

## **Project Description**

### **Executive Summary**

Applicant:	Panattoni Development Co.
Property Owners:	082-101-09, -10, -11, -12, -15 -16 – Dwight Peabody 082-101-17 – Macdonald Family Trust 082-101-18 & 082-101-23 – Leroy B Ferran 082-101-24 – Maria A Wilfón, née Melgar 082-101-35 & -78 – Skyline Realty Partners LLC 082-101-36 & -37 – Archer Living Trust, Guy and & Mary Ellen
Location:	0, 9760, 9754, 9766, 9756, & 9780 North Virginia Street ; 9055, 9085 Matthews Street  North of North Virginia Street, between Webb Circle and Stead Boulevard
Property Size:	±30.2 acres
APN Numbers:	082-101-09, 082-101-10, 082-101-11, 082-101-12, 082-101-15, 082-101-16, 082-101-17, 082-101-18, 082-101-23, 082-101-24, 082-101-35, 086-101-36, 082-101-37, 082-101-78
Existing Master Plan:	Industrial
Proposed Master Plan:	No change
Existing Zoning:	Mixed Use / North Virginia Transit Corridor (MU/NVTC)
Proposed Regulatory Zone:	Industrial Commercial (IC)
Overlay:	North Virginia Transit Corridor
Ward:	4 – Bonnie Weber
Request:	This is a request to amend the existing zoning of fourtee parcels, approximately 30.2 acres, from Mixed Use / North Virginia Transit Corridor (MU/NVTC) to Industrial Commercial (IC)

### **Background**

The subject property is located in Reno, NV in the North Valleys. This request seeks to amend the subject property’s underlying zoning designation from Mixed Use / North Virginia Transit Corridor (MU/ NVTC) to Industrial Commercial (IC). The parcels have a Master Plan designation of Industrial and IC zoning is a compatible zoning district within this master plan category. It should also be noted that the MU/NVTC zoning district allows for a wide spectrum of industrial type uses. Parcels located within the vicinity have been developed with warehouse, distribution, and light manufacturing uses in both IC and MU/NVTC zoning districts. The primary differences between the two zoning districts are the design standards associated with development. Existing uses for the properties include vacant parcels (APNs 082-101-09,-10,-12,-15,-17,-23, -35, -78) and a few parcels with existing manufactured homes (APNs 082-101-11,-16,-18,-24).

**Analysis**

The purpose of this request is to encourage development more compatible with the ReImagine Reno Master Plan and the surrounding area. The current zoning of Mixed Use is not a conforming zoning with the current master plan designation. The recent master plan update altered the master plan category of these parcels from “Special Planning Area – North Virginia Street TOD Corridor” to “Industrial.” In addition, this area is also noted as a “Targeted Employment Area” in the Master Plan, specifically promoting industrial uses. This request to amend the zoning to Industrial Commercial would support the new master plan designation and the goals and policies within the ReImagine Reno Master Plan.

This amendment provides a more predictable use for this area, as Mixed Use can have a broad range of uses, many non-industrial, with fewer restrictions in terms of density, intensity and building height. Industrial Commercial provides a more specific range of uses for the subject parcels. Creating more opportunities for industrial development is noted as a priority in the ReImagine Reno Master Plan. The Employment Demand Forecast and Needs Assessment prepared for the City of Reno Master Plan update in 2016 found that the city and region are in need of additional industrial parcels to accommodate future growth and employment. This request provides opportunities for industrial development in areas determined to be most suitable by the Master Plan.

Adjacent properties to the east and south recently underwent a similar amendment process from MU/NVTC to Industrial or Industrial Commercial in July 2018 (Project Progress - LDC18-00067) and April 2019 (Stead Self Storage - LDC 19-00029). In both circumstances, the Reno Planning Commission and City Council voted unanimously or near unanimously in support of these zoning revisions. The application outlined in this document is similar in nature to these other approved requests and it is intended to fulfill the goals and policies of the ReImagine Reno Master Plan as well as support economic development in this burgeoning industrial area in the North Valleys.

**Existing Conditions**

**Table 1: Surrounding Land Uses**

	<b>Current Land Use</b>	<b>Master Plan Designation</b>	<b>Zoning</b>
North	Highway 395 & Single Family Residential development	Suburban Mixed Use (SMU)	Mixed Use / North Virginia Transit Corridor (MU/NV)
South	Industrial development – Project Progress Residences & Vacant parcels	Industrial (I)	Industrial (I), Mixed Use / North Virginia Transit Corridor (MU/NV)
East	Commercial industrial development, various business buildings, Air Base Inn Bar, Vacant parcel	Industrial (I)	Industrial Commercial (IC)
West	2 Vacant parcels, Reno Sahara Trailer Park, Manufactured homes, 1 Industrial building	Industrial (I)	Mixed Use / North Virginia Transit Corridor (MU / NV), Industrial Commercial (IC)

### **Reimagine Reno Master Plan Compatibility**

The proposed amendment is in substantial compliance with the policies and goals of the Master Plan. The proposed zoning for these parcels is allowed by the underlying master plan designation of Industrial. See the below excerpts and comments from the Master Plan demonstrating the alignment of the goals and policies to this zoning map amendment request.

**1.2B: MODERN INDUSTRIAL HUB** - Support the continued growth of the city’s logistics and manufacturing industries and leverage the region’s infrastructure and assets to broaden the economic base through attraction of advanced manufacturing employers and modern logistics operations.

Comment: This area is within both an industrial master plan designation and an area indicated to be a Targeted Employment Area focused specifically on industrial uses in the City of Reno (Reimagine Reno Master Plan pg. 166).

**1.2D: EMPLOYMENT CENTERS** – Plan, invest in, promote, and incentivize the creation and improvement of cohesive employment areas with diverse functions (as defined by the Structure Plan), and clearly identify where specific employment uses are desired and where infrastructure, housing, services, and amenities that support businesses exist or are planned.

Comment: This area of the North Valleys is a growing industrial zone with many other large footprint industrial warehouse/manufacturing employers such as the Amazon Fulfillment Center, Ansell, and other forthcoming North Valleys Commerce Center tenants. The Reimagine Reno Master Plan notes this area is an employment center of the North Valleys and the parcels were re-designated from Special Planning Area to an Industrial master plan category. This re-designation was completed during the update of the Master Plan in response to the Employment Demand Forecast and Needs Assessment provided to the City of Reno in 2016, stating a need for additional industrial land within the city limits.

**1.2F: ENCROACHMENT** -- Protect industrial areas and employment centers from encroachment by potentially incompatible land uses or conversion to alternative uses.

Comment: This site is already surrounded by similar development to the east, west, and south and this general area contains many industrial developments. This amendment is supportive of the updated master plan designation, indicating this area of the North Valleys to be a valuable location for existing and future industrial uses.

**1.2G: BUSINESS RETENTION AND ATTRACTION** -- Use economic, technical, and administrative incentives (as informed by Policy 1.1a) to encourage the expansion of existing businesses and industries and the establishment of new businesses in industries that support City initiatives

Comment: Altering the zoning from MU to IC allows for a more feasible warehouse project in the area, as the design standards for MU / NVTC are not as conducive to industrial or warehouse development as the IC standards. This amendment will encourage the establishment of new businesses in likeness to the industrial master plan designation and support growing industry in the surrounding area.

**2.1A: GROWTH TIERS** - Support the efficient use of existing public facilities and services by prioritizing development, infrastructure improvements, and public investments, including targeted employment areas that are located within the existing city limits as of the adoption of this Master Plan

Comment: The subject site is located within a Targeted Employment Area in the ReImagine Reno Master Plan (Page 166). Promoting industrial uses on this site will encourage the already established industrial economy in this section of the North Valleys.

**2.1B: CONCURRENCY MANAGEMENT SYSTEM** - Provide a timely, orderly, and efficient arrangement of adequate public facilities and infrastructure that support existing and planned land use patterns and densities

Comment: This area is already within the City of Reno and is either served by or adjacent to municipal infrastructure including water, sewer, and public roadways. The closest police station is the North Stead Substation located approximately 0.5 miles north on Stead Boulevard. The closest fire station is located approximately 0.7 miles north on Stead Boulevard.

**2.2B: UNDERUTILIZED PROPERTIES** - Support the use of creative strategies to revitalize vacant, blighted, or otherwise underutilized structures and buildings

Comment: The subject parcels are presently underutilized compared to the use envisioned for it in the ReImagine Reno Master Plan update. This amendment brings the parcel into conformance with the master plan designation and encourages a more efficient and compatible use of the area within an industrial center.

**EA-ILA.1: OVERALL MIX** - Support a mix of large footprint warehouse/flex space, manufacturing facilities, and smaller ancillary and supporting industrial, commercial, and office uses as compatible with the surrounding development context.

Comment: This amendment encourages the development of large footprint warehouse, manufacturing and industrial spaces within an area already supportive of these uses.

### **Zoning Map Amendment Findings**

**a) To preserve the quality of air and water resources.**

Comment: This request is a zoning map amendment and is not anticipated to cause issues with air quality and water resources. Future development on this site will necessitate additional attention to the preservation of air and water resources. However, the location of industrial in close proximity to existing infrastructure and services, particularly the development of possible warehouse employment opportunities near existing developed areas, has the potential to reduce vehicle trips and thus reduce the amount of air pollutants released into the air.

**b) To promote the conservation of open space and the protection of other natural and scenic resources from unreasonable impairment.**

Comment: This area is within a previously disturbed or developed area of the North Valleys, between several other developments and adjacent to US 395, a busy highway, and North Virginia Street, a major arterial. Scenic resources and public open space will not be affected by this amendment. Supporting industrial development on underutilized parcels surrounded by existing industrial uses helps to consolidate this economic zone efficiently, into an area already equipped with the necessary infrastructure.

- c) **To consider existing visits and access to solar resources by studying the height of new buildings which will cast shadows on surrounding residential and commercial developments.**

Comment: The maximum building height in IC zoning is 40 feet, while there is not a maximum building height in the existing MU zoning. This request will clarify building height. It is unanticipated solar resources will be affected by the height of any new development. This request is a zoning map amendment and future solar resources will be considered, as required, in future development applications.

- d) **To reduce the consumption of energy by encouraging the use of products and materials which maximize energy efficiency in the construction of buildings.**

Comment: This zoning amendment request does not presently have a project attached to it. Energy efficiency and consumption will be addressed, if necessary, in future development applications.

- e) **To provide for recreational needs.**

Comment: As this request does not relate to housing, there is not additional need for recreational opportunities related to the subject site. However, this request will not affect current recreational opportunities within this community as it is not located within or adjacent to public open space, parks or other amenities.

- f) **To protect life and property in areas subject to floods, landslides and other natural disasters.**

Comment: The subject site is located in a FEMA unshaded Zone X, an area determined to be outside the 0.2% annual chance floodplain. Future development will meet building and design requirements to mitigate earthquakes. This area is not at notable risk of landslides.

- g) **To conform to the adopted population plan, if required by NRS 278.170.**

Comment: The proposed amendment supports orderly growth and provides an opportunity to support the population, employment and economic growth expected to continue in the North Valleys. The requested zoning conforms with the Industrial master plan designation in the ReImagine Reno Master Plan, implemented to encourage industrial development opportunities in this area.

- h) **To develop a timely, orderly and efficient arrangement of transportation and public facilities and services, including public access and sidewalks for pedestrians, and facilities and services for bicycles.**

Comment: It is anticipated future development of this site will use North Virginia Street or Stead Boulevard for access. Future development will require sidewalks to be installed around the building unless a waiver is requested by the applicant and approved by City of Reno staff, per municipal code section 18.12.801. The Regional Transportation Commission's (RTC) North Valleys Transportation Study identifies a suite of transportation improvements within the area of the subject parcels, including both capacity and multimodal improvements..

- i) **To ensure that the development on land is commensurate with the character and the physical limitations of the land.**

Comment: This area is not anticipated to present significant physical constraints that will limit the development on this property. Any significant grading or other engineering challenges will be mitigated during future design and development processes. Surrounding uses include industrial development, residences on large parcels, and manufactured home parks. Due to the proximity to other existing or planned industrial developments, this property is not out of character with the surrounding community.

**j) To take into account the immediate and long-range financial impact of the application of particular land to particular kinds of development, and the relative suitability of the land for development.**

Comment: A Fiscal Impact Analysis is included within this document (below). Most parcels in this area are presently vacant or residential and located on large acre lots, incompatible with the underlying Industrial master plan designation. Rezoning the parcels to IC zoning will allow for a more feasible warehouse project in the area. Due to the North Virginia Transit Oriented District Corridor overlay no longer serving as the basis for planning and development in this area, there is a need to reassess the zoning and required development standards of these areas to

**k) To promote health and the general welfare.**

Comment: This request is not anticipated to affect public safety, health or welfare. All public health and safety laws will be followed upon future development of the site.

**l) To ensure the development of an adequate supply of housing for the community, including the development of affordable housing.**

Comment: This finding is not applicable as housing is not a component of this request.

**m) To ensure the protection of existing neighborhoods and communities, including the protection of rural preservation neighborhoods and, in counties whose population is 700,000 or more, the protection of historic neighborhoods.**

Comment: There is no presence of a rural neighborhood or historic neighborhood in the vicinity of the subject site. This request will not harm the existing neighborhood and will contribute to the industrial economic development of this specific area and the overall region.

**n) To promote systems which use solar or wind energy.**

Comment: No solar or energy systems are currently tied to this request.

**o) To foster the coordination and compatibility of land uses with any military installation in the city, county or region, taking into account the location, purpose and stated mission of the military installation.**

Comment: This finding is not applicable to this request.

**City of Reno Additional Findings**

**1. Growth and or other development factors in the community support changing the zoning**

Comment: A re-designation of the master plan category from Special Planning Area to Industrial was completed for this site during the update of the Master Plan. The City of Reno made this decision in response to the 2016 Employment Demand Forecast and Needs Assessment prepared

for the City, stating a need for additional industrial land. This amendment supports continued growth in this economic sector of Reno in an area proximate to similar uses.

- 2. The change in zoning represents orderly development of the City and there are, or are planned to be adequate services and infrastructure to support the proposed zoning change and existing uses in the area**

Comment: Infrastructure and services are either already provided or in close proximity to this development.

- 3. The change in zoning provides for an appropriate use of the property**

Comment: These properties are within an existing industrial area, near infrastructure, and in an area the Master Plan designates as an industrial area within a Targeted Employment Area, focused on industrial uses.

- 4. The change in zoning is in substantial conformance with the Master Plan and other adopted plans and policies**

Comment: The *Reimagine Reno Master Plan Compatibility* section of this document outlines how this request relates to the goals and policies of the Master Plan. The Reimagine Reno Master Plan updated the master plan designation for this property from Special Planning Area to Industrial with the explicit purpose of promoting industrial uses in this area. During the Master Plan development process, it was determined the amount of industrial land available within Reno is projected to be insufficient to meet future demands. This request represents a transition of this area into properties more compatible with the goals and policies of the Master Plan.

- 5. The proposed zoning is sensitive to and/or compatible with the use and development of adjacent properties.**

Comment: Two adjacent properties have completed zoning map amendments similar to this request. The property to the south, APN 082-092-02, amended a parcel from MU/NVTC to Industrial in July 2018 (LDC18-00067). Adjacent property to the subject site to the east (APN 082-101-82) amended a parcel from MU/NVTC to Industrial Commercial in April 2019 (LDC 19-00029). This area overall is becoming an industrial center of Reno and this transition is supported by its industrial master plan designation.

### **Fiscal Impact Analysis**

The City of Reno requires a Fiscal Impact Analysis (FIA) for large development requests, per Reimagine Reno Master Plan Policy 2.1b. Zoning map amendments exceeding 20 acres in size require a FIA. The property discussed in this application is approximately 30.2 acres, meeting the threshold for requiring a FIA. The below analysis employs the methodology and guidelines of the Fiscal Impact Analysis Memorandum (Guidelines Memo) distributed by the City of Reno in April 2019.

This analysis is a model intended to inform decision making on this zoning map amendment request. However, as with all models, the final figures are intended to be a prediction using the best available data and cannot account for all conditions and uncertainties. As stated in the Guidelines Memo, the “fiscal impact analysis tool assists in the review of development proposals, but is one of several factors used to assess impacts of development requests on the City” (pg. 1).

### **Methodology**

The objective of a Fiscal Impact Analysis is to compare the estimated revenues generated by new development to the estimated costs of public services required to serve the development. This process delivers a “net fiscal impact.” The net fiscal impact is intended to serve as one of several decision-making tools for the City of Reno, used in conjunction with the goals and policies of the Reimagine Reno Master Plan. Further clarification of the methodology required by the City of Reno for this model can be found in the Guidelines Memo. The analysis below estimates the fiscal impact assuming a successful rezoning of the subject parcels to Industrial Commercial.

### **Model Inputs**

The City of Reno FIA Guidelines Memo requires four model inputs to calculate the net fiscal impact, listed below.

Size of development request:	Total: ±30.2 acres To be developed: ±30.2 acres Acres by use: ±30.2 acres of industrial
Existing Land Uses and Development:	Total commercial/industrial square feet: 0 sf Total residential square feet: ±4500 sf
Proposed Land Uses and Estimated Development:	Total estimated commercial/industrial square feet: ±150,000 sf Total residential square feet: 0 sf Total miles of additional public street proposed: 0 feet
Market Value and Development Absorption:	Land Value - \$4,920,015 Improved Value - \$7,500,000
Adjustment Factor:	35%

Taxable Land Value:	\$1,722,005
Taxable Improvement Value:	\$2,625,000

Exact construction costs are not available. As such, estimates have been based upon comparable projects in the vicinity. Estimates are likely to change as the design process progresses. For simplicity, the proposed zoning map amendment is assumed to be successfully adopted and warehouse building(s) constructed on site. The analysis uses a 10-year and 20-year time frame to estimate impact, as required in the Guidelines Memo.

**Estimated Impacts**

City Revenues

Three revenue sources are included in this FIA. For industrial developments, per Table 2 in the Guidelines Memo, industrial development fees are calculated using estimated revenue per employee. The estimated number of employees was determined using the employee generation factor for industrial developments in Table 1 of the Guidelines Memo. The employee generation factor delivers a range of estimated employees, dependent on the eventual type of tenant in the buildings. For simplicity, this analysis determined the average amount of employees required for the estimated square footage of the new development. The below table provides the formula for the employee generation factor calculation.

Industrial tenant range:	750 to 2000 sf per employee
Estimated size of building:	150,000 sf
Estimated Range of Employees:	75 to 200 employees
Estimated Employee Count (provided by Client) Factor Inputted into Model:	165 employees

Section 4 provides additional details on the calculations of revenue. Below is a summary of the estimated revenues this development would provide to the City of Reno.

	<b>10-year Total</b>	<b>20-year Total</b>
Property Tax*	\$650,456	\$1,371,298
Consolidated Tax	\$32,551	\$68,719
Business Licenses	\$92,702	\$205,925
Fees and Permits	\$68,046	\$151,156
Streets Fund	\$228,983	\$485,485

<b>Total</b>	\$1,072,739	\$2,282,583
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\* Assumes 0.5% inflation per year

City Expenditures

The Guidelines Memo outlines the specific services to estimate expenditures within this analysis. The analysis for this industrial zoning map amendment does not include street maintenance costs, as no public streets are anticipated to be added to this subject site. Section 4 provides additional details on the calculations of expenditures. Below is a summary of estimated expenditures associated with this zoning map amendment.

	<b>10-year Total</b>	<b>20-year Total</b>
General Government	\$51,995	\$115,410
Police Services	\$232,790	\$644,732
Fire Services (North)	\$82,840	\$199,099
Parks	\$14,314	\$31,797
<b>Total</b>	<b>\$381,899</b>	<b>\$991,038</b>

Additionally, the Guidelines Memo requires an assessment of the impact on level of service for police, fire and parks in the area. Additional police officers are estimated to be needed at a rate of 1.5 officers per 1000 residents or employees; the number of employees for this project does not rise to the threshold that will require an additional officer to serve future development. The fire department requires a response rate of 4.5 minutes in this area; the response rate for this area is presently 4 minutes. Parks are necessary at a rate of 2 acres per 1000 residents; less than one acre would be required to serve this development.

Net Fiscal Impact

The net fiscal impact compares the estimated revenues generated by new development to the estimated costs of public services required to serve the development. Using the methodology outlined in the Guidelines Memo, a positive net fiscal impact is predicted for this project, amounting to a surplus of approximately \$461,857 after 10 years and \$806,060 after 20 years. Section 4 provides additional details on the calculation of this statistic.

**Conclusion**

This preliminary Fiscal Impact Analysis reveals a net positive fiscal impact of this zoning map amendment request. This FIA further supports the findings of this document. It is important to note the comparison if the site was, instead, slated for residential development. The expenditure rate to provide services like general government, police, fire, parks is 3 to 4 times more expensive for residential uses compared to industrial uses, according to the figures presented in the Guidelines Memo. Although residential units do

have a higher revenue factor to better match expenditures, additional expenses associated with residential development should also be taken into consideration, including schools, new public street maintenance, and recreational amenities. This is an area intended for industrial and the findings of this document and the FIA support altering the zoning to encourage industrial uses.