



WASHOE COUNTY

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CM/ACM DN
Finance DN
DA DN
Risk Mgt. N/A
HR N/A
Other N/A

STAFF REPORT

BOARD MEETING DATE: March 24, 2015

DATE: March 3, 2015
TO: Board of County Commissioners
FROM: Ben Hutchins, CPA, Division Director, Finance and Administration
Community Service Department, 954-4646, bhutchins@washoecounty.us
THROUGH: Dave Solaro, Arch., P.E., Director
Community Services Department, 328-2040, dsolaro@washoecounty.us
SUBJECT: Approve the Business Impact Statement related to the proposed Ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees. (Commission Districts 3 and 4.)

SUMMARY

The Board of County Commissioners (Board), at its February 25, 2014, meeting, directed staff to modify stormwater management fees related to the North Spanish Springs Floodplain Detention Facility (NSSFDF) to fund the deficit in revenue required to pay operating expenses and debt service and to modify the related ordinance accordingly.

Staff gave a presentation at the November 12, 2014 Citizen Advisory Board meeting and subsequently mailed educational information to all customers who would be affected by the modification of user rates and the modified service area. Additionally, invitations were separately mailed to all affected customers encouraging attendance at an informational public meeting that was held on February 19, 2015. Staff also mailed educational materials to all affected non-residential (commercial, industrial, governmental, nonprofit) customers and solicited comments pursuant to NRS 237 to assess if higher user rates would impose a direct and significant economic burden on their business or if such an increase would directly restrict the formation, operation or expansion of their business.

The attached Business Impact Statement relative to the proposed ordinance revisions outlines projected business impacts and finds no significant adverse impact on area businesses.

County Priorities/Goals supported by this item: Sustainability of our financial, social and natural resources.

AGENDA ITEM # 15

PREVIOUS ACTION

On February 25, 2014, the Board evaluated an option to develop a stormwater utility for all unincorporated areas of the County to eliminate user rates currently being charged for the North Spanish Springs Flood Detention Facility. The Board decided not to develop a stormwater utility and directed staff to adjust stormwater management fees in North Spanish Springs to fund the deficit in revenue required to pay operating expenses and debt service associated with the NSSFDF.

BACKGROUND

NRS 237 requires a business impact statement to be prepared to analyze the impact of a proposed rule on a small business. The attached analysis of the proposed amendments was completed to fulfill this requirement.

FISCAL IMPACT

Based on a lack of response from the solicitation of comments from the business community pursuant to NRS 237, no businesses were identified that would be significantly impacted by the proposed revisions to the ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees.

Annual revenue from the non-residential (commercial/industrial/governmental/nonprofit) class of customers within the proposed service area is estimated to be \$198,000 which represents an annual increase of approximately \$111,000.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the Business Impact Statement related to the Ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:
"Move to approve the Business Impact Statement related to the Ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees."

BUSINESS IMPACT STATEMENT

The following business impact statement was prepared pursuant to NRS 237 to address the proposed impact of an ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees.

- 1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.** The Community Services Department solicited comments by direct mail, and by an invitation to a public meeting held on February 19, 2015, to all commercial, industrial, governmental and nonprofit customers within the North Spanish Springs Flood Detention Facility service area. The mailing included an informational brochure outlining the purpose, and financial and project history, of the North Spanish Springs Flood Detention Facility (NSSFDF), a questionnaire requesting their comments as to the effect the proposed NSSFDF user rates would have on their business and if these additional costs would impose a direct and significant economic burden or restrict the formation, operation or expansion of their business. The user rate currently being charged, if any, was disclosed in addition to the proposed user rate for each business. The mailing also requested certain economic data relating to their business operations and a cover letter encouraging them to respond to the mailer. One hundred and thirty-two (132) packets were mailed, which included all physical addresses and all owner addresses; two (2) businesses responded to the request for information. One large business responded with a letter requesting clarifying information. Staff called the business to answer the question. Once answered, there were no further concerns and when asked about the proposed user rate for that particular business staff was informed that the new user rate was not an economic burden. The second response was from a small business that was concerned about the size of the user rate increase, but did not specifically respond to the questions associated how the proposed user rate would burden their business. Comments received were general in nature and mentioned a loss taken in 2012 and how they worked hard to defeat the margin tax initiative. When staff called the President of the business and discussed how their facility contributes to the need for the NSSFDF and how their property benefits from the NSSFDF, and why the user rate adjustment is needed, she seemed to understand and was more accepting of the situation. No business representatives provided verbal comments during the February 19, 2015 public meeting.
- 2. The estimated economic effect of the proposed rule on the businesses which it is to regulate, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:**

Adverse effects: Although some businesses would experience a sizable increase in user rates, adverse effects are believed to be minimal considering the lack of response from the business community.

Beneficial effects: During a 100 year storm/flood event the existence of the NSSFDF could mitigate the effects of large volumes of water by allowing access for emergency vehicles, by keeping local roads and Pyramid highway open, by providing the ability to continue commerce in Spanish Springs from reducing the risk of major flooding, by protecting Spanish Springs

neighborhoods from localized flooding (where employees of Spanish Springs businesses likely live), and by reducing the need for local government (funded by taxpayers and businesses) to have to rebuild roadways and other infrastructure to provide services to the business community.

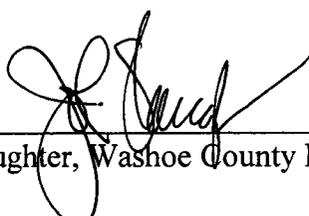
Direct and indirect effects: Due to the lack of response from the business community the direct and indirect financial effects associated with the proposed modified user rates are believed to be immaterial.

3. **The following constitutes a description of the methods that Washoe County considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used:**
User rates were kept at a bare minimum. Approximately 93% of the proposed user rate revenue would pay for debt service; only an estimated 7% would be allocated to administration and maintenance. An appeals process is available for special circumstances that could possibly justify a reduced charge.
4. **Washoe County estimates that the annual cost to the County for enforcement of the proposed rule is:**
No additional cost is required to enforce the proposed rule.
5. **The proposed rule provides a new fee or increases an existing fee and the total annual amount Washoe County expects to collect is:**
Annual revenue from the non-residential (commercial/industrial/governmental/nonprofit) class of customers within the proposed service area is estimated to be \$198,000 which represents an annual increase of approximately \$111,000.
6. **The proposed rule includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains why such duplicative or more stringent provisions are necessary.**
The proposed revisions to the ordinance do not include provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity.

Based on the above factors, it has been concluded that the proposed impact of the ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees does not impose a direct or significant burden upon a business and does not restrict the formation, operation or expansion of a business therein.

CERTIFICATION

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.



John Slaughter, Washoe County Manager

3/11/15

Date