

**CITY OF NORTH LAS VEGAS
UTILITIES DEPARTMENT
Business Impact Statement
Ordinance Nos. 3076 and 3077**

AMENDMENTS TO THE CITY OF NORTH LAS VEGAS MUNICIPAL CODE AMENDING CHAPTER 13.04 AND 13.24 OF THE NORTH LAS VEGAS MUNICIPAL CODE TO MAKE VARIOUS CHANGES RELATIVE TO DEFINITIONS AND FEES, AND PROVIDE FOR OTHER MATTERS PROPERLY RELATED THERETO.

Upon request, a copy of this Business Impact Statement may be obtained from the City of North Las Vegas City Clerk's Office. Requests should be sent to:

City of North Las Vegas
City Clerk
2250 Las Vegas Boulevard North, Suite 800
North Las Vegas, NV 89030

Description of the Proposed Ordinance:

The City of North Las Vegas (City) has proposed amendments to the City's Municipal Code, Title 13, Chapter 13.04 and 13.24 that establish a new "Apex Water Connection Fee" to any new or existing water customer that will benefit and receive service from the Apex Industrial Park water system and updates other fees in accordance with previous actions or to reflect current standard rates.

Planning, design, and construction of water backbone infrastructure for the Apex Industrial Park was initiated in April 2018 with the approval of a water oversizing agreement to oversize a developer-funded project to construct an 8-inch water system to serve two sub-parks in the industrial park. The City desired to increase capacity to provide for development of all of the Apex Industrial Park. The total estimated cost of the oversized project is \$65.9 million with the developer contributing an estimated \$11.7 million toward the project. The City's costs are estimated at \$54.2 million plus another \$5 million to extend power to the pumping stations and storage reservoirs for a total of \$59.2 million. The oversized water project consists of an estimated 19,400 linear feet of 36-inch water line, 39,200 linear feet of 24-inch water line, three pumping stations, and three reservoirs.

The "Apex Water Connection Fee" will be \$1,365 per equivalent development unit (EDU) based on the total water demand as calculated pursuant to City development standards in addition to all other fees. The cost recovery fee is due and payable at the same time the water connection permit is issued or in accordance with payment terms approved by the Director to coincide with the filing of a lien against the property for the balance of the fee. The fee was calculated as follows:

CNLV Industrial Demand Factors

Average Day Demand (gallons per min/acre)	1.1
Maximum Day Demand (gallons per min/acre)	1.5
Peak Hour Demand (gallons per min/acre)	2.3

Project water demands:

Average Day Demand (million gallons per day)	11.92
Maximum Day Demand (million gallons per day)	16.25
Peak Hour Demand (million gallons per day)	24.92

Total EDU's are calculated as follows:

$$\text{Total EDU} = \frac{\text{water demand in million gallons per day} * 360 \text{ days} * 1,000,000 \text{ gallons/million gallons}}{90,000 \text{ gallons per year for one EDU}}$$

Estimated total ERU's for Apex = 47,680 EDU's Total City investment = \$59.2 million Basic connection fee = \$1,241 per EDU Administrative Fee (10%) = \$124 per EDU	Total Connection Fee = \$1,365 per EDU
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In addition to the change pertaining to the Apex Water Connection Fee, the charges for water meters and components in North Las Vegas Municipal Code (NLVMC) 13.04.030(A)(1) have been revised to actual cost plus 15% rather than charges ranging from \$175.00 for the 3/4" size to actual cost plus \$125.00 per register for 2" or greater size.

The water construction charges in NLVMC 13.04.030(D) have been updated to reflect assessments of \$17.00 per lineal foot of frontage for pipes with less an 8" diameter up to \$90.00 per lineal foot of frontage for pipes with a diameter of 20". Previously, the provision provided that water construction charges would be based on a minimum of \$18.00 per lineal foot of property frontage. Similarly, the wastewater main construction fees have been updated in NLVMC 13.24.070(B) so that the fees will be based on the diameter of the main per lineal foot of property frontage (assessments range from \$17.00/lineal foot for a pipe a with a diameter less than 8" up to \$90.00/lineal foot for a pipe with a diameter of 20") rather than a fee of \$20.00 per lineal foot of property frontage.

Further changes in the proposed ordinances include the following:

- References to Southern Nevada Water Authority regional charges have been updated;
- Revised language for code violations; and
- Updated hydrant and mobile meter guidelines.

For your reference you may obtain copies of proposed Ordinance Nos. 3076 and 3077 at the following website: http://www.cityofnorthlasvegas.com/departments/utilities/util_prop_ord_chgs.php

Intent of the Proposed Ordinance:

The intent of the proposed ordinance is to insure there is adequate water supply to the Apex Industrial Park water system to accommodate future development and investments in the area without burdening existing customers with the cost. The City has undertaken waterline oversizing to provide service to this area, and these charges are a cost recovery effort for the infrastructure costs. The additional changes serve to clarify references to Southern Nevada Water Authority charges and to update other water and sewer guidelines.

Description of the manner in which public comments, data and/or arguments were solicited from affected businesses:

A Business Impact Notification was published in the Las Vegas Review Journal on March 24 and 28, 2021. Additionally, notices were sent to local development associations and developers.

Summary of public comments, data or arguments received:

Two emails were received regarding the proposed changes; staff addressed the questions with no additional comments received.

Estimated economic effect of the proposed ordinance on businesses:

The proposed ordinance will create a “Apex Water Connection Fee” for any new or existing water customers in the Apex Industrial Business Park that will connect to the City’s water distribution network. Said fee will be \$1,365 per equivalent development unit (EDU) based on the total water demand as calculated pursuant to City development standards in addition to all other fees.

Explanation of a new fee, or increase to an existing fee, including a projection of the annual revenue expected to be collected and the manner in which the revenue will be utilized:

The fees collected for the Apex Water Connection Charge under Ordinance Nos. 3076 and 3077 will only be collected by parcels connecting to the Apex Water System. There is currently no projection on annual revenues expected from this fee. All fees collected will be used to reimburse the City’s share of the cost to oversize the developer water lines and facilities.

The water and sewer frontage construction charges have been increased to reflect actual costs. Although, there is no projection on an annual revenue expected from these fees. They will be allocated to the reimbursement of new sewer and water line costs previously expended by the City or by other developers under reimbursement agreements. Please note that when the improvements are actually constructed by the developer, a water and/or sewer frontage construction charge is not collected.

Assessment of provisions of the proposed ordinance, which may duplicate or are more stringent than Federal, State or local standards regulating the same activity:

The proposed ordinance does not duplicate nor is it more stringent than Federal, State or local standards regulating the same activity. The water and sewer frontage construction charges are similar to those charged in the city of Henderson and other jurisdictions.

Description of the methods that local government considered to modify the proposed ordinance; or otherwise reduce the impact of the proposed ordinance on businesses, and a statement of the methods used:

The proposed changes were developed to allow development to bear its own cost. Although two emails were received with questions regarding the changes, no comments were received indicating any direct or significant economic burden on businesses. The fees proposed for potential customers are based on the cost to construct additional water capacity within the Apex Water System and are reflective of the cost of development. As well, the water and sewer frontage construction charges are also reflective of the cost of development.

Reasons for the conclusions regarding the impact of the proposed ordinance change on businesses:

Although there will be an impact on businesses connecting to the Apex Water System, the costs are in line with construction costs to construct new water infrastructure. Apex businesses will benefit from favorable bids received at the time of actual construction, which are less than originally estimated or less than what future developers would expect to pay for similar capacity improvements. And with regard to the water and sewer connection charges, the cost is in lieu of developers constructing new improvements at the time of development and serves as reimbursement for water and sewer construction costs undertaken by other developers or by the City.

Certification of Business Impact Statement:

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.

Ryann Juden, City Manager

Date