

EXPLANATION: Matter underlined is new; matter in brackets and stricken [--] is material to be repealed.

BILL NO. 7162

ORDINANCE NO. 6585

ORDINANCE AMENDING THE RENO MUNICIPAL CODE ORDINANCE AMENDING THE RENO MUNICIPAL CODE TITLE 18, “ANNEXATION AND LAND DEVELOPMENT”, CHAPTER 18.14 “RESIDENTIAL CONSTRUCTION TAX FOR PARKS, PLAYGROUND AND RECREATIONAL FACILITY IMPROVEMENTS,” TO ADD DEFINITIONS, MODIFY PROCEDURES USED WITH PLANNED UNIT DEVELOPMENTS AND DEDICATION OF PARK LAND, ALLOW FOR ALTERNATIVE DEVELOPMENT OPTIONS, AND IMPLEMENT MINIMUM FINANCIAL SECURITY MECHANISMS TO ENSURE CONSTRUCTION OF APPROVED PROJECTS; TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO.

SPONSORED BY: RENO CITY COUNCIL

THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

SECTION 1. Chapter 18.14 of the Reno Municipal Code is hereby amended by to read:

ARTICLE IV: - RESIDENTIAL CONSTRUCTION TAX FOR PARKS, PLAYGROUND AND RECREATIONAL FACILITY IMPROVEMENTS

Section 18.14.401. - Purpose and General Provisions.

- (a) This article is enacted pursuant to the authority of Chapter 726 of the 1973 Statutes of Nevada, as amended, adopted by the legislature of the state on April 30, 1973, to provide for the acquisition, improvement and expansion of public park, playground, and recreational facilities.

- (b) The public interest, convenience, health, welfare and safety require that certain amounts of land in the city be devoted to park, playground, and recreational purposes, which include neighborhood, district and regional facilities serving various recreational needs of the residents of the city and the neighborhoods located therein. The geographical areas of the city are, by this article, divided into various park districts, taking into account in such division the uneven population distribution throughout the geographical areas of the city. It is the intent of the city council that park districts created herein shall periodically be revised, both in number and location to take account of future population distribution within the different geographical areas of the city and to insure on a continuing basis that all monies collected are expended, as nearly as practicable and feasible, in the immediate area from which they are collected.

Section 18.14.402. – Definitions

As used in this Chapter, unless the context otherwise requires, the following terms shall have the meanings that are ascribed to them as follows:

- (a) “Park” or “park facilities” means a tract of land that is dedicated to, and set aside and maintained for, outdoor recreational purposes and includes, without limitation, areas of turf and trees, playgrounds, fitness equipment, picnic facilities, skate parks, sport courts, playing fields for recreational sports, restrooms, parking lots and other recreational appurtenances for the benefit of the general public.
- (b) “Neighborhood park” means a park the size of which is not less than three acres and not more than twenty-five acres and which is designed to serve natural persons, families and small groups in the park district that is created for the benefit of the neighborhood from which any residential construction tax is derived.
- (c) “Residential dwelling unit” means living units intended for human habitation and which is not subject to a transient lodging tax imposed pursuant to Section 2.10.200 including, without limitation, duplexes, apartments, condominiums, townhouses, detached houses, accessory dwelling units as defined by Section 18.24.203.1840, lots for mobile homes, or for any remodeling of a nonresidential structure for the purpose of converting to a residential dwelling unit(s) as defined herein.
- (d) “Developed open space” means a common open space within a residential subdivision or development that is developed with active recreational appurtenances, which may include any park facilities as defined herein.
- (e) “Trail or Trail System” means a non-motorized trail or network of trails developed to Class 3, Class 4 or Class 5 standards as defined by the US National Forest Service. For the purposes of this section, the following types of trails may be eligible for funding through residential construction tax subject to approval by the Director of Parks and Recreation:

- (1) A Class 5 multi-use recreational trail with a hardened surface physically separated from a road or street, contains additional recreational amenities along the trail, and which connects parks within a planned unit development.
- (2) A Class 3 or Class 4 single-use or multi-use recreational trail contained entirely within a neighborhood park and designed for one or more specific recreational purposes, such as mountain biking, trail running, walking or hiking.
- (f) “Residential Construction Tax” means the tax imposed by this chapter for the privilege of constructing residential dwelling units.

Section 18.14.40[2]3. - Imposition and Rate of Residential Construction Tax.

- (a) Prior to the issuance of any building permit for the construction of any residential dwelling unit, the development of any mobile home lot or the remodeling of any nonresidential structure within the incorporated limits of the city for the purpose of residential use, the applicant shall pay to the city a residential construction tax fee which shall be equal to one percent to the nearest dollar of the value or valuation, or \$1,000.00, whichever is less, of the residential dwelling unit, mobile home lot or converted residential structure as reflected on the building permit. The value or valuation of the building permit shall reflect actual costs of residential construction in the area as determined by the community development department in accordance with the building code in effect in the city and Marshall-Swift formulas utilized by the Washoe County Assessor's Office.
- (b) In the case of remodeling a nonresidential structure into residential dwelling unit(s), the value or valuation of the building permit shall reflect the actual cost of remodeling the structure for use as a residential dwelling unit(s).
- (c) For the purposes of this chapter, the following types of development shall not be required to pay a residential construction tax: reconstruction of any building damaged by fire or other natural causes; rehabilitation, remodeling or expansion of an existing dwelling unit; replacement of a structure used as a dwelling unit on which a residential construction tax was previously paid; or construction of a structure for student housing by the State of Nevada or political subdivision thereof and located on land owned by the governmental agency constructing the student housing complex.

Section 18.14.40[3]4. - Creation of Neighborhood Park and Park Facilities Districts.

- (a) There are hereby created within the city five neighborhood park and park facilities districts which are designated by numbers one through five and the boundaries of which are designated on a map of the city that is available for inspection at the administrator's office and incorporated herein by reference thereto. Residential construction taxes collected within a particular district will be expended for the

acquisition, improvement and/or expansion of neighborhood parks and facilities for parks within said district which are required by the residents of those apartment houses, mobile homes and residences within said district.

- (b) The parks and recreation department is hereby directed to conduct a continuing study of population trends and concentrations as well as of neighborhood development throughout the city and shall, at least once every [~~three~~] five years, submit recommendations to the city council, based on such study, suggesting any changes, either in number or boundary locations, which may be necessary to insure that monies collected from the residential construction tax are expended for the benefit of the residents within the district from which they were collected.
- (c) The city council shall consider the recommendations of the parks and recreation department required by subsection (b) of this section in determining whether any amendment to subsection (a) of this section is required. If the city council determines amendment to subsection (a) is required, it shall consider the recommendations of the parks and recreation department in adopting such amendment.

Section 18.14.40[4]5. - Creation of Neighborhood Park and Park Facilities Fund.

- (a) There shall be established in the office of the director of finance a special fund known as the neighborhood park and park facilities fund.
- (b) The neighborhood park and park facilities fund shall be divided into separate accounts. There shall be one account for each neighborhood park and park facilities district.
- (c) All taxes collected pursuant to Section 18.14.40[2]3 shall be placed in the account within the neighborhood park and park facilities fund for the district in which the tax was collected.
- (d) All interest derived from monies within the neighborhood park and park facilities fund shall accrue to such fund and to the particular district account within the fund from which the interest was derived.
- (e) Neighborhood park and park facilities fund monies shall be used only for consultant fees and the acquisition, improvement, and expansion of neighborhood park and park facilities in the city. Such monies shall be expended for the benefit of the residents within the district from which they were collected.
- (f) If a neighborhood park has not been developed or park facilities installed or improvements made to existing or neighborhood parks within the park district created to serve the neighborhood within three years after the date on which 75 percent of the residential dwelling units within an approved subdivision or development are first

occupied, all money paid by the subdivider or developer, together with interest at the rate at which the city has invested the money in the fund, shall be refunded to the owners of the lots in the subdivision or development on a pro rata basis.

~~[Section 18.14.405. -- PUD Exception.~~

- ~~(a) Prior to the issuance of any building permit for the construction of any residential dwelling unit of a planned unit residential development, the applicant shall pay to the city a residential construction tax in accordance with; provided, however, where a landowner provides for and establishes an organization for the ownership and maintenance of common open space in a proposed planned unit residential development and such space is to be privately owned and maintained for park, playground and recreational use by the future residents of the planned unit residential development, credit may be given against the requirement of a construction tax if the city council, on recommendation from the parks and recreation department, determines it to be in the public interest to do so and that such determination shall be based on, but not limited to, the following standards:~~
- ~~(1) That yards, court areas, setbacks, and other open areas required to be maintained by the zoning and building ordinances and regulations shall not be included in the computation of such private open space;~~
 - ~~(2) That the private ownership and maintenance of the open space is adequately provided for by the recorded written agreement, conveyance or restrictions;~~
 - ~~(3) That the use of the private open space is restricted for park and recreational purposes by recorded covenant, which runs with the land in favor of the future owners of the property and which cannot be defeated or eliminated without the consent of the city;~~
 - ~~(4) That the proposed private open space is reasonably adaptable for use for park and recreational purposes, taking into consideration such factors as size, shape, topography, geology, access, and location;~~
 - ~~(5) That the open space for which credit is given is a minimum of three acres and provides all (or a minimum of five) of the local park basic elements listed below or a combination of such other recreational improvements that will meet the specific recreation and park needs of the future residents of the area:~~

TABLE 18.14 1: CREDIT FOR OPEN SPACE	
LOCAL PARK BASIC ELEMENTS	ACRES
Children's play apparatus area	.50 to .75
Landscape park like and quiet areas	.50 to 1.00
Family picnic area	.25 to .75
Game court area	.25 to .50
Turf playfield	1.00 to 3.00

- (6) The common open space is sufficient to accommodate the park, playground and recreational needs of the projected population of the planned unit residential development.]

[Section 18.14.406. -- Park Land Dedication Exception.

- (a) Prior to the issuance of any building permit for the construction of any residential dwelling unit, or development of any mobile home lot, the applicant shall pay to the city a residential construction tax in accordance with section 18.14.402; provided, however, that where a subdivider of an approved subdivision or development has dedicated, or made an irrevocable offer of dedication, to the city of unimproved or improved real property for neighborhood park use, and where such property meets the requirements of the parks, recreation and community services director, then credit not to exceed 100 percent may be given against the requirement of the residential construction tax.
- (b) The amount of credit to be given against the residential construction tax shall be determined by the city council, on recommendation from the parks and recreation department.
- (c) The subdivider or developer making the dedication of improved or unimproved real property is entitled to compensation of the fair market value, as determined by independent appraisal, for the value of any land and improvements which exceed the value of the residential construction tax which would otherwise have been collected. Nothing in this section, however, prohibits a subdivider or developer from donating land and/or improvements to the city which exceed the value of the residential construction tax obligation.
- (d) For land dedicated pursuant to this section, public hearings shall be scheduled upon 25 percent completion of the subdivision or development to address a proposed site development plan, schedule for development, and financing plan, the latter to include operational and maintenance costs.

- ~~(e) If a neighborhood park has not been developed or park facilities installed on land dedicated pursuant to this section within three years after the date on which 75 percent of the residential dwelling units within the subdivision or development are first occupied title to the land shall revert to the owners of the lots in the subdivision or development on a pro rata basis, or to any homeowners' association representing all lot owners established within the subdivision or development.~~
- ~~(f) Title to land dedicated pursuant to this section shall be transferred to the city upon the request of the parks, recreation, and community services director; provided that, in no event shall more than 90 percent of the certificates of occupancy for the development be issued unless and until title is transferred to the city.]~~

Section 18.14.406. - Refunds for Amenities

A developer shall be entitled to a refund of all of the money that is paid with respect to a residential subdivision or development, together with interest thereon at the average rate at which the City has invested the money in the special revenue fund that is provided for in this chapter, if that developer, at any time prior to the date on which seventy-five percent of the residential dwelling units that are authorized within such subdivision or development first became occupied:

- (a) Provides for and establishes, in the recorded declaration of conditions, covenants and restrictions with respect to such subdivision or development, an association for the common ownership and maintenance of a developed park site or area that is designed for, and dedicated exclusively to, recreation in such subdivision or development, such developed park site or area continues to be owned and maintained by such organization for park and recreational use by the existing and future residents of such subdivision or development and such developed park site or area contains a minimum of two hundred fifty (250) square feet of developed open space per dwelling unit in such subdivision or development;
- (b) Constructs a public park, which satisfies the square-footage requirement and contains the amenities that are set forth in Subsection (a) of this Section; or
- (c) Constructs a combination of private park facilities that are established, owned and maintained in accordance with the recorded declaration of conditions, covenants and restrictions with respect to such subdivision or development, as the same is required by Subsection (a) of this Section, and public park facilities, which combination, in the aggregate, satisfies the square-footage requirement and contains the amenities that are set forth in Subsection (a) of this Section.

Section 18.14.407. - Application for Alternative Treatment

- (a) A developer who seeks alternative treatment shall submit to the City a proposed development plan, project narrative and a construction timetable for the project. Developer may submit such plans and documents in conjunction with and as part of an application for a development agreement pursuant to RMC Section 18.20 Development Agreements.
- (b) The City Council, with input from appropriate staff, shall review the developer's submissions and shall approve or deny such application, or request such additional information as is deemed necessary. The process of review and approval shall take into account and be based upon the City's park specifications and the intent of this chapter.
- (c) If an application is approved, the residential construction tax for the project may be credited, or refunded conditioned upon the developer's execution of an agreement with the City requiring the developer to construct and maintain the park facilities and submit security for their construction in an amount equal to the estimated cost of construction, as determined by the City, plus ten percent for contingency. The instruments of security or other agreements shall specify the duration of the security and its manner of release, and shall provide remedies in the event of default.

18.14.408. - Types of Construction Security

The security submitted for the construction of the park facilities pursuant to Sections 18.14.406 or 407 may be as follows:

- (a) A deposit of cash or approved government securities;
- (b) A surety bond issued by a surety company authorized to do business in the State and in a form approved by the City Attorney;
- (c) An agreement with a local financial institution which provides generally that out of the funds loaned to the developer for the construction of the subdivision or development, the lending institution will require that sufficient funds to complete the park facilities and the removal of all rubbish, trash, debris, surplus material and equipment from the area that is to be improved and the adjacent properties will be set aside and used for that purpose, that the lending institution will maintain a ten percent retention of the funds until the installation of the park facilities and the release of funds have been approved by the City;

SECTION 2. The Reno City Council hereby finds that this ordinance is not subject to the requirements of Chapter 237 of NRS, Business Impact Statement process.

SECTION 3. This Ordinance shall be in effect on Friday, January 15th, 2021, from and after its passage, adoption and publication in one issue of a newspaper printed and published in the City of Reno.

SECTION 4. The City Clerk and Clerk of the City Council of the City of Reno is hereby authorized and directed to have this Ordinance published in one issue of the Reno-Gazette Journal, a newspaper printed and published in the City of Reno.

PASSED AND ADOPTED this 13th day of January, 2021, by the following vote of the Council:

AYES: Brekhus, Weber, Duerr, Delgado, Jardon, Reese, Schieve

NAYS: None

ABSTAIN: None ABSENT: None

APPROVED this 13th day of January, 2021.

HILLARY L. SCHIEVE
MAYOR OF THE CITY OF RENO

ATTEST:

ASHLEY D. TURNEY
CITY CLERK AND CLERK OF THE CITY
COUNCIL OF THE CITY OF RENO, NEVADA

EFFECTIVE DATE: Friday, January 15th, 2021