Memorandum

Date: June 10, 2014

To: Chelsea Hogan, Smart Growth America

From: Kimberly H. Robinson, Truckee Meadows Regional Planning Agency

Re: Progress Report #2 – Planning for Economic and Fiscal Health Workshop

At the end of November 2013 Smart Growth America provided the Truckee Meadows Regional Planning Agency (TMRPA) with a ‘Report and Suggested Next Steps’ to further economic and fiscal health in the Truckee Meadows. Since that time TMRPA and its partners throughout the Truckee Meadows Region (the Region) have been working to make progress on the recommendations, which are summarized below:

- Focus on “Low Hanging Fruit” that yields high returns for small investments such as complete streets and encouraging the growing success of Midtown with lighting and sidewalk improvements.
- Encourage infill development with incentives and public investment.
- Capitalize on the Truckee River by strategically utilizing publicly owned properties, enhancing public amenities and raising the quality of development and flood improvements.
- Use the arts (and specifically industrial arts) as an economic tool to foster placemaking and attract Millennials.
- Consider using scenario planning to evaluate alternative land use development patterns under different growth assumptions.

The following is a status report on our progress made to date:

- TMRPA has been moving forward with a scenario planning program. Under development at the moment is an existing conditions report for the Region that will document population, demographic, land use, transportation, infrastructure and economic development trends and establish baseline metrics against which to evaluate scenarios. As development in the Region picks up in the aftermath of the Great Recession and the construction industry stabilizes, utilizing scenario planning to discuss economic and fiscal impacts of alternative land use patterns for future growth will be
critical to encouraging infill development and opening a discussion about further strategies and tools to incentivize infill.

- TMRPA has also had initial discussions with community partners about the need for a Residential Land Needs Analysis that evaluates the different types of residential housing products in the Region against future demand, in particular potential changes in demand driven by Millennials and the Baby Boomers. Conducting a Residential Land Needs Analysis would provide much needed information specific to the Truckee Meadows Region about the type of housing product and place desired by Millennials and the Baby Boomers that is anticipated to support infill development efforts, a more robust discussion on placemaking and efforts to capitalize on the Truckee River that flows through the Region’s urban core.

- Additionally, TMRPA was tasked with harnessing data to help inform decision-making for the Region through an IBM Smarter Cities Challenge grant. TMRPA sees an opportunity to align the data work identified in the Smarter Cities grant with the scenario planning and residential lands assessment efforts identified above in service of planning for economic and fiscal health. Using better data and analytics to understand the Region’s housing product needs and the potential costs associated with different development scenarios will undoubtedly advance infill, potential revitalization of the Truckee River and the dialogue regarding how different patterns of development impact the economic competitiveness of the Region.

- Recently, TMRPA was also identified in a significant newspaper article discussing sprawl in our Region. The work of Smart Growth America was highlighted specifically throughout the article (see Attachment 1). The elevation of this conversation in our region is an unexpected boon to the efforts regarding how development affects fiscal health.

Thank you again to Smart Growth America for providing us with an extremely useful technical assistance opportunity. We look forward to providing Smart Growth America the one year progress update.

Attachment 1: Fighting Sprawl Makes Reno-Sparks Stronger (Reno-Gazette Journal)
Reno Rebirth: Fighting sprawl makes city stronger

Mark Robison, RGJ 4:45 p.m. PDT June 5, 2014

Want lower taxes, more parks, and faster police and fire services?

How about less obesity, traffic fatalities and energy consumption and a more diverse economy?

Or how about a community that appeals to Millennials and thus the companies that want to hire them? And how about one that appeals to Baby Boomers who — like those who came of age in the new millennium — also increasingly want work, home, retail and play options close by?

One solution for all of these things is better designed cities with less sprawl.

Truckee Meadows Regional Planning Agency senior planner Sienna Reid said, "The recipe for economic growth is changing. The word used to describe it is proximity.

"There's an emphasis on having an environment that fosters open collaboration. In the '80s, we had business parks with all separate buildings. But there's a different model now with the ability to be in closer proximity, to be able to interact, share ideas and inspire innovation."

A recent report by Smart Growth America — a Washington, D.C.-based advocacy group that fights sprawl — analyzed every metro area in the United States and then looked at what attributes were shared by the more condensed cities vs. those with more sprawl.

Some surprising findings turned up.

For instance, which city do you think is cheaper to live in: Tampa or San Francisco?

Because Tampa is more sprawling and people have to drive so much further to shop, work and go out for the evening, residents there spend 56 percent of their budgets on housing and transportation combined, the report says. That compares to 46.7 percent in San Francisco.

Reno-Sparks ranks well — 40th out of 221, putting it in the top 20 percent of metro areas in Smart Growth's report.

This ranking didn't happen by accident, and efforts to plan the area's future growth will begin ramping up next year in anticipation of an updated
regional plan in 2017.

We talk to experts about what Reno-Sparks is doing to avoid sprawl, how this helps maintain economic health, what it could do better, examples of how things should work and how planning decisions improve life in the Truckee Meadows.

Why sprawl is bad

Sparks dodged a bullet a few years ago in a situation that demonstrates how easily cities can let sprawl get out of control.

In 2009, it annexed a stretch of land east of Vista Boulevard on the north side of the Truckee River.

The city didn't want to do this but it worried the Nevada Legislature was going to make annexing land harder so it acquired the property just in case.

Then it analyzed whether it could afford to provide services there.

"The further you go out the more expensive it is to provide sewer lines, water lines, parks, fire services, police, road maintenance, parks maintenance, mowing lawns," said Sparks senior planner Jim Rundle.

"And when we identified the cost with East Truckee River Canyon, we could not afford it. The amount of business and the amount of commerce that would've occurred was not enough to offset the cost of providing municipal services so we removed it from the city of Sparks."

He said giving the land back to Washoe County in 2011 was one of the most important planning decisions in the Truckee Meadows.

"And nobody knows about it. ... It wasn't right for the city of Sparks' citizens so we didn't sprawl out to USA Parkway."

When told of Sparks' action, Smart Growth's vice president Ilana Preuss said, "That's smart. I've never heard of a city giving back annexed property."

A trap that cities fall into, she said, is to build a subdivision on the fringe of the city, find that the tax revenue brought in by those properties is not enough to pay for extending the city services, and so a subdivision even further out gets approved to help pay for the previous one. And so on and so on.

"They're almost playing a Ponzi scheme on themselves," she said. "So when the housing bust happened, and developments would go empty, jurisdictions could not afford this method of development they'd been sold for so long."

Benefits of in-fill
Smart Growth America visited Reno in October to do a workshop with the Truckee Meadows Regional Planning Agency.

Among the statistics it presented is that building infrastructure — roads, sewer, etc. — for a new development on a city's fringes can cost up to three times more per acre than when single-family homes are built within a city.

This last thing is called "in-fill." It means that rather than building something on the undeveloped far end of a city, building is done on an unused property within the city.

TMRPA's executive director, Kim Robinson, said, "Revitalization of our older areas can potentially increase our tax base" without triggering big infrastructure expenses.

Rundle said that when new businesses or housing projects are built within the city's service area, more can be spent on other things.

"We might have more parks that we could provide because we don't have to build a new fire station," he said.

On the flip side, those subdivisions bring in far less tax revenue.

The Smart Growth presentation says multifamily housing in or near an area's center can generate nine times more taxes per acre than traditional large-lot, single-family housing on the fringe.

"It brings in much more revenue when we're putting homes close together, when we're putting shops and grocers close by and on existing roads and sewers," Preuss said. "So from a fiscal responsibility perspective, it's a no-brainer" to encourage in-fill.

This also means that residents living closer to city hubs subsidize inefficiencies required to provide services for those who live further out.

The 2014 Smart Growth report piles on more benefits to in-fill: "Individuals in compact, connected metro areas tend to live longer, safer, healthier lives than their peers in metro areas with sprawl. Obesity is less prevalent in compact counties, and fatal car crashes are less common."

Preuss said there's nothing wrong with big houses on large lots and a mix of housing options is wise.

"A community can subsidize development on the fringe or it can encourage development in town, but decisions should be made clear-eyed on the costs," she said.

Real-world example
An example of how things could work in Reno-Sparks was discussed in Smart Growth's Reno workshop.

Reid attended the session.

"It was a small piece of land in Arlington County, Virginia surrounded by highways so it wasn't being used for anything and they were able to do a plan for the area that included some commercial and residential zoning," she said.

Taller buildings with multiple uses were allowed in the transportation corridor, and activity sprung up.

Higher taxes were generated per acre because more stuff was on smaller parcels. Now this stretch of land, which covers only 10 percent of Arlington County, generates half its revenues. More revenues means everyone can pay less taxes — indeed, Arlington has among the lowest tax rates of any county in Virginia, Smart Growth reports.

"I look at some of the land in our area between highways — what areas in our community have been passed by. With some concerted efforts, it could be transformed into a community asset and could provide enhanced revenue," Reid said.

**Incentives**

Community development director Fred Turnier said the city of Reno is pursuing this exact idea by encouraging mixed-use developments in areas identified as transit corridors and regional centers.

"That's a very flexible zoning district: commercial on the bottom floor and top floors can be residential or office," he said.

Enticing developers isn't as easy as in some locations.

"We don't have tax incentives in our toolbox," Turnier said.

One thing the city can do is relax regulations or delay startup costs such as sewer hookup fees.

"We can't waive fees but we can defer them for developers, and that's a big help," he said.

Rundle said Sparks is able to prioritize certain projects because it significantly revised its zoning and master plan in order to expedite in-fill projects. Projects on the fringes can still take a year or more to get approval because of required public hearings, but properties in targeted areas have already been subject to public meetings about what's allowed on them.
"When someone comes in, it's a simple administrative review," he said of plans in transit corridors or regional centers. "We run through a checklist. We may be able to get out a building permit in 30 days from the day they submit."

Where in Reno-Sparks

The city of Reno has made downtown a priority, specifically the area between the University of Nevada, Reno and Fourth Street. It's working with the university to update the school's master plan.

"Part of that update is to bring the university planning boundary down into the downtown area to help spur university-supported development in that area," Turnier said.

Among the areas being targeted by the city of Sparks are the Victorian Avenue and Prater Way corridors and Oddie Boulevard.

Career College of Northern Nevada located on Pullman Drive at Prater Way because it wanted to be on a transit line, Rundle said.

Going forward

Preuss said there are other low-cost options for cities to encourage in-fill.

They can create taxes on land rather than buildings so there's not an incentive to sit on vacant properties, she said.

And they can entice big-box stores such as Wal-Mart and Target in city centers instead of further out.

"When you look at it on a per-acre basis, you're going to get more tax revenue if they locate downtown," Preuss said. "And when (they locate on the fringes), they are pulling revenue out of downtown."

Cities will also want to do more to entice Millennials, who don't like to drive.

"Communities are competing for them so cities need to invest in transportation options and to make sure development can happen in those downtowns so businesses and people can come together," Preuss said.

UNR economics professor Mark Pingle said that as cars became the dominant transportation mode, downtown areas became filled with empty lots.

"If you can in-fill those areas — such as the action that's happening in Midtown — it can get rid of the blight and breathe life and vitality into a city," he said.
Turnier said "progress is being made" on the decades-vacant Kings Inn in downtown Reno.

"We've got a strategic objective of creating more of a college town," he said. "I'm bullish for the next six months, I'm excited."

**OPTIONAL: Behind Reno-Sparks ranking**

In Smart Growth America's "Measuring Sprawl 2014" report, Reno-Sparks ranked 40th out of 221 metro areas.

Best were New York City, San Francisco and Atlantic City, New Jersey. Worst were Hickory, North Carolina; Atlanta, Georgia; and Clarksville, Tennessee and Kentucky.

Smart Growth vice president Ilana Preuss said the Reno-Sparks metro area "scores particularly high in the centering factor: where people and jobs come together. There is a center as opposed to a spread."

"It scores below average in two factors: mix factor — how much homes, schools and businesses are together — and street connectivity: how close the intersections are together, how long the blocks are," she said. "You want more intersections that are three- and four-way intersections so it's easier to get around and there are more options to take. And when there are shorter blocks, people are more likely to walk or bike that route."

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