on Monetary Damages. Developer acknowledges and agree that the City would not have entered into this Agreement if it were to be liable for monetary damages based upon a breach of this Agreement or any other allegation or cause of action based upon or with respect to this Agreement. Accordingly, Developer (or its permitted assigns) may pursue any course of action at law or in equity available for breach of contract, except that the City shall not be liable to Developer or to any other Person for any monetary damages based upon a breach of this Agreement or any other allegation or cause of action based upon or with respect to this Agreement.

9.6 Unavoidable Delays. Neither party hereunder shall be deemed to be in default, and performance shall be excused, where delays or defaults are caused by war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, states of national or local emergency, periods of moratoria (such as those associated with the COVID-19 pandemic in 2020-21), restrictions imposed or mandated by governmental entities other than the City and entities providing utilities, enactment of conflicting State of Federal laws or regulations, new or supplementary environmental regulations, litigation, or similar matters beyond the control of the parties. The performance to be excused is that which is materially affected by such matters, beyond

the control of the party, where performance is affected. Developer shall give the City written notice of any delay subject to this Section and shall indicate the phases or areas of work that are affected by such delay. An extension of time shall be granted by the City to be coextensive with the period of the delay or longer as may be mutually agreed by the parties.

9.7 Default by the City. In the event of default by the City of a material term of this Agreement, Developer shall be relieved of its obligations under the Agreement. If Developer elects to proceed with the Project, in its discretion, it may seek enforcement of City's performance through administrative procedures, by arbitration, or by judicial intervention including, but not limited to, actions for specific performance and/or temporary or permanent injunctive relief, as Developer deems necessary.

SECTION 10
MORTGAGE FINANCING

10.1 Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit Developer in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by one or more Mortgages securing financing with respect to the Property, without limitation on the size or nature of any such transaction, the amount of land involved, or the use of proceeds therefrom. The City acknowledges that the Mortgagees providing such financing may request certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Developer and representatives of such Mortgagees to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any such Mortgagee shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage or deed of trust on the Property or any part thereof made in good faith and for value;

(b) The Mortgagee under any mortgage or deed of trust encumbering the property, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from the City of any default by Developer in the performance of Developer's obligations under this Agreement;

(c) If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within five (5) days of sending the notice of default to the Developer. The mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement, but in no event less than thirty (30) days from Mortgagee's receipt of such notice of default; and

(d) Any Mortgagee (or its Affiliate) who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such

foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement; provided, however, that (i) in no event shall such Mortgagee be liable for any defaults or monetary obligations of Developer arising prior to acquisition of title to the Property by such Mortgagee, (ii) Mortgagee's rights shall be subordinate and subject to any monetary liens on the Property in favor of the City, and (iii) in no event shall any such Mortgagee or its successors or assigns be entitled to a building permit or occupancy certificate until all fees due under the Development Approvals (relating to the portion of the Property acquired by such Mortgagee) have been paid to the City and until any other default applicable to such site has been cured.

10.2 Enforcement. The City will execute and deliver to any Mortgagee or other interested person a certificate of compliance described in Section 10.3 below and such other documents as may be reasonably requested to acknowledge that this Agreement is in full force and effect, Developer is not in default hereunder, the City has no lien on the Property which are subject to foreclosure, and the City's rights under this Agreement are subordinate as set forth herein. Nothing herein, however, shall be deemed to relieve Developer of its obligations under this Agreement or its liability for failure to perform its obligations under this Agreement.

10.3 Certificate of Compliance. At any time during the term of this Agreement, any Mortgagee or other party may by written notice given by certified mail or by personal delivery request any party to this Agreement to confirm that to the best of such party's knowledge, no defaults exist under this Agreement or if defaults do exist, to describe the nature of such defaults and such other matters as are reasonable under the circumstances. Each party hereby agrees to provide a Certificate to such lender or other party within ten (10) business days of the request therefore. The failure of any party to provide the requested certificate within such ten (10) business day period shall constitute a confirmation that to the best of such party's knowledge, no defaults exist under this Agreement.

10.4 Limitation. The provisions of NRS 278.0201 apply to this Agreement.

SECTION 11
OWNERSHIP AND CONTROL OF THE PROJECT

11.1 Appointment of Developer by Property Owners. The Property Owners hereby appoint Developer to serve as their representative and attorney-in-fact for purposes of this Agreement.

11.2 Authority and Role of Developer. The Property Owners and Developer represent and warrant that Developer has the express authority to bind the Property Owners individually, and the City has no obligation to verify or confirm that any decision made or action taken by Developer is acceptable to the Property Owners, including any decision or action of Developer that might or could impact the Property Owners unless and until a successor Developer has been appointed by the Property Owners to serve as the Developer under this Agreement on behalf of the Property Owners, together with the name and contact information for such successor Developer. The parties agree that any communication, consent, approval, waiver, submission or other action by or on behalf of the Property Owners pursuant to the terms of this Agreement shall be made by Developer.

11.3 Major Modifications. The parties agree that major modifications that apply permanently to all development in the Project are generally not in the best interests of effective and consistent development of the Project, as the parties spent a considerable amount of time and effort negotiating at arm's length the rules and regulations for the Project as provided herein and the Handbook. Further, the parties agree that major modifications can change the look, feel, and construction of the Project in such a way that the intent of the parties is not demonstrated by the developed product. However, the parties acknowledge that there are special circumstances which may necessitate the modification of certain provisions to accommodate unique situations which are presented to the Developer upon the actual development of the Project. Therefore, the parties also agree that the only proper entity to request a major modification is the Developer itself. A request for a major modification shall not be permitted from a Parcel Owner or any other purchaser of real property within the Project.

11.4 Effect of Breach or Default by Developer. The parties acknowledge that Developer is serving as the representative of the Property Owners. If Developer breaches this Agreement or fails to perform any of its obligations hereunder after receiving written notice from the City of such failure or default in accordance with this Agreement, the City, shall have the right to exercise any and all rights and remedies available to the City with respect to such default, subject to the terms and conditions of this Agreement. The liability of the Property Owners for any breach by Developer shall be joint and several. Unless the context requires otherwise, all references to the Developer in this Agreement shall be construed as references to the Developer and the Property Owners.

11.5 Assignments; Transfer of Rights. Subject to the terms and limitations of this Section 11.5, Developer shall have the right to assign all or any portion of its rights and delegate any obligations under this Agreement to third parties who acquire fee simple absolute ownership to any portion of the Property.

(a) If such transfer, conveyance, or assignment by Developer is part of a Wholesale Transaction, Developer shall give the City at least sixty (60) days prior written notice. No notice need be given of any sale, transfer, conveyance, or assignment of any portion of the Property that does not involve a Wholesale Transaction. In addition, except as set forth in this Section 11.5(a) or in any agreement relating to an assignment or transfer of any Parcel, the assignee or transferee of any portion of the Property shall not be subject to any of Developer's monetary obligations hereunder nor be deemed to have assumed any of such obligations except (i) that portion of the Property transferred shall be subject to any unpaid amounts due and liens created as a result of any public financing or assessment district covering such portion, and (ii) each such assignee/transferee as to the portion of the Property transferred shall be responsible for paying any amounts imposed as a condition to the development of that portion of the Property so transferred, which are due upon filing of maps, issuance of building permits, or some other event (including, without limitation, assessments imposed in connection with any owners association or landscape maintenance district formed for that portion of the Property).

(b) Notwithstanding anything to the contrary in Section 11.5(a) above, the City shall release Developer from any obligations under this Agreement with respect to the portion of the Property transferred upon the full satisfaction by Developer of the following conditions:

(i) Developer no longer has a legal or equitable interest in the portion of the Property being transferred except for any rights applicable to purchase money financings, the CC&R's, or other restrictive covenants, reservations, or easements, or similar instruments recorded against the Property in the Official Records of the Lyon County Recorder;

(ii) the City has not received notice that Developer is then in material default under this Agreement; and

(iii) the purchaser, transferee, or assignee agrees in writing to be bound by this Agreement as it applies to the portion of the Property being transferred; and

(iv) the purchaser, transferee, or assignee provides the City with assurances reasonably satisfactory to the City Manager and City Attorney concerning the performance of its obligations hereunder with respect to the Parcel being acquired.

Following compliance by the Developer (and the transferee where applicable) with the requirements of this Section 11.5(b), the City agrees to look solely to the transferee for compliance by such transferee with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such transferee. "Compliance," as used in the preceding sentence, shall include, without limitation, compliance with reporting requirements and the payment of any dollar amounts owed.

(c) With respect to any permitted assignment pursuant to the provisions of this Section 11.5, the City shall forthwith release Developer from its obligation under any subdivision agreements or other agreements or undertakings pertaining to the transferred portion of the Property, and release to Developer any bonds or other security posted to secure obligations under such agreements or undertakings, provided the transferee expressly assumes the obligations under such agreements and substitutes bonds or other security acceptable to the City in place of the security to be released.

(d) Any amendment to this Agreement between the City and a transferee from Developer shall only affect the portion of the Property owned by such transferee, and a breach by any transferee shall only affect that portion of the Property owned by such transferee. Any such amendment shall require the written consent of Developer, so long as Developer has any legal or equitable interest in any of the Property.

(e) Notwithstanding anything contained in this Section 11.5, Developer has full discretion and authority to transfer or assign interests in the Property or portions thereof in connection with any financing transactions described in Section 10.1 above, including any transfer to an institutional lender as a result of a foreclosure or deed in lieu of foreclosure. Any lender acquiring the Property, or any portion thereof, as a result of foreclosure or a deed in lieu of foreclosure, shall take such Property subject to the rights and obligations of Developer under this Agreement; provided, however, in no event shall such lender be liable for any defaults or monetary obligations of Developer arising under this Agreement prior to acquisition of title to the Property by such lender.

SECTION 12
MISCELLANEOUS

12.1 **Notices**. All notices, demands and correspondence required or provided for under this Agreement shall be in writing and delivered in person or mailed by certified mail postage prepaid, return receipt requested. Notices shall be addressed as follows:

To City: City of Fernley
595 Silver Lace Boulevard
Fernley, Nevada 89408
Attention: City Manager

With a copy to: City of Fernley
595 Silver Lace Boulevard
Fernley, Nevada 89408
Attention: City Attorney

City of Fernley
595 Silver Lace Boulevard
Fernley, Nevada 89408
Attention: Planning Director

To Developer: Mark IV Capital Properties, Inc.
4450 MacArthur Boulevard, Second Floor
Newport Beach, CA 92660

Either Party may change its address by giving notice in writing to the other and thereafter notices, demands and other correspondence shall be addressed and transmitted to the new address. Notices given in the manner described shall be deemed delivered on the day of persona/ delivery or the date delivery of mail is first attempted.

12.2 **Further Documents**. Each party agrees to honor any reasonable requests by the other party to complete, execute, and deliver any document necessary to accomplish the purposes hereof.

12.3 **Modifications and Amendments**. Modifications and amendments to this Agreement are not effective or binding until approved by ordinance of the City Council and Recorded in accordance with NRS 278.0205.

12.4 **Entire Agreement**. With respect to the matters addressed herein (including the recitals and exhibits), this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties.

12.5 **Time of Essence**. Time is of the essence in the performance of this Agreement.

12.6 **Waiver**. Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by any

party in asserting any of its rights or remedies in respect of any default shall not operate as a waiver of any default or any such rights or remedies, or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any of its rights or remedies.

12.7 Governing law. The laws of the State of Nevada, without regard to conflicts of law principles, shall govern the interpretation and enforcement of this Agreement.

12.8 Severability. If any provision contained in Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

12.9 Binding effect. Subject to Section 11.5 above, this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, and permitted successors and assigns of the parties hereto. To the extent that any assignment of any right under this Agreement changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Agreement, attempts to operate as novation, or includes a waiver or abrogation of any defense to payment by Fernley, such offending portion of the assignment shall be void, and shall be a breach of this Agreement.

12.10 No third-party beneficiaries. Unless otherwise specifically identified in this Agreement, there are no third-party beneficiaries intended by this Agreement and no third parties have any standing to enforce any of the provisions of this Agreement.

12.11 Representation and Warranties by Persons who Sign this Agreement. Each Person who signs this Agreement represents and warrants to each other Person who signs this Agreement that he or she is an authorized agent of and has actual authority to execute this Agreement on behalf of the party for whom he or she is signing, and that all required approvals and actions have been taken to authorize the execution of this Agreement with the intent and effect of binding the party to this Agreement.

12.12 Attorney's Fees. If legal action is brought by either party to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs in addition to all other relief to which it may be entitled.

12.13 No Personal Obligation/No Completion Obligation. This Agreement in and of itself does not represent a personal obligation of Developer, its officers, directors, or shareholders, or their respective successors or assigns. Nothing herein contained shall in and of itself be deemed to create an obligation of the Developer, its successors or assigns to complete the development of the entire Project as contemplated, or any particular portion thereof.

12.14 Release of Lot/Common Area. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any Parcel within the Property, and such Parcel shall be released and no longer be subject to this Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for a building on such Parcel. This Agreement shall further terminate with respect to any Parcel designated in

the Development Approvals for open space, or as "common area" upon completion of all improvements required for that Parcel as identified in the Development Approvals.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date:

CITY OF FERNLEY, a municipal corporation and political subdivision of the State of Nevada

_____
Neal E. McIntyre, Mayor

ATTEST

By: _____
Kim Swanson, City Clerk

APPROVED AS TO FORM

By: _____
Aaron Mouritsen, City Attorney

DEVELOPER

MARK IV CAPITAL PROPERTIES, INC., a California corporation

By: _____
Name: _____
Its: _____

STATE OF _____)
)
COUNTY OF)

This instrument was acknowledged before me on _____, 2024 by _____ as _____ of Mark IV Capital Properties, Inc., a California corporation.

_____
Notary Public

My Commission Expires: _____

M4 NEW FERNLEY LLC, a Nevada limited liability company

By: _____
Name: _____
Its: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2024 by _____ as _____ of M4 New Fernley LLC, a Nevada limited liability company.

_____
Notary Public

My Commission Expires: _____

M4 NEW FERNLEY QOZB LLC, a Nevada limited liability company

By: _____
Name: _____
Its: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2024 by _____ as _____ of M4 New Fernley QOZB LLC, a Nevada limited liability company.

_____
Notary Public

My Commission Expires: _____

M4 FERNLEY JACKSON LLC, a Nevada limited liability company

By: _____
Name: _____
Its: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2024 by _____ as _____ of M4 Fernley Jackson LLC, a Nevada limited liability company

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property situate in the County of Lyon, State of Nevada, described as follows:

PARCEL 1:

Township 20 North, Range 25 East, M.D.B.&M.,

Section 3: All

Excepting the sub-surface rights to geothermal resources underlying said property as reserved in the Deed, recorded September 5, 1978, in Book 1304, Page 4, as Document No. 555846, Official Records of Washoe County, State of Nevada.

APN: 021-201-01

PARCEL 2:

Township 20 North, Range 25 East, M.D.B.&M.;

Section 4: The South 1/2 and Lot 5, 10, 11, 12, 13, 15, 18 and 25

APN: 021-201-16

PARCEL 3:

TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.B.&M.

A portion of Section 5: North 1/2 of Southeast 1/4. EXCEPTING THEREFROM the following parcels:

PARCEL A:
All that parcel of land lying in the North 1/2 of the Southeast 1/4 of Section 5, Township 20 North, Range 25 East, M.D.B.&M., described more fully by metes and bounds as follows, to-wit:

BEGINNING at the intersection of the centerline of the westbound lane of Interstate Route 80 and the South boundary of the Northwest 1/4 of the Southeast 1/4 at or near Highway Engineer's Station "Lw" 1733+54.17 P.O.T. being further described as bearing North 1°41'22" East, a distance of 1319.44 feet from the South quarter corner of said Section 5; thence North 89°17'23" West, along said South boundary a distance of 19.35 feet to an intersection with the north-south quarter section line of said Section 5; thence North 0°50'57" East, along said quarter section line a distance of 271.74 feet to an intersection with the left or northerly 208.00 foot highway right of way line; thence North 46°33'53" East, along said right of way line a distance of 1484.77 feet to an intersection with the east-west quarter section line of said Section 5; thence South 88°34’10" East,

along said quarter section line a distance of 765.47 feet to an intersection with the right or southerly 200.00 foot highway right of way line; thence South 46°33'53" West, along said right of way line a distance of 1861.13 feet to an intersection with said South boundary of the Northwest 1/4 of the Southeast 1/4 of said Section 5; thence North 89°17'23" West along said south boundary a distance of 476.66 feet to the point of beginning, containing 22.29 acres, more or less. All bearings and distances are based on the Nevada State Coordinate System, ground to grid factor is .999745, grid to ground factor is 1.000255.

PARCEL B:

All that certain real property situate, lying and being in the County of Lyon, State of Nevada, and described as being a piece or parcel of land lying in the North 1/2 of the Southeast 1/4 of Section 5, Township 20 North, Range 25 East, M.D.B.&M., described as metes and bounds as follows, to-wit:

BEGINNING at a point right of and at right angles to the centerline of the eastbound lane of Interstate Route 80 at Highway Engineer's Station "Le" 1754+75.00 P.O.T.; said point being in the right of southeasterly 200 foot highway right of way line; and being further described as bearing South 87°31'29" West, a distance of 852.92 feet from the east quarter corner of said Section 5; thence North 46°33'53" East along said right of way line a distance of 50 feet to a point; thence South 43°26'07" East, along the northeasterly 50 foot right of way for an access road a distance of 246.42 feet to an intersection with the left or northwesterly 30 foot right of way line for a Frontage Road; thence from a tangent which bears South 44°49'08" West, curving to the right along said 30 foot right of way line with a radius of 10,754.34 feet through an angle of 0°15'59" an arc distance of 50.00 feet to an intersection with the southwesterly 50 foot right of way for an access road; thence North 43°26'07" West, along said 50 foot right of way a distance of 247.84 feet to the point of beginning; set forth in Deed to the State of Nevada recorded October 2, 1962, in Book 45, Page 235, as File No. 84097.

PARCEL C:

That portion of said land conveyed to the State of Nevada by Deed recorded April 23, 1979 as Document No. 45017, Official Records, Lyon County, Nevada.

Said property being all that as shown on the Record of Survey for David D. and Betty M. Jackson recorded in the Official Records of Lyon County, Nevada, on September 11, 1978 as #40393.

APN: 021-211-02

Document No. 620368 is provided pursuant to the requirements of Section 6. NRS 111.312

PARCEL 4:

The Westerly portion consisting of approximately 23-1/2 acres of a portion of Section 13, Township 20 North, Range 25 East, M.D.B. & M. lying East of the North-South Half Section line.

APN: 021-211-03

NOTE: THE LEGAL DESCRIPTION OF PARCEL 4 REFERENCES THE INCORRECT SECTION AND CANNOT BE USED FOR TITLE INSURANCE PURPOSES.

PARCEL 5:

Township 20 North, Range 25 East, M.D.B.&M.;

Section 5:

The Southeast 1/4 of the Southwest 1/4, lying Southeasterly, Southerly and Southwesterly of Parcel I-080-LY-004 709, in the "Deed of Gift of Real Property" recorded September 10, 2008, as Document No. 431561, Official Records.

Excepting the sub-surface rights to geothermal resources underlying said property as reserved in the Deed, recorded September 5, 1978, in Book 1304, Page 4, as Document No. 555846, Official Records of Washoe County, State of Nevada.

APN: 021-211-04

PARCEL 6:

Township 20 North, Range 25 East, M.D.B.&M.;

Section 5:

The Southeast 1/4 of the Southwest 1/4 and the Southwest 1/4 of the Southeast 1/4, lying Southeasterly, Easterly and Northeasterly of Parcel I-080-LY-004 709 and lying Westerly of Parcel I-080-LY-004 506, in the "Deed of Gift of Real Property" recorded September 10, 2008, as Document No. 431561, Official Records.

Excepting therefrom all those certain parcels of land as set forth in the "Final Order of Condemnation", recorded October 25, 1965, in Book X, Page 564, as Document No. 93800, Miscellaneous Records.

Excepting the sub-surface rights to geothermal resources underlying said property as reserved in the Deed, recorded September 5, 1978, in Book 1304, Page 4, as Document No. 555846, Official Records of Washoe County, State of Nevada.

APN: 021-211-06

PARCEL 7:

Parcel A-1 as shown on the Record of Survey to Support Boundary Line Adjustment for Sonterra Development Company, LLC, according to the map thereof, filed in the office of the County

Recorder of Lyon County, State of Nevada, on November 27, 2007, as File No. 417250, Official Records, being more particularly described as follows:

All that certain real property being Parcel 2 of Record of Survey, Document Number 417245 and Abandonment of a portion of East Newlands Drive, Document Number 417246 and a portion of Parcel 3 of Parcel Map, Document 220689, of the Official Records of Lyon County, Nevada situate within Section 8 and 9, Township 20 North, Range 25 East, Mount Diablo Base and Meridian, being more particularly described as follows:

BEGINNING at the Section corner common to said Section 4, 5, 8 and 9, Township 20 North, Range 25 East, Mount Diablo Base and Meridian; Thence along the North line of aforementioned Section 9, South 89°17'12" East, a distance of 2,627.69 feet to the North One-Quarter corner of Section 9; Thence continuing along said North line, South 89°16'33" East, a distance of 2,643.27 feet to the Northeast Section corner of said Section 9; Thence leaving said North line, South 00°27'18" West, a distance of 2,300.36 feet along the East line of said Section 9; Thence leaving said East line, South 76°43'28" West, a distance of 2,726.20 feet; Thence South 00°33'10" West, a distance of 2,323.15 feet to the South One-Quarter corner of Section 9; Thence along the South line of said Section 9, North 88°32'11" West, a distance of 2,626.70 feet to the Southwest Section Corner of said Section 9; Thence leaving said South line, North 00°56'18" East, a distance of 1,499.72 feet along the West line of said Section 9; Thence leaving said West line, North 89°01'15" West, a distance of 194.48 feet; Thence North 00°00'50" East, a distance of 1,363.73 feet; Thence North 89°59'10" West, a distance of 1,736.85 feet; Thence North 07°21'31" East, a distance of 165.77 feet; Thence North 82°38'29" West, a distance of 80.00 feet; Thence South 07°21'31" West, a distance of 107.17 feet; Thence North 89°01'15" West, a distance of 1,336.54 feet to a point of curvature; Thence along a tangent curve to left with a radius of 500.00 feet, a delta angle 44°24'52", an arc length of 387.59 feet; Thence South 46°33'53" West, a distance of 608.21 feet; Thence North 43°26'07" West, a distance of 71.78 feet; Thence South 73°18'04" West, a distance of 1,141.26 feet to a point situate on the West line of said Section 8;Thence along the West line of said Section 8, North 00°56'22" East, a distance of 611.09 feet to the West One-Quarter corner of Section 8;Thence continuing along the West line of Section 8, North 00°53'58" East, a distance of 144.85 feet; Thence leaving said West line, South 43°26'12" East, a distance of 487.02 feet; Thence North 46°33'48" East, a distance of 950.00 feet; Thence North 43°26'12" West, a distance of 1,020.77 feet; Thence North 46°33'48" East, a distance of 2,053.99 feet to a point on the North line of said Section 8;Thence along the North line of Section 8, South 88°33'04" East, a distance of 849.44 feet to the North One-Quarter corner of Section 8;Thence continuing along said North line, South 88°33'10" East, a distance of 2,625.42 feet to the POINT OF BEGINNING.

Excepting the sub-surface rights to geothermal resources underlying said property as reserved in the Deed, recorded September 5, 1978, in Book 1304, Page 4, as Document No. 555846, Official Records of Washoe County, State of Nevada.

Also excepting therefrom, Parcel I-080-LY-004 709, as set forth in the "Deed of Gift of Real Property" recorded September 10, 2008, as Document No. 431561, Official Records. Also excepting therefrom, any portion thereof, lying Southerly of the Northerly line of Parcel I-080-LY-004 506, as set forth in the "Deed of Gift of Real Property" recorded September 10, 2008, as Document No. 431561, Official Records.

APN: 021-242-11

Document No. 597702 Official Records of Lyon County, Nevada is provided pursuant to the requirements of Section 6.NRS 111.312.

PARCEL 8:

Parcel E1-A as shown on the Record of Survey in Support of a Boundary Line Adjustment for Sonterra Development Company LLC, according to the map thereof, filed in the office of the County Recorder of Lyon County, State of Nevada, on September 19, 2018, as File No. 586354, Official Records, being more particularly described as follows:

A parcel of land situate within a portion of the Southeast 1/4 of Section 5, the East 1/2 of Section 8 and a portion of Section 9, of Township 20 North, Range 25 East, Mount Diablo Base and Meridian, County of Lyon, State of Nevada, being a portion of Parcel 1 of the Parcel Map for Sonterra Development, LLC, as File No. 441296, filed on April 22, 2009, and a portion of Parcel E, as described in Document No. 324771, filed June 30, 2004, Official Records, Lyon County, Nevada lying Southerly and Easterly of the Parcel described in Document No. 431561, Official Records of Lyon County, Nevada being more particularly described as follows:

BEGINNING at the Northeast corner of said Section 9, being the Northeast corner of said Parcel 1; Thence along the Easterly line of said Section 9, being the Easterly line of said Parcel 1, South 00°27'18" West, 2,300.37 feet, to the Southeast corner of said Parcel 1; Thence along the Southerly and Westerly line of said Parcel 1 the following nine (9) courses:

1) South 76°43'28" West, 2,726.20 feet;
2) South 00°33'10" West, 2,323.15 feet, to the South 1/4 corner of said Section 9;
3) along the Southerly line of said Section 9, North 88°32'11" West, 2,626.70 feet, to the Southwest corner of said Section 9;
4) along the West line of said Section 9, North 00°56'18" East, 1,499.72 feet;
5) leaving said West line, North 89°01'13" West, 194.48 feet;
6) North 00°00'50" East, 1,363.73 feet;
7) North 89°59'10" West, 1,307.72 feet;
8) North 00°56'36" East, 664.46 feet;
9) and, North 89°11'30" West, 338.41 feet, to the Easterly line of the right-of-way line for Nevada Pacific Parkway as shown on the Dedication Map for Nevada Pacific Parkway, as File No. 479466, in Official Records of Lyon County, Nevada;

Thence along the Easterly right-of-way line of said Nevada Pacific Parkway the following eleven (11) courses:

1) North 07°22'31" East, 187.73 feet;
2) 88.80 feet along the arc of a non-tangent curve to the left from which the radius point bears North 82°10'40" West having a radius of 1,654.97 feet, and having a central angle of 03°04'27";
3) North 04°44'53" East, 186.72 feet;

4) 253.85 feet along the arc of a non-tangent curve to the left from which the radius point bears South 87°51'11" West having a radius of 1,666.99 feet, and having a central angle of 08°43'30", to a point of reverse curvature;
5) 12.76 feet along the arc of a curve having a radius of 28.50 feet and a central angle of 25°38'36";
6) North 73°04'58" East, 6.31 feet;
7) North 32°56'17" East, 7.65 feet;
8) North 07°12'26" West, 6.48 feet;
9) 13.15 feet along the arc of a non-tangent curve to the right from which the radius point bears South 39°37'20" East having a radius of 28.50 feet, and having a central angle of 26°26'07";
10) North 76°48'47" East, 1.60 feet;
11) and, North 13°11'13" West, 80.00 feet;

Thence leaving said Easterly right-of-way line, North 76°48'47" East, 159.09 feet, to the beginning of a curve to the left; Thence 191.48 feet along the arc of a curve to the left having a radius of 537.50 feet and a central angle of 20°24'40";Thence North 56°24'07" East, 988.63 feet; Thence North 33°35'53" West, 1,272.52 feet; Thence South 56°24'07" West, 958.83 feet; Thence North 71°37'03" West, 63.35 feet, to the East line of the property granted to NDOT in Document Number 431561;

Thence along the said East line the following six (6) courses:

1) 119.77 feet along the arc of a non-tangent curve to the left from which the radius point bears North 71°37'03" West, having a radius of 547.00 feet, and having a central angle of 12°32'45", to a point of compound curvature;
2) 199.55 feet along the arc of a non-tangent curve to the left from which the radius point bears North 85°29'27" West, having a radius of 544.52 feet, and having a central angle of 20°59'49";
3) North 16°16'50" West, 92.94 feet;
4) North 14°51'49" West, 124.04 feet, to the beginning of a curve to the right;
5) 461.73 feet along the arc of a curve right having a radius of 520.00 feet and a central angle of 50°52'31";
6) and, North 46°33'50" East, 133.97 feet;

Thence leaving said East line, South 88°34'24" East, 2,133.68 feet, to the East line of Section 5; Thence South 00°46'51" West, 1,320.48 feet, the Northwest corner of said Section 9;Thence along said Northerly line of said Section 9, South 89°16'01" East, 2,625.40 feet, to the North 1/4 corner of said Section 9, as shown on the above mentioned Parcel Map for Sonterra Development, LLC; Thence continuing along the Northerly line of said Section 9, South 89°16'33" East, 2,643.27 feet to the POINT OF BEGINNING.

Excepting the sub-surface rights to geothermal resources underlying said property as reserved in the Deed, recorded September 5, 1978, in Book 1304, Page 4, as Document No. 555846, Official Records of Washoe County, State of Nevada.

APN: 021-242-17

Document No. 597702 Official Records of Lyon County, Nevada is provided pursuant to the requirements of Section 6.NRS 111.312.

PARCEL 9:

Parcel A-4 as shown on the Record of Survey to Support Boundary Line Adjustment for Sonterra Development Company, LLC, according to the map thereof, filed in the office of the County Recorder of Lyon County, State of Nevada, on November 27, 2007, as File No. 417250, Official Records, being more particularly described as follows:

All that certain real property being Parcel 3 of Parcel Map, Document Number 220689, and Abandonment of a portion of East Newlands Drive, Document Number 417248, and a portion of Parcel C of Parcel Map, Document Number 212313, of the Official Records of Lyon County, Nevada, situate within Section 8, Township 20 North, Range 25 East, Mount Diablo Base and Meridian, being more particularly described as follows:

BEGINNING at the Southeast corner of the aforementioned Parcel 3; Thence along the Southerly line of said Parcel 3, North 89°01'15" West, a distance of 2,143.81 feet to the Westerly line of said Parcel 3; Thence North 03°52'32" East, a distance of 637.04 feet; Thence departing said Westerly line, South 89°01'15" East, a distance of 2,034.55 feet; Thence North 00°58'45" East, a distance of 755.00 feet; Thence North 89°01'15" West, a distance of 809.64 feet; Thence North 00°58'58" East, a distance of 80.00 feet; Thence South 89'01'15" East, a distance of 885.08 feet to a point on the Easterly line of said Parcel 3;Thence along said Easterly line, South 00°56'11" West, a distance of 1,499.72 feet, more or less, to the TRUE POINT OF BEGINNING.

Excepting the sub-surface rights to geothermal resources underlying said property as reserved in the Deed, recorded September 5, 1978, in Book 1304, Page 4, as Document No. 555846, Official Records of Washoe County, State of Nevada.

APN: 021-251-25

Document No. 597702 Official Records of Lyon County, Nevada is provided pursuant to the requirements of Section 6.NRS 111.312.

PARCEL 10:

Township 20 North, Range 25 East, M.B.B.&M.;

Section 17:

That portion of the East 1/2, lying North of the Fernley to Fallon Highway Alternate 95, as now constructed over, upon and across said Section.

Excepting therefrom, any portion thereof, lying within the Railroad Right-of-Way crossing said parcel, as reserved by Southern Pacific Land Company, a corporation of the State of California,

by Deed recorded September 6, 1949, in Book 36, Page 38, as Document No. 57151, Deed Records, Lyon County.

APN: 021-261-43

PARCEL 11:

Parcel A-1 as shown on Parcel map for DCR Holdings LLC, according to the map thereof, filed in the office of the County Recorder or Lyon County, State of Nevada, on February 19, 2021, as File No. 631337, Official Records, being more particularly described as follows:

Parcel A, as shown on the Parcel Map for Blain and Associates, recorded in the Official Records of Lyon County, Nevada, on April 23, 1980, as Document No. 53036.

APN: 021-261-45

EXHIBIT B

PD HANDBOOK

(attached)