

CITY OF SPARKS
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE AGENDA ITEM
MEETING DATE: May 3, 2018

Subject: Review, Consideration, and Possible Recommendation to the Sparks City Council to Approve the Adoption of the Revised Land Use Assumptions, Capital Improvements Plan, and Imposition of Impact Fees for City of Sparks Impact Fee Service Area #1 (FOR POSSIBLE ACTION).

Petitioner: John A. Martini, P.E., Community Services Director

Recommendation: Staff recommends that the Planning Commission, acting as the Capital Improvements Advisory Committee, forward a recommendation to the Sparks City Council to approve the adoption of the revised the land use assumptions, Capital Improvements Plan and imposition of impact fees for Impact Fee Service Area #1.

Financial Impact: There is no direct financial impact on the operation of the City. Funds collected through the impact fee program will be used to provide regional infrastructure in the Service Area.

Business Impact (*per NRS Chapter 237*):

- A Business Impact Statement is attached.
- A Business Impact Statement is not required because
- this is not a rule;

Background/Analysis/Alternatives

BACKGROUND:

In March of 1992, the City of Sparks City Council approved Resolution No. 2161 adopting the Northern Sparks Sphere of Influence (NSSOI) Plan. The NSSOI planning area encompassed approximately 7,200 acres of mostly undeveloped land for future annexation into the City of Sparks. The NSSOI plan included a mix of residential, commercial, industrial, business park and recreational land uses and emphasized the use of master planned development. The adopted NSSOI plan included an ***Improvement Cost Sharing-Financing Plan*** for the provision of infrastructure to serve the planning area. The plan specifically stated that “Prior to implementation of the overall plan, a detailed financing plan and mechanism for fee collection by the City of Sparks shall be established.”

In March of 1994, the City Council approved Resolution No. 2270 adopting the Northern Sparks Sphere of Influence Financing Concept Plan. The NSSOI Financing Concept Plan established a capital improvements plan and cost estimates for the provision of sanitary sewer facilities, roadways, flood control facilities, parks and open space and public facilities to support the development of the NSSOI. The NSSOI Financing Concept Plan set a schedule of infrastructure

financing fees based upon land use types. The NSSOI Financing Concept Plan recommended the use of development agreements as the mechanism for the collection of fees because, in 1994, the Nevada Revised Statutes (NRS 278B) did not allow for parks and public facilities to be included in an impact fee system.

In March of 1997, the City Council approved Resolution No. 2454 adopting the Northern Sparks Sphere of Influence Infrastructure Financing Plan Fee Update. The 1997 update included revisions to the capital improvements and land use plans and adjusted the infrastructure financing fees accordingly. Due to the establishment of the Regional Transportation Commission of Washoe County Regional Road Impact Fee Program in 1996, infrastructure financing fees for roads were deleted from the 1997 update to the NSSOI Infrastructure Financing Plan Fee Update.

The Nevada Legislature amended the impact fee statutes (NRS 278B) during the 2001 session via Assembly Bill 458. The bill proposed and the Legislature ultimately adopted language that allowed for fire station, police station and parks projects to be included in capital improvement plans for the establishment of impact fees associated with new development. Due to these statutory changes, the City of Sparks elected to convert the NSSOI Financing Concept Plan to an NRS 278B Impact Fee Program.

As prescribed by NRS 278B.150, the imposition of an impact fee requires the governing body of the local government to establish a Capital Improvements Advisory Committee (CIAC) and allows the governing body to designate the Planning Commission to act as the CIAC. The Sparks City Council designated the Sparks Planning Commission as the CIAC in May of 2001 under Resolution 2729. NRS 278B requires the CIAC to review the land use assumptions and capital improvements plan associated with Impact Fee Service Area #1 (IFSA#1) every three years and file a report of recommendations to the Sparks City Council.

In December of 2002, upon the recommendation of the CIAC, the City Council passed and adopted Ordinance No. 2157 which converted the NSSOI Infrastructure Financing Concept Plan to Impact Fee Service Area Number 1 (IFSA#1).

In October of 2005 the CIAC met to review the revised land use assumptions, capital improvements plan and associated impact fees for IFSA#1 and recommended approval to the City Council. In December of 2005 the City Council approved the recommended revisions to the land use assumptions, capital improvements plan and associated impact fees.

In June of 2013 the CIAC met to review the revised land use assumptions, capital improvements plan and associated impact fee for IFSA#1 and recommended approval to the City Council. The City Council approved the recommended revisions to the land use assumptions, Capital Improvements Plan and associated impact fees.

In November of 2016 the CIAC met to review the revised land use assumptions, capital improvements plan and associated impact fee for IFSA#1 and recommended approval to the City

Council. On December 12, 2016, the City Council approved, through resolution 3304, a revision to the land use assumptions, capital improvements plan and associated impact fees for IFSA#1.

On October 24, 2016, the City of Sparks approved Ordinance 2531, annexing 67.4 acres of land generally located on the southwest corner of Highland Ranch Parkway and Pyramid Highway.

On October 17, 2017, Lewis and Roca, acting as agent for the property owner, petitioned the City of Sparks to include the land annexed under Ordinance 2531 within IFSA#1 (Attached).

In response to the petition to include the annexed land into IFSA#1, the City of Sparks retained House Moran Consulting, Inc. (HMCI), to provide an analysis of the land use assumptions, capital improvements plan, and impact fees associated with IFSA#1. The results of the analysis performed by HMCI were documented in a report titled *Capital Improvements Plan: Impact Fee Service Area Number 1, Updated Fee Schedule, February 2018* (February 2018 HCMI report).

On March 15, 2018 the CIAC held a public hearing to review the land use assumptions, capital improvements plan and impact fees associated with the February 2018 HCMI report. After holding the public hearing, the CIAC voted to forward a recommendation of approval of the land use assumptions, capital improvements plan, and proposed impact fees associated with Impact Fee Service Area # 1 to the Sparks City Council.

Subsequent to the March 15, 2018 public hearing and recommendation of approval by the CIAC, staff received an inquiry from a representative of the Stonebrook New Urban Development questioning the proposed flood control impact fee presented in the February 2018 HCMI report.

After considering the inquiry, Community Services Staff and HCMI re-reviewed the calculations for each of the proposed impact fees (Sanitary Sewer, Flood, Parks and Recreation and Fire Station) presented in the February 2018 HCMI report. Upon re-review it was determined that the proposed impact fees for flood control presented in the February 2018 HCMI report were incorrect due to a calculation error - the costs associated with the existing flood control facilities had been omitted from the calculation.

The error in calculation of the flood portion of the impact fees has been corrected and the proposed impact fees for flood control have been revised and are presented in the report titled *Capital Improvements Plan: Impact Fee Service Area Number 1, Updated Fee Schedule, April 2018* (April 2018 HCMI report). The report is attached for the CIAC's review.

ANALYSIS:

Land Use Assumptions for Impact Fee Service Area #1

The land use assumptions for Impact Fee Service Area #1 are presented in Chapter 3 of the April 2018 HCMI Report and are summarized by development area in the attached spreadsheet.

As can be seen in the April 2018 HCMI Report, the full build out development potential within IFSA#1 is 26,541 service units. As of December 15, 2017, building permits had been issued for 12,529 service units, leaving 14,012 service units of planned future development.

A comparison of the 2018 analysis of Master Plan Land Use to the analysis presented in the 2016 IFSA#1 update is presented below:

Comparison of Master Plan Land Use Analysis

Analysis of Master Plan Land Use for IFSA#1 (Full Build out)			
Land Use Type	2018 Service Units	2016 Service Units	Difference
Residential			
Single Family	14,226	14,004	+222
Multifamily	4,099	4,225	-126
Total Residential	18,325	18,229	+96
Non-Residential			
Business Park	3,020	2,966	+54
General Commercial	4,440	4,441	-1
Public Facilities	361	405	-44
Tourist Commercial	195	195	0
Lodging	200	200	0
Total Non-Residential	8,216	8,207	+9
Totals	26,541	26,436	+105

The above comparison indicates a net addition of 105 service units within IFSA#1 as compared to the land use assumptions provided in the 2016 update. This net addition is due to land use changes, and changes to associated build out assumptions, that have occurred since 2016 within the Kiley Ranch North New Urban District, the Foothills at Wingfield Springs New Urban District, the Pioneer Meadows New Urban District, the Stonebrook New Urban District, and the additional land use assumptions for the lands annexed via Ordinance 2531.

Capital Improvements Plan

The Capital Improvements Plan for the provision of Sanitary Sewer, Flood Control, Parks and Recreation and Fire Station improvements to support the master planned land uses within IFSA#1 are presented in Chapter 4 and in the appendix of the April 2018 HCMI Report. The Report includes an analysis of both existing and future capital improvement facilities for each of the infrastructure categories as well as the basis for allocation of costs for each land use type. No

changes to the Capital Improvements Plan were required due to the addition of the lands annexed via Ordinance 2531. As such, the Capital Improvements Plan is the same as that used in the 2016 update with costs adjusted for inflation.

Proposed Impact Fees

The recommended impact fees for the land use assumptions and capital improvements included in IFSA#1 are summarized in Chapter 4 of the HCMI report.

Proposed 2018 Impact Fee Service Area Number 1 Fees

Land Use	Infrastructure Type				Proposed 2018 Impact Fee Total
	Sanitary Sewer	Flood Control	Parks and Recreation	Fire Station	
Residential					
Single Family	\$267	\$454	\$833	\$354	\$1,907
Multifamily	\$267	\$350	\$833	\$354	\$1,803
Non-Residential					
Business Park	\$83	\$420	N/A	\$354	\$857
General Commercial	\$251	\$591	N/A	\$354	\$1,196
Public Facilities	\$83	\$364	N/A	\$354	\$801
Tourist Commercial	\$251	\$299	N/A	\$354	\$904
Lodging	\$139	N/A	N/A	\$354	\$493

The corrected and revised proposed flood control impact fees are summarized in the table below:

Land Use	2018 Proposed Flood Control Impact Fee		
	February 2018 HCMI Report	April 2018 HCMI Report	Difference
Residential			
Single Family	\$281	\$454	\$173
Multifamily	\$216	\$350	\$134
Non-Residential			
Business Park	\$260	\$420	\$160
General Commercial	\$366	\$591	\$225
Public Facilities	\$225	\$364	\$139
Tourist Commercial	\$185	\$299	\$114
Lodging	N/A	N/A	N/A

The following tables present a summary of the fees over the program's history.

Original (1994) Voluntary NSSOI Infrastructure Financing Fees

Land Use Type	Infrastructure Type					
	Sanitary Sewer	Roadway	Flood Control	Parks & Rec.	Public Facilities	Total Fees
Single Family Residence (per dwelling)	\$318	\$973	\$353	\$782	\$113	\$2,529
Multifamily Residence (per dwelling)	\$212	\$624	\$113	\$782	\$113	\$1,844
Business Park (per 1,000 SF of Building)	\$96	\$1,072	\$122			\$1,290
General Commercial (per 1,000 SF of Building)	\$299	\$1,499	\$122			\$1,920
Public Facilities (\$/acre)	\$96	\$166	\$1332			\$1,594
Tourist Commercial/Resort Lodging (per room)	\$166	\$732	\$123			\$1,021

The Regional Road Impact Fee was created in 1996, so the roadway portion of the fee was removed from the 1997 NSSOI Infrastructure Financing Fees:

1997 Updated Voluntary NSSOI Infrastructure Financing Fees

Land Use Type	Infrastructure Type				
	Sanitary Sewer	Flood Control	Parks & Rec.	Public Facilities	Total Fees
Single Family Residence (per dwelling)	\$220	\$543	\$628	\$121	\$1,512
Multifamily Residence (per dwelling)	\$166	\$189	\$663	\$121	\$1,139
Business Park or Public Facility (per 1,000 SF of Building)	\$112	\$251	---	\$121	\$484
General or Tourist Commercial (per 1,000 SF of Building)	\$350	\$251	---	\$121	\$722
Resort Lodging (per room)	\$194	---	---	\$121	\$315

In 2002 the NSSOI Infrastructure Financing Fees were converted to an NRS 278B Impact fee program and the following fees were adopted:

2002 Impact Fee Service Area Number 1 Fees

Land Use Type	Infrastructure Type				
	Sanitary Sewer	Flood Control	Parks & Rec.	Fire Station Projects	Total Fees
Single Family Residence (per dwelling)	\$227	\$1,317	\$768	\$224	\$2,536
Multifamily Residence (per dwelling)	\$223	\$521	\$768	\$224	\$1,736
Business Park (per 1,000 SF of Building)	\$74	\$587	---	\$224	\$885
General Commercial (per 1,000 SF of Building)	\$219	\$614	---	\$224	\$1,057
Public Facilities (per 1,000 SF of Building)	\$108	\$501	---	\$224	\$883
Tourist Commercial (per 1,000 SF of Building)	\$229	\$534	---	\$224	\$987
Lodging (per room)	\$84	---	---	\$224	\$308

As required by NRS 278B, the Impact Fee Service Area Number 1 Fees were updated in 2005, 2013 and again in 2016:

2005 Impact Fee Service Area Number 1 Fees

Land Use Type	Infrastructure Type				
	Sanitary Sewer	Flood Control	Parks & Rec.	Fire Station Projects	Total Fees
Single Family Residence (per dwelling)	\$225	\$992	\$691	\$200	\$2,108
Multifamily Residence (per dwelling)	\$230	\$389	\$691	\$200	\$1,510
Business Park (per 1,000 SF of Building)	\$76	\$445	---	\$200	\$721
General Commercial (per 1,000 SF of Building)	\$212	\$461	---	\$200	\$873
Public Facilities (per 1,000 SF of Building)	\$77	\$463	---	\$200	\$740
Tourist Commercial (per 1,000 SF of Building)	\$147	\$432	---	\$200	\$779
Lodging (per room)	\$108	---	---	\$200	\$308

2013 Impact Fee Service Area Number 1 Fees

Land Use Type	Infrastructure Type				
	Sanitary Sewer	Flood Control	Parks & Rec.	Fire Station Projects	Total Fees
Single Family Residence (per dwelling)	\$239	\$564	\$619	\$286	\$1,708
Multifamily Residence (per dwelling)	\$239	\$198	\$619	\$286	\$1,342
Business Park (per 1,000 SF of Building)	\$75	\$325	---	\$286	\$686
General Commercial (per 1,000 SF of Building)	\$225	\$324	---	\$286	\$835
Public Facilities (per 1,000 SF of Building)	\$74	\$324	---	\$286	\$684
Tourist Commercial (per 1,000 SF of Building)	\$225	\$324	---	\$286	\$835
Lodging (per room)	\$126	---	---	\$286	\$412

2016 Impact Fee Service Area Number 1 Fees

Land Use Type	2016 Impact Fees				
	Sanitary Sewer	Flood Control	Parks & Recreation	Fire Station Projects	Impact Fees
Single Family	\$297	\$593	\$778	\$340	\$2,008
Multifamily	\$297	\$348	\$778	\$340	\$1,763
Business Park	\$92	\$413	N/A	\$340	\$846
General Commercial	\$279	\$537	N/A	\$340	\$1,157
Public Facilities	\$92	\$412	N/A	\$340	\$844
Tourist Commercial	\$279	\$425	N/A	\$340	\$1,044
Lodging	\$155	N/A	N/A	\$340	\$495

Proposed 2018 Impact Fees and Comparison to 2016 Fees

Land Use	2018 IFSA#1 Impact Fees				Proposed 2018 Impact Fee Total	Current 2016 Impact Fee Total	Change to Fee %
	Infrastructure Type						
	Sanitary Sewer ¹	Flood Control ²	Parks and Recreation ³	Fire Station ⁴			
Residential							
Single Family	\$267	\$454	\$833	\$354	\$1,907	\$2,008	-5%
Multifamily	\$267	\$350	\$833	\$354	\$1,803	\$1,763	2%
Non-Residential							
Business Park	\$83	\$420	N/A	\$354	\$857	\$846	1%
General Commercial	\$251	\$591	N/A	\$354	\$1,196	\$1,157	3%
Public Facilities	\$83	\$364	N/A	\$354	\$801	\$844	-5%
Tourist Commercial	\$251	\$299	N/A	\$354	\$904	\$1,044	-13%
Lodging	\$139	N/A	N/A	\$354	\$493	\$495	< -1%

As presented in the table above, the results of the 2018 IFSA#1 CIP update and analysis of land use yield a mixture of decreased and increased impact fees compared to the current (2016) fees. The variance is due to the addition of 67.4 acres of land annexed under Ordinance 2531, and adjustments made to build out land use assumptions since the 2016 update.

The impact fee revision is scheduled to go before the Sparks City Council for consideration in May 2018, pending a recommendation of approval by the CIAC.

ALTERNATIVES:

The Capital Improvements Advisory Committee may refer the matter back to staff to address any issues raised at the meeting that are not addressed to the Committee’s satisfaction.

SUGGESTED MOTION:

I move to forward to the Sparks City Council a recommendation to approve the adoption of the revised land use assumptions, Capital Improvements Plan and imposition of impact fees for Impact Fee Service Area #1.

Respectfully submitted,



John A. Martini, P.E -Community Services Director

Attachments: April 2018 HCMI Report

IFSA # 1 2018 Fee Update Study – Analysis of Land Use Assumptions

Petition to Join IFSA#1- Highland Ranch Annexation

Correspondence regarding land use assumptions for Highland Ranch Annexation