

**PLANNING COMMISSION
STAFF REPORT**

Date: March 4, 2020

To: Reno City Planning Commission

Subject: 4.1. Staff Report (For Possible Action - Recommendation to City Council): Case No. TXT20-00004 (Police Facility Impact Fee) An ordinance amending the Reno Municipal Code Title 18, “Annexation and Land Development,” Chapter 18.14 “Improvement Standards for New Development,” in order to impose an impact fee for police facilities, together with matters which pertain to or are necessarily connected therewith.

From: Sienna Reid, Senior Planner

Ward #: All

Case No.: TXT20-00004 (Police Facility Impact Fees)

Applicant: City of Reno

Request: An ordinance amending Reno Municipal Code Title 18, “Annexation and Land Development”, Chapter 18.14 “Improvement Standards for New Development,” in order to impose an impact fee for police facilities, together with matters which pertain to or are necessarily connected therewith.

Location: City-wide

Proposed Motion: Based upon compliance with the applicable findings, I move to recommend that City Council approve the text amendment by ordinance.

Background: On November 6, 2019 the Reno City Council directed staff to analyze the feasibility of establishing an impact fee system to fund qualified portions of the Reno Police Department (RPD) Public Safety Center project and construction of future fire stations. Various options to establish an impact fee for qualified portions of the RPD Public Safety Center were evaluated and imposing a police facilities impact fee was determined to be feasible. Council subsequently initiated a text amendment to Reno Municipal Code (RMC) Title 18 to include an impact fee for police facilities on February 26, 2020.

On March 4, 2020 the Planning Commission, acting in its capacity as the City of Reno Capital Improvements Advisory Committee, will review and provide a recommendation to Council regarding the land use assumptions and capital improvements plan used to develop impact fees for police facilities. Should Council choose to approve the land use assumptions and adopt the CIP after considering the recommendation of the Capital Improvements Advisory Committee, the implementation of police facility impact fees would occur through the adoption of an

enabling ordinance. This agenda item seeks Planning Commission consideration of the text amendment to RMC Title 18 that enables police facility impact fees.

Analysis: To-date, the City of Reno has imposed the Regional Road Impact Fee (RRIF) to fund roadway capacity improvements associated with new development. For the purposes of providing infrastructure and facilities concurrent with the demand from new development, the City of Reno Master Plan identifies impact fees as an option for funding police facility improvements in the event an impact fee ordinance is passed. The proposed amendment would enable impact fees for police facilities to ensure predictable fair share contributions from new development for the demands placed on public facilities generated by new development. The statutorily required Capital Improvements Plan (CIP) for planned police facilities and associated administrative manual are each adopted by reference per the proposed text amendment. Should Council choose to impose police facility impact fees the CIP is required to be updated at least once every three years.

Public Outreach: Outreach to the development community occurred in January and February 2020 with presentations to the Builder’s Association of Northern Nevada (BANN), Nevada Chapter of Associated General Contractors (AGC), and National Association for Industrial and Office Parks (NAIOP) Northern Nevada Chapter. Input received informed modifications to the draft enabling ordinance, including an adjusted fee calculation and a sunset date that could be extended by future action of the City Council.

Legal Requirements:

RMC 18.06.302 Amendments to Text of Title 18

Findings:

Amendments to Text of Title 18: In order to adopt an amendment to the text of Title 18, the planning commission and city council shall find the following:

- (1) Text amendments shall be in substantial conformance with the statement of purpose and intent of this Title 18, as set forth in Section 18.02.103.
- (2) Text amendments shall be in substantial conformance with the master plan.

Section 18.02.103. Purpose and Intent.

It is the intent of the city council that Title 18 serves to:

- (a) Promote the public health, safety, morals, convenience, and general welfare;

Staff Comment: The proposed amendment facilitates the use of impact fees for police facilities, which provide a standardized and predictable method for ensuring new development pays its fair share of the cost of public infrastructure.

- (b) Promote, preserve, and protect environmental quality as a critical element in Reno's quality of life and encourage the wise use of natural resources;

Staff Comment: The proposed amendment will not impact RMC standards currently in place to protect and preserve natural resources and environmental quality.

- (c) Conserve and enhance the architecture, history, pedestrian-orientation, mixed use and urban character of the Downtown Reno Regional Center Overlay District, and promote its role as regional government, civic, entertainment, and tourist center;

Staff Comment: The proposed amendment would facilitate the use of impact fees for police facilities identified to support development in the Downtown Reno Regional Center.

- (d) Conserve and enhance the character of Reno's established residential neighborhoods through mitigation of adverse factors, promotion of a balanced mix of housing types, and through appropriately scaled and planned infill development;

Staff Comment: The proposed amendment would facilitate the use of impact fees for police facilities identified to support development in established residential neighborhoods.

- (e) Encourage innovative and quality residential development so that growing demand for housing may be met by greater variety in type, design, and layout of dwellings, and by conservation and more efficient use of open space ancillary to such dwellings;

Staff Comment: The proposed amendment would facilitate the use of impact fees for police facilities identified to support future residential development.

- (f) Encourage quality, nonresidential development that preserves and protects the character of the community, including its natural landscape, and that minimizes objectionable noise, glare, odor, traffic, and other impacts of such development, especially when adjacent to residential uses;

Staff Comment: The proposed amendment would facilitate the use of impact fees for police facilities identified to support future nonresidential development.

- (g) Facilitate adequate provision of transportation, water, sewage, electricity, gas, communications, schools, parks and other public requirements; and

Staff Comment: The proposed amendment facilitates the use of impact fees for police facilities, which provide a standardized and predictable method for ensuring new development pays its fair share of the cost of public infrastructure.

- (h) Provide the economic and social advantages gained from a comprehensively planned use of land resources.

Staff Comment: Not Applicable

EXPLANATION: Matter underlined is new; matter in brackets and stricken [--] is material to be repealed.

BILL NO.

ORDINANCE NO.

BILL NO.

ORDINANCE NO.

AN ORDINANCE AMENDING THE RENO MUNICIPAL CODE TITLE 18, "ANNEXATION AND LAND DEVELOPMENT," CHAPTER 18.14 "IMPROVEMENT STANDARDS FOR NEW DEVELOPMENT," IN ORDER TO IMPOSE AN IMPACT FEE FOR POLICE FACILITIES, TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO.

SPONSORED BY: RENO CITY PLANNING COMMISSION

THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

SECTION 1. Chapter 18.14 of the Reno Municipal Code is hereby amended by adding Article VI to read as follows:

ARTICLE VI: POLICE FACILITY IMPACT FEE

Section 18.14.501. General Provisions.

(a) *SHORT TITLE, AUTHORITY AND APPLICATION.*

(1) *Title.*

This article shall be known and may be cited as the "police facility impact fee" (hereinafter "PFIF") article.

(2) *Authority.*

The Reno City Council has the authority to adopt this article pursuant to the Nevada Constitution, Sec. 278, et seq., NRS, Sec. 278B.010—278B.320, NRS, Sec. 244.155 and 244.195, NRS, and Sec. 277.080—277.180, NRS.

(3) *Application.*

This article shall apply to all lands within the boundaries of the City of Reno.

(b) *INTENT AND PURPOSE.*

(1) *Intent.*

Intent is to implement the police facility capital improvements plan and the master plan. This article is intended to implement and be consistent with the City of Reno Police Facility Impact Fee Capital Improvements Plan (hereinafter "PFIF CIP") and the City of Reno Master Plan.

(2) Purpose.

Purpose is to establish a police facility impact fee program. The purpose of this article is to establish an impact fee program for the imposition of police facility impact fees to assure that new development contributes its proportionate share of the cost of providing, and benefits from the provision of, the police facility capital improvements identified as needed to be built in the adopted City of Reno PFIF CIP.

(c) LIBERAL CONSTRUCTION, SEVERABILITY AND PENALTY PROVISIONS.

(1) Liberal construction.

The provisions of this article shall be literally construed to effectively carry out its purposes in the interest of the public health, safety, welfare and convenience.

(2) Severability.

If any subsection, phrase, sentence or portion of this article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions.

Section 18.14.502. Adoption and Amendment of PFIF Manual.

The latest edition of the police facility impact fee system general administrative manual (hereinafter "PFIF manual") approved by the Reno City Council is hereby adopted by reference. The PFIF Manual shall contain appropriate definitions, an independent fee calculation study, exemptions, credits, appeals, and review sections for the effective administration of the program. It may subsequently be amended by a resolution approved by the Reno City Council.

Section 18.14.503. Adoption of PFIF Capital Improvement Plan.

The latest edition of the police facility impact fee capital improvement program (PFIF CIP) adopted by the Reno City Council is hereby adopted by reference. It may be amended only by subsequent ordinance.

Section 18.14.504. Service Area.

There is hereby established one (1) service area for the imposition of police facility impact fees and the collection and expenditure of funds under the provisions of this article. The service area is identified in Appendix A of the PFIF CIP and is defined as all lands within the boundaries of the City of Reno except Nevada System of Higher Education, Reno-Tahoe Airport Authority, and tribal lands.

Sec. 18.14.505. Amount of Impact Fees to be Imposed.

- (a)** The amount of the impact fees shall be determined by the PFIF administrator in accordance with the applicable provisions of the PFIF Manual Adopted by resolution as provided in Section 18.14.502 and in conjunction with the fee schedule identified as Appendix 2 of the PFIF CIP. Appendix 2 may be amended by ordinance or in accordance with subsection (b) as authorized by NRS 278B.225.

- (b) Except as provided in subsection (d), the current amount of the impact fee set forth in Appendix 2 of the PFIF CIP shall be automatically increased to off-set inflation each year in which the City does not:
 - (1) Adopt any revisions to the land use assumptions regarding the Police Facility Impact Fee; or
 - (2) Adopt any revisions to the capital improvement plan; or
 - (3) Otherwise increase the impact fee.
- (c) In years of an automatic increase, the current amount of the impact fee may be increased:
 - (1) By a percentage equal to the average annual percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding five calendar years; or
 - (2) By 4.5 percent, whichever is less.
- (d) Each increase authorized in subsection (b) shall be cumulative and become effective one year after:
 - (1) The date upon which the impact fee initially becomes effective; or
 - (2) The date the City Council adopts a revised capital improvements plan; or
 - (3) The effective date of any previous increase in the impact fee pursuant to subsection (b), whichever occurs last.
- (e) The amount of the fee for a land development activity paying the police facility impact fee shall be determined by the date the building permit application or certificate of occupancy is issued by the Community Development Department, City of Reno.

Section 18.14.506. Use of Funds.

(a) ESTABLISHMENT OF TRUST FUND.

There is hereby established the City of Reno Police Facility Impact Fee Trust Fund (hereinafter "City of Reno PFIF Trust Fund") for the purpose of ensuring that fee payers receive sufficient benefit for police facility impact fees paid.

(b) DEPOSIT IN TRUST FUND/GENERAL REQUIREMENTS FOR TRUST FUND.

- (1) All police facility impact fees collected by the City of Reno's PFIF administrator pursuant to this article shall be immediately deposited in the City of Reno PFIF Trust Fund.
- (2) Any proceeds in the City of Reno PFIF Trust Fund not immediately necessary for expenditure shall be invested in an interest bearing account. All income derived from these investments shall be retained in the City of Reno PFIF Trust Fund until transferred to the RTC RRIF Trust Fund. Record of the City of Reno RRIF Trust Fund accounts shall be available for public inspection in the City of Reno Finance Department, during normal business hours.

(c) LIMITATIONS ON EXPENDITURES.

- (1) Impact fee monies shall only be expended from funds drawn from the PFIF Trust Fund.
- (2) Funds shall only be expended on those projects selected by and approved by the Reno City Council.

- (3) The expenditure of impact fee funds shall be limited to those police capital improvement projects included in the PFIF CIP.
- (4) For the purposes of determining whether impact fee funds have been spent or encumbered, the first fees collected shall be considered the first monies spent or encumbered.

Section 18.14.507. Termination Date.

The PFIF article shall terminate 10 years after this article is adopted or when impact fee revenue collections reach the cost of the planned Public Safety Center at 455 East 2nd Street attributable to new development, whichever comes first.

SECTION 2: Should any section, clause, or provision of this Ordinance be declared by a court of competent jurisdiction to be unconstitutional or invalid, that decision shall not affect the validity of the ordinance as a whole or any part thereof other than the part declared to be unconstitutional or invalid.

SECTION 3. This Ordinance shall be in effect from and after its passage, adoption and publication in one issue of a newspaper printed and published in the City of Reno.

SECTION 4. The City Clerk and Clerk of the City Council of the City of Reno is hereby authorized and directed to have this Ordinance published in one issue of the Reno-Gazette Journal, a newspaper printed and published in the City of Reno.

PASSED AND ADOPTED this ____ day of _____, 2020, by the following vote of the Council:

AYES: _____
 NAYS: _____
 ABSTAIN: _____ ABSENT: _____

APPROVED this ____ day of _____, 2020.

 HILLARY SCHIEVE
 MAYOR OF THE CITY OF RENO

ATTEST:

 ASHLEY D. TURNEY
 CITY CLERK AND CLERK
 OF THE CITY COUNCIL OF THE

CITY OF RENO, NEVADA

EFFECTIVE DATE: