



Planning Commission Staff Report

Meeting Date: November 13, 2014 Agenda Item Number: 8A

Subject: Regional Road Impact Fee Program 5th Edition Update

Applicant: Engineering and Capital Projects Division

Summary: Presentation on proposed revisions and updates to the Regional Road Impact Fee, the associated Capital Improvement Program, and the required General Administration Manual; and, the Capital Improvements Advisory Committee.

Recommendation: Acknowledge receipt of the Regional Road Impact Fee Program Update, followed by discussion and questions

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Description

Presentation on proposed revisions and updates to the Regional Road Impact Fee, the associated Capital Improvement Program, and the required General Administration Manual. The presentation will include the establishment and duties of the State Law required Capital Improvements Advisory Committee, and staff's recommendation for the Washoe County Board of County Commissioners to appoint the Washoe County Planning Commission as that Committee. Discussion and questions of staff will follow the presentation.

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Background

In accordance with the provisions of the Interlocal Cooperative Agreement entered into by the Regional Transportation Commission (RTC), Washoe County, the City of Reno, and the City of Sparks, RTC is responsible for initiating periodic reviews of the Regional Road Impact Fee (RRIF) program and proposing fee modifications to the participating local jurisdictions. The review process is undertaken by RTC in conjunction with the RRIF Technical Advisory Committee (RRIF TAC), which includes local government technical experts, development representatives from the private sector, members of the local Planning Commissions, and RTC staff.

RTC retained the consulting firm of TischlerBise to perform an overview of the current RRIF Program and to make recommendations for improvements to that program in order to meet state law impact fee requirements, national case law standards, and current best professional practices. The proposed revision to the RRIF General Administrative Manual (GAM) and Capital Improvement Plan (CIP) incorporate the recommendations from the RRIF Program Overview Report prepared by TischlerBise, along with input from the RRIF TAC. The RTC Governing Board approved the modifications to the RRIF GAM and CIP on September 19, 2014.

Washoe County Code (WCC) Section 110.706.05 regulates regional road impacts fees for the unincorporated County. The code section establishes service area and benefit districts for the imposition of Regional Road Impact Fees, and for the collection and expenditure of funds collected by the RRIF. Those district boundaries must correspond with the boundaries adopted as part of the RRIF CIP. Any changes or modifications to the RRIF CIP must be adopted by ordinance of the Washoe County Board of County Commissioners (BCC). Therefore, the modifications of the RRIF CIP and the associated service areas/benefit districts approved by the RTC Governing Board in September of 2014 must be incorporated into Article 706 (Impact Fees) of WCC Chapter 110, the Development Code. This means that the Washoe County Planning Commission (PC) will be asked in the near future to review proposed amendments to Article 706, and to provide a recommendation to the BCC. The BCC will, in turn, hold a first and second reading and possibly adopt those amendments.

Pursuant to State law (NRS 278B.150), the land use assumptions which form the basis for the RRIF CIP and any associated impact fees must be reviewed by each local jurisdiction's Capital Improvements Advisory Committee (CIAC). This review should occur prior to any actions by the local jurisdiction to amend or modify the RRIF CIP. Consequently, the CAIC must review the land use assumptions prior to any actions to amend Article 706. State Law provides that the CAIC must be composed of at least five members, and that the BCC may appoint the PC as the CAIC if at least one of its members represents the real estate, development or building industry. PC member Gregory Prough is a real estate professional and thus the PC meets State Law requirements to act as the CIAC. Staff will recommend that the BCC appoint the PC as the CIAC at their November 12, 2014 meeting.

The duties of the CIAC include (pursuant to NRS 278B.150):

- (a) Review the land use assumptions and determine whether they are in conformance with the master plan of the local government;
- (b) Review the capital improvements plan and file written comments;
- (c) Every three years file reports concerning the progress of the local government in carrying out the capital improvements plan;
- (d) Report to the governing body any perceived inequities in the implementation of the capital improvements plan or the imposition of an impact fee; and,
- (e) Advise the local government of the need to update or revise the land use assumptions, capital improvements plan and ordinance imposing an impact fee.

As of the writing of this staff report, the following are actions the PC and the BCC will take concerning the RRIF:

1. **October 28, 2014, BCC:** Review and approve the interlocal cooperative agreement between the County, the Cities of Reno and Sparks, and RTC for the continuation of the RRIF program.
2. **November 12, 2014, BCC:**
 - a. Presentation on the RRIF program (similar to the presentation to be presented to the PC on November 13, 2014).
 - b. Initiate the amendments to Article 706 (Impact Fees).
 - c. Appoint the PC as the CIAC.
3. **November 13, 2014, PC:** Presentation on the RRIF program (this agenda item).
4. **December 2, 2014, PC:**
 - a. *Convened as the CIAC*, review and provide recommendations on the RRIF CIP land use assumptions to the BCC.
 - b. *Convened as the CIAC*, review and provide comments on the RRIF CIP to the BCC.
 - c. *Convened as the PC*, review and provide recommendations to the BCC on proposed amendments to Article 706 (Impact Fees).
5. **January 13, 2014, BCC:**
 - a. Review and approve the RRIF CIP land use assumptions.
 - b. Introduction and first reading on proposed amendments to Article 706 (Impact Fees).
6. **January 27, 2014, BCC:**
 - a. Second reading and possible adoption of amendments to Article 706 (Impact Fees).
 - b. Resolution to approve modifications to the RRIF General Administrative Manual (GAM).
7. **March 2, 2014:** New Regional Road Impact Fees become effective within the unincorporated County.

Recommendation

Staff recommends the Washoe County Planning Commission acknowledge receipt of the presentation by RTC Regional Road Impact Fee, the associated Capital Improvement Program, and the required General Administration Manual; and, the Capital Improvements Advisory Committee. Staff further recommends the Planning Commission discuss the information presented and pose questions of staff as necessary.

Motion

“Move to acknowledge receipt of the Regional Road Impact Fee Program.”

xc: Gregory Salter, Esq., District Attorney’s Office
Terry Shea, Esq., District Attorney’s Office
Dwayne Smith, Director, Engineering and Capital Projects Division
Bill Whitney, Director, Planning and Development Division



Regional Road Impact Fee Program Update

**Washoe County Planning Commission
November 13, 2014**

Presented by Clara Lawson, P.E., PTOE, Licensed Engineer
Washoe County Community Services Department

Prepared by Julie Masterpool, RTC Senior Engineer



What are Impact Fees?



Funding tool for collecting the cost of building additional capacity needed due to new development

- Advantages over previous negotiated exaction methods
- Development to pay its fair share
- Viewed as equitable system supported by development community

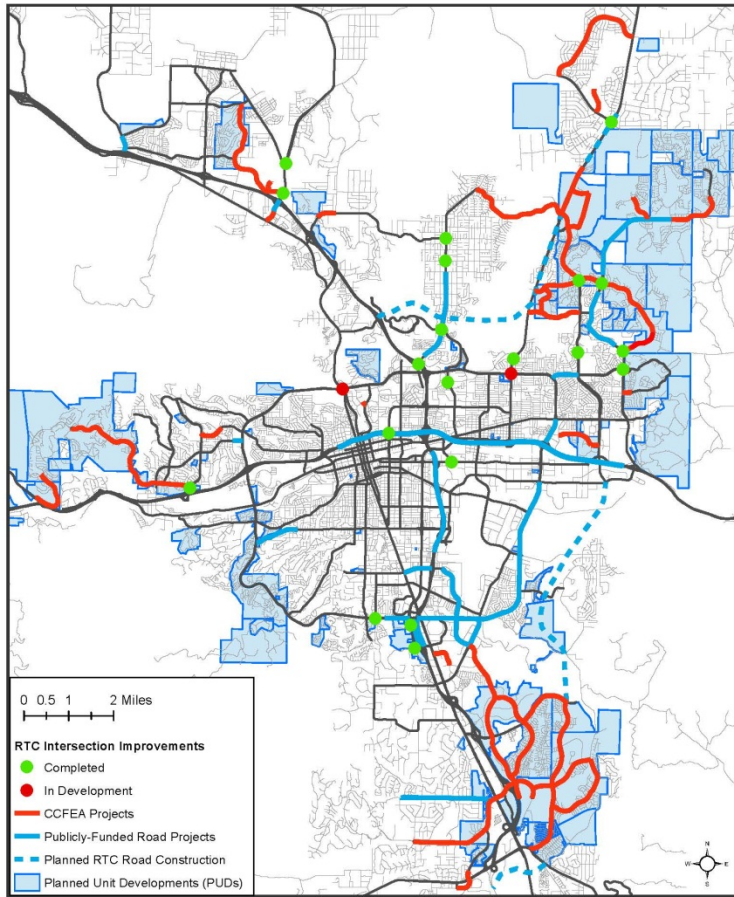


Impact Fee Program Elements



- Reasonable Service Areas (rational nexus)
- Fees based on cost of facilities necessary to meet growing demand (rough proportionality)
- Cost attributable to new development
- Revenues to be used for capacity-enhancing capital facilities
- Revenues to be spent within a designated timeframe

Roadway Improvements 1996-2014



Roadway Improvements 1996-2014

Capacity Improvements through the RRIF Program

\$ 85 M	RRIF Funded
<u>\$ 191 M</u>	<u>Developer Funded</u>
\$ 276 M	RRIF Capacity Improvements

Major Changes to 5th Edition

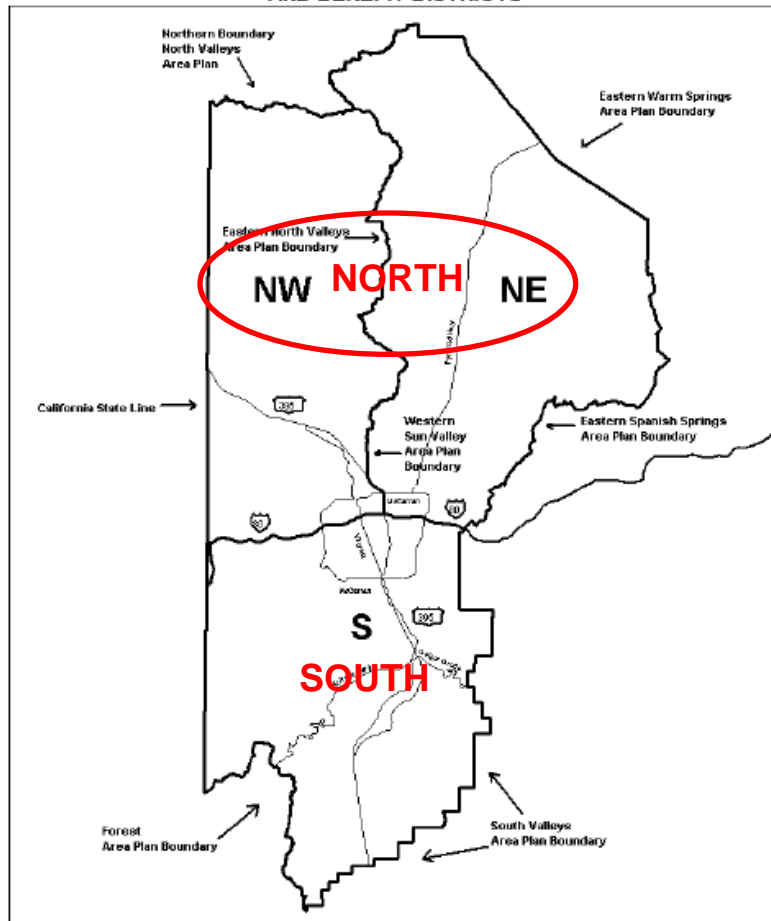


- 2 Service Areas (North vs South) vs 1 Service Area with 3 benefit districts
- Separate CIP for each Service Area
- RRIF Network – 14,000 AADT
- Simplified Fee Schedule
- Developer agreements
 - RRIF waivers limited to the development of record
 - RRIF Waivers based on dollars and do not expire
 - Impact fees paid with RRIF Waivers based on fee schedule at time of agreement
 - Cannot request Developer to build improvements greater than their impact fee
- No change to the existing RRIF credit usage

Regional Road Impact Fee Service Areas



**FIGURE 1
REGIONAL ROAD IMPACT FEE SERVICE AREA
AND BENEFIT DISTRICTS**



Separate CIP's and fees for each Service Area

RRIF Fees collected stay within Service Area

RRIF Credits are used within the Benefit District they were previously earned

5th Edition Fee Schedule



2014 RRIF Schedule				
DEVELOPMENT TYPE	DEVELOPMENT UNIT	EXISTING FEES	2014 RRIF NORTH	2014 RRIF SOUTH
RESIDENTIAL				
Single Unit	DWELLING	\$4,387.96	\$3,784.13	\$4,212.12
2+ units per Structure	DWELLING	\$2,988.90	\$2,457.17	\$2,735.08
INDUSTRIAL				
Light Industrial	1000 Sq Ft	\$2,661.85	\$1,850.11	\$2,059.36
Manufacturing	1000 Sq Ft	\$1,449.03	\$1,013.98	\$1,128.66
Warehouse	1000 Sq Ft	\$1,889.64	\$944.96	\$1,051.84
Mini-Warehouse	1000 Sq Ft	\$1,012.96	\$663.60	\$738.60
COMMERCIAL				
Retail	1000 Sq Ft	\$9,118.87	\$6,763.28	\$7,528.22
Eating Places	1000 Sq Ft	\$11,603.56	\$6,763.28	\$7,528.22
Casino Gaming Area	1000 Sq Ft	\$17,540.48	\$12,223.45	\$13,605.93
OFFICE & OTHER SERVICES				
Lodging	room	\$3,456.77	\$1,494.42	\$1,663.44
Regional Park	Acre	\$685.90	\$605.20	\$673.65
Schools & Daycare	1000 Sq Ft		\$2,703.17	\$3,008.91
Hospital	1000 Sq Ft	\$6,513.80	\$3,509.10	\$3,905.99
Nursing Home	1000 Sq Ft	\$2,157.64	\$2,017.33	\$2,245.50
Office	1000 Sq Ft	\$4,192.64	\$2,927.79	\$3,258.93
Other Services	1000 Sq Ft	N/A	\$2,927.79	\$3,258.93
Medical Office	1000 Sq Ft	\$12,573.36	\$9,590.30	\$10,674.99

Impact Fee Credit Issues



- Economic downturn = slowed development
- Past fees didn't keep pace with rising costs
- New development built significant improvements on the regional road network
 - Outstanding Credit Balance – 833,000 VMTs
 - Credits may expire before they can be used
 - Credits are being sold at a reduced rate on the open market

Economic downturn and excess credits has resulted in low revenue collections

RRIF Credit Extensions



RTC Board voted to extend the expiration dates for an additional 10 years for credit holders who apply for the extension.

- Requires an amendment to the RRIF GAM
- Requires CCFEA amendments for each credit holder requesting an extension

Next Steps for Adoption



**City Councils/County Commission
Information Meetings**

Oct

Planning Commission Meetings

Oct-Nov

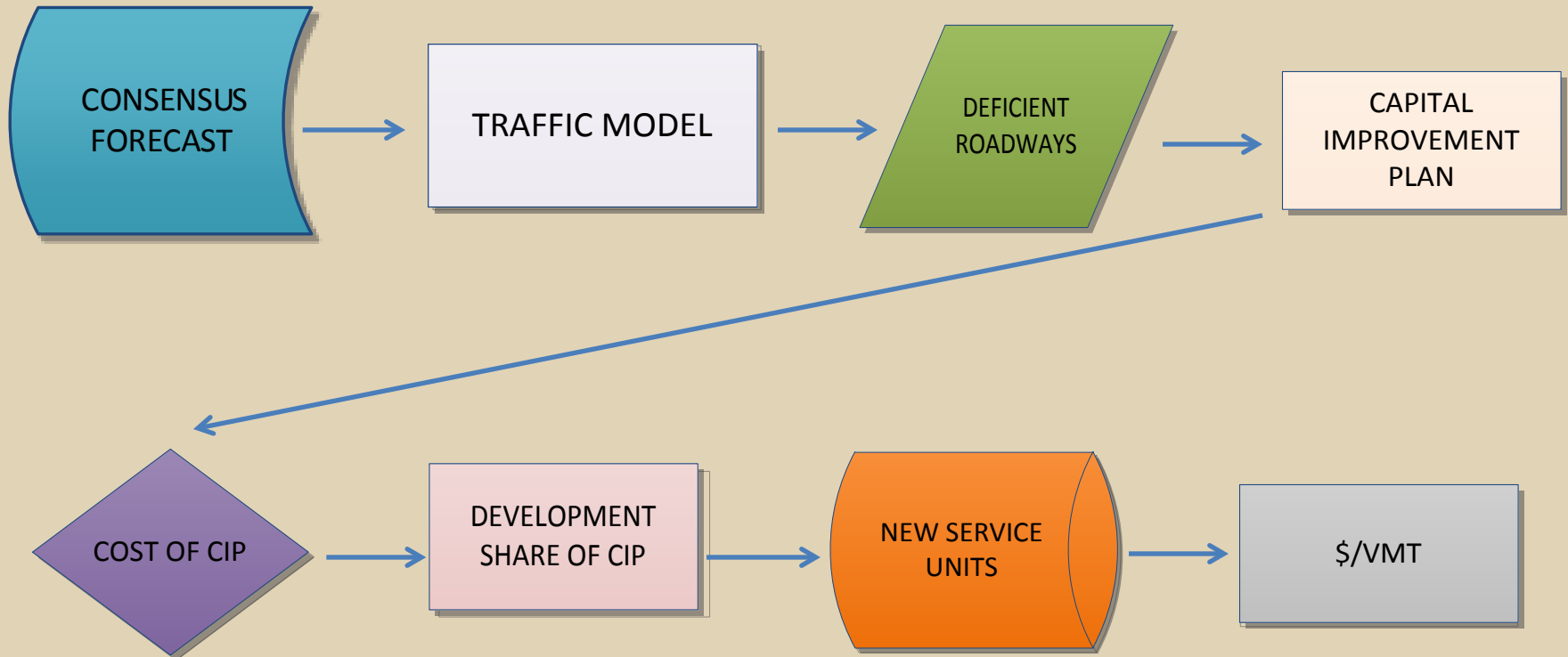
**City Councils/County Commission
1st/2nd Readings**

Oct-Jan

5th Edition RRIF Adoption

Mar 2015

Capital Improvement Plan Flowchart of Fee Development



Components of our RRIF Program



- Nevada Revised Statute (NRS 278B)
- Local enacting ordinances
Reno, Sparks and Washoe County
- Impact Fee Cooperative Agreement (ICA)
RTC, Reno, Sparks and Washoe County
- Capital Improvements Program (CIP)
Describes methodology used to establish net cost per service unit of new roadway capacity
- General Administrative Manual (GAM)
Guideline and procedures to administer the RRIF program
Identifies land use definitions used in assessing impact fees



DUTIES OF THE CIAC

- **Review Land Use**
- **Review Capital Improvement Plan**
- **Report every 3 years on CIP**
- **Report perceived inequities**
- **Advise on land use assumptions**



Questions?

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