

## STAFF REPORT

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**Date:** June 14, 2023

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Acceptance of Regional Road Impact Fee (RRIF) Offset Agreement for the Spectrum-Dandini Mixed Use Development Project for an estimated \$1,580,000 in issued RRIF waivers.

**From:** Michael Mischel, Engineering Manager

**Department:** Development Services - Engineering

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### **Summary:**

Under the Regional Road Impact Fee (RRIF) Program, developers who construct or dedicate offered improvements contained in the RRIF Capital Improvement Program (CIP) will be compensated for these contributions with RRIF Waivers. To do this, the developer must enter into a RRIF Offset Agreement which will be approved by both the Regional Transportation Commission (RTC) and the local government. The RRIF Offset Agreement specifically identifies the proposed improvements, the estimated RRIF waivers that will be earned, requirements for quality control/quality assurance and the duties and responsibilities of each party. The RRIF Offset Agreement being authorized by this action will result in an estimated \$1,580,000 in RRIF waivers being issued to Dandini Spectrum Holdings, LLC as compensation for the cost of signalization of the intersection at Parr Boulevard, Dandini Boulevard, and US 395 north bound ramps. Staff recommends Council approve the Offset Agreement.

### **Alignment with Strategic Plan:**

Economic and Community Development

### **Previous Council Action:**

There is no recent Council action relevant to this item.

### **Background:**

In the creation of the RRIF, it was recognized that a number of the projects in the RRIF CIP would be constructed as part of private sector land development activities. Under NRS 278B, which is the enabling statute for impact fees, developers subject to impact fees who build facilities identified in the CIP may reduce their impact fee by the eligible cost of the

improvements. The mechanism for doing this under the RRIF program is the RRIF Offset Agreement.

In order to obtain impact fee waivers, a developer is required to enter into a RRIF Offset Agreement with both the Regional Transportation Commission (RTC) and the local government that will own and operate the completed facility. Among the items specifically included in the RRIF Offset Agreement are: 1) a description of the land development where the waivers are being earned, 2) applicable design and construction standards, 3) a description of the improvements being made, including construction plans and specifications, 4) cost estimates for all eligible items, 5) the quality control/quality assurance program required of the developer, 6) requirements to demonstrate reasonable progress in the completion of the work, and 7) various clauses to protect the public's interest in the event of a breach of the agreement. During construction, RTC personnel will be responsible for construction oversight and monitoring activities, and change orders will be subject to RTC approval. The basic language of these agreements has been standardized and reviewed by RTC and local entity legal counsels to streamline the entire process and facilitate consistent treatment of all parties.

Under the RRIF program, there are no cash reimbursements to the developer for the improvements made. Payment is made with RRIF Waivers that can then be used to pay impact fees. RRIF Waivers are limited to the development of record identified in the RRIF Offset Agreement. The Development of Record for the subject RRIF Offset Agreement is the Spectrum-Dandini Mixed-Use Development, LDC21-00040. This system was developed in conjunction with industry so that timely compensation for improvements is made while eliminating the potential for cash reimbursements draining the system of the funding needed for those CIP projects that would more appropriately be done by the public sector.

#### **Discussion:**

The RRIF Offset Agreement being authorized by this action covers the cost of signalization of the intersection at Parr Boulevard, Dandini Boulevard, and US 395 north bound ramps, signal interconnect system, minor curb, gutter sidewalk, and pedestrian ramp improvements, signing and striping upgrades, and minor widening and construction of a westbound right-turn lane on Dandini Blvd at the northbound ramp. The estimated cost of the offered improvements eligible for RRIF Waivers is \$1,580,000. The estimated impact fee obligation for the Development of Record is \$1,600,642. This estimate has been fully documented in the appendices to the agreement and is considered to be fair and reasonable. Final RRIF Waivers will be determined based upon actual final costs subject to a test of reasonableness. The RTC Board of Directors approved the subject RRIF Offset Agreement at their May 19, 2023 meeting.

#### **Financial Implications:**

No financial impact will result from this action. The amount of RRIF waivers to the developer

will be based on Offset-Eligible Costs equal or less than impact fee owed for all or a portion of the land uses within the Development of Record.

**Legal Implications:**

Legal review completed for compliance with City procedures and Nevada law.

**Recommendation:**

Staff recommends Council approve the Offset Agreement

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

RTC Signed Offset Agreement

RTC Board Staff Report

Offset Agreement Execution Copy

Amended Letter