

STAFF REPORT

Date: October 11, 2017

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **J.1. Staff Report (For Possible Action): Presentation, discussion and opportunity to offer comments on a proposed amendment to the Truckee Meadows Regional Plan to remove six parcels totaling ±83.06 acres from the City of Reno's Sphere of Influence (SOI)/Truckee Meadows Service Area (TMSA) boundary. The subject site is located on the east side of South Virginia Street between Towne Drive and Rhodes Road.**

From: Jeff Borchardt, Associate Planner

Summary: A request has been made to the Truckee Meadows Regional Planning Agency (TMRPA) to amend the Truckee Meadows Regional Plan (TMRP) to remove six parcels (Assessor's Parcel Numbers 017-020-18; 017-30-02; -24; -28; -29; -30) totaling ±83.06 acres from the City of Reno's portion of the Truckee Meadows Service Area (TMSA)/Sphere of Influence (SOI). The subject properties are located on the east side of South Virginia Street between Towne Drive and Rhodes Road. Currently, the properties have City of Reno Master Plan land use designations of Urban Residential/Commercial (±16.13 acres), Single Family Residential (±36.37 acres), and Unincorporated Transition (±30.56 acres) and are located within the Cooperative Planning Area (CPA) overlay district. There is no City Zoning currently attributed to the subject parcels. The existing Washoe County zoning is currently General Commercial (±6.71 acres), Neighborhood Commercial (±30.8 acres), Medium Density Suburban (±5.13 acres), Low Density Suburban (±28.92 acres), and General Rural (±11.5 acres). The applicant is requesting the existing County zoning on the property help guide the Washoe County Master Plan designations on the site. Approval of the requested Regional Plan amendment by the Regional Planning Governing Board would relinquish jurisdictional authority over land use (i.e. building permits, entitlements) to Washoe County. Comments from the City Council on the proposed project are requested by the TMRPA and will be included with the staff report for both the Truckee Meadows Regional Planning Commission (RPC) and Truckee Meadows Regional Planning Governing Board (RPGB).

Background: Amendments to the TMRP may be sponsored by any of the three local governing bodies, as well as the RPC and RPGB. In this instance, the applicant applied directly to TMRPA

to amend the Regional Plan and the amendment was sponsored by the RPC on August 9, 2017 (**Exhibit A**). At this time TMRPA requests comments from the Reno City Council.

In May 2002, the TMRP was adopted by the TMRPA. This plan expanded the City of Reno's SOI (Sphere of Influence - the area into which the City may expand into the foreseeable future) south into Washoe Valley. Shortly after the adoption of the TMRP, the Board of Washoe County Commissioners and the Sun Valley General Improvement District filed a writ of mandamus against the RPGB to prohibit the implementation of the Regional Plan. Chief Judge Hardesty sought mediation between the City of Reno, City of Sparks, Washoe County, Sun Valley General Improvement District, TMRPA, and a number of Verdi property owners. A settlement was reached in the fall of 2002 and the Settlement Agreement became effective in October 2002. This agreement rolled back the City of Reno SOI and TMSA in a number of areas, including Washoe Valley.

In May 2003, the City of Reno adopted the City of Reno Annexation Program 2003-2009, showing future annexation of lands within the SOI/TMSA established as part of the 2002 Regional Plan Settlement Agreement. The Annexation Program was certified as being in conformance with the TMRP by the RPC, and Washoe County filed an objection to the RPC's determination. The RPC's determination was upheld by the RPC upon a second consideration and also by the RPGB. Following those administrative determinations, Washoe County filed a petition for judicial review regarding the RPGB's certification of Reno's Annexation Program, naming both the RPGB and the City of Reno as respondents. In September 2004, settlement negotiations were entered into by the City of Reno, Washoe County, the RPGB, and the City of Sparks (as an intervening party). Later in August 2005, the parties entered into a settlement agreement directing Reno, Sparks and Washoe County to jointly propose amendments to the TMRP. These amendments were adopted by the RPGB on July 27, 2006, and are summarized below:

- Policy changes regarding the management of the TMSA in relation to future population and sizing;
- Revising the boundaries of the TMSA to include the rollback of the City of Reno's SOI/TMSA in the St. James area to its current southern boundaries, and the addition of lands to City of Reno SOI/TMSA in the North Valleys and Winnemucca Ranch. Lands to the east of I-580 that are currently proposed for annexation to the City of Reno were not proposed to rollback from the City's SOI/TMSA;
- Adding the Future Service Areas (FSA) designation and policy language regarding future work with the Bureau of Land Management to prepare a long-term program to convert lands from federal to private ownership;
- Policy changes allowing the unincorporated County to have increased residential densities (up to five dwelling units per acre) and increases in non-residential development intensity; and

- Policy amendments regarding public facilities plans and concurrency.

In addition to the annexation settlement agreements described above, the City of Reno and Washoe County entered into an interlocal agreement in January 2003. This agreement granted the City of Reno jurisdictional authority over land use (i.e. building permits, business licenses, entitlements) for properties within their SOI, provided the City adopted a master plan for the territory within the SOI (Nevada Revised Statutes (NRS) 278.02788 - Adoption of master plan for sphere of influence; appeal of decision concerning use of land within sphere of influence). At approximately this time, the City established the existing Master Plan land use designations on the property, which significantly reduced the commercial potential, increased the residential area slightly, and placed a large swath of the area under the Unincorporated Transition designation.

In May 2017, the Reno City Council was scheduled to consider a request to annex the subject properties into the City, but the application was withdrawn before being considered. That request generated a large degree of opposition from surrounding residents within the County's jurisdiction. The County residents that submitted public comment overwhelmingly indicated a preference that these properties remain within the County's jurisdiction.

At this time the applicant is proposing to remove the subject properties from the City of Reno's SOI/TMSA, which would result in the properties remaining within unincorporated Washoe County, and the removal of any influence the City of Reno would have by virtue of the properties no longer being included within its SOI/TMSA. In addition, the applicant is proposing to use the existing Washoe County Zoning designations to inform the Master Plan designations on the site.

Discussion: Per NRS, a City's SOI is an area into which the City plans to expand within the next 20 years. The TMRP further defines the TMSA as the geographic area within which municipal services and infrastructure will be provided. Per the TMRP, the portion of the TMSA for each city is also the SOI for that City.

Local governments may expand their portion of the TMSA provided capacity is available based on future population projections set forth in the Washoe County Consensus Forecast, which is updated every two years. The TMRPA has calculated the City's capacity for future growth pursuant to Policy 1.1.7.1 of the TMRP as -987.54 acres. Negative capacity results when the acreage in a jurisdiction exceeds what is necessary to accommodate projected population growth. The TMRP does not require that the size of a local government's TMSA be reduced when negative capacity results. If the proposed amendment to the TMSA is approved, the negative balance would be reduced to -904.48 acres. The City Council recently sponsored an amendment to remove three parcels totaling $\pm 1,080$ acres from the City's SOI/TMSA, which would bring the

City into a positive balance and allow for more strategic expansion in the future. Reducing the size of the City's TMSA supports emerging policy direction from the draft City of Reno Master Plan to monitor and amend the City's TMSA in order to maintain sufficient land area to accommodate the City's 20-year growth horizon. Currently, the land supply in the City's TMSA exceeds the land area needed to accommodate the 20-year growth horizon. Per the *Housing Demand Forecast and Needs Assessment*, the City will need 32,000 new dwelling units to accommodate population growth over the next 20 years and has an available land supply to accommodate over 60,000 dwelling units. The City also has a 67 year supply of land that can accommodate employment uses per the *Employment Demand Forecast and Needs Assessment*.

Approval of the requested amendment by the RPGB would remove any future responsibility for the provision of public services and infrastructure by the City of Reno to the subject properties.

In the analysis of the proposed application, City Staff noted two parcels (APN 017-301-04 and 017-020-16) that were not included in the proposed Regional Plan amendment. If these are not included in the removal of the area from the TMSA, there will be two small islands of land that will remain in the City's SOI. While the removal of these parcels would result in the elimination of islands, the resulting SOI boundary would still be somewhat convoluted. If so desired, the Council may, at future date, sponsor a regional plan amendment removing from the SOI everything south of Towne Drive and east of South Virginia that is not currently annexed into the City, thus creating a clear, logical boundary. This would require the removal of three parcels (APN 017-301-06; -21; 017-020-14) in addition to the aforementioned parcels. That action cannot be accomplished as part of this request – staff is only soliciting comments on the subject Regional Plan amendment request on behalf of the TMRPA at this time. If desired, city staff can bring back an analysis for Regional Plan amendment sponsorship at a later date.

Financial Implications: None at this time.

Legal Implications: None at this time.

Recommendation: Staff recommends the City Council offer comments to the TMRPA.

Proposed Motion: I move to support the proposed amendment to the Truckee Meadows Regional Plan to remove the six subject parcels from the City's portion of the Truckee Meadows Service Area/Sphere of Influence for the following reasons: (list the reasons why).

I do not support the proposed amendment to the Truckee Meadows Regional Plan to remove the six subject parcels from the City's portion of the Truckee Meadows Service Area/Sphere of Influence for the following reasons: (list the reasons why).

Attachments:

- Exhibit A - TMRPA Staff Report to Sponsor Amendment to the Regional Plan (PDF)