

CITY OF SPARKS
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE AGENDA ITEM
MEETING DATE: November 17, 2019

Subject: Review and Possible Approval of the Land Use Assumptions and Capital Improvements Plan for City of Sparks Impact Fee Service Area #1.

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 of approval of the land use assumptions, proposed Capital Improvements Plan and associated fees to the City Council as listed in the staff report.

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 statute (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. .

Earlier this year, 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 are documented in a report titled, ***Capital Improvements plan, Impact Fee Service Area Number 1, Updated Fee Schedule, 2016*** and is attached for the CAIC'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 HCMI report. As can be seen in the report, the full build out development potential within IFSA#1 is 26,436 service units. As of December 30, 2015, 11,813 service units had been issued building perms leaving 14,623 service units of planned future development.

A comparison of the 2016 analysis of Master Plan Land Use to the analysis presented in the 2013 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	2016 Service Units	2013 Service Units	Difference
Residential			
Single Family	14,004	13,919	+85
Multifamily	4,225	5,296	-1071
Total Residential	18,229	19,215	-986
Non-Residential			
Business Park	2,966	3,107	-141
General Commercial	4,441	4,386	+55
Public Facilities	405	414	-9
Tourist Commercial	195	195	0
Lodging	200	200	0
Total Non-Residential	8,207	8,302	-95
Totals	26,436	27,517	-1,081

The above comparison indicates a reduction of 1,081 service units within IFSA#1. This reduction is due to land use changes, and associated build out assumptions, that have occurred since 2013 within the Kiley Ranch North New Urban District. Service units were also reduced for APN 084-550-02 (60 acres east of Golden Eagle Park) due to revised land use information from the land owner. Additionally, the service units associated with the Kiley Ranch Northeast Golf Communities Planned Development were removed from the 2016 analysis as the development handbook for the project was abandoned by the City Council in 2014.

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 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.

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 HMCI report.

Proposed 2016 Impact Fee Service Area Number 1 Fees

	<i>Proposed Fee by Infrastructure Type (2016)</i>				
<i>Land Use Type</i>	<i>Sanitary Sewer</i>	<i>Flood Control</i>	<i>Parks and Recreation</i>	<i>Fire Station Projects</i>	<i>Total 2016 Impact Fee</i>
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

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 and again in 2013:

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

The proposed 2016 Impact Fee Service Area Number 1 fees would result in an increase to the existing approved fees (from the 2013 update) for all land use types:

Proposed 2016 Impact Fees and Comparison to 2013 Fees

Land Use Type	Proposed 2016 Impact Fee Total	Current 2013 Impact Fee Total	Change to Fee %
Residential			
Single Family	\$2,008	\$1,708	18%
Multifamily	\$1,763	\$1,342	31%
Non-Residential			
Business Park	\$846	\$686	23%
General Commercial	\$1,157	\$835	39%
Public Facilities	\$844	\$684	23%
Tourist Commercial	\$1,044	\$835	25%
Lodging	\$495	\$412	20%

As presented in the table above, the results of the 2016 IFSA#1 CIP update and analysis of land use yield an increase in impact fees over the current (2013) fees. This increase is due to increased capital costs (adjusted for 3 years of inflation) coupled with a decrease in service units - i.e., higher capital costs distributed over decreased service units within the service area.

Staff solicited input from the development community through the Development Services Enterprise Fund Advisory Committee (EFAC) at a meeting on November 1, 2016. Copies of the capital improvements plan for the impact fee area were mailed all members of EFAC approximately one week prior to the meeting. Feedback was generally positive and the EFAC voted to forward a recommendation of approval to the CIAC.

The impact fee update is scheduled to go before the Sparks City Council for final approval in December, pending 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 a recommendation of approval of the land use assumptions, capital improvement program, and proposed impact fees associated with Impact Fee Service Area # 1, as attached to the staff report, to the City Council.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John A. Martini". The signature is fluid and cursive, with a large initial "J" and "M".

John A. Martini, P.E

Community Services Director

Attachments: Impact Fee Service Area Number 1 Capital Improvements Plan