

**BUSINESS IMPACT STATEMENT REGARDING AMENDMENTS TO RENO MUNICIPAL CODE 12.16.010 THROUGH 12.16.3500.**

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed business impact of an ordinance to amend the Reno Municipal Code,

**TITLE 12 ENTITLED “PUBLIC WORKS AND UTILITIES, CHAPTER 12.16. SEWER SERVICE, BY AMENDING SECTIONS 12.16.010 THROUGH 12.16.3500.**

1. The following is a description of the manner in which comment was solicited from affected trade associations or businesses, and a summary of their comments:

A. NOTICE

A notice was published in the Reno Gazette Journal notifying that interested persons could submit comments on or before June 22, 2011, to Terri Svetich, Engineering Manager, P.O. Box 1900, Reno NV 89505, Phone (775) 334-2168, Fax (775) 334-2490, or email [stormwater@reno.gov](mailto:stormwater@reno.gov).

Direct mailings were completed to the top 10 % of sewer users, AGC of Nevada, and the Builders Association of Northern Nevada. Further, all meetings of City Neighborhood Advisory Boards were agendized, and there was an informational video with viewing on both television through SNCAT and Youtube.com.

The proposed amendments were posted on the City of Reno Website and deposited for viewing with the City of Reno, City Clerk.

B. SUMMARY OF COMMENTS

Out of the notices mailed, no comments were received.

Additionally, an informational meeting was held for the business community on June 9, 2011, at 2 p.m., at the Nevada Chapter AGC Building & Training Center at 5400 Mill Street, Reno, Nevada. One member of the public attended and had no comment on the proposed ordinance.

Accordingly, pursuant to NRS 237.080(2), a rebuttable presumption is created that the proposed ordinance and resolution will not impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

Interested parties may obtain a copy of the business impact statement including a summary of comments by contacting the City Clerk, at City Hall,

**1 E. First Street, Second Floor, P.O. Box 1900, Reno, NV 89505, phone: (775) 334-2030.**

2. The estimated economic effect of the proposed ordinance on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

**Adverse effects: None.**

**This amendment would increase the annual rate by 4%, on top of the existing 4% increase that occurs each year on October 1 until 2015. In 2016, when there was no scheduled sewer rate increase, this amendment would include an 8% increase and increases by the Consumer Price Index (CPI) each year following.**

**While there is no proposed change to Connection fees, there is a proposal to change the way sewer connection fees are calculated for commercial development. Currently, a business is categorized as private or public with no provision for considering portions of the building public and other parts private. After that determination, all of the proposed fixtures are multiplied by the corresponding weighting factor. Weighting factors for private are less than for public. By going to one weighting factor for all fixtures the resulting connection fees for businesses that would have been considered private will be higher.**

**At present, there is no formalized connection fee credit policy. The proposed connection fee credit policy would limit the credit to be utilized up to 5 years with the issuance of a building permit.**

**The proposed ordinance includes a provision for imposing a re-inspection fee for properties subject to environmental control permits. The intent is to utilize the re-inspection fee when inspections are warranted beyond the initial inspection and follow up to confirm compliance.**

**Beneficial effects:**

**The increased rate will enable Public Works to go out to bid with more projects, thereby employing more people. With regard to the connection fee weighting factors, going to one weighting factor for all fixtures will result in lower connection fees for businesses that would have been considered public.**

**A formal connection fee credit policy will allow businesses to reserve and utilize sewer collection and treatment capacity for a period of time where an existing building has been destroyed as a result of disaster or intentional demolition without having to pay connection fees for an equivalent structure.**

**If a business does not comply with environmental control requirements and more inspection time is needed for enforcement, then a re-inspection fee will enable the City to recoup the costs for the time spent with that business.**

**Direct effects:**

**The passage of this ordinance will directly increase sewer user fees that will be paid to the sewer fund. This will be applied for operations, maintenance, repair and replacement of wastewater collection system, wastewater treatment appurtenances and other related facilities.**

**The environmental control re-inspection fee will cover some of the costs associated with the employee time spent with a business to bring them into compliance resulting in a reduction in the cost from the general rate payer.**

**Indirect effects:**

**By maintaining a viable infrastructure, the public health and safety of the community is preserved and the water quality of the Truckee River is protected and by law is required.**

**Formalizing a credit policy will encourage redevelopment at sites where an existing building has been destroyed as a result of disaster or intentional demolition.**

**The environmental control re-inspection fee may encourage a business to come into compliance more quickly.**

3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed ordinance on businesses and a statement regarding whether any, and if so which, of these methods were used: (include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and if applicable, modifying a fee or fine set forth in the rule so that business would pay a lower fee or fine).

**The revenue requirements for additional capital projects are mainly driven by the need for repair and replacement of the collection system and treatment plant. Consideration was given to increasing the sewer user rates to match with Washoe County's user fee. While that would result in many benefits such as more revenue to implement the needed CIP and reducing the Subsidy between the City of Reno and Washoe County, it was felt that the recommended alternative reduced the impact on business.**

4. The annual estimated cost to the local government for enforcement of the proposed ordinance is as follows:

**The user fee rate increases represent actual costs for the City to provide operations, maintenance, repair and replacement the wastewater collection system, wastewater treatment plants and other related facilities. Enforcement of the ordinance is through property liens should payments be delinquent.**

**The proposed ordinance includes a provision for imposing a re-inspection fee for properties subject to environmental control permits. The intent is to utilize the re-inspection fee when inspections are warranted beyond the initial inspection and follow up to confirm compliance. In the event a business does not comply with the environmental control permit conditions or pay their fees associated with the permit or inspections, the business license for that business may be suspended.**

5. If the proposed ordinance provides a new fee or increases an existing fee, the total annual amount the local government expects to collect:

**The annual increase for the sewer enterprise fund due to the proposed sewer rate modifications is a follows: For sewer user rates the increase in revenue amounts to approximately \$4.4 M per year average annual increase.**

6. If the proposed rule includes provisions which duplicate or are more stringent than current federal, state or local standards regulating the same activity, the following explanation of why such duplicative or more stringent provisions are necessary is provided:

**The proposed change does not include provisions which duplicate or are more stringent than existing federal, state or local standards.**