## CARSON CITY REGIONAL PLANNING COMMISSION AND GROWTH MANAGEMENT COMMISSION WORKSHOP MEETING

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A special Carson City Regional Planning Commission and Growth Management Workshop meeting was held on Tuesday, October 22, 1996 in the Community Center Bonanza Room, 851 East William Street, Carson City, NV at 6:00 p.m.

**PRESENT:** Chairperson Alan Rogers

Allan Christianson Archie Pozzi, Jr. Deborah Uhart

**STAFF:** Walter Sullivan, Community Development Director

Mary Walker, Finance Director Daryl Winkelman, Health Officer Sandra Danforth, Senior Planner Barney Dehl, Undersheriff

Dorothy Timian-Palmer, Utility Director Katherine McLaughlin, Recording Secretary

(PCGM 10/22/96 1-000-A)

**NOTE** - Unless otherwise indicated each item was introduced by Chairperson Rogers. Individuals speaking are identified following the heading of each item. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

- **A. ROLL CALL** Chairperson Rogers called the meeting to order at 6:00 p.m. A roll call was taken and a quorum was not present. Commissioners Horton and Mally were absent and Commissioners Pozzi and Wipfli had not yet arrived. (Wipfli arrived at and Pozzi arrived at
- **B. PUBLIC COMMENT** None.
- C. WORKSHOP

PRESENTATION BY MARY WALKER, CARSON CITY FINANCE AND REDEVELOPMENT DIRECTOR, REGARDING CITY FINANCES, BUDGET, AND OTHER RELATED MATTERS (1-099-A) Chairperson Rogers noted that at the last meeting information had been provided regarding the topics and areas the Growth Management Commission wanted to discuss. He added they would also be covering City revenues and banking issues.

(Commissioner Wipfli arrived at 6:05 p.m. A quorum was now present.)

(1-0125.5) Chairperson Rogers said the guest speakers would make presentations in preparation of discussions on the amendment recommendations for the Growth Management Ordinance.

(1-0150.5) Ms. Walker said there were basically two things she wanted to talked about. One was the City's budget, its process, and how it works. The other was some of the ramifications of a decline in growth and some information that the Commission needs as they are thinking whether there should be a declining growth from the current three percent to two or one percent.

(1-190-A) Ms. Walker said the City's budget is approximately \$74 million dollars for 96-97 and of that \$14 or so million is for construction of the new courthouse. She said growth is quite complex in that there are many relationships and inter-relationships that are everything from the economy to the service levels to the cost of various services. She said because the City is both city and county they provide just about every service to the taxpayers. These include roads, sewer, water, golf course, cemeteries, police, fire, courts, the parks and recreation system, etc.

(1-0239.5) Regarding the budget she said there are 27 funds. She noted they are accounted for separately. She

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said the revenues go into a special account, and expenditures come out of a special account. She cited some examples of how this works. She also explained the cost allocation system the City uses. She noted that any services that don't demand a special account they are put into the General Fund. She said that higher or lower growth will affect the general fund and the sewer and water funds moreso than some of the other funds.

(1-0376.5) Ms. Walker then said the General Fund is basically where property taxes and sales taxes go. She said something people do not realize is that a lot of the property taxes generated do not go to the City but mostly to the schools. She provided details on the tax rate since 1994. She provided a list of how other cities in the state are impacted by ad valorem tax compared to Carson City and commented it is the community with the lowest rate in the state that provides full city services. She then reviewed in detail the revenue and expenditure figures relating to the General Fund.

She also talked about the history of the SCCRT funds and that the \$2.2 million dollars each year the City gets from this will be used to help build the new courthouse and jail without any increase in taxes.

- (1-0869.5) She then provided details on the budget process and how it helped get the City out of financial problems several years ago and has provided fiscal stability. She also explained how the departments go to the Board of Supervisors in April and May of each year to present their individual budget requests.
- (1-1195.5) Ms. Walker next talked about the Growth Management Ordinance which limited residential growth and added that residential growth does not typically pay for itself but commercial does and no limitation had been put on commercial. She compared the situation in Carson City and compared it to Douglas County. She said Douglas has very little commercial growth so they are not getting any additional revenue to help pay for services. She noted their residential growth is 14 percent each year and they are getting into more and more problems whereas Carson City is just the opposite. She cited Lyon County as another problem area for basically the same reasons.
- (1-1423.5) Ms. Walker then talked about the effect a decline to two or one percent growth would have on revenues relating to General Fund Ad Valorem, General Fund Building Permits/Zoning Fees, Sales Tax Construction, Water Connection Fees, and Sewer Connection Fees. Ms. Walker also explained how bonding for major projects stabilizes rates for services and spreads out the costs to people who are getting the benefit. An extensive discussion ensued between the Commission and the audience on the many aspects of growth management.
- (1-2949.5) Chairperson Rogers said he wanted to make an editorial comment and said in the past couple of meetings the Commission had talked about making it very clear what they are talking about when they discuss growth and not confuse population growth with building permit growth. He added for purposes of the workshops he said they are primarily talking the building permit growth. He felt that the end product of the workshops could mean to say that five percent population growth is okay if building permit growth is limited to three percent. He then commended Ms. Walker on her presentation in that she had shown that the tax rates in Carson City are low partially because of the growth. He felt that the general public needs to understand that growth is necessary in order to remain a viable, sustainable community.

PRESENTATION BY KEVIN ELDER REGARDING FINANCIAL INSTITUTION AND LARGER RESIDENTIAL SUBDIVISION DEVELOPMENTS (1-3515.5) Chairperson Rogers introduced Mr. Elder who represents Comstock Bank. Mr. Elder reported they take great interest in the growth in the City. He had three pie charts, one of whom represented one percent, one represented two percent, and the third represented three percent. He felt these were big factors when new businesses decide to relocate here. He added his bank is asked by these people if there are any moratoriums and what is the growth rate. He said these are big issues with those companies. He agreed if the growth is limited to one or two percent it will definitely affect the tax base and City budget which would probably increase taxes. He said as far as the banking community is concerned it does hurt their existing clients and takes away future opportunities for the bank. He said over-growth such as up to nine percent can lead to over-building and loose lending policies which would make waves in the economy. He felt for the most part growth should be determined by economic factors rather than government intervention.

(1-3785.5) Mr. Elder said he would next be talking about subdivision lending and what they are looking at when they make these subdivision loans and the effect it has on the economy. He noted they look at the strength of the

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borrower, the experience of the borrower, does it make sense for the borrower, the bank, or the community. He mentioned they study absorption rates by looking at the permits that are issued, and what the absorption rate of a specific project could be and would it be viable. Mr. Sullivan cited an example that in 1987 and 1988 some builders took close to 100 percent of the permits but others never utilized great blocks.

(2-0231.5) Mr. Elder noted they consider local economic factors and commented on their sources of information such as appraisals. He felt if the permits are changed to two percent it would have a significant impact on lending and banking and all businesses in general. He added it would have a negative impact because there would be a smaller piece of the pie. He asked how many permits would be allowed if it was two percent and Mr. Sullivan said the total amount available would be approximately 375-385. This would lead to less homes being built. He felt that the figures Ms. Walker had provided indicated the City is doing the correct things. At this point he solicited and responded to questions from the Commission on the subject. Chairperson Rogers then asked how the "Quality of Life" initiative and the school bond issues would affect the ability to bring money into the City. Mr. Elder said the Quality of Life is one of the biggest issues that companies relocating to the area consider. He felt that the school bond issue is also a big issue and that they look at the entire picture with regard to the local economy. Chairperson Rogers also asked if the school system is a big consideration and Mr. Elder emphasized it is. The question of whether the ability to develop and sell housing has an impact on the cost to a builder was asked. Mr. Elder said it has a significant impact because part of their process is risk analysis and explained. At this point Chairperson Rogers solicited further comments by the audience, staff, and the Commission. There being none he closed testimony on this item. He said at the next workshop he would like to discuss sustainable communities and wanted to have representative from the builders and developers speak. He also noted at future workshops he would like to have NDOT talk about development along the new bypass corridor, the census people come and talk about the population projection, manufacturing, wholesale and retail, and property appraisal, and the ordinance itself. Discussion ensued on a date for the next workshop and it was agreed it would be November 12 at 6:00 p.m.

#### **D. NON-ACTION ITEMS** - None.

**E. ADJOURNMENT** - There being no further business Chairperson Rogers disbanded the workshop at 8:02 p.m.

The Minutes of the October 22, 1996 Carson City Regional Planning Commission and Growth Management Commission workshop

ARE SO APPROVED	, 1996
Alan Rogers, Chairperson	

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