



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: August 18, 2021

REPORT TO:	Mayor & City Council
REPORT THRU:	Daphne Hooper, City Manager
REPORT BY:	Tim Thompson, Planning Director
REVIEWED BY:	Brandi Jensen, City Attorney
REVIEWED BY:	Denise Lewis, Finance Director

FINANCIAL IMPACT: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	CURRENTLY BUDGETED: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	FUND/ACCOUNT: <u>100-610-322</u>
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ACTION REQUESTED:	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Ordinance
	<input type="checkbox"/> Presentation	<input type="checkbox"/> Receive/File	<input type="checkbox"/> Resolution

AGENDA ITEM: Presentation, Discussion, and Possible Action regarding fiscal impact analysis criteria and a citywide land use fiscal assessment to evaluate proposed development projects within the City of Fernley.

Consideration and Possible Action to approve a Professional Services Contract with Verdunity, Inc. in an amount not to exceed \$60,000 for the purpose of creating a citywide land use fiscal assessment and associated education workshops and implementation coaching.

AGENDA ITEM BRIEF: This item involves creation of a citywide land use fiscal assessment and associated education workshops and implementation coaching. The purpose of the analysis is to help city leaders and residents to better understand the relationship between growth and development patterns, property tax revenues, and long-term infrastructure and service costs – including understanding how to generate additional tax revenue without having to raise the tax rate. This information can be used to inform future land use and zoning decisions, economic development and housing incentives, capital improvement programs, service delivery optimization efforts, grant applications, and more.

RECOMMENDED MOTION:
"I move to approve the Professional Services Contract with VERDUNITY, Inc. in an amount not to exceed \$60,000 as presented."

Business Impact (per NRS Chapter 237):

A Business Impact Statement is Attached.

A Business Impact Statement is Not Required because:

this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B);

See Attached Report for Background/Analysis/Alternatives.

POLICY REFERENCE

<i>Nevada Statutes:</i>	<i>NRS 268 & NRS 332</i>
<i>Fernley Municipal Code:</i>	<i>N/A</i>
<i>Policies & Procedure Manual:</i>	<i>N/A</i>
<i>Community Assessment:</i>	<i>N/A</i>
<i>City of Fernley Development Code:</i>	<i>N/A</i>

ANALYSIS

Like many communities, the City of Fernley is struggling to keep up with growing infrastructure and service demands with limited resources. Yet, development decisions often prioritize growth and near-term revenue boosts without fully considering long-term costs and impacts. When fiscal impact analyses are provided by developers, they are inconsistent and incomplete.

The City has requested Verdunity’s assistance to develop and implement a standardized process to quantify its resource gap and evaluate the fiscal impact of proposed development projects so that more informed decisions can be made. A standardized and integrated process within the City and with developer partners will help staff and Council make more informed decisions that balance the needs of today with future impacts while maximizing return on taxpayer dollars.

Specifically, this item involves creation of a citywide land use fiscal assessment and associated education workshops and implementation coaching. The proposed phases include. The purpose of the analysis is to help city leaders and residents to better understand the relationship between growth and development patterns, property tax revenues, and long-term infrastructure and service costs – including understanding how to generate additional tax revenue without having to raise the tax rate. This information can be used to inform future land use and zoning decisions, economic development and housing incentives, capital improvement programs, service delivery optimization efforts, grant applications, and more.

The GIS-Based Land Use Fiscal Assessment (LUFA) will focus on the relationship between existing development patterns in the city limits, the property tax revenues generated by this development and the general fund costs currently budgeted to serve them, and projected service and street infrastructure costs that will be required in future years. The assessment will include the following information for all parcels inside the city limits:

- 1) Appraised values and property tax levy revenue by parcel;
- 2) Property tax revenue per acre by parcel;
- 3) Net revenue per acre (sometimes referred to as a profit and loss map) for budgeted costs;
- 4) Net revenue per acre for budgeted costs plus unfunded street liabilities.

This modeling and mapping help illuminate which parcels and development patterns in the city generate more in property tax revenue than they cost to serve, and which parts of the city require subsidies from other sources such as sales tax to cover basic services.

The second part of the proposal includes On-Call Implementation Support to assist Staff in the rollout and application of the citywide fiscal model and development FIA tool. Specific tasks may include:

- Review of development proposals
- Review and input on proposed zoning and land use changes
- Participation in discussions with elected officials, staff, and developers
- Other support services as requested by staff

A detailed outline of the scope and deliverables for this contract is included as **Attachment A**.

The work outlined in the Scope of Services is proposed to be completed by the end of this calendar year, with on-call implementation services continuing until June 30, 2022. The total cost is not to exceed \$60,000.

ATTACHMENTS

1. Contract for Professional Services – Verdunity, Inc.
2. Attachment A – Scope of Services