



**CITY OF SPARKS**  
**CITY COUNCIL AGENDA STAFF REPORT**  
**MEETING DATE: June 9, 2014**

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| <p><b>Title:</b> First Reading and possible discussion of Bill No.2674, an ordinance amending Chapter 13 of the Sparks Municipal Code to allow the collection of sewer connection fees to be deferred from building permit issuance to prior to issuance of a certificate of occupancy and providing for other matters properly related thereto.</p>   |
| <p><b>Petitioner:</b> John A. Martini, P.E., City Engineer<br/><b>Presenter:</b> John A. Martini, P.E., City Engineer</p>  |
| <p><b>Recommendation:</b> That the City Council instruct the City Clerk to read the First Reading of the Bill by Title on June 9, 2014 and thereafter publish notice of a second reading and public hearing of this Bill for its possible adoption and possible approval on June 23, 2014.</p>   |
| <p><b>Financial Impact:</b> None.</p>  |
| <p><b>Business Impact (Per NRS 237)</b></p> <p><input type="checkbox"/> A Business Impact Statement is attached.</p> <p><input type="checkbox"/> A Business Impact Statement is not required because this is not a rule.</p> <p><input checked="" type="checkbox"/> A Business Impact Statement is not required. This is a rule but does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or exemption of a business.</p> <p><input type="checkbox"/> A Business Impact Statement is not required. Thus is a rule but emergency action is necessary to protect the public health and safety (requires a unanimous vote of the City Council and cannot be in effect for more than six months).</p>  |
| <p><b>Agenda Item Brief:</b> The Builders Association of Northern Nevada has requested that the local jurisdictions responsible for issuing building permits consider the deferral of building permit fees from the time of building permit issuance to prior to certificate of occupancy. At the December 9, 2013 City Council meeting, Councilman Lawson formerly requested that City Staff investigate the issues related to allowing for fees to be deferred . On March 10, 2014 Community Services Staff presented the results of the investigation and the City Council directed to the City Manager to initiate an amendment to Title 13 of the Sparks Municipal Code to allow for the deferral of sewer connection fees. Adoption of the proposed bill will amend, by ordinance, Title 13 of the Sparks Municipal Code and allow for the payment of sewer connection fees to be deferred until time of certificate of occupancy.</p> |

**Background:** On December 5, 2013 the Builders Association of Northern Nevada (BANN) hosted a meeting that included Staff and elected officials from the City of Sparks, the City of Reno and Washoe County as well as staff members from the Truckee Meadows Water Authority (TMWA), the Regional Transportation Commission of Washoe County (RTC) and NV Energy. The purpose of the meeting was to have an open discussion regarding the timing of the payment of certain fees related to permits for new development. A request was made by BANN for each agency to identify what fees could be deferred from being collected at the time of building permit issuance to being collected prior to issuance of a certificate of occupancy. The reason given by BANN for making the request is to align the payment of fees with the timing for providing services. Each of the agencies agreed to investigate the issue subject to a receiving a formal request from an elected official from each respective jurisdiction. Each of the member agencies also agreed to attend a follow-up meeting in February with BANN to continue the discussion and to identify issues.

At the December 9, 2013 City Council meeting, Councilman Lawson formerly requested that City Staff investigate the issues related to allowing for fees to be deferred. Community Services staff began the

investigation in January of 2014 and prepared preliminary findings for the February follow-up meeting with BANN.

The follow-up meeting was hosted by BANN on February 13, 2014 and included staff and elected officials from the City of Sparks, the City of Reno, Washoe County and staff members from TMWA, RTC, and NV Energy. At the meeting, each entity provided the group with a summary of their findings with the majority of the discussion centered on the issuance of building permits. Through the discussions, there was consensus that building permit fees related to plan review and building inspection should not be considered for deferral due to the fact that they represent payment for services rendered and would have a negative effect on cash flow within each entity's development services enterprise fund. The discussion did identify the payment of sewer connection fees, regional road impact fees, local impact fees, and residential construction tax as being acceptable for consideration for deferral from building permit issuance to prior to certificate of occupancy. At the terminus of the meeting, BANN requested that each agency be prepared to implement the deferral of fees by July 1, 2014.

On March 10, 2014 Community Services Staff presented the results of the investigation and requested that the City Council provide direction to the City Manager to initiate an amendment to Title 13 of the Sparks Municipal Code to allow for the deferral of sewer connection fees from the time of building permit issuance to prior to the issuance of a certificate of occupancy. Such direction was given to the City Manager.

**Analysis:** Adoption of the proposed bill will amend, by ordinance, Title 13 of the Sparks Municipal Code (SMC) to allow the collection of sewer connection fees to be deferred from building permit issuance to prior to issuance of a certificate of occupancy. Specifically, the proposed Bill will amend the following Sections of Title 13:

- **Section 13.24.10: Connection Fee Payment** Section 13.24.10 defines the timing for payment of sewer connection fees (sanitary sewer, storm drain, and river flood). The proposed amendment will allow for connection fees to be paid at the time of building permit issuance or to be deferred until prior to the issuance of a certificate of occupancy or twelve (12) months, whichever comes first. Additionally, if the applicant chooses to defer the payment of connection fees, the Building Official will be restricted from issuing a temporary certificate of occupancy until such time as the connection fees are paid.

**Alternatives:** None: This is a first reading.

**Recommended Motion:** None: This is a first reading.