



# WASHOE COUNTY

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## STAFF REPORT

**BOARD MEETING DATE: December 12, 2017**

**DATE:** November 30, 2017

**TO:** Board of County Commissioners

**FROM:** Dave Solaro, Arch., P.E., Assistant County Manager  
Community Services Dept., 328-3600, [dsolaro@washoecounty.us](mailto:dsolaro@washoecounty.us)

**THROUGH:** John Slaughter, County Manager

**SUBJECT:** Discussion and possible action to direct staff to draft and bring back for approval the resolutions, agreements and other documents necessary for: (1) Washoe County and the Reno-Sparks Convention and Visitors Authority (RSCVA) to transfer approximately 75 acres of property currently used by RSCVA for Wildcreek Golf Course to the Washoe County School District (WCSD) for a high school; (2) Payment by the WCSD to Washoe County, RSCVA and the City of Sparks for costs of the original site purchase, the development and operation of effluent water service to Wildcreek, and the new development on the Wildcreek site of a commercially viable public golf course; (3) RSCVA to divest itself of any remaining interests in Wildcreek Golf Course lands; and (4) Conveyances of stream, ditch, river and effluent water rights to serve the future uses of the Wildcreek site and to compensate for past and future costs of property development. (All Commission Districts.)

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### SUMMARY

On May 1, 2017, the Commission, Councils, and Trustees of Washoe County, City of Reno, City of Sparks, and the Washoe County School District approved a letter of intent to cooperate in the development of a new high school in Sparks, NV and repurpose Proctor R. Hug High School in Reno, Nevada. On May 24, 2017, the Board of Directors of the RSCVA approved the same letter of intent.

The Washoe County School District has completed a due diligence study associated with property owned by the RSCVA and Washoe County that currently serves as the Wildcreek Golf Course, operated by the RSCVA. This item requests discussion and direction by the Board of County Commissioners (Board) related to the potential terms of a sale of a portion of the property to the Washoe County School District.

Strategic Objective supported by this item: Regional and Community Leadership.

**AGENDA ITEM # \_\_\_\_\_**

## **PREVIOUS ACTION**

May 1, 2017 – The Board approved a Letter of Intent to cooperate in the development of a new high school in Sparks, Nevada, and repurpose Proctor R. Hug High School in Reno, Nevada.

May 1, 2017 – The Board heard a presentation from the Washoe County School District related to a proposed Wildcreek Project to be located at the current Wildcreek Golf Course location.

## **BACKGROUND**

A portion of the 330.5 acres of land that the Wildcreek Golf Course was constructed on was purchased in 1974 for \$979,706.50 by the RSCVA. The title to 212 acres of land is in the name of “County of Washoe, State of Nevada, acting through its Reno-Sparks Convention Authority.” Pursuant to NRS 244A.624, any sale of the Wildcreek property by the Reno-Sparks Convention & Visitors Authority requires Washoe County Board approval. An additional 118.5 acres of land is a BLM patent assigned in 1975 to Washoe County from the City of Sparks for the development of a golf course and carries a customary BLM reversionary clause. This portion of land is not a part of the request from Washoe County School District.

All of the property has a Master Plan designation of “Public Facility” and a “Public Facility” zoning designation. Any uses outside of those allowed for a Public Facility would require a Master Plan Amendment and Zone change through the City of Sparks, and the Truckee Meadows Regional Planning Agency.

The Washoe County School District staff have developed an option to purchase part of the property Wildcreek Golf Course is located on for the site of a new high school. The Washoe County School District, with the help of local and national experts, determined more than two years ago that a new high school was needed in the area of Hug High School. On November 28, 2017 the Washoe County School District Board of Trustees accepted a due diligence report from their staff related to the Wildcreek property and its appropriateness for construction of a high school.

There are many discussion points for both the RSCVA and Washoe County related to entertaining a proposal from the WCSD. The most important at this time are:

- RSCVA needs to determine whether they are willing to divest itself from interest in the property moving forward; and,
- Washoe County needs to determine whether it is willing to take on the balance of the land for public purposes.

A proposed structure for the elected officials to consider includes terms as outlined below for each entity.

### **WCSD:**

- Pays off balance of RSCVA’s effluent agreement with Sparks.
- Pays appraised value for sufficient land and water rights to serve the new High School, plus purchases excess water rights sufficient for multiple future schools.
- Estimated expenditure of [\$1.3M (effluent agreement payoff) + \$1.5M (land purchase of 75AC at \$20,000/AC) + \$2.23M (purchase of remaining water rights of 318AF at \$7,000/AF)] ≈ \$5.03M.

**WASHOE COUNTY:**

- RSCVA donates the balance of the proceeds from the land and water rights sales of Wildcreek, less the original purchase expense of \$0.98M, to Washoe County to be used for public purposes at the Wildcreek property.
  - Available funds of [\$1.5M (land purchase of 75AC at \$20,000/AC) + \$2.23M (purchase of remaining water rights of 318AF at \$7,000/AF) - \$0.98M (original purchase expense)]  $\approx$  \$2.75M.
  - Washoe County dedicates sufficient Truckee River rights to Sparks for future effluent use at Wildcreek site. Estimated volume 200 AF.
- Receives sufficient land and water to operate a commercially viable golf course to serve the needs of the community including youth, senior, and disabled veterans golf. Capital contribution of  $\approx$  \$2.75M to be used for public purposes at the Wildcreek property.

**RSCVA:**

- Outstanding debt associated with Sparks Effluent Agreement paid off in full.
  - Retains proceeds equal to original purchase price of land and water of  $\sim$  \$0.98M.
  - Fully divested from Wildcreek Golf Course.
- Receives back the original purchase price of \$979,706.50 and is relieved of all debts and obligations associated with the Wildcreek Golf Course.

**SPARKS:**

- Receive payment in full for outstanding remainder of RSCVA Effluent Agreement.
- Enters into two separate, new effluent service agreements with WCSD and Washoe County with appropriate offsetting water rights.

Washoe County staff has reviewed this structure and based on the current information provided by the School District, believes a 9 hole, par 3 executive golf course, driving range, a few practice holes, and master planning for a future public park can be provided on this site in harmony with a school. It is estimated that improvements to the existing clubhouse, rehabilitating the 9 hole course, including irrigation, constructing a new driving range, and master planning, the balance of the site will cost approximately \$2.5M.

In 2003, the Board took a position that golf courses should be funded by users and not funded by the general fund. Staff will propose (similar to Washoe Golf and Sierra Sage), that if this structure is accepted, and the Board provides direction to proceed, the golf element will be designed and managed in such a fashion that golf rates will pay for ongoing operation, maintenance, and capital investment in the golf portion of the property.

**FISCAL IMPACT**

This item does not have a direct fiscal impact at this time. If the structure is acceptable to the Board of County Commissioners, staff will return in the spring of 2018 with a firm proposal, and operational structure for the proposals included in this staff report. In the mean time staff time will be utilized in further negotiations with all parties.

**RECOMMENDATION**

It is recommended the Board of County Commissioners direct staff to draft and bring back for approval the resolutions, agreements and other documents necessary for: (1) Washoe County and the Reno-Sparks Convention and Visitors Authority (RSCVA) to transfer approximately 75 acres of property currently used by RSCVA for Wildcreek Golf Course to the Washoe County School District (WCSD) for a high school; (2) Payment by the WCSD to Washoe County, RSCVA and the City of Sparks for costs of the original site purchase, the development and operation of effluent water service to Wildcreek, and the new development on the Wildcreek site of a commercially viable public golf course; (3) RSCVA to divest itself of any remaining interests in Wildcreek Golf Course lands; and (4) Conveyances of stream, ditch, river and effluent water rights to serve the future uses of the Wildcreek site and to compensate for past and future costs of property development.

**POSSIBLE MOTION**

Should the Board agree with Staff's recommendations, a possible motion would be: "Move to direct staff to draft and bring back for approval the resolutions, agreements and other documents necessary for: (1) Washoe County and the Reno-Sparks Convention and Visitors Authority (RSCVA) to transfer approximately 75 acres of property currently used by RSCVA for Wildcreek Golf Course to the Washoe County School District (WCSD) for a high school; (2) Payment by the WCSD to Washoe County, RSCVA and the City of Sparks for costs of the original site purchase, the development and operation of effluent water service to Wildcreek, and the new development on the Wildcreek site of a commercially viable public golf course; (3) RSCVA to divest itself of any remaining interests in Wildcreek Golf Course lands; and (4) Conveyances of stream, ditch, river and effluent water rights to serve the future uses of the Wildcreek site and to compensate for past and future costs of property development."