



Date: November 28, 2023

Honorable Mayor and Council Members:

Author and title: Becky Bucar, Assistant Public Works Director

Title: **Soaring Ranch Infrastructure Community Facilities District - Acquisition Agreement**

Jen Callaway, Town Manager

Recommended Action: Authorize Town Manager to execute the Soaring Ranch Community Facilities District Acquisition Agreement.

Discussion: Soaring Ranch is a three-phase development proposed within the Joerger Ranch (PC-3) Specific Plan Area. Phase 1 is complete and includes the Railey's O-N-E shopping center (Railey's with the Mountain Hardware junior-anchor and a second stand-alone multi-tenant building). Phase 2 is a mixed-use project that includes approximately 32,000 square feet of commercial floor area and 69 residential units (61 market rate and 8 affordable units). Phase 3 is proposed to be a mixed-use residential and commercial project proposes approximately 8,000 square feet of commercial floor area and 109 multifamily residential units (91 market-rate units and 18 affordable units).

The Town has worked and exhibited flexibility with the Soaring Ranch developer team towards successful implementation of all three phases. Examples of this include the following:

1. In 2018, as a part of the Phase 1 approvals and at the developer's request, Town staff recommended allowing the deferral of the construction of the Class I trail along the north side of Brockway Road between SR 267 and Martis Drive to Phase 2 of the development. This required flexibility in the interpretation of the Joerger Ranch Specific Plan infrastructure requirements.
2. In 2020, the Town reimbursed the developer \$538,708 for a portion of the intersection improvements constructed at the SR 267/Brockway Road/Soaring Way intersection with the recognition that the widening that occurred as a part of the Phase 1-required signal improvements provided value to the future roundabout project (the widening/fill placed will result in a cost savings to the future roundabout construction cost).
3. After the initial project approval in 2021, the development team requested a time extension on the Phase 2 project approval as well as changes to the project design that required a number of concessions, including reduced outdoor space requirements and waiver of current Specific Plan requirements that were adopted after approval of the Phase 2 project. Due to the costs that would be involved in redesigning the project to meet the current Specific Plan requirements, the applicant requested waivers which the Town supported in making a recommendation of approval to the Planning Commission. The extension and project revisions were approved.
4. The Phase 2 building permit was ready to be issued on December 6, 2022, upon payment of fees and approval by the Truckee Donner Public Utility District (TDPUD). The TDPUD requirements included infrastructure improvements which had not been met (including those associated with construction of a waterline). To staff's knowledge the development team is still working through this issue with the TDPUD. In addition, the development team recently submitted a pre-application to request additional revisions to their Phase 2 project.
5. In 2022 and at the development team's request, the Town entered into an improvement agreement with the developer so that they could bond for the construction of the above-mentioned

trail on the north side of Brockway Road. It is staff's understanding the project bonding allowed them to meet other third-party contractual arrangements. The improvement agreement required construction of the Class I trail by October 15, 2023. Then in late 2023 the development team indicated they would not be able to meet this construction deadline, putting them at risk of being in breach of the agreement. Town staff worked to develop an amendment to the agreement that would allow the delay of the trail construction to 2024 so long as certain milestones were met.

6. In 2022, staff worked with the developer to establish a strategy to fund and construct a roundabout at the SR 267/Brockway Road/Soaring Way intersection, as required by the Phase 3 development. The Town budgeted traffic impact fee funds into the five-year capital improvement project budget to ensure the project's construction as opposed to requiring the Phase 3 developer to fund the construction upfront and be reimbursed over time using traffic impact fees (as has been done for other development projects), saving the developer approximately \$4 million in upfront costs.
7. When processing a request for infrastructure financing from the development team, staff recognized that the 2018 Local Goals and Policies that allowed infrastructure financing had expired and new assessments for infrastructure could not be approved under the current policies (Resolution 2015-53). On August 22, 2023, Council adopted Resolution 2023-54 to reinstate the 2018 Local Goals and Policies to allow additional infrastructure financing.

Staff was approached by the Soaring Ranch developers in 2022 about the desire to assess properties in the Soaring Ranch development to fund infrastructure and staff has been working with the BOLD program administrator (California Municipal Finance Authority, CMFA) team to issue the first round of bonds to finance approximately \$2 million in improvements built as part of the Soaring Ranch Phase 1 project (roundabout, trails, and associated improvements). In order for the bonds to be issued, the Town must enter into an Acquisition Agreement with the developer (J-MAR-1, LLC.) and CMFA.

The attached Acquisition Agreement (**Attachment A**), which establishes the terms associated with providing financing for the infrastructure improvements, has been reviewed by staff, including the Town Attorney. While this type of agreement does not typically require Council approval (because it is implementing an existing Town policy), given the Town's long history of working with the developers on the Soaring Ranch project, staff felt it was prudent to give the Council an opportunity to review the agreement prior to execution. Staff recommend that the Town Council authorize the Town Manager to execute the attached Acquisition Agreement and also authorize the Town Attorney and Town Manager to approve any minor non-substantive changes.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input checked="" type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: The infrastructure financing policies have been developed in a way that will have minimal fiscal impact on the Town, such as minimizing the long-term financial risk to the Town as a whole through limiting the potential debt burden, avoiding overburdening individual parcels with property taxes, and using an outside administrator.

Public Communication: None beyond discussions with the BOLD and development teams.

Attachments:

Attachment 1 – Soaring Ranch Community Facilities District Acquisition Agreement