Planning Commission Study Session
August 4, 2020

Selected Slides from the Presentation for the September 23, 2019 Joint Sparks City Council and Sparks Planning Commission Workshop on

Land Use, Fiscal Impact Analysis and City Fiscal Health

Workshop Agenda

- Project background and purpose
- Consultant (Economic & Planning Systems, Inc.) work program
- City of Sparks General and Road Funds overview
- Fiscal impact analysis: objective, model, & policy considerations
- Long term fiscal health analysis
- Discussion and possible action

Long Term Fiscal Health Analysis - Intro

Purpose – address the following questions:

- How will build-out of Sparks, based on the uses adopted in the City's Comprehensive Plan, impact the City's long-term fiscal health?

- How would changes to the Comprehensive Plan erode or improve fiscal health?

- What guidance can the analysis provide to City staff, the Planning Commission and the City Council regarding land use entitlement requests?

Forecasts

Population and Land Demand for Housing

Employment and Land Demand for Non-Residential Development

Forecast - Population

Truckee Meadows Regional Planning Agency (TMRPA) Consensus Forecast for period through 2038:

- Washoe County forecast to grow by 106,823 residents (1% a year) to 558,746.
- Sparks forecast to add 23,180 residents (1% a year) to 120,108.

Forecast – Housing Demand for Land

Methodology:

- TMRPA 2016 Housing Study defines 5 types of housing. EPS forecast demand for Sparks, by type, based on building permit trends.

- Density ranges for each housing type in TMRPA study used by EPS to translate housing unit demand to land demand for each housing type.

Residential Demand by Type, Sparks, 2017 to 2038

Housing Type	# of Units	# of Acres
Low-Density Single Family (SF) (1.5 DU/Acre)	244	163
Moderate-Density SF (4.5 DU/Acre)	5,490	1,220
High-Density SF / Low-Density Multi-Family (MF) (10 DU/Acre)	3,050	305
Moderate Density MF (25 DU/Acre)	2,440	98
High-Density MF (50 DU/Acre)	976	20
Totals	12,200	1,805

Forecast – Non-Residential Development

Methodology:

- TMRPA, State Demographer, and private 3rd party forecasts used to project overall and industry-specific employment growth in Reno-Sparks MSA.
- Basis is Consensus Forecast that Washoe County will add 94,333 “establishment based” jobs (1.4% a year).
- Estimated 75K jobs will generate demand for new buildings in region by 2038

Forecast – Non-Residential Development

Next, EPS:

- Projected employment by industry from 2018 – 2038.
- Aggregated jobs by industry to the three categories of office, industrial and retail uses.
- Applied square feet by employee and floor area ratio factors to convert employment forecast to demand for new building space and land.

Forecast – Non-Residential Development

EPS then took their regional forecasts and estimated:

- Capture rates for Sparks of regional office, industrial and retail development.
- Amount of building space and land, by type, forecast to be developed in Sparks.

Non-Residential Demand
by Type of Use
Sparks, 2018 to 2038

Type of Non-Residential Use	Square Feet	# of Acres
Office	402,337	31
Industrial	7,112,479	816
Retail	1,556,436	114
Totals	9,071,252	961

Sparks Non-Residential Development Capture Rates 2018 to 2038

Type of Use	Existing Space - Square Feet* Washoe & Storey	Sparks	Sparks Capture Rates
Office	16,277,730	1,319,583	10%
Industrial	90,996,937	28,507,860	30%
Retail	25,885,180	6,093,398	25%
Totals	133,159,847	35,920,841	25%

* Square footage figures are for the 4th quarter of 2018; source is CoStar.

Demand Versus Capacity of Land

Demand Versus Capacity of Land

Sparks has sufficient land to accommodate forecasted growth *in aggregate.*

- Residential demand forecast is for 1,805 acres; 2,502 acres available.

- Non-residential demand forecast is for 961 acres; 1,345 acres are available.

Demand Versus Capacity of Land

There are two sub-categories where demand is projected to exceed land capacity:

- Moderate density single family residential – forecasted demand is for 1,220 acres while there are 939 acres of capacity.

- Industrial – forecasted demand is for 7.1M square feet while there are 4.8M square feet of capacity.

Demand Versus Capacity of Land for Non-Residential Uses by Type (in Acres) Sparks, 2018 to 2038

Type of Use	Demand	Capacity	% Demand of Capacity
Office	31	540	6%
Industrial	816	426	192%
Retail	114	379	30%
Totals	961	1,345	71%

Conclusions

4. A balance between employment and residential growth is needed to support fiscal health.

   - Each type of land use has varying impacts on the General and Road Funds.

     - Employment uses (office and industrial) typically generate a positive impact to the City that can offset negative fiscal impacts from other uses.

Conclusions

5. Employment growth, either office-oriented or industrial-oriented, generates relatively same fiscal benefits.

   This finding, based on the Increased Business Park alternative (Sparks captures more office), illustrates that at suburban densities, these two uses are relatively interchangeable from a fiscal perspective.

Conclusions

6. Retail uses generally have a more negative impact on the General Fund than office or industrial uses due to increase of traffic and police calls these uses generate.

7. The City's current land use plan adequately balances growth *but* City should strive to ensure employment uses are attracted to planned sites at the same rate as residential uses.

Conclusions

8. Sparks lacks industrial lands

   - This can impact future fiscal health if either increased capacity is not created or alternative employment uses are not attracted.

Discussion – August 4, 2020

Application of the Long-Term Fiscal Health Analysis findings includes:

- Future modification of Policy MG4 as part of 2020 Comprehensive Plan amendments

  "Policy MG4: Maintain an adequate supply of land for employment-generating uses."

- Ongoing use of findings in analysis of entitlement requests

Discussion – August 4, 2020

Policy MG4 observations:

- Opportunity to identify geography for evaluating adequate land supply

- Opportunity to recognize demand for employment-generating uses will change over time