

City of
Fernley

Redevelopment Study FAQ Sheet

What is Redevelopment?

Redevelopment is a primary tool used by cities and counties to keep local taxes at home to revitalize areas of neighborhoods and business districts that are run-down or unsafe, or have low property values or high vacancy rates.

What is a Redevelopment Agency?

The Redevelopment Agency governs the Redevelopment Area. The Redevelopment Agency has the power to: buy private property for resale to another private person or organization; reallocate property tax "increment" in order to finance the redevelopment program of the community; and use eminent domain (condemnation) to acquire property.

Of what benefit to a citizen is being in a redevelopment project area?

Redevelopment is one of the most effective ways to breathe new life into older areas with social, physical, environmental or economic conditions that prevent new investment by private companies. Through redevelopment, a project area may receive help in any of the following ways: improving buildings that are unsafe or unhealthy; bringing necessary commercial businesses by assembling parcels large enough to develop; improving public utilities; convincing new business to relocate to vacant redevelopment property; etc. All the help is intended to increase property values throughout the redevelopment area.

Why do we have redevelopment projects?

The basic reason for establishing redevelopment projects is to get funding that can be used to attract commercial, industrial and residential development in order to improve an area.

How do Redevelopment Agencies secure funds?

The Redevelopment Agency is able to obtain funds called "tax increment financing." On the date the City Council approves a redevelopment plan, the property within the boundaries of the plan has a certain total property tax value. If this total assessed valuation increases through property improvements or new development, etc., most of the taxes that are derived from the increase go to the Redevelopment Agency. These funds are called "tax increments." Usually, the flow of tax increment revenues to the Agency will not be sufficient in itself to finance the full scope of redevelopment activities and development projects. Therefore, agencies issue bonds. These bonds are not a debt of the City or County and are repaid solely from tax increment revenues. Tax increments can be used only in the same project that generates them, except that by law, as soon as the city's population reaches 200,000, 18% of the increment goes toward residential projects throughout the city that benefit low and moderate income households.

Will property taxes increase?

Only if property value increases. It is important to note that higher taxes from the sale, development or rehabilitation of property reflects a rise in property value and not an increase in tax rate. As improvements to properties are made and the value of a property is raised, taxes naturally increase—just as they do throughout the rest of the City.

What is relocation?

Relocation is when a business or family moves for the purpose of clearing land and preparing it for its designated use. When a person or business meets the legal qualifications, the Redevelopment Agency pays for: Assistance in finding a new location, payments to help cover moving costs and payments for certain other costs as provided by law.

If a citizen decides to sell property to the Agency, who determines the selling price?

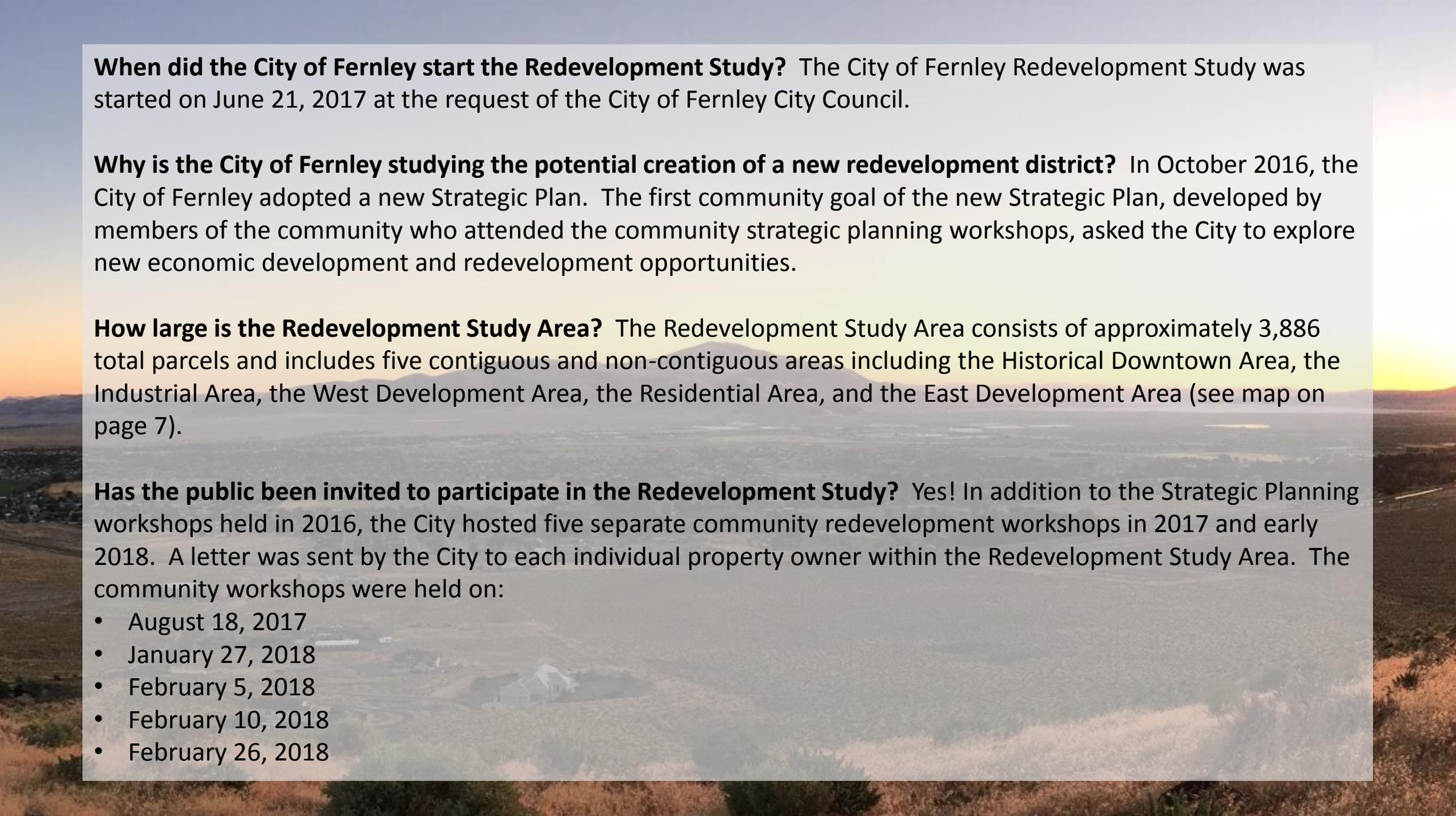
The Agency would hire an independent appraiser to establish the fair market value of the property. If the owner is not satisfied with the appraised value of the property, he may hire his own appraiser to reevaluate the property, after which both appraisals will be compared and a selling price negotiated. Fair market value is the value the property would have if it were placed in today's market place and sold.

How will this affect city/county & other taxing agencies in regard to tax revenue loss?

Other taxing agencies will lose part of the new property taxes generated by redevelopment, but will continue receiving the base revenues. However, in older, inactive areas, the property values would not increase without redevelopment activities. Other taxing agencies will receive non-property tax revenues and revenues generated outside the project area as a direct result of redevelopment activities, i.e., sales taxes, hotel room taxes and property taxes.

Why does the Agency have the power of eminent domain (condemnation of property)?

Eminent domain is a tool that redevelopment agencies use with great caution. Most property is eligible for acquisition under eminent domain.

An aerial photograph of a city at sunset, with the sun low on the horizon and a hazy sky. The city's buildings and streets are visible in the distance, and the foreground shows some vegetation and a road.

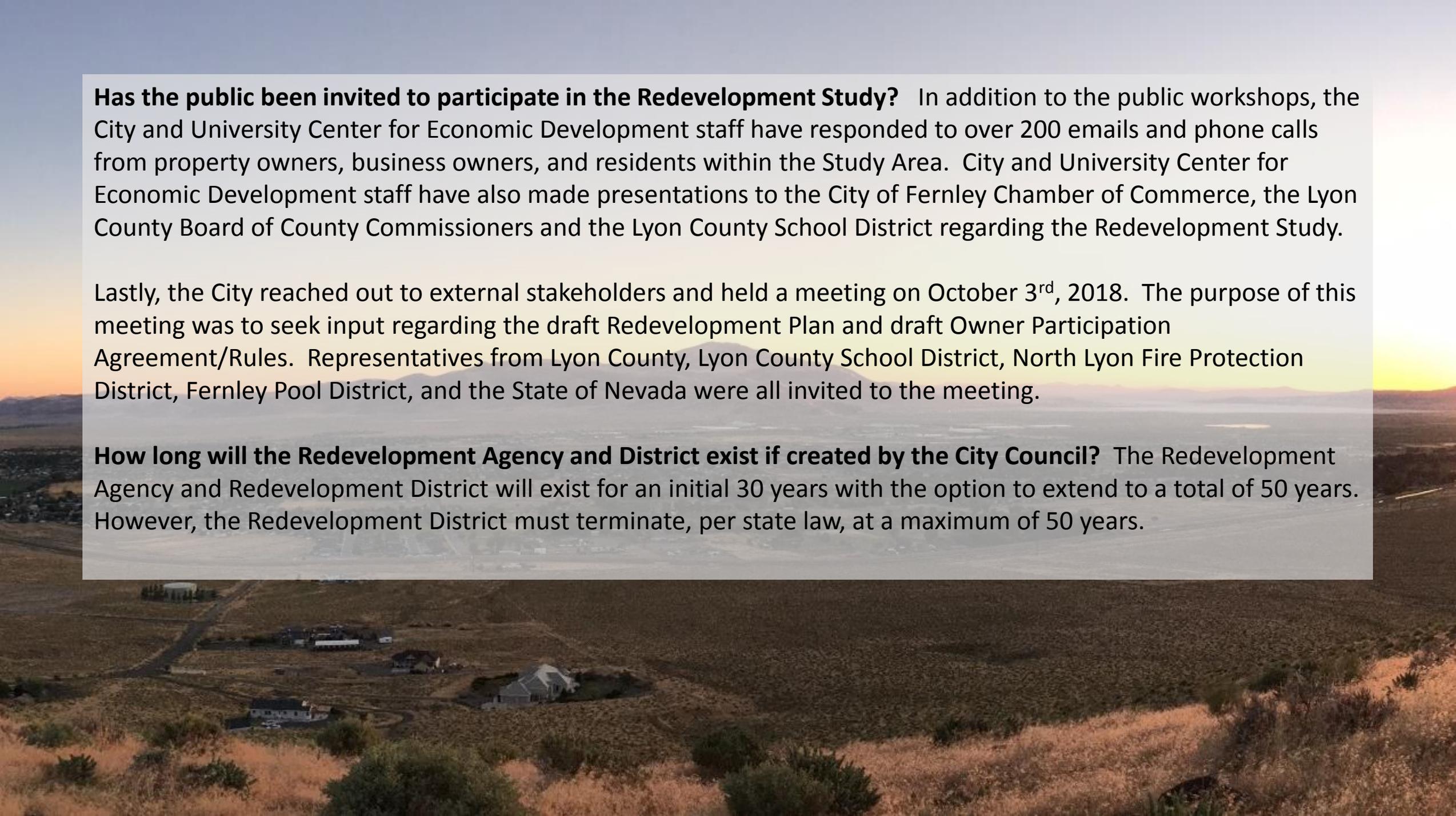
When did the City of Fernley start the Redevelopment Study? The City of Fernley Redevelopment Study was started on June 21, 2017 at the request of the City of Fernley City Council.

Why is the City of Fernley studying the potential creation of a new redevelopment district? In October 2016, the City of Fernley adopted a new Strategic Plan. The first community goal of the new Strategic Plan, developed by members of the community who attended the community strategic planning workshops, asked the City to explore new economic development and redevelopment opportunities.

How large is the Redevelopment Study Area? The Redevelopment Study Area consists of approximately 3,886 total parcels and includes five contiguous and non-contiguous areas including the Historical Downtown Area, the Industrial Area, the West Development Area, the Residential Area, and the East Development Area (see map on page 7).

Has the public been invited to participate in the Redevelopment Study? Yes! In addition to the Strategic Planning workshops held in 2016, the City hosted five separate community redevelopment workshops in 2017 and early 2018. A letter was sent by the City to each individual property owner within the Redevelopment Study Area. The community workshops were held on:

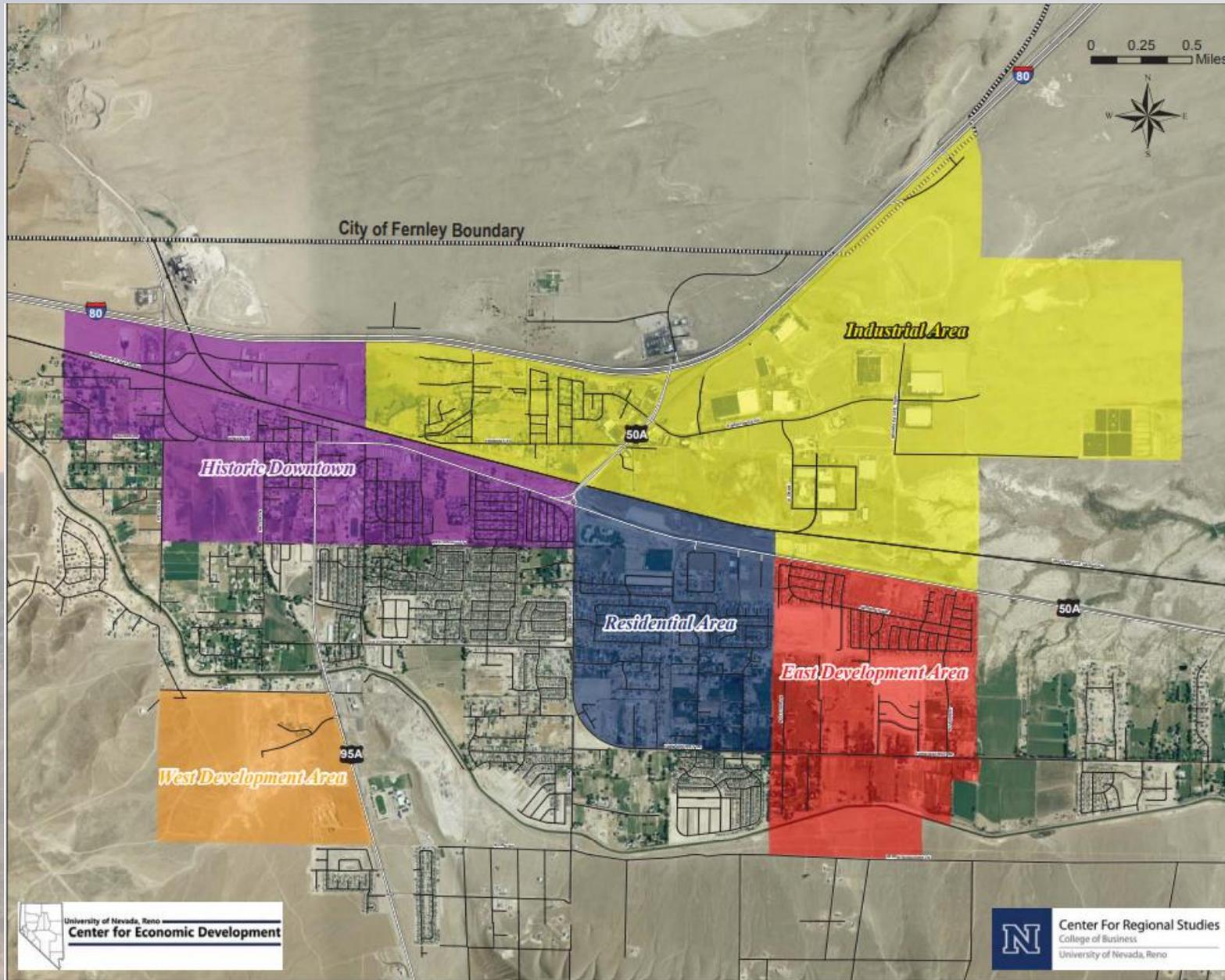
- August 18, 2017
- January 27, 2018
- February 5, 2018
- February 10, 2018
- February 26, 2018



Has the public been invited to participate in the Redevelopment Study? In addition to the public workshops, the City and University Center for Economic Development staff have responded to over 200 emails and phone calls from property owners, business owners, and residents within the Study Area. City and University Center for Economic Development staff have also made presentations to the City of Fernley Chamber of Commerce, the Lyon County Board of County Commissioners and the Lyon County School District regarding the Redevelopment Study.

Lastly, the City reached out to external stakeholders and held a meeting on October 3rd, 2018. The purpose of this meeting was to seek input regarding the draft Redevelopment Plan and draft Owner Participation Agreement/Rules. Representatives from Lyon County, Lyon County School District, North Lyon Fire Protection District, Fernley Pool District, and the State of Nevada were all invited to the meeting.

How long will the Redevelopment Agency and District exist if created by the City Council? The Redevelopment Agency and Redevelopment District will exist for an initial 30 years with the option to extend to a total of 50 years. However, the Redevelopment District must terminate, per state law, at a maximum of 50 years.



For more information about the City of Fernley Redevelopment Study, please feel free to contact:

Colleen Unterbrink
Assistant to the City Manager
City of Fernley

Phone: 775.784.9851

Email: crunterbrink@cityoffernley.org

Timothy Thompson
Planning Director
City of Fernley

Phone: 775.784.9810

Email: tthompson@cityoffernley.org

Frederick Steinmann
Assistant Research Professor
University Center for Economic Development
University of Nevada, Reno

Phone: 775.784.16544

Email: fred@unr.edu