

MEMORANDUM

To: Board of Directors, Somerset Owners Association
Re: Letter of Intent to City of Reno Requesting the Transfer of Ownership of East and West Parks
Date: June 30, 2021, Board Meeting

Background

The two parks within Somerset known as East Park and West Park are owned by the City of Reno. Although the City is the owner of record, the SOA maintains and improves the parks.

SOA Board Vice President, Jacob Williams, as one of the Board's representatives to Facilities Committee, has been discussing the issue of park ownership with City of Reno Councilmember Neoma Jardon and City staff. The City of Reno has an interest in transferring ownership to the SOA and, in fact, City staff indicated they typically transfer ownership of park parcels within a Planned Unit Development as a matter of standard practice.

Board Discussion

The City of Reno is requesting a Letter of Intent ("LOI") to initiate the process of potentially transferring ownership of the parks to the SOA. Attached for the Board's consideration is a drafted LOI, which is non-binding upon the SOA. Should the Board approve the LOI, it would be sent to the City of Reno to move the process of potentially transferring ownership further along.

If the City agrees to transferring ownership of these parcels, the SOA's Board of Directors will need to take formal action at a later date to accept the deed and transfer, including any terms and conditions for such a transfer. For example, the City indicated if they were to transfer ownership of the parks to the SOA that the parks continue to be opened to the public; the attached LOI requests more specifics as to the City's expectations in that regard.

Financial Impact

The SOA currently maintains appropriate insurance for maintaining and improving the parks. However, the Board will solicit new quotes from insurance brokers whether transferring ownership will have a financial impact on the SOA's insurance rates. The SOA already bears the cost of maintaining and improving the parks, thus, changing park ownership should have no financial impact to the SOA for those expenses.

Board Action

The Board's options on this item include:

1. Discuss the LOI and potential transfer of ownership of the parks to the SOA
2. Pass a motion to approve the LOI as written, or with edits, and authorize Vice President Jacob Williams to send the LOI to the City of Reno on behalf of the Board
3. Pass a motion to reject the LOI and potential transfer of ownership
4. Take no action at this time

Jacob Williams, Vice President
On behalf of the Board of Directors of the
Somerset Owner's Association
The Club at Town Center
7650 Town Square Way
Reno, NV 89523

Mailing Date

Councilmember, Neoma Jardon
Community Liaison, Hazel Moreno,
City Manager, Douglas Thornley
Community Development Director, Arlo Stockham
City of Reno
1 East First Street
PO Box 1900
Reno, NV 89505

via email

Re: Letter of Intent to receive transfer of parks within Somerset Owners Association

Honorable Councilmember Jardon,

As you know, we've been discussing the community parks in Somerset Owners Association ("SOA") for which the SOA is responsible to maintain. The SOA has been improving and maintaining our parks since they were constructed. However, the City of Reno, not the SOA, is the owner of record for our two parks known as the East Park and West Park.

It is my understanding in speaking with employees of the City of Reno that, typically, after a common interest community is formed, somewhere along the timeline (perhaps after the declarant transfers control to the owners), the City cedes ownership (if the City is the owner of record) of any common area parcels to the Association. However, that did not happen in the case of our two community parks. As a result, the City is still the owner of record although the SOA is completely responsible to maintain and improve the parks.

I have been speaking with you and City of Reno staff members about this issue and it is my understanding the City is interested in transferring ownership of these parks to the SOA, which provides a public benefit to City residents in that transferring ownership would eliminate any residual liability on the part of the City. Further, the SOA's effort to improve the parks is often hampered due to the City's ownership in terms of requesting approvals.

The SOA is aware and understands that should the City transfer ownership to the SOA, the parks must remain open for general use by the public. In that regard, please provide additional specifics as it relates to "public use," so we are clear as to the expectations.

As the Vice President of the Board of Directors of the SOA, I brought up the issue of park ownership at our May 26, 2021, Board meeting. I explained what I know about the issue and was given consensus by the Board to pursue the necessary process to determine if transferring ownership to the SOA is possible.

Thereafter, in discussions with the City of Reno, it was determined the City would prefer a Letter of Intent ("LOI") outlining the SOA's request. I placed a copy of this letter on our June 30, 2021 meeting of the Board.

{Insert specific language from June 30, 2021 Board meeting: Based on the motion and subsequent action taken by the Board...}, please allow this letter to serve as a non-binding Letter of Intent ("LOI") from the Board of Directors of the Somerset Owners Association to Receive Ownership of the community parks located within the common interest community of the Somerset Planned Unit Development, as described and defined by the Second Amended and Restated Declaration of Covenants, Conditions, and Restriction of Somerset (Recorded on March 3, 2005, Doc #3177981).

This non-binding LOI is intended to initiate a formal action to transfer ownership of the East and West Parks as referenced herein from the City to the SOA. If the City has a different option, such as a permanent easement granting full use and control of the parks to the SOA, we are certainly open to that process as well.

If the City agrees to transferring ownership, please note the final acceptance of the ownership and property transfer will require approval by the SOA's Board of Directors on a future agenda. Similarly, we understand the City may also need to agendaize our request for consideration by the City Council and we are prepared to attend any such meetings should that be necessary.

The SOA's intention, as it relates to the transfer of ownership, is to improve the process by which maintain the parks, minimize layers of bureaucracy where they are not needed nor provide a public benefit, and to continue to enhance the quality of life for our community's residents.

Please let me know if this letter is sufficient to initiate the necessary proceedings to transfer ownership of the park parcels, known as the East Park and West Park, to the SOA.

Sincerely,

Jacob Williams
Vice President, Board of Directors
On behalf of the entire Board of Directors
Somerset Owners Association
Cell: (916) 316-8899

cc: SOA Board President, Mark Capalongan