

City of Sparks
Planning Commission Item
Meeting Date: July 2, 2020

Subject: PCN19-0040 Consideration of and possible action on requests for a site generally located at 555 Highland Ranch Parkway Sparks, Nevada, to:

- DA18-0001 – Amend the Development Agreement between City of Sparks, QK, LLC, and 5 Ridges Development Company, Inc., to add 34.71 acres to a site approximately 421.58 acres in size, thereby increasing the size of the site to 421.58 acres; (For possible action)
- ANX20-0002 – Annex into the City of Sparks a site 34.71 acres in size. Upon annexation the parcel shall convert from a Washoe County zoning designation of GR (General Rural) to a City of Sparks zoning designation of A-40 (Agriculture); (For possible action)
- MPA20-0003 – Amend the Comprehensive Plan land use designation from approximately 34.71 acres of Rural (Washoe County Designation) to approximately 10.00 acres of Intermediate Density Residential (IDR) and 24.71 acres of Open Space (OS); (For possible action)
- RZ20-0002 –Rezone approximately 34.71 acres from A-40 (Agriculture) to approximately 10.00 acres SF-6 (Single-Family Residential, 6,000 sq. foot lots) and 24.71 acres A-5 (Agriculture); and (For possible action)
- Sponsor an amendment to the 2019 Truckee Meadows Regional Plan for a site 34.71 acres in size to change the Regional Land Designation from Rural Area to Tier 2 Land and amend the boundaries of the Truckee Meadows Service Area and City of Sparks Sphere of Influence to include the site. (For possible action)

Petitioner: 5 Ridges Development Company, Inc.

Recommendation: The Community Services Department recommends approval of the requests associated with PCN19-0040; see suggested motions below.

Financial Impact: NA

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)

SUGGESTED MOTIONS

For the Development Agreement:

I move to find Amendment Number 2 to the Development Agreement (DA18-0001) associated with PCN19-0040 consistent with the Sparks Comprehensive Plan and to forward a recommendation of approval to the City Council.

For the Annexation petition:

I move to forward a recommendation of approval to City Council for the annexation request (ANX20-0002) associated with PCN19-0040, based on Findings A1 through A4, and the facts supporting these findings as set forth in the staff report.

For the Comprehensive Plan land use amendment request:

I move to approve the Comprehensive Plan land use amendment (MPA20-0003) associated with PCN19-0040, based on Findings CP1 through CP4, and the facts supporting these findings as set forth in the staff report.

For the rezoning request:

I move to forward a recommendation of approval to City Council for the rezoning request (RZ20-0002) associated with PCN19-0040, based on Findings Z1 through Z3, and the facts supporting these findings as set forth in the staff report.

For the Truckee Meadows Regional Plan amendment sponsorship request:

I move to forward a recommendation of support to City Council to sponsor an amendment to the 2019 Truckee Meadows Regional Plan for a site 34.71 acres in size to change the Regional Land Designation from Rural Area to Tier 2 Land and amend the boundaries of the Truckee Meadows Service Area and City of Sparks Sphere of Influence to include the site based on the facts as set forth in the staff report.

Respectfully submitted,

Ian Crittenden
Development Services Manger

Sienna Reid, AICP
Planner Senior

Planning Case Summary

CASE NUMBERS:	PCN19-0040 / DA20-0001 / ANX20-0002 / MPA20-0003/ RZ20-0002
REQUESTED ACTION(S):	Recommendations to the City Council of approval for Amendment Number 2 to a Development Agreement, annexation petition, and rezoning requests; approval of the Comprehensive Plan land use map amendment; recommendation of support for City Council sponsorship of the Regional Plan amendment.
PROPERTY OWNER:	QK, LLC
DEVELOPER:	5 Ridges Development Company, Inc.
APPLICANT:	5 Ridges Development Company, Inc.
LOCATION:	555 Highland Ranch Parkway
PARCEL SIZE:	421.58 ± acres
EXISTING ZONING:	General Rural (Washoe County Zoning); converted to A-40 (Agriculture) upon annexation
PROPOSED ZONING:	SF-6 (Single-family Residential, 6,000 sq. foot lots) and A-5 (Agriculture)
EXISTING LAND USE:	Rural (Washoe County Designation)
PROPOSED LAND USE PLAN:	Intermediate Density Residential (IDR) and Open Space (OS)
WARD INFORMATION:	Ward 5 – Kristopher Dahir
APPLICABLE REGULATIONS:	Nevada Revised Statutes 268 and 278, Sparks Municipal Code 20.05.05 and 20.05.06, and 2019 Truckee Meadows Regional Plan

BACKGROUND

In July of 2018, the City Council entered into a development agreement (the "Agreement") for a 386.87-acre property located at 555 Highland Ranch Parkway. In conjunction with the Agreement, the City Council approved annexation, Comprehensive Plan land use amendment, and rezoning requests for the site. As the subject property was formerly the site of an aggregate mining operation, the 2018 development proposal was referred to as the Quarry.

In February of 2020, the City Council approved Amendment Number 1 to the Agreement. Modifications to the Agreement resulted from the Master Developer's further analysis of the site and the land and infrastructure plans. Substantive changes approved in Amendment Number 1 addressed property ownership changes, clarified permitted residential uses, provided an explicit exclusion of previously disturbed slopes from the calculation of maximum disturbed area pursuant to SMC 20.04.011, and altered the timing and scope of required infrastructure improvements. The name of the project also changed to Five Ridges.

Pursuant to the approved the Agreement, a minimum of 1,200 and a maximum of 1,800 residential units are permitted. Single family, duplex and townhome uses are identified as permitted residential uses. Commercial or multi-family development may occur in the C2 zoning district currently located adjacent to Highland Ranch Parkway. At least 100 acres of open space must also be reserved.

Tentative map and Conditional Use Permit (CUP) permit requests within the Five Ridges project site were considered by the Planning Commission and City Council in April and May of 2020, respectively. On May 26, 2020, the City Council upheld the Planning Commission's decision to approve a CUP for development on slopes, hilltops, and ridges applicable to a 138.13-acre portion of the Five Ridges project site. In conjunction with the CUP, the City Council also approved a tentative map for a 460-lot single-family subdivision on an 88.83-acre portion of the site.

The Master Developer is now seeking further changes (Amendment Number 2) to the Agreement to add 34.71 acres to the Five Ridges project site (Exhibit 1 – Vicinity Map). In conjunction with Amendment Number 2 to the Agreement, the applicant has submitted annexation, Comprehensive Plan land use amendment, and rezoning requests for this subject site.

Pursuant to the 2019 Truckee Meadows Regional Plan, the 34.71-acre site is not located within the Truckee Meadows Service Area (TMSA) or the City of Sparks Sphere of Influence (SOI). In addition, the site has a Rural Area regional land designation. A Regional Plan amendment is necessary prior to City Council action on the development agreement amendment, annexation, Comprehensive Plan land use amendment, and rezoning requests. The applicant is therefore requesting that the City Council sponsor a Regional Plan amendment to re-designate the site from Rural Area to Tier 2 Land and amend the boundaries of the TMSA and City of Sparks SOI to include the site.

ANALYSIS

Five requests are associated with this application. They are for:

- 1) a development agreement amendment;
- 2) annexation of the subject property;
- 3) a Comprehensive Plan land use amendment;
- 4) rezoning; and
- 5) sponsorship of a Regional Plan amendment.

The remainder of this staff report addresses these requests in the above order, providing analysis of, and the applicable findings for, each request.

1. DEVELOPMENT AGREEMENT AMENDMENT

Amendment Number 2 to the Agreement must be approved by the Sparks City Council to take effect. The Planning Commission is responsible for reviewing the agreement for consistency with the Comprehensive Plan.

Amendment Number 2 is attached in both “clean” (i.e., with changes accepted) and “track changes” formats (Exhibits 2 and 3, respectively). The “track changes” document identifies all proposed text changes.

Changes proposed in Amendment Number 2 primarily relate to the expansion of the Five Ridges project site to include the 34.71-acre parcel proposed for annexation to the City of Sparks. However, additional changes are also proposed for clarification purposes that address comments received from the Nevada Department of Transportation (NDOT) and remove references to specific zoning districts in Section 3.1 (Permitted Uses and Density). These changes are as follows (page numbers reference the “track changes” document):

- Project acreage is increased by 34.71 acres to reflect the request to annex APN 508-020-01, resulting in a total site area of 421.58 acres (p.1).
- An “annexation property” definition is added to identify the real property proposed for annexation and inclusion in the project boundary (p.4).
- Section 3.1 (Permitted Uses and Density) includes changes that:
 - Remove references to specific zoning districts associated with permitted uses;
 - Modify gross density requirements due to the expanded site area based on a minimum of 1,200 and a maximum of 1,800 residential units; and
 - Increase the minimum amount of reserved open space by 20 acres to a total of 120 acres (p. 8).
- Section 3.2 (Required Infrastructure Improvements) is modified to specify that improvements to the intersection of Highland Ranch Parkway and Pyramid Highway shall occur concurrently with the widening of Highland Ranch Parkway (pp. 9-10).
- Section 3.2 (Required Infrastructure Improvements) is updated to reflect approval by the Washoe County Board of Adjustment of a special use permit to construct a paved and gated emergency access road (p. 10).
- The amount of area that may be cleared, graded or otherwise disturbed is increased from 267 to 293 acres based on an updated slope analysis for the expanded site area (p. 12).
- Section 3.5 (Entitlement Requests) is updated to identify entitlement requests associated with the annexation property and specify concurrent processing of those requests (pp. 13-14).
- Section 3.12 (Sun Valley General Improvement District) is updated to reflect City Council approval of an agreement with the Sun Valley General Improvement District granting use of the City’s streets and roads for water transmission facilities (p. 15).

Consistency with Comprehensive Plan

In 2018, the Agreement was bundled with annexation, Comprehensive Plan amendment, and rezoning requests for the original 386.87-acre site to provide the public, third-party reviewing agencies, the Planning Commission, and City Council with an understanding of the development proposed for the subject property at the time these requests were considered. The

Agreement also specified how infrastructure and public services would be adequately provided to support the initial entitlement requests. In February of 2020, the City Council approved Amendment Number 1 to the Agreement. Substantive changes addressed property ownership, permitted additional residential uses, explicitly excluded previously disturbed slopes from the calculation of maximum disturbed area pursuant to SMC 20.04.011, and updated the timing and scope of required infrastructure improvements.

Amendment Number 2 would expand the area of the subject property by 34.71 acres, to 421.85 acres. However, neither the permitted number of residential units or infrastructure and public service requirements necessary to serve those units are proposed to change.

Staff views Amendment Number 2 as consistent with the Comprehensive Plan in part because it continues to serve as the petition for the subject property to be brought into Impact Fee Service Area Number 1 (IFSA#1). Inclusion of the subject property in IFSA#1 provides a plan and funding mechanism for the provision of sanitary sewer and storm drain improvements, a fire station, and regional trails to serve development on this site. In Section 3.2, the revised Agreement also obligates the developer to increase the capacity of Highland Ranch Parkway between Pyramid Way and the entrance to the project and to construct improvements to the intersection of Pyramid Way and Highland Ranch Parkway necessary to maintain a Level of Service D and E, respectively.

The Agreement thus supports and is consistent with the following Comprehensive Plan goals and policies:

- Policy MG5** *When reviewing master plan amendments for sites over 5 acres, the City will evaluate or cause to be evaluated: a) the impacts on existing and planned facilities and infrastructure; b) the impacts on existing and planned public services; c) the proposed land use in relationship to existing land uses; and, d) the fiscal implications for public service providers of the proposed land use changes as documented in a fiscal impact analysis.*

- Policy CF1:** *When reviewing new development, the City will not approve an application unless the City services can be provided at acceptable service levels.*

City staff views Amendment Number 2 as supporting the finding that the City can provide adequate municipal services to the subject property concurrently with its development, in support of Policy CF1. This analysis previously enabled the Planning Commission and City Council to make certain findings, including

those regarding concurrency and fiscal impacts, when the Agreement was first adopted in July of 2018 and subsequently amended in February of 2020.

In the opinion of City staff, the changes proposed in Amendment Number 2 promote the City's goal of providing adequate services concurrently with the impact of development while not adversely impacting the consistency of the Agreement with the Comprehensive Plan.

City staff therefore recommends the Planning Commission find proposed Amendment Number 2 to the Agreement associated with PCN19-0040 consistent with the Sparks Comprehensive Plan and forward a recommendation of approval of Amendment Number 2 to the City Council.

2. ANNEXATION PETITION

Annexation Findings

Finding A1. The request conforms to the requirements of NRS Chapter 268.

The City's Seven Year Annexation Program has expired. However, NRS 268.670 allows the City Council to consider annexing property without an annexation program if it is contiguous to City limits and annexation is requested by 100 percent of the property owners (i.e., voluntary annexation). Because the subject property is contiguous to City limits and annexation is being requested by the only property owner, the City may consider the annexation.

Finding A2. The request conforms to the findings established for annexation applications pursuant to SMC 20.05.05.

SMC 20.05.05 requires annexation requests to be reviewed for the following considerations:

A) Location of the property to be considered for annexation:

The property being considered for annexation is contiguous to the City limits on one side (Exhibit 4 – Annexation Map).

B) The logical extension of City limits:

The eastern side of the property being considered for annexation is contiguous to City limits. Utilities would be extended through the existing Five Ridges project site consistent with the Agreement.

C) The need for expansion to accommodate planned regional growth:

The 386.87-acre Five Ridges project site was annexed to the City of Sparks in 2018 to accommodate future housing needs. Annexation of the 34.71-acre subject site would support modifications to the Land Plan (Exhibit 5 – Land Plan) that result in improved circulation and promote development of the greater Five Ridges project site.

D) The location of existing and planned water and sewer service:

Water service will be provided by the Sun Valley General Improvement District (SVGID). The developer will have to dedicate adequate water rights to serve the development with the final subdivision map(s).

Sanitary sewer will be provided by the City of Sparks. Sanitary sewer service will be provided via the Northwest Sanitary Sewer Interceptor located to the east of the project. Pursuant to the Agreement, the developer is responsible for the construction of all new sanitary sewer lines as well as upgrades to existing sewer lines prior to the certificate of occupancy for or final inspection of any residential or commercial unit in excess of 1,650 equivalent residential units.

E) Community goals that would be met by the proposed annexation:

As proposed, annexation of the subject property would expand the Five Ridges project area by 34.71 acres. The Agreement still provides for development of 1,200 to 1,800 residential units of various types and non-residential uses in accordance with adopted zoning districts. Residential units are generally clustered in the middle of the expanded 421.58-acre site with the perimeter remaining as open space.

The Comprehensive Plan goals and policies that would be met by the proposed annexation, given the proposed use of the site, are:

Policy MG7: *When reviewing annexation requests, the City will consider whether the proposed annexation: a) is included in the City's Seven Year Annexation Program; b) is needed for the City's growth within seven years; c) represents a logical extension of the city limits; d) allows for efficient and cost-effective provision of public services and capital facilities; and e) would be fiscally positive for a period of at least 20 years. When reviewing land use entitlements (e.g. master plan amendments, zone changes, tentative maps, conditional use permits) for land annexed within the previous 10-year period, the City may require an updated fiscal analysis if the proposed development materially varies from the development contemplated in the fiscal analysis prepared for the annexation.*

Items a – d are discussed above. Item e is addressed in paragraph G below.

Goal H2: *Promote a strong, diverse housing market that supports economic growth and vitality while ensuring environmental and fiscal sustainability.*

Policy CF1: *When reviewing new development, the City will not approve an application unless the City services can be provided at acceptable service levels.*

Annexation of the subject property and approval of the Comprehensive Plan land use amendment and rezoning requests would support modifications to the Land Plan (Exhibit 5 – Land Plan) that result in improved circulation and promote development of the greater Five Ridges project. Supplemental materials provided by the applicant indicate approximately 19 single-family residences will be constructed on the site proposed for annexation. While this is a small number of homes, annexation of the site will nevertheless support development of the Five Ridges project consistent with the Agreement, advancing Goal H2.

As a provision of the Agreement, the applicant is petitioning to be included in IFSA# 1. If the subject property is included in IFSA# 1, development of the site will contribute to the construction of a fire station to serve the area and storm drain, sewer, and parks improvements. In addition, Section 3.2 of the Agreement requires the developer to (1) increase the capacity of Highland Ranch Parkway between Pyramid Way and the entrance to the larger Five Ridges property, and (2) construct improvements to the intersection of those two roadways. Provided Amendment Number 2 to the Agreement is approved, it is staff's view that the requested annexation complies with Policy CF1.

F) The efficient and cost-effective provision of service areas and capital facilities:

This item is discussed in the preceding paragraph. The subject property would be served by sanitary sewer facilities extended from the east side of Pyramid Way. At 1,650 equivalent residential units, the Agreement requires the developer to add capacity to these existing facilities. Fire service would be provided from Fire Station Number 4 or through the automatic aid agreement with Truckee Meadows Fire Protection District.

G) Fiscal analysis regarding the proposed annexation:

An updated Fiscal Impact Analysis (FIA) was provided to support this annexation request (Exhibit 6 - Fiscal Impact Analysis Letter). The updated FIA assumes 1,200

residential units and no commercial space will be constructed on the expanded Five Ridges project site totaling 421.58 acres. The previous FIA dated June 2018 assumed 1,223 residential units and 141,570 square feet of general commercial space over 386.87 acres. Due to the removal of commercial space and expansion of the project area, the updated FIA increases the roadways dedicated to the City of Sparks from 1.1 million to 1.3 million square feet. The increased roadway area of 200,000 square feet equates to approximately 4.6 acres. Combining the net positive General Fund amount of \$20.2 million and the net negative Road Fund amount of \$19.5 million produces a projected net positive fiscal impact of approximately \$700,000 over the 20-year analysis period. The updated FIA assumes that any streets, gutters, curbs and sidewalks (with the exception of the second fire apparatus access road) will be publicly owned.

Supplemental information provided by the applicant indicates the expanded site area totaling 34.71 acres is anticipated to be developed with 19 residential units and 709 linear feet of public roadway, which equates to 26,942 square feet of roadway area. This amount of roadway area represents 1.3% of the 200,000 square foot roadway area increase in the updated FIA.

The Agreement requires a minimum of 1,200 dwelling units be constructed. If the annexation, development agreement, Comprehensive Plan land use amendment, and rezoning requests associated with APN 508-020-01 totaling 34.71 acres in size are not approved, 1,200 dwelling units would be developed within the existing 386.87-acre Five Ridges project site. Noting this, the updated FIA estimates the fiscal impact associated with the minimum amount of development allowed per the Agreement and an expanded roadway network.

H) Whether Washoe County has adopted a Community Management Plan for the proposed annexation area:

The property proposed for annexation is currently located within the boundaries of the Sun Valley Area Plan, which is an element of the Washoe County Master Plan. The City has not received any comments from Washoe County.

I) Whether the annexation creates any islands:

Annexation of the site will not create an island because the eastern property line is contiguous to the City's current corporate boundary.

J) Any other factors concerning the proposed annexation deemed appropriate for consideration by the City Council:

The property proposed for annexation is not located in the City's SOI. The applicant is requesting City Council sponsorship of a Regional Plan amendment to include the subject property within the City's SOI. Should the City Council sponsor the requested Regional Plan amendment, consideration of the amendment by the Regional Planning Commission and Regional Planning Governing Board would occur prior to City Council's consideration of the annexation.

Finding A3. The property requested to be annexed conforms to the Comprehensive Plan as it is within the City's Sphere of Influence and Seven Year Annexation Program.

The property is not currently located in the City's SOI and the City's Annexation Program expired in 2015. However, as discussed in Annexation Finding A(2)(J) above, a request to include the property in the City's SOI would be considered through the Regional Plan amendment process if City Council sponsors the amendment.

In addition, NRS 268.670 allows the City Council to consider annexing property without an annexation program if the property is contiguous to the City limits and annexation is requested by 100 percent of the property owners. Both requirements are satisfied in this case.

Finding A4. Public notice was given and a public hearing held per the requirements of the Sparks Municipal Code.

Public notice was given as required by the Sparks Municipal Code and Nevada Revised Statutes. The Planning Commission and City Council meetings function as the public hearings for this item. The proposed annexation was noticed, at a minimum, to all owners of property within 750 feet of the subject properties. Public notice was published in the *Reno Gazette-Journal* on June 19, 2020. Letters were mailed to 60 property owners.

3. COMPREHENSIVE PLAN LAND USE AMENDMENT

As proposed, a 34.71-acre parcel would be added to the Five Ridges project site (Exhibit 1 – Vicinity Map). The entire parcel currently has a Washoe County land use designation of Rural. The applicant is requesting City of Sparks Comprehensive Plan land use designations of Intermediate Density Residential (IDR) for 10.00 acres and Open Space (OS) for 24.71 acres (Exhibit 7 – Existing and Proposed Land Use).

Should this Comprehensive Plan land use amendment and the separate amendment seeking to designate approximately 28.81 acres within the existing Five Ridges project site to Multi-Family Residential (MF14) (MPA20-0001) both be approved, the table below shows the acreage and percentage of Comprehensive Plan land uses for the expanded Five Ridges project site.

Land Use Designation	Proposed Land Use Area (Acres)	Percentage
Intermediate Density Residential (IDR)	368.06	87.3
Multi-Family Residential (MF-14)	28.81	6.8
Open Space (OS)*	24.71	5.9
Total	421.58	100

*Amendment Number 2 to the Development Agreement limits the total area to be cleared, graded or disturbed to 293 (70%) of the approximately 422 acres. In addition, Amendment Number 2 requires 120 acres of open space in the project. The developer is required to convey, with each final subdivision map, the lands designated as open space to the entity responsible for maintenance of those lands (e.g., homeowner’s association). The amount of open space is therefore required to far exceed the acreage with an Open Space land use designation.

Comprehensive Plan Amendment Findings

Finding CP1: The proposed Comprehensive Plan amendment would be in conformance with the Regional Plan land use and intensity designation.

Truckee Meadows Regional Plan policies for land use and intensity designations that are relevant to this request include:

RF3 – Density Requirements and Nonresidential Standards: The Regional Plan requires the residential densities and nonresidential standards within the Regional Land Designations, as shown in Table 3.1. The densities listed in Table 3.1 apply to proposed master plan amendments and projects of regional significance that are subject to conformance review.

NR3 – Development Constraints Area: The Regional Plan defines the Development Constraints Area (DCA) as an overlay upon the Truckee Meadows Service Area and the Rural Area...The DCA consists of playas, jurisdictional waters/wetlands in accordance with Section 404 of the Clean Water Act, designated FEMA floodway areas within the floodplain zone AE, significant water bodies, natural slopes over 30%, publicly-owned open space, and properties that are deed restricted to prevent development...allowed land uses are limited to communication facilities, recreational facilities, parks and open space, utilities, agriculture, forestry, mining, and transportation necessary to service

development...Other uses may encroach into the DCA in isolated areas if the encroachments enhance the overall project design and a 2:1 ratio of non-constrained area is preserved as open space for every constrained area that is developed...

Pursuant to the 2019 Truckee Meadows Regional Plan, the subject site has a Rural Area (RA) land designation and is located outside of the Truckee Meadows Service Area (TMSA). To facilitate the requested Comprehensive Plan land use amendment (and corresponding development agreement amendment, annexation, and rezoning requests), the applicant is seeking City Council sponsorship of a Regional Plan amendment to re-designate the site from Rural Area to Tier 2 Land and amend the boundaries of the TMSA and City of Sparks SOI to include the site. Should City Council sponsor the Regional Plan amendment, consideration of the amendment by the Regional Planning Commission and Regional Planning Governing Board would occur prior to City Council's certification of the Comprehensive Plan amendment. Consistent with 2019 Truckee Meadows Regional Plan requirements, the conformance review for this Comprehensive Plan amendment request would be reviewed concurrently with the Regional Plan amendment request.

Properties located in the Tier 2 Land designation are characterized by suburban development that is less dense than development in the Mixed Use Core or Tier 1 Land designations. Residential density for Tier 2 Land is limited to 30 dwelling units per acre, with allowances for higher density nodes that meet certain criteria. The proposed Intermediate Density Residential (IDR) Comprehensive Plan land use designation allows for a density range of six to less than ten dwelling units per acre and complies with policy RF3. The proposed Open Space (OS) land use designation also complies with policy RF3 as it accommodates passive and active open space, common areas, green space, environmentally sensitive areas, parks, and trails rather than suburban development.

The 2019 Truckee Meadows Regional Plan Development Constraints Map shows portions of the subject site as development constrained due to the presence of slopes with gradients of 30 percent or greater. Most slopes of 30 percent or greater on the subject site are located in the portion of the property where the OS land use designation is proposed. However, smaller areas with slopes exceeding 30 percent are present in the portion of the property where the IDR land use designation is proposed.

The Sparks Comprehensive Plan includes policies discussed in Finding CP2 below that restrict disturbance and development of areas characterized by steep slopes and unique geological features. Hillside development is further regulated by SMC 20.04.011, which not only reduces the amount of land area that may be

disturbed for slopes between 15 and 30 percent as slope increases, but also requires a 2:1 ratio of non-constrained area be preserved as open space for all areas with slopes over 30 percent that are developed. These policies are applicable to the annexation area for which this Comprehensive Plan land use amendment is requested. Applying these regulations means that the Comprehensive Plan land use amendment complies with policy NR3.

Finding CP2: The Comprehensive Plan amendment would implement the goals listed within the Sparks Comprehensive Plan as listed in the staff report.

The Comprehensive Plan Goals and Policies that are relevant to this request include:

- Policy MG5:** *When reviewing master plan amendments for sites over 5 acres, the City will evaluate or cause to be evaluated: a) the impacts on existing and planned facilities and infrastructure; b) the impacts on existing and planned public services; c) the proposed land use in relationship to existing land uses; and, d) the fiscal implications for public service providers of the proposed land use changes as documented in a fiscal impact analysis.*

- Policy CF1:** *When reviewing new development, the City will not approve an application unless the City services can be provided at acceptable service levels.*

- Goal H2:** *Promote a strong, diverse housing market that supports economic growth and vitality while ensuring environmental and fiscal sustainability.*

- Policy RC22:** *Maintain development restrictions and standard in the Sparks Municipal code as necessary to conform to policies in the Truckee Meadows Regional Plan pertaining to Development Constraints Areas and for slopes with gradients over 30%*

- Policy RC23:** *Require new development to preserve and protect significant natural amenities, unique features (e.g., rock outcroppings and drainageways) and other natural features.*

The proposed amendment would change the land use designation for the subject site from approximately 34.71 acres of Rural (Washoe County designation) to approximately 10.00 acres of Intermediate Density Residential (IDR) and 24.71 acres of Open Space (OS) (Exhibit 7 – Existing and Proposed Land Use). The IDR land use designation supports single-family housing development with density between six and less than ten dwelling units per acre. Approval of the Comprehensive Plan land use amendment (and corresponding

rezoning request) would permit development of residential units consistent with the Agreement, promoting Goal H2.

Policy MG5 and the Agreement both require a fiscal impact analysis (FIA) with review of Comprehensive Plan amendments. The applicant submitted an updated FIA dated April 2020. The conclusions of the revised FIA are discussed in Finding A(2)(G) above.

The Agreement dictates the minimum and maximum number of units permitted in the greater Five Ridges development and specifies the timing and scope of improvements needed to provide City services at acceptable service levels to future units. To serve between 1,200 and 1,800 total units, the Agreement requires:

- Improvements to Highland Ranch Parkway and the intersection of Highland Ranch Parkway with Pyramid Way when certain level of service (LOS) and/or residential unit number thresholds are met;
- Construction of a secondary fire apparatus access road prior to the issuance of a certificate of occupancy for and/or final inspection of any dwelling unit;
- Equipping all dwelling units and commercial structures intended for or used for human occupancy with fire suppression systems;
- Improvements to upsize the sanitary sewer collection system when certain equivalent residential unit (ERU) triggers are met;
- Construction of all flood control and drainage improvements, whether onsite or offsite; and
- Construction of all water transmission facilities and improvements, whether onsite or offsite, to specifications equal to or exceeding those of TMWA.

The applicant provided an updated trip generation letter dated April 2020 based on 1,062 detached single-family units and 158 townhomes (1,220 total units) (Exhibit 8 – Trip Generation Letter). Compared to the previous 2017 traffic study that assumed 1,223 detached single-family units and 13 acres for mini-warehouse use, average daily trips decrease by 679 trips, AM peak hour trips decrease by 67 trips, and PM peak hour trips increase by 24 trips. The April 2020 analysis finds that these trips will result in traffic impacts less than or similar to the trips analyzed in the 2017 traffic study. City staff reviewed the updated trip generation letter and concur with this conclusion.

The applicant also provided sewer and water studies analyzing development of the Five Ridges project site with solely residential development. The sewer study finds existing sanitary sewer mains, trunk mains, and interceptors have available

capacity to serve the 1,241 residential units analyzed (Exhibit 9 – Master Sewer Study). Should development exceed 1,650 equivalent residential units (ERUs), Section 3.2 of the Agreement requires existing sanitary sewer collection system capacity upgrades at the developer's expense. The preliminary water service study assesses the ability of SVGID to supply potable water to the Five Ridges project and associated costs (Exhibit 10 – Preliminary Water Service Planning Report). Section 3.2 of the Agreement requires the Master Developer to construct all water transmission facilities and improvements (both onsite and offsite) to specifications that meet or exceed those of TMWA.

With the Agreement already in place and Amendment Number 2 in process, it is staff's view that the requested Comprehensive Plan land use amendment complies with Policies MG5 and CF1.

Policies RC22 and RC23 require that new development provide for the protection of natural features such as steep slopes. SMC 20.04.011 regulates project sites over 10 acres in size with slope gradients of 10 percent or greater over 25 percent or more of the site. This section of the zoning code requires the site be analyzed to identify the maximum allowable disturbed area by slope categories. Section 3.3 of the Agreement requires compliance with SMC 20.04.011 for naturally occurring slopes. In addition, Amendment Number 2 limits the total area to be cleared, graded or disturbed to 293 (70%) of the 422 acres. The developer is required to convey, with each final subdivision map, the lands designated as open space to the entity responsible for maintenance of those lands (e.g., homeowner's association).

Finding CP3: The Comprehensive Plan Amendment would be compatible with surrounding land uses.

The surrounding land uses and zoning are summarized in the following table:

Direction	Land Use	Zoning
North	Rural (Washoe County)	Open Space (Washoe County)
South	Rural (Washoe County)	Open Space (Washoe County)
East	Intermediate Density Residential (IDR)	SF-6 (Single-Family Residential, 6,000 sq. foot lots)
West	Rural (Washoe County)	Open Space (Washoe County)

The subject site is located at the northwest corner of the current Five Ridges project site (Exhibit 1 – Vicinity Map). Federally or homeowners-association-owned vacant land is located to the north, south, and west of the site. These

vacant lands have a Rural Washoe County Master Plan land use designation. As proposed, the Open Space (OS) Comprehensive Plan land use designation would be applied to the western 24.71 acres of the site. The OS designation is compatible with surrounding unincorporated lands designated Rural. The Intermediate Density Residential (IDR) Comprehensive Plan land use designation proposed for the eastern 10.00 acres of the site is compatible with adjacent land to the east already designated IDR.

FINDING CP4: Public notice was given and a public hearing held per the requirements of Nevada Revised Statutes and Sparks Municipal Code.

Public notice was published in the *Reno Gazette-Journal* on June 19, 2020. The Planning Commission and City Council meetings function as public hearings for this matter as required by the Nevada Revised Statutes and Sparks Municipal Code.

The neighborhood meeting required by NRS 278.210(2) for the proposed Comprehensive Plan land use amendment was conducted by the applicant's representative on June 8, 2020 (Exhibit 11 – Certificate of Verification for Neighborhood Meeting). Nine people attended the meeting. The applicant's representative presented the Comprehensive Plan land use amendment. Those in attendance expressed concern about development of the greater Five Ridges project area including development of homes on ridgelines in a manner that will be visible from properties to the north, traffic impacts, and impacts to groundwater due to municipal wells.

4. REZONING REQUEST

If annexed into the City of Sparks, the subject site will have an A-40 (Agriculture) zoning designation. The applicant is requesting to rezone the site to approximately 10.00 acres of SF-6 (Single Family Residential – 6,000 sq. ft. lots) and 24.71 acres of A-5 (Agriculture) (Exhibit 12 – Existing and Proposed Zoning). The following table compares the uses permitted in each zoning district.

Use	A-40	A-5	SF-6
Residential			
Single family, detached	Permitted	Permitted	Permitted
Dwelling, two-family (duplex)	Not permitted	Not permitted	Not permitted
Multi-family Building ≤110 units	Not permitted	Not permitted	Not permitted
Multi-family Building >110 units	Not permitted	Not permitted	Not permitted
Live/work dwelling	Not permitted	Not permitted	Not permitted
Manufactured home park	Not permitted	Not permitted	Not permitted
Home Occupation	Permitted	Permitted	Permitted
Group Home	Permitted	Permitted	Permitted
Life Care or Continuing Care Services	Not permitted	Not permitted	Not permitted
Halfway House	Not permitted	Not permitted	Not permitted
Lodging/Short-Term Rental			
Bed and Breakfast	Conditional Use Permit	Conditional Use Permit	Not permitted
Resort, Dude/Guest Ranch	Conditional Use Permit	Conditional Use Permit	Not permitted
Commercial/Mixed Use			
Animal Services, Indoor	Conditional Use Permit	Conditional Use Permit	Not permitted
Animal Services, Overnight (whether indoor or outdoor)	Conditional Use Permit	Conditional Use Permit	Not permitted
Nursery (commercial, retail and wholesale)	Conditional Use Permit	Conditional Use Permit	Not permitted
Public/Civic/Institutional			
Child Care Facility, In-home	Permitted	Permitted	Permitted
Church or Worship Center	Conditional Use Permit	Conditional Use Permit	Conditional Use Permit
College, Technical School	Conditional Use Permit	Conditional Use Permit	Not permitted
School (Public or Private)	Administrative Review	Administrative Review	Not permitted
Park / Open Space	Permitted	Permitted	Permitted

Recreational Facility, Major	Conditional Use Permit	Conditional Use Permit	Not permitted
Industrial			
Mining and quarrying	Conditional Use Permit	Conditional Use Permit	Conditional Use Permit
Infrastructure			
Utility, minor	Conditional Use Permit	Conditional Use Permit	Conditional Use Permit
Renewable energy production	Conditional Use Permit	Conditional Use Permit	Permitted
Wireless Communication Tower or Antenna	Permitted	Permitted	Permitted
Weather or Environmental Monitoring Station	Permitted	Permitted	Not permitted
Agriculture			
Farm or Ranch	Permitted	Permitted	Not permitted
Winery	Permitted	Permitted	Not permitted
Urban Agriculture	Not permitted	Not permitted	Permitted

Rezoning Findings

FINDING Z1:

The rezoning is consistent with the City of Sparks Comprehensive Plan.

Refer to the discussion under Comprehensive Plan Finding CP2 for identification of the goals and policies that are also relevant to the rezoning request. For the reasons discussed above, staff believes the findings pertaining to the Comprehensive Plan can also be made for this rezoning request.

Should the Comprehensive Plan land use amendment be denied, the rezoning request should also be denied. Approving the rezoning without approving the Comprehensive Plan land use amendment would result in zoning that does not conform with the Comprehensive Plan land use designation for the site.

FINDING Z2:

The rezoning is consistent with the surrounding existing land uses.

Refer to Comprehensive Plan Finding CP3 for identification and discussion of surrounding land uses.

The rezoning request from A-40 to A-5 for the western portion of the subject site is consistent with surrounding vacant properties zoned Open Space by Washoe County. Similar to the Washoe County Open Space zoning district, the A-5 zone allows for agriculture and recreation uses by right and requires discretionary review for a limited number of industrial and utility uses. The rezoning request from A-40 to SF-6 proposed for the eastern portion of the subject site is consistent with future single-family uses in the adjacent SF-6 zone located east of the site.

FINDING Z3:

Public notice was given and a public hearing held per the requirements of the Sparks Municipal Code.

Public notice was given as required by the Sparks Municipal Code and Nevada Revised Statutes. The Planning Commission and City Council meetings function as the public hearings for this item. This rezoning request was noticed, at a minimum, to all property owners within 750 feet of the subject properties; 60 property owners were mailed notices. Public notice was published in the *Reno Gazette-Journal* on June 19, 2020.

5. REGIONAL PLAN AMENDMENT SPONSORSHIP

The proposed development agreement amendment, annexation, Comprehensive Plan land use amendment, and rezoning requests necessitate amendments to the 2019 Truckee Meadows Regional Plan prior to City Council action. NRS 278.0272(7) provides that only the Regional Planning Commission (RPC), Regional Planning Governing Board (RPGGB), and local governing bodies may sponsor amendments to the Regional Plan. The applicant is seeking City Council sponsorship of a Regional Plan amendment for the subject 34.71-acre site to (1) change the Regional Land Designation from Rural Area to Tier 2 Land, and (2) amend the boundaries of the Truckee Meadows Service Area (TMSA) and City of Sparks Sphere of Influence (SOI) to include the site.

The Planning Commission is asked to provide a recommendation to City Council regarding sponsorship of the Regional Plan amendment described above. If City Council sponsors the amendment, the Truckee Meadows Regional Planning Agency (TMRPA) will analyze the request in relation to the goals and policies of the Regional Plan, including policies with explicit review criteria for each requested designation. Review criteria for requests seeking inclusion in the Tier 2 Land designation, the TMSA, and the City of Sparks SOI are discussed below.

Tier 2 Land Designation

Regional Plan Policy RF5 (Regional Land Designation Amendments) specifies the following review criteria for requests seeking inclusion in the Tier 2 Land designation:

- Proximity to Tier 2 Land;
- Compliance with applicable density requirements set forth in Policy RF3;
- Enhanced potential for land use diversity and a mix of housing types;
- Potential for connectivity to existing or planned multi-modal transportation opportunities;
- Proximity and availability of infrastructure and facilities; and
- An assessment of impacts to planned land uses in higher priority designations.

The eastern property line of the subject site is adjacent to Tier 2 Land. The proposed Intermediate Density Residential (IDR) Comprehensive Plan land use designation specifies a residential density range of ten to less than 14 dwelling units per acre, which complies with the maximum residential density of 30 dwelling units per acre for Tier 2 Land.

Including the subject site in the Tier 2 Land designation would support its

addition to the Five Ridges project site provided the associated development agreement amendment, annexation, Comprehensive Plan land use amendment, and rezoning requests are approved. The Agreement allows for a mix of single family, duplex, multi-family, and townhome housing types, supporting housing type diversity.

Addition of the subject site to the Tier 2 Land designation would further allow for the extension of infrastructure and public facilities to the site consistent with the Agreement, including sidewalks and multi-use paths required to be constructed by the developer. Extension of transit service to the Five Ridges project site is not identified in the 2040 Regional Transportation Plan.

As proposed, approximately 10.00 acres of the site would be designated Intermediate Density Residential (IDR) and the remainder would be designated Open Space (OS). Substantive impacts to other priority lands are not anticipated due to the relatively small amount of acreage and potential dwelling units associated with the proposed IDR Comprehensive Plan land use designation.

Truckee Meadows Service Area

Regional Plan Policy RF5 (Regional Land Designation Amendments) further specifies the following review criteria for requests for land to be added to the TMSA:

- Indication of regional need for additional land, uses, or purposes, and why the need cannot otherwise be accommodated within the existing TMSA;
- An analysis of the requested Regional Land designation;
- Proximity and availability of infrastructure and facilities; and
- An assessment of potential impacts to existing land within the TMSA.

An analysis of the requested Regional Land designation, the proximity and availability of infrastructure and facilities, and an assessment of impacts to higher priority land uses within the TMSA is provided in the Tier 2 Land designation discussion above.

Regarding regional need for additional land, uses, or purposes, application materials indicate the addition of the subject site to the TMSA will support better design and circulation for the Five Ridges project, which will facilitate development of the project and thus assist in meeting regional housing needs.

City of Sparks Sphere of Influence

Amendments to the City of Sparks SOI require a rationale for the request that analyzes changed conditions in the region and in the vicinity of the request. In addition, the SOI may not be amended without evidence that affected local governments have conferred regarding proposal.

Changed conditions in the vicinity of the request include the proposed amendment to the Agreement and associated entitlement requests for the 386.87-acre Five Ridges project site, which is adjacent to the subject site. Amending the boundary of the City of Sparks SOI to include the site allows for the absorption of an otherwise largely undevelopable parcel into the adjacent Five Ridges project site.

The residential units permitted in the Agreement are anticipated to assist in meeting demand for additional housing in the region due to population growth. As proposed, the proposed Regional Plan amendment requests would support the development of these residential units.

Upon receipt of the development agreement amendment, annexation, Comprehensive Plan land use amendment, and rezoning requests associated with the requested Regional Plan amendment, City of Sparks staff discussed the requests and Regional Plan amendment process with Washoe County staff. In addition, all requests were distributed to Washoe County for review and comment. No comments were received. Thus, the City of Sparks has conferred with Washoe County, the other local government entity affected by the proposed Regional Plan amendment.

If City Council sponsors the requested Regional Plan amendment, the RPC and RRGB will apply the review criteria discussed above to this request. In addition, these bodies will review the effects of the amendment on seven components of the Regional Plan (regional capacities and growth projections; existing and planned development; existing and planned public facility and service availability, timing, adequacy, and fiscal impacts; natural resources; intergovernmental impacts; vision, goals, and policies of the Regional Plan; and health and welfare of the community) based on an analysis TMRPA staff will provide.

Based on general consistency with the review criteria for the requested Regional Plan designations, City staff recommends the Planning Commission forward a recommendation to the City Council to sponsor the requested Regional Plan amendment.

Exhibits Attached to Staff Report

Exhibit 1 – Vicinity Map

Exhibit 2 – Development Agreement, Amendment No. 2 (clean version)

Exhibit 3 – Development Agreement, Amendment No. 2 (track changes version)

Exhibit 4 – Annexation Map

Exhibit 5 – Land Plan, June 2020

Exhibit 6 – Fiscal Impact Analysis Letter (full analysis is provided in the application package)

Exhibit 7 – Existing and Proposed Land Use

Exhibit 8 – Trip Generation Letter

Exhibit 9 – Master Sewer Study

Exhibit 10 – Preliminary Water Service Planning Report

Exhibit 11- Certificate of Verification for Neighborhood Meeting

Exhibit 12 – Existing and Proposed Zoning

Comprehensive Plan Amendment Resolution

Application Package

Regional Plan Amendment Application Package

Agency Comments