CAPITAL IMPROVEMENTS PLAN

POLICE FACILITY IMPACT FEE

Reno City Council Adopted –May 27, 2020

INTRODUCTION

This Capital Improvements Plan (CIP) establishes the land use assumptions, facility costs, and methodologies for the City of Reno Police Facility Impact Fee (PFIF) consistent with NRS 278B (Impact Fees for New Development). The Police Facility Impact Fee will be applied to the service area geography shown in Appendix 1 using the fee schedule in Appendix 2.

NRS 278B.290 (Periodic Review of Capital Improvements Plan) requires review and revision of the land use assumptions and CIP at least once every three years by local governments that impose impact fees. With each revised CIP, costs will be adjusted for infrastructure that has already been constructed and for the future cost of proposed facilities (if identified).

SERVICE AREA

NRS 278B.110 defines a service area as any specified area within the boundaries of a local government which is served directly and benefitted by the capital improvement or facility expansion as set forth in the capital improvement plan. A service area may not make up the entire area of a local government whose population is 15,000 or greater. To pay for police facility improvements needed to accommodate growth in the City of Reno, a service area boundary excluding lands to which the City does not provide primary police services as shown in Appendix 1 is utilized. While the Reno Police Department (RPD) may provide secondary police services to Nevada System of Higher Education (NSHE) properties, Reno-Tahoe Airport Authority (RTAA) properties, and tribal lands as shown in Table 1, excluding these lands from the impact fee service area is appropriate as they do not necessitate the same level of police services and associated facilities as locations where RPD is the primary police service provider.

Table 1: Secondary Police Services Provided by the Reno Police Department

Secondary Services	NSHE	RTAA	Tribal Lands
911 Response	Mutual Aid (upon request)	Mutual Aid (upon request)	Mutual Aid (upon request)
Investigation Services	--	--	Certain Felony Cases
Special Events	Contract for Services	Contract for Services	--

LAND USE ASSUMPTIONS & GROWTH PROJECTIONS

The Truckee Meadows Regional Planning Agency (TMRPA) develops the Washoe County Consensus Forecast ('Consensus Forecast') to establish long-range population and employment projections for the cities of Reno and Sparks and unincorporated Washoe County. The Consensus Forecast is updated every two years in partnership with the three local governments, Regional Transportation Commission (RTC), Washoe County School District, Truckee Meadows Water Authority, Sun Valley General Improvement District, and Nevada State Demographer. Following updates, population and employment projections set forth in the Consensus Forecast are disaggregated to the parcel level for utilization by various entities in their respective planning efforts. To disaggregate the Consensus Forecast projections from the Washoe County geography, TMRPA developed the Population and Employment Model (PEM). The PEM generates population and employment growth projections based on adopted zoning for Reno, Sparks, and Washoe County, and suitability factors that guide the temporal allocation of new growth. These suitability factors

consider features such as approved entitlements, topography, existing and planned infrastructure, and public services.

The PEM growth projections based on adopted zoning are utilized as the base input to the RTC travel demand model that is not only used for long-range transportation planning purposes, but also for the Regional Road Impact Fee (RRIF) program that is managed by RTC and adopted as part of the Reno Municipal Code. Table 2 shows PEM population and employment projections within the City of Reno and its SOI over the 2020 to 2030 timeframe.

Table 2: Population and Employment within Police Facility Impact Fee Service Area

Year	Population	Employment	Total
2020	279,830	199,638	479,469
2030	310,800	218,462	529,262
10-Year Increase	30,970	18,824	49,794

For use in the RTC travel demand model, PEM employment growth projections are also provided for six employment categories. Table 3 shows the employment projections for these categories within the Police Facility Impact Fee Service over the 2020 to 2030 timeframe.

Table 3: Employment Growth within Police Facility Impact Fee Service Area by PEM Category

Category	2020 Employment	2030 Employment	10-Year Increase
Agriculture, mining, and construction	7,946	8,978	1,031
Manufacturing, transportation, communications, utilities, and wholesale	24,152	26,531	2,379
Retail	24,916	27,803	2,887
Service and office	97,452	104,819	7,367
Other	29,821	33,740	3,919
Gaming	15,351	16,591	1,240
Total	199,638	218,462	18,824

LAND USE TYPES & SERVICE UNITS

NRS 278B.110 defines a service unit as a standardized measure of consumption, use, generation or discharge which is attributable to an individual unit of development calculated for a particular category of capital improvements or facility expansions. This CIP uses total persons served (residents and employees) for four land use types (residential, commercial/retail, office and other services, and industrial) as the service unit for police facilities. Population and employment growth within the police facility impact fee service area from the PEM are converted to the four land use types as shown in Table 4.

Table 4: Conversion of PEM Growth Projections to Land Use Types

PEM Projections	Land Use Type
Population	Residential
Employment: agriculture, mining, and construction	Industrial
Employment: manufacturing, transportation, communications, utilities, and wholesale	Industrial
Employment: retail	Commercial/Retail
Employment: service and office	Office and Other Services
Employment: other	Commercial/Retail
Employment: gaming	Commercial/Retail

For the purposes of administering the Police Facilities Impact Fee, Table 5 provides a general description of the type of development included in each land use type and defines the service unit.

Table 5: Land Use Type Descriptions and Service Units

Land Use Type	Description	Service Unit
Residential	Detached and attached dwelling units including detached single family homes, townhomes, condominiums, duplexes, triplexes, apartments, single-room occupancy, and boarding houses.	Resident
Commercial/Retail	Non-residential development that provides commercial services and supplies to the community such as retail, personal services, food service, and gaming.	Employee
Office and Other Services	Non-residential development that provides professional, accommodation, public, and educational services such as offices, medical offices, lodging, recreation, cultural centers, religious institutions, government centers, libraries, hospitals, schools, and parks.	Employee
Industrial	Non-residential development that provides for a range of industrial activities such as manufacturing/processing operations, maintenance and repair shops, mini-warehouses, warehousing and distribution facilities, wholesaling, and truck terminals. Mining, construction, and utility installations are also included in this category.	Employee

If there is an instance where a question arises regarding which category a particular development type fits into, the administrator shall select the category that is the most comparable based on expected demands for facilities being financed with the impact fees.

SERVICE UNIT ANALYSIS

Table 6 presents the projected number of service units over the 2020 to 2030 time horizon by development type for each service area using projected population and employment from the TMRPA PEM.

Table 6: Service Units by Development Type

Land Use Type	2020	2030	10-Year Increase
Residential	279,830	310,800	30,970
Commercial/Retail	70,088	78,135	8,047
Office and Other Services	97,452	104,819	7,367
Industrial	32,098	35,508	3,410
Total Service Units	479,469	529,262	49,794

IMPACT FEES

Impact fees are monetary charges imposed by the City on new development to recoup or offset a proportionate share of public capital facility costs required to accommodate such development. Per NRS 278B.280 (Prohibited Use of Impact Fees), impact fees cannot be applied towards the operation, maintenance, repair, alteration, or replacement of capital improvements or facilities. Determination of an impact fee begins with calculating demand-to-capacity ratios for capital facilities and then estimating the size and cost of facilities that will be necessary for achieving a prescribed level-of-service to accommodate growth projections within defined service areas.

Existing Facilities

The Reno Police Department (RPD) generally strives for a level of service of 1.5 officers per 1,000 residents. However, actual service levels vary by location and are influenced by advances in technology and policing approaches. Facilities currently utilized by RPD to provide police services include a centrally located station (headquarters) and reporting stations in outlying service geographies as shown on the Police Facilities Map in Appendix 1. Due to space constraints at the existing headquarters building, RPD has been utilizing off-site facilities for dispatch services and evidence storage. The square footage of existing police facilities is shown in Table 7.

Table 7: Existing Police Facilities

Existing Facilities	Location	Square Feet
Headquarters	455 East 2nd Street	68,357
Evidence	265 Keystone Avenue	25,300
Dispatch	5195 Spectrum Boulevard	7,000
Downtown Reporting Station	199 East Plaza Street	9,193
Mae Anne Reporting Station	7105 Mae Anne Avenue	196
South Neil Reporting Station	3905 Neil Road	1,500
All Facilities	Total	111,546

Existing facilities provide 0.23 square feet of police facility space per service unit. As population and employment increase in the City of Reno, new and/or expanded police facilities that maintain current levels of usage are needed to adequately provide police service to the community.

Planned Facilities

Planned police facilities include a new downtown Public Safety Center that will function as RPD's centrally located station (headquarters). The current RPD headquarters building located at 455 East 2nd Street was constructed in 1947 and space constraints limit the efficient provision of police services. Both dispatch services and evidence storage are currently separated from RPD headquarters. The planned Public Safety Center at 955 Kuenzli Street will combine RPD facilities (other than existing reporting stations) into a single main facility that more efficiently serves the City by co-locating public safety employees and allowing for technology improvements. The total cost of the planned 110,500 square foot Public Safety center is $33 million, which equates to $299 per square foot.

The Public Safety Center will replace various existing police facilities including the headquarters building at 455 East 2nd Street, evidence storage at 265 Keystone Avenue, and dispatch services at 5195 Spectrum Boulevard. Replacement of these facilities cannot be funded through impact fees. Only the portion of the Public Safety Center that is considered and expansion can be funded through impact fees. Figure 1 shows the square footage for existing headquarters, evidence storage, and dispatch facilities compared to the square footage for these facilities in the new Public Safety Center. The 9,843 square feet difference between existing and planned police facilities can be funded through impact fees and the estimated cost for the expansion portion of the Public Safety Center is $2,943,057.

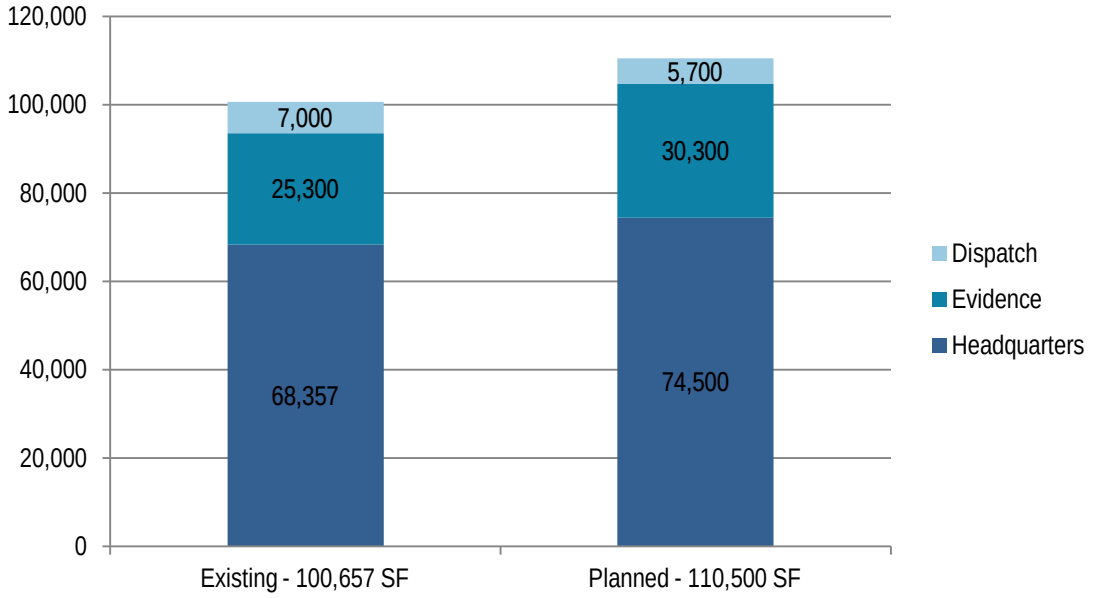


Figure 1: Public Safety Center – Existing and Planned Facilities

As shown in Table 8, the planned expansion of police facilities by 9,843 square feet would provide 0.23 square feet of facility space and maintain current levels of usage for police facility space per service unit.

Table 8: Police Facility Usage

Police Facilities	2020	2030	Difference
Total Facility Square Footage	111,546	121,389	9,843
Square Feet per Service Unit	0.23	0.23	--

Cost Allocation

The cost of planned police facilities is allocated to service units based on an average of new service units and police calls for service for each land use type as shown in Figure 2. Service unit growth (residents and employees) in each land use type increase demand for police service and associated facilities over the 2020 to 2030 timeframe. However, police calls for service that vary by land use type are also a standardized measure utilized in the delivery of police services. Using this average, or blended, approach incorporates both growth in service units and calls for service by land use type to proportionally allocate the cost of planned police facilities to new development.

The proportion of police calls for service for each land use type was developed by spatially analyzing the volume of calls over a three-year time period from 2016-2018. This analysis relied on the Washoe County Assessor's parcel database. Using the Assessor's land use description information, parcels were classified into the four land use types shown in Figure 2. The parcel data was then joined with the calls for service data to produce the information presented in Figure 2.

Figure 2: Police Facility Cost Allocation

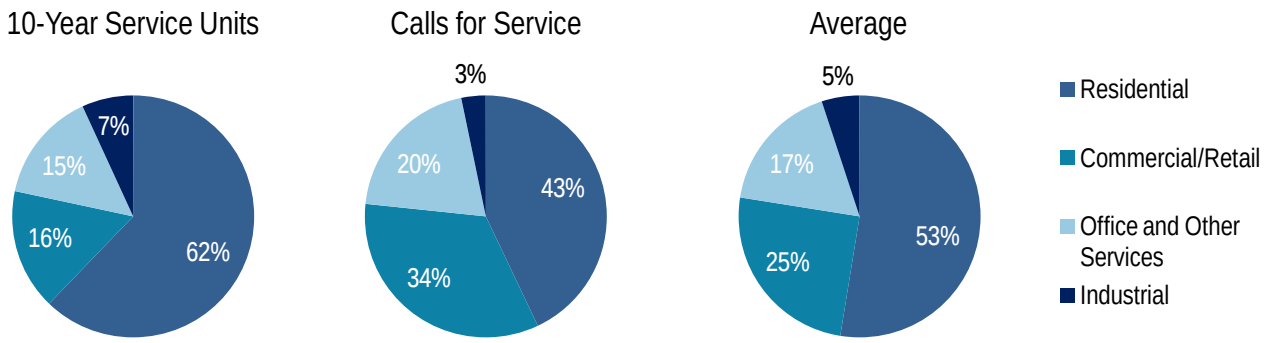


Table 9 below shows the cost per service unit after distributing the cost of planned police facilities to each of the land use types based on the average, or blended, proportion of service unit growth and calls for service.

Table 9: Cost per Service Unit by Land Use Type

Land Use Type	Cost Allocation	Facility Cost	Service Units	Cost per Service Unit
Residential	53%	$1,547,121	30,970	$50
Commercial/Retail	25%	$733,918	8,047	$91
Office and Other Services	17%	$513,105	7,367	$70
Industrial	5%	$148,913	3,410	$44
Total	100%	$2,943,057	49,794	

Service Unit Generation Factors

Using total residents and employees served for the Police Facility Impact Fee means each new land use will generate a number of people which will be used to apply the impact fee. The resident and employee generation factors for each land use type are shown in Table 10. Variable data sources were utilized to develop the generation factors including: American Community survey estimates for household size; square feet per employee assumptions for non-residential land use types from the Employment Demand Forecast and Needs Assessment prepared for the City of Reno; and case studies using business point data in conjunction with square footage data in the Washoe County Assessor's parcel database. For ease of implementation, generation factors are provided for the land use categories utilized in the RRIF program.

Table 10: Resident and Employee Generation Factors

Land Use Type	Generation Factor		Source
Residential			
Single Family	2.5	Persons per Dwelling Unit	American Community Survey
Multi-Family	2.0	Persons per Dwelling Unit	American Community Survey
Commercial/Retail			
Commercial/Retail	400	Square Feet Per Employee	Employment Study: Retail
Eating/Drinking Places	500	Square Feet Per Employee	Employment Study: Food Service
Casino/Gaming	750	Square Feet Per Employee	Employment Study: Accommodation
Office and Other Services			
Schools	1,000	Square Feet Per Employee	Employment Study: Education
Day Care	1,000	Square Feet Per Employee	Employment Study: Education
Lodging	0.35	Employees per Room	Case Study
Hospital	350	Square Feet Per Employee	Case Study
Nursing Home	800	Square Feet Per Employee	Case Study
Medical Office	275	Square Feet Per Employee	Employment Study: Office
Office and Other Services	275	Square Feet Per Employee	Employment Study: Office
Recreational Facility	0.25	Employees per Acre	Case Study
Industrial			
General Light Industrial	500	Square Feet Per Employee	Employment Study: Small Scale Industrial
Manufacturing	1,500	Square Feet Per Employee	Employment Study: Large Scale Industrial
Warehouse	1,500	Square Feet Per Employee	Employment Study: Large Scale Industrial
Mini-Warehouse	15,000	Square Feet Per Employee	Case Study

Fee Schedule

The Police Facility Impact Fee schedule provided in Appendix two converts the generation fees shown in Table 10 above to residents per dwelling unit and employees per square foot, room, or acre. Sample impact fees are also

presented on a per dwelling unit, per 1,000 square feet of gross floor area, per room, or per acre basis depending on the land use.

COLLECTION, OFFSETS & ADMINISTRATION OF IMPACT FEES

Collection

The Police Facility Impact Fee shall be collected at the time building permits are issued for improvements. Impact fees shall be paid according to the fee schedule in effect at the time of building permit issuance. The CIP must be periodically reviewed, and fee schedules may be changed at any time. Fees shall be determined and paid in accordance with the Administrative Manual.

Conditions of Collections

As required by NRS 278B.250 (Conditions Upon Collection of Impact Fee), impact fees may only be collected for projects that are described in this CIP.

As further required by NRS 278B.250, before collecting the impact fees set forth herein, the Administrator shall enter into a written agreement with the owner or developer where the City agrees to either:

- Reserve to the developer or owner (or assigns) a portion of the new capacity of the improvements being built and paid for by the Impact Fees to be collected in an amount agreed upon; or
- Permit the owner or developer to construct or finance the improvements and if the owner or developer does so, the City will provide credits to Impact Fees as provided above, or will (at City's option) reimburse the owner or developer for those costs from the Impact Fees paid from other developers who will use those improvements.

Offsets

Any person initiating a land development activity may apply for offsets against impact fees as provided in this section. The following provisions apply to requests for offsets:

- Offsets shall be requested, granted, documented, and applied against Police Facilities Impact Fees as provided in the Administrative Manual.
- Offsets may only be transferred from the Developer of Record to his or her assigns.

<u>Offsets for dedication of land or construction of CIP Projects.</u>

If an owner or developer is required to construct or dedicate (or both) a portion of the off-site facilities for with impact fees are collected, NRS 278B.240: Credits Against Impact Fees, the owner or developer is entitled to receive credit against the impact fee imposed. To receive these credits, the owner or developer must enter into an Offset Agreement as provided in the Administrative Manual.

<u>Calculation of actual costs upon completion of projects; Refunds of fees collected.</u>

Upon the completion of a capital improvement or facility expansion identified in the capital improvements plan, the

City shall determine the actual cost of the improvement and shall combine that amount with estimated costs of other projects in the same category to be completed. If the actual costs plus projected costs are less than the amounts actually collected from the developer or owner, the City shall refund the surplus Police Facilities Impact Fees collected.

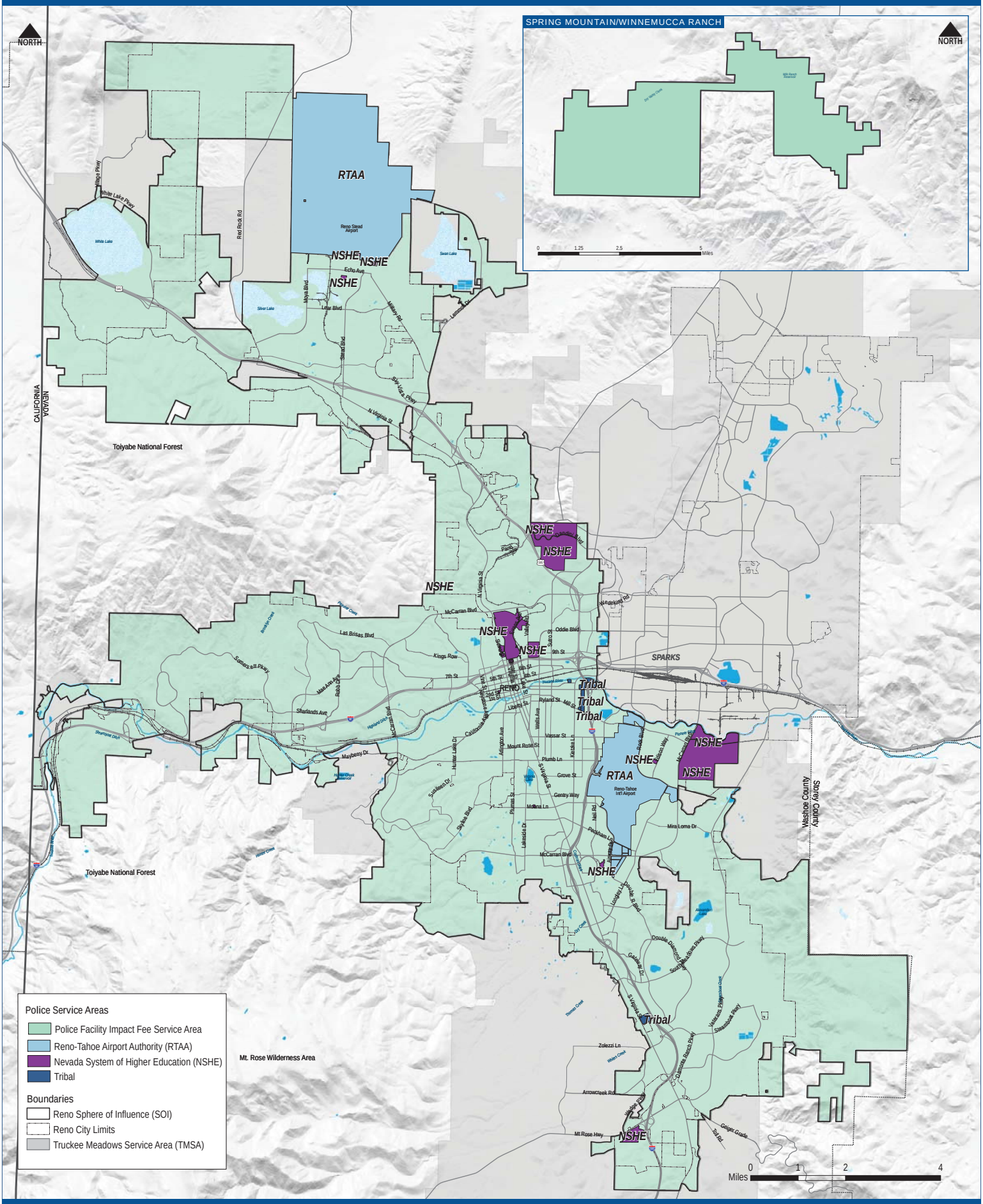
As required by NRS 278B.260: Refund of Impact Fee, if the City fails to commence projects or complete the expenditure of impact fees collected within statutory time frames, it shall refund the fees.

Review Frequency

In accordance with NRS 278B.290: Periodic Review of Capital Improvements Plan, both the CIP and land use analysis will be reviewed every three years. As part of these regular reviews, constructed facilities and developed service units for which Police Impact Fees were collected will need to be identified and costs adjusted such that the unpaid balance of constructed facilities continues to be collected as shown in Appendix 3. The cost of new planned facilities (if applicable) would also be factored into an updated Police Impact Fee during these regular reviews of the CIP.

APPENDIX 1: POLICE FACILITY SERVICE AREA

CITY OF RENO
AND SPHERE OF INFLUENCE



Community Development Department
T: 334-2063 | F: 334-2043 | www.reno.gov
1 East 1st Street | PO Box 1900 | Reno, NV 89505

Sources: City of Reno; Washoe County; U.S. Geological Survey

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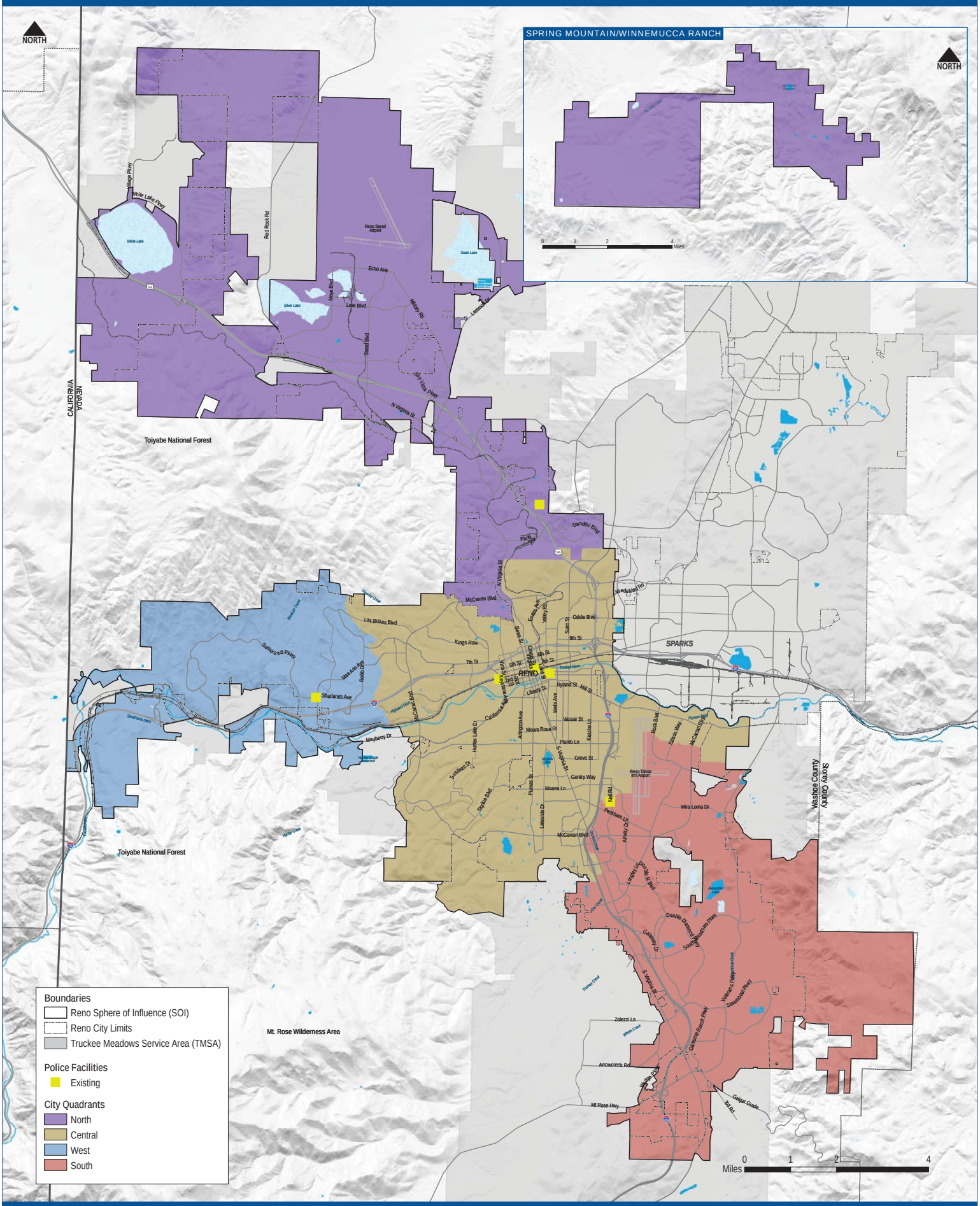
Map produced: February 2020

APPENDIX 1: EXISTING POLICE FACILITIES

CITY OF RENO
AND SPHERE OF INFLUENCE



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APPENDIX 2: FEE SCHEDULE

Land Use	Service Unit Generation Factor		Sample Impact Fee	
Residential				
Single-Family	2.5	Persons per Dwelling Unit	$125	Per Dwelling Unit
Multi-Family	2.0	Persons per Dwelling Unit	$100	Per Dwelling Unit
Commercial/Retail				
Commercial/Retail	0.00025	Employees per Square Foot	$228	Per 1,000 SF GFA
Eating/Drinking Places	0.00020	Employees per Square Foot	$182	Per 1,000 SF GFA
Casino/Gaming	0.00013	Employees per Square Foot	$121	Per 1,000 SF GFA
Office and Other Services				
Schools	0.00010	Employees per Square Foot	$70	Per 1,000 SF GFA
Day Care	0.00010	Employees per Square Foot	$70	Per 1,000 SF GFA
Lodging	0.35	Employees per Room	$25	Per Room
Hospital	0.00029	Employees per Square Foot	$200	Per 1,000 SF GFA
Nursing Home	0.00013	Employees per Square Foot	$88	Per 1,000 SF GFA
Medical Office	0.00036	Employees per Square Foot	$255	Per 1,000 SF GFA
Office and Other Services	0.00036	Employees per Square Foot	$255	Per 1,000 SF GFA
Recreational Facility	0.25	Employees per Acre	$18	Per Acre
Industrial				
General Light Industrial	0.00020	Square Feet Per Employee	$88	Per 1,000 SF GFA
Manufacturing	0.00007	Square Feet Per Employee	$29	Per 1,000 SF GFA
Warehouse	0.00007	Square Feet Per Employee	$29	Per 1,000 SF GFA
Mini-Warehouse	0.00001	Square Feet Per Employee	$3	Per 1,000 SF GFA

APPENDIX 3: COST ADJUSMENTS

Cost of Constructed Police Facilities

Development Type	Developed Service Units	Revenue Collected	Undeveloped Service Units	Total Cost	Net Cost
Residential	TBA	TBA	TBA	$TBA	$TBA
Commercial/Retail	TBA	TBA	TBA	$TBA	$TBA
Office and Other Services	TBA	TBA	TBA	$TBA	$TBA
Industrial	TBA	TBA	TBA	$TBA	$TBA
Total	TBA	TBA	TBA	$TBA	$TBA

Cost of Planned Police Facilities

Development Type	10-Year Service Units	Total Cost
Residential	TBA	$TBA
Commercial/ Services	TBA	$TBA
Office and Other Services	TBA	$TBA
Industrial	TBA	$TBA
Total	TBA	$TBA