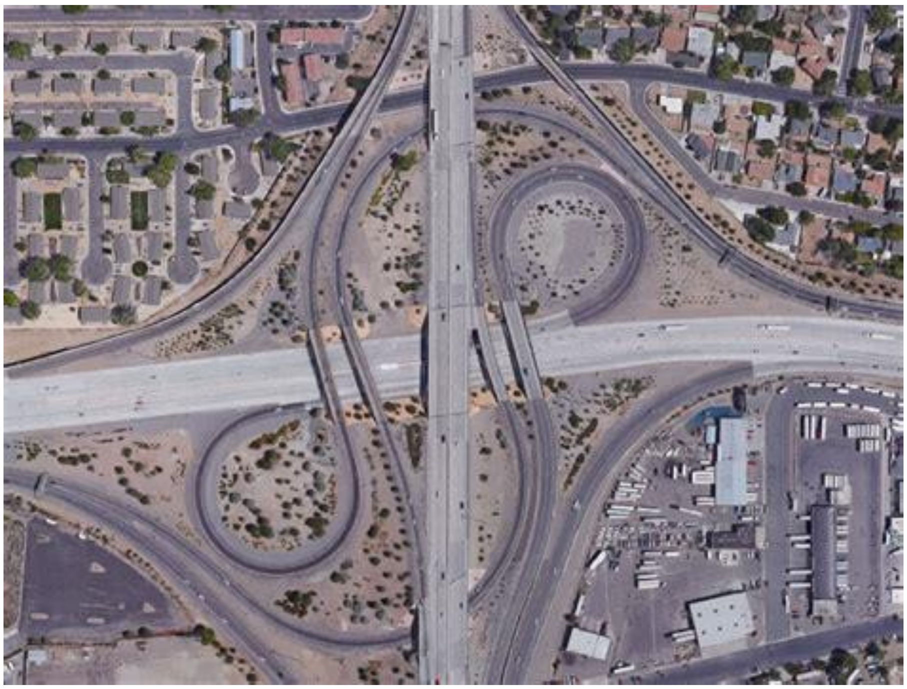
D.3 RELOCATION IMPACT ANALYSIS

Reno Spaghetti Bowl Relocation Plan



Prepared for
Nevada Department of Transportation
1263 South Stewart Street
Carson City, Nevada 89712

Submitted by
OPC
400 Shadow Lane, Suite 211
Las Vegas, Nevada 89106
Phone 702.851.8390
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Introduction

OPC is pleased to present this Relocation Plan for the Interstate 80/Interstate 580 System to System Interchange, sometimes referred to as the Reno Spaghetti Bowl. We were directed by the Nevada Department of Transportation (NDOT) through Jacobs Engineering, our prime contractor, to prepare this Relocation Plan in accordance with 49 CFR Part 24.205(a). The meaning of this directive will be explained herein.

The Spaghetti Bowl was initially constructed between 1969 and 1971 for a metropolitan population of about 130,000 people. The population of Washoe County has increased to about 435,000 people (U.S. Census Bureau, 2016), with a forecasted growth rate exceeding the state and national averages. As the existing Reno Spaghetti Bowl nears its designed capacity, NDOT, in cooperation with the Federal Highway Administration (FHWA) and the Regional Transportation Commission (RTC) desires to complete the necessary National Environmental Policy Act (NEPA) environmental process and design studies to determine appropriate measures to construct the interchange to accommodate the future travel demands.

Project Limits Include:

- I-80 western limits: Keystone Avenue
- I-80 eastern limits: N. McCarran Blvd.
- I-580/US 395 northern limits: E. Parr Blvd./Dandini Blvd.
- I-580/US 395 southern limits: Meadowood Bay Way
- Includes a total of ten service interchanges, one system to system interchange, braided/collector distributor systems, and multiple local roads (cross streets and frontages)

Project Goals:

1. Accelerated delivery: complete NEPA in 3.5 years or less
2. Long-term relief: develop ultimate project to meet 2040 demands
3. Construction delay: minimize closures and detours during construction by design
4. Public support: secure endorsement from the local government and a favorable opinion from the public
5. Right of Way: minimize displacements
6. Safety: create improvements targeted to high accident areas as early as possible
7. Operations: create interchange system fully functional and easily navigable within project limits
8. Aesthetics: enhance the community's driving experience through visually appealing improvements to the project area

Anticipated Benefits:

- Increased safety: improved functionality of interchanges
- Decrease congestion
- Accommodate interchange capacity demands
- Increase traffic navigation ability
- Decrease localized areas of higher than normal fatal and injury crash rates

NDOT has further undertaken a series of studies that include a Design Concept Report (DCR) and an Environmental Impact Statement (EIS) to analyze potential improvements. These reports will determine the improvements for the Spaghetti Bowl project corridor and evaluate potential impacts to the environment, community and economy. This Relocation Plan is another of the studies in the series. Unlike the “big picture” perspectives of a DCR or EIS, a Relocation Plan focuses on those directly impacted by a project designed for the benefit of the public as a whole. We are obligated to identify real people and businesses that may potentially be displaced, to consider the problems that may be associated with displacement, and to begin developing solutions to minimize the adverse impact of displacement.

Land acquisition and relocation assistance services provided for the Reno Spaghetti Bowl project must comply with the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended. [1] Nevada law at NRS 423.105 provides for implementation of the Federal Relocation Assistance Program on a state level. In compliance with the Uniform Act, a relocation plan should be prepared.

OPC conducted the study and developed the information contained herein over a period of ten months from September 17, 2017 to the present date. The Reno Spaghetti Bowl team looked at three different alternatives in the EIS study process, finally directing us to prepare the report based on Alternative 2. This alternative is expected to impact approximately 398 ownership parcels (370 privately owned and 28 government owned) along and around the I-80/I-580 System, that will possibly result in the displacement of approximately 326 residential households, 25 non-residential (business) entities, +/- 774 storage units, and 15 outdoor advertising displays (billboards). ***See Exhibit 1 Impacted Parcels.***

Relocation Plan Requirements

The Federal Uniform Act Regulations found at 49 CFR Part 24, specifically Reg. §24.205(a), sets forth the requirements for a Relocation Plan. The Agency shall plan the project in such a manner that recognizes the problems associated with the displacement of individuals and businesses and develop solutions to minimize the adverse impacts of displacement. The planning should be scoped to the complexity and nature of the displacing activity. The planning may include the following:

[1] 42 USC §4601, *et. seq*.

An estimate of the number of households to be displaced and information such as owner/tenant status, estimated value and rental rates of properties to be acquired, and special consideration of the impact on minorities, the elderly, large families and persons with disabilities, when applicable.

An estimate of the number of comparable replacement dwellings in the area (including price ranges and rental rates) that are expected to be available.

An estimate of the number, type and size of businesses to be displaced and the approximate number of employees that may be affected.

An estimate of the availability of replacement business sites. When an adequate supply of replacement business sites is not expected to be available, the impacts of displacing the businesses should be considered and addressed. Planning for displaced businesses which are reasonably expected to involve complex or lengthy moving processes, or small businesses with limited financial resources and/or few alternative replacement sites, should include an analysis of business move problems.

Consideration of any special relocation advisory services that may be necessary from the Agency and other cooperating Agencies.

Scope of Work

The process of preparing a Relocation Plan of this magnitude begins with identifying the owners and occupants of the impacted parcels, and thereafter inspecting all relevant public information on the affected businesses and interviewing the affected 90 Day owner occupants, rental occupants, and residential rental owners and/or managers who agree to meet with our staff. The work plan for each identified occupant class is generally as follows:

Business Displacements

- Secure ownership information, assessor's data, and other information from the public domain
- Interview consenting business owners or analyze public records to determine the following, if relevant:
    - Number of employees
    - Replacement site requirements
    - Current lease terms
    - Financial capacity
    - Time required to vacate
    - Ease/difficulty in locating a replacement site

- Conduct a search of knowledgeable realtors, Loop Net and other services to estimate the availability of replacement sites
- Consideration of any special relocation advisory services

Residential Tenant Displacements

- Secure ownership information, assessor's data, and other relevant information from the public domain
- Interview landowner and/or tenant to determine rental rates and secure rent rolls, if possible
- Interview consenting tenants to determine household composition and to consider the impact on large families, the elderly, persons with disabilities, and minorities
- Conduct replacement housing study to determine the number of replacement dwellings in the area
- Consider housing of last resort actions
- Consideration of any special relocation advisory services

Residential Owner-Occupant Displacements

- Secure ownership information, assessor's data, and other relevant information from the public domain
- Conduct MLS, Realtor.com, or related search to determine the probable value of subject
- Interview consenting occupant-owners to determine household composition and to consider the impact on large families, the elderly, persons with disabilities, and minorities
- Conduct replacement housing study to determine the number of replacement dwellings in the area
- Consider housing of last resort actions
- Consideration of any special relocation advisory services

Preparation and Delivery of Relocation Plan

The final task is to prepare and deliver to NDOT the written Relocation Plan which will contain the following elements:

- Introduction
- Relocation Plan Requirements
- Identification of project impacts
- Parcel-by-Parcel discussion
    - Business
        - Identification Data
        - Description of business activity

        - Principal planning concerns, if any
        - Solutions and mitigation matters (If necessary)
    - Residential
        - Identification of property owners (spreadsheet)
        - Identification of tenant-occupied properties (spreadsheet)
        - Description of improvements (spreadsheet)
        - Household composition if available from interview
        - Principal planning concerns
        - Solutions and mitigation measures
- Availability of replacement property in the market area
- Conclusion
- Appendix/Supporting data

The following discussion addresses the issues, needs and concerns of the individuals and businesses that may be displaced by the Reno Spaghetti Bowl project. Property or parcel numbers used throughout this Relocation Plan were derived from summaries prepared by OPC in great part from work and analysis prepared by our prime contractor, Jacobs Engineering, identifying the properties impacted by Alternative 2 by assessor's parcel number, total area, improvement area and estimated value. The portion of any property required for the project was established by review and analysis of the KMZ file highlighting right of way needed for project construction.

Business Relocations/Non-Residential Displacements

Implementation of Alternative 2 would result in the displacement of at least 25 non-residential entities that deliver a broad range of services. The list of possible displacees include a social service non-profit, an RTC bus maintenance facility, a private middle school, a ministorage facility containing 770 units, a Motel 6, a Denny's Restaurant, a tavern/grill, a gas station and C store, three freight companies, a car rental agency, and several light industrial and auto/truck/trailer repair and service companies. Displacement of these entities would affect an estimated 415 employees. ***See Exhibit 2 Non-Residential Displacements.***

Regulatory framework. A business displaced from a property is entitled, in addition to relocation advisory services, to receive a payment for moving and related expenses and reestablishment expenses, or a fixed payment in lieu of said expenses. The moving and related expenses cover the cost of moving and reinstalling the business personal property and trade fixtures. Said expenses must be actually incurred, reasonable in amount, and necessary in the context of the relocation, and are unlimited in amount. The reestablishment expenses cover costs associated with the replacement real property selected by the business such as code compliance upgrades, buildout and advertising, and are capped at $25,000. Alternatively, the business, in its sole discretion, may elect to receive a fixed payment in lieu of moving and related and reestablishment expenses. The fixed payment is capped at $40,000 and is based on the average annual net income of the business for the past two years. There are several expenses that are not eligible for payment including loss of goodwill, loss of profits, loss of trained employees, and legal fees. Unlike residential relocation, business relocation is not a make whole program, so early identification of problems may reduce or mitigate losses resulting from displacement.[2]

A Relocation Plan helps identify and accentuate issues and problems that, if not addressed, could result in unanticipated costs and delays. Many of the businesses impacted by Alternative 2 are smaller tenant-occupied light industrial concerns and do not present significant relocation challenges such as specialized business personalty and/or trade fixtures with extensive disconnect, reconnect, recalibration and code compliance issues, onerous permitting requirements, or extended downtime. Every impacted business will, however, be searching for suitable replacement property and identifying that property will be a primary concern. A principal planning concern for each will be locating suitably zoned industrial or commercial property within the financial means of the business or entity. Where am I going to go? is the first question a business owner asks. A solution or mitigating measure for virtually every business will be for the Agency to continue networking with local realtors and provide continuing information on the availability, purchase prices and rental costs of suitable replacement properties.

Information as to each business or non-residential displacement is set forth in this report as part of this Relocation Plan. A few of the non-residential displacements do present problems and should be highlighted early on so solutions may be developed, if necessary, to minimize the adverse impacts of displacement and allow NDOT meet project schedules and carry out timely and orderly relocations.

Parcel 12, APN 008-167-24, Community Services Agency (CSA), 1100 East 8th Street, Reno NV. The subject property is owned and occupied by CSA and contains 51,014 square feet of land improved with three office structures totaling 18,281 square feet built between 1981-1998. This is a total acquisition. CSA operates head start services for 100 plus children and their families, many of whom live in the area or ride buses that stop in front of the property, and Washoe County WIC (Women, Infant and Children Program). The building closest to Sutro, houses head start and pre-kindergarten programs with 138 children and 30 staff. The middle building houses a weatherization program, a job training program, tax assistance program, and computer labs available for public use. The on-site playground is for head start and kindergarten children. The third building from Sutro houses the CSA administrative, fiscal and leadership functions, and walk-in services.

Locating replacement property in the area is critical per CSA management. We have initiated a general search and will discuss ideas regarding use of nearby Parcels 13 and 15.

[2] 49 CFR §§24.301, 303, 304 and 305

Principal planning concerns: locating replacement property with a large open area for a playground and containing rooms large enough for classrooms.

Solutions and mitigation measures: continue networking with local realtors and provide continuing information on the purchase price and rental costs of suitable replacement property. Consider Parcels 13 and 15 as hereafter noted.

Parcel 13, a full acquisition, APN 008-171-39, 790 Sutro Street, Stanley H. Lucas, owner. The subject property contains a 31,744 square foot warehouse and store building on 91,650 square feet of land and is presently vacant and for sale. The property has been used in the past as a resource center. The assessor has estimated the tax value of the property at $1,613,655, and the asking price exceeds $2 million dollars. Consideration should be given to retrofitting the building to accommodate either CSA (Parcel 12), which is directly across the street to the west, or Coral Education Corporation (Parcel 15), located adjacent and to the north.

Parcels 14-15, Coral Academy of Science occupies Parcel 14 owned by BHC Health Services and Parcel 15 owned by Coral Education Corporation. The acquisition impacts the southeast portion of Parcel 14 and avoids the 47,278 square foot convalescent hospital to the north and west. The acquired portion includes four buildings housing Coral Academy offices and classrooms. Parcel 15 is not touched by the project leaving the 25,400 square foot building available for use by Coral Academy. It may be argued, however, that the Academy cannot remain open without the buildings on Parcel 14 that are being taken. There does not appear to be adequate land on the remainder or available land in the neighborhood to replace the school use on or adjacent to the parent parcel.

The acquisition would also interrupt the traffic flow of vehicles onto the school property including student drop off/pick up.

Principal planning concerns: Coral Academy of Science arguably services many local students, but this middle school is one of three schools operated in Reno, an elementary and a high school, located in other neighborhoods. Arguably, the middle school could operate elsewhere in the metropolitan area.

Locating suitably zoned property within the financial means of the school is an issue and the solution/mitigation discussed herein are certainly at play. Although not directly needed for the project, consideration should be given to purchasing Parcel 15 and offering it and the classrooms and offices on Parcel 14 to CSA. Continued dialog and information exchange with both CSA and Coral Education Corporation is suggested, along with an analysis of whether replacement office or classroom structures can be designed and constructed on the remainder of Parcels 14 and 15, or the vicinity of the subject properties, or whether the existing structures can be enlarged to include lost offices or classrooms.

Parcel 162, APN 004-073-05, 2900 Clear Acre Lane, Reno NV, is occupied by Alberto's Fresh Mexican Food. This is assumed to be a partial acquisition with the building improvement protected in place. The acquisition presents no relocation issues.

Parcel 190, APN 008-460-01, Witt Family LLC, 2255 East 9th Street, Reno NV. Subject is occupied by Interstate U-Store, "a premier self-storage facility," as stated on their website. The 216,755 square foot (4.976 acre) parcel is improved with a single-family dwelling that houses the onsite manager, and ten buildings containing 770 storage units. A majority of the property is required for the project and it is assumed that the remainder would be an uneconomic remnant. Assume there will be one residential relocation for the manager, one business relocation for the self storage business, and 770 personal property moves, plus the relocation of parked, stored vehicles, boats, RVs, and the like.

The resident manager would be treated as a tenant and may claim replacement rental assistance and moving benefits. The methodology for computing the benefit is set forth later in this report. The unusual feature is the computation of present rent as the manager may be receiving lodging as part of his or her salary. This could influence the rental assistance entitlement which in part is based on the amount of rent paid.

The storage business is entitled to assistance in locating replacement property, as would any entity displaced by the project, and could also claim moving and related and reestablishment expenses. This business would not qualify for the in lieu payment as that benefit is not available to concerns whose business is renting property to third parties.[3]

The 770 storage units are essentially 770 separate relocation entitlements. Each tenant/personal property owner is entitled to receive three statutory notices that are served in person or by certified mail. In addition, each is entitled to have the property moved commercially or by self-move. The relocation process is extremely labor intensive and time consuming. It can be shortened by taking the following steps:

1. Have NDOT agree to use one consolidated notice that combines the vacate notices and benefit determinations rather than the three separate notices used in other relocations.
2. Develop a pre-approved move benefit amount based on locker/unit size rather than having movers come in and bid 770 separate moves.
3. Have a pre-approved mover on call to move the contents not self moved, with the mover paid directly by the State on a time and materials basis from a fund set aside for that purpose.

All the preceding concepts were used by NDOT for the move of two mini-storage facilities in Project NEON where approximately 1,300 units were vacated within a period of 6-8 months.

[3] 49 CFR §§24.305(a)(5)

Parcel 205, APN 008-155-20, Boys & Girls Club of Truckee Meadows, 2680 East 9th Street, Reno NV. The sole property impact of this acquisition is for a retaining wall along the south property line to avoid the improvements.

Parcel 206, APN 032-032-02, G6 Hospitality, 2405 Victorian Avenue, Sparks NV. Assume the full acquisition of a Motel 6 built in 1982. For relocation purposes, the process of acquiring a motel is somewhat simplified. For appraisal purposes, the unit value used by the appraiser to establish market value is by the room, which for a motel, includes all fixtures and furniture located in the rooms. Therefore, there is little, if any, personal property to relocate. The business is still entitled to receive advisory assistance services, including referrals, and have any remaining personal property moved. Reestablishment expenses will be paid if, in fact, the business reestablishes.

Parcel 207, APN 032-032-01, Iliescu Profit Sharing Plan, owner, 2401 Victorian Avenue, Sparks NV. The property is occupied by Instant Fog, a smog check and emissions testing station, housed in a 1,680 square foot service and repair structure. The primary concern is simply locating suitable replacement property within the business's financial means. There are nominal requirements for zoning. Current lot has three bays and ample vehicular parking. It appears that this is a partial acquisition and there should be a sufficient remainder on which to keep the business running. Assume no displacement.

Parcel 223, APN 032-124-10, William V. Langley, owner, 1702 Apple Street, Sparks NV, Mail Boxes and More. The property is presently improved with a 32,015 square foot retail store and two apartments. Per review of the KMZ file, this is a partial acquisition along the south side of the property. It appears that neither the structure nor the parking is impacted. Assume no displacement.

Parcel 231, APN 032-220-64, O.P. Reno LLC, owner, 525 Nugget Avenue, Sparks NV. Assessor's records indicate that the property is improved with a 1,600 square foot service repair garage, a 350 square foot shed, seven above-ground storage tanks, a 4,050 square foot metal canopy, fencing, asphalt, concrete paving, and the like. Earlier analysis concluded that the partial acquisition resulted in the loss of a building structure, but the larger building was protected in place. Later review of the Alternative 2 KMZ file concluded that the building was missed. In any event, assume no displacement nor any remediation needed for leaks from the tanks and associated piping.

Parcel 248, APN 032-013-01, 02, John R. Galletti, owner, 2644 Prater Way, Sparks NV. Occupant: Coney Island Bar. Subject property contains 5,968 square feet of land plus 14,047 square foot asphalt parking lot and 2,358 square foot bar/tavern built in 1935. The parcel is further improved with a 437 square foot wood deck. This is a full acquisition. The subject presents issues that are normal for any tavern relocation. Concern is always with transfer of the liquor license and gaming licenses for gaming slot machines. Advance or additional time may be required for transfer of the licenses or securing new occupancy permits.

Principal planning concerns include: suitably zoned commercial or light industrial commercial property with easy in and out access, and to allow sufficient lead time to address any permitting and code requirements. Solutions and mitigation measures include continuing networking with local realtors, and providing continuing information on the availability, purchase prices and rental costs of suitable replacement locations.

Parcel 250, APN 008-227-09, 20, Howard's Chevron, Inc., property owner, 2799 East 4th Street, Reno NV. Chevron gas station and C-store. The subject property has 24,500 square foot land area improved with a 1,971 square foot service repair garage, 3-hose tank island, single-post auto lift, double-post truck lift, two 10,000-gallon tanks and one 12,000-gallon tank, and monument sign.

Assume this is a traditional convenience store with customary number of employees to operate on a 24/7 basis. Sufficient time will be needed to work through the acquisition and relocation process with Chevron and the property owner. Also, additional time may be needed to address environmental issues that may be encountered due to the historic use of the property.

Principal planning concerns:

- Locating suitably zoned intermediate size commercial property with sufficient area and facilities to accommodate the business
- Presence of underground storage tanks present potential environmental concerns
- Assure that sufficient utilities are available at the replacement site
- The acquisition directly impacts a lighted onsite sign, potentially to be addressed as a cost to cure in the appraisal

Solutions and mitigation measures:

- Continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase price and rental costs of suitable replacement property
- Address environmental concerns in the appraisal process
- Where adequate utilities are not available at the replacement selected by the business, §24.303(a) provides for payment for connection to available nearby utilities at the replacement site
- Explore the possibility of relocating the lighted sign to a suitable location on the replacement property if not resolved in the acquisition process

Parcel 253, APNs 008-227-11, 19; 008-226-12, Tacchino Properties, LLC, owner, 455-465 Tacchino Street, Western Turf & Hardscape, tenant. KMZ file indicates that a portion of parcels 008-227-11 and 19 will be acquired for the project. Those parcels are used by Western Turf &

Hardscape as a materials yard and base of operations for the construction and maintenance work performed by the company throughout northern Nevada.

The lost storage yard area will need to be replaced, if possible, by locating suitable zoned property near the subject. Consideration could be given to allowing Western Turf to use surplus land acquired but not directly needed for the project.

The business may argue that the loss of the yard area will require that the entire business relocate. The company offices are on 008-226-12 at 2620 East 5th Street and can be considered displaced under the URA pursuant to Reg. §24.2(a)(9)(i)(C) where the business is determined to be displaced as a direct result of the acquisition in part of other real property upon which they conduct business.

In the event displacement cannot be avoided, principal planning concerns include locating a suitably zoned light industrial property with freeway access and ample open space to accommodate a secure materials yard. Of course, the appropriate mitigation measure is to continue networking with local industrial/commercial realtors and provide continuing information to Western on the availability, purchase price and rental rates of suitable replacement locations.

Parcel 254, APN 008-221-12, Andrea Tacchino Group, owner, 2695 Tacchino Street, occupant: Kro Built Company, Inc. Assume full acquisition. Operating in Reno, NV for more than 25 years, Kro Built Company occupies a 7,500 square foot storage warehouse and shop building situated on 36,519 square feet of land. The company offers both mobile and onsite repairs, parts and accessories, manufactures and installs trailer hitches, aluminum ATV/UTV ramps, gooseneck and tow bar systems. The relatively small specialty operation employs an estimated 20 people. This is a straightforward move. The challenges presented center around locating suitable replacement property with an office, shop and storage area, and ample parking for employees, customers, RVs and trailers. It will be critical to continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase prices and rental costs of suitable replacement locations. Assume freeway access is preferred.

Parcel 255, APN 008-224-09, Steiner Corporation, owner, 2535 East 5th Street, Reno NV. Alsco, the occupant business, is part of a giant enterprise with 170 locations world wide serving 350,000 customers. The subject property land area is 78,084 square feet improved with three buildings totaling 41,689 square feet. Alsco provides multiple services including linen, workwear, hygiene and well being products, floor care and first aid. The industries served include automotive, building services, food processing, health care, industrial and restaurant. It is known for its linen and uniform rental service. They have and estimated 75-100 employees at this location. Assume this to be a medium to large warehouse/manufacturing/production facility. Loading and receiving docks on the north and west, and the nature of the business indicate that freeway and/or main arterial access is a necessity. Assume that hazardous or regulated chemicals may be used onsite in the manufacturing and cleaning process. Aside from the foregoing, the business should not present any unusual moving issues or relocation challenges. Preliminary market review indicates that suitable replacement property is available in the marketplace.

Principal planning concerns:

- Locating a suitably zoned commercial or light industrial property with freeway or main arterial access, and adequate bays for shipping and receiving
- Assure that sufficient utilities are available at the replacement site
- Provide sufficient lead time to identify and address any permitting and code requirement
- Provide sufficient lead time to identify and address special handling requirements for regulated or hazardous material used in the business operation

Solutions and mitigation measures:

- Continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase price and rental costs of suitable replacement locations
- Where adequate utility service is not available at replacement selected by business, §24.303(a) provides for payment for connection to available nearby utilities at the replacement site
- Consider need for redundant service pursuant to §24.301(g)(16) at replacement site to minimize or eliminate downtime
- Consider utilizing the services of a specialist to analyze the permitting and code requirements involved in moving and reinstalling the assembly line equipment and the regulated and/or hazardous materials, said costs possibly reimbursable under §24.301(g)(12) or §24.303(b)

Parcel 258, APN 008-224-03, Peri Investments, Inc., 2510 Tacchino Street, Reno NV. This is a full acquisition. Peri Landscape Construction and Materials, Inc. has been in business for more than ten years. The subject property contains 20,213 square feet of land that is improved with a 7,000 square foot storage warehouse. This appears to be the base operation of the landscape construction business. Company vehicles and equipment are maintained onsite for use in the field. This is considered a small business with 10-15 employees. Principal planning concern is locating suitably zoned commercial or light industrial property with freeway access. Mitigation measures include networking with the real estate community and providing referrals and advisory services to the business.

Parcels 257 and 259, APNs 008-224-04 and 02. Paramount Auto Body and RV Repair, and RV Parts and Accessories, occupy two non-contiguous parcels at 2570 and 2490 Tacchino Street, Reno NV, sandwiched around Parcel 258 preceding occupied by Peri Landscape. Parcel 257, owned by Sunset Visions, LLC, is a 19,141 square foot lot improved with an 8,000 square foot service repair garage. Parcel 259, owned by AIKI Expansions, LLC, is a 20,589 square foot parcel of land with a 5,920 square foot service repair garage. Assuming businesses on both parcels can be moved as one entity, the replacement property is enlarged to 40,000 square feet with a 14,000 square foot garage, service, office, warehouse building. Assume auto lifts, frame alignment equipment, welding area and paint booth are onsite. Assume also that regulated chemicals, paint and solvents are used onsite in the repair or cleanup process. Aside from the foregoing, the business does not present unusual moving or relocation issues. Preliminary market review indicates that suitable replacement property should be available.

Principal planning concerns:

- Locating a suitably zoned commercial or light industrial property with freeway or main arterial access, and adequate bays for shipping and receiving
- Assure that sufficient utilities are available at the replacement site
- Provide sufficient lead time to identify and address any permitting and code requirement
- Provide sufficient lead time to identify and address special handling requirements for regulated or hazardous material used in the business operation

Solutions and mitigation measures:

- Continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase price and rental costs of suitable replacement locations
- Where adequate utility service is not available at replacement selected by business, §24.303(a) provides for payment for connection to available nearby utilities at the replacement site
- Consider need for redundant service pursuant to §24.301(g)(16) at replacement site to minimize or eliminate downtime
- Consider utilizing the services of a specialist to analyze the permitting and code requirements involved in moving and reinstalling the assembly line equipment and the regulated and/or hazardous materials, said costs possibly reimbursable under §24.301(g)(12) or §24.303(b)

Parcel 260, APN 008-224-01, Reynolds Family Trust, 2401 East 5th Street, Reno NV. Full acquisition. Central Freight Lines, Inc. terminal. Subject property contains 94,525 square feet of land improved with a 12,500 square foot transit/freight warehouse with a 900 square foot garage.
Central Freight Lines, Inc. is a national long-haul carrier serving the southern United States from Virginia to California, with facilities in Hawaii. This is one of 73 terminals that make up the Central Freight Lines, Inc. system. Nationally, the company has over 5,000 well-maintained tractors, trailers and delivery trucks. The company inventory includes specialty equipment,

Kinedyne Trailers, and lift gate trucks at every terminal, as well as trailers essential to transporting rod and pipe oilfield equipment. They have equipment, trained employees and licenses and permits needed for hazmat shipment for the petrochemical industry. Trailer capacities range from 26-57 feet in length.

Assume this to be a substantial operation with as many as 60 employees onsite. As much of this business's activity is related to the transportation of goods, highway access is critical to its success. As much of their business is globally oriented, proximity to a major airport is something the company will, in all probability, require. It may also be possible that the facility operates 24 hours per day given the international aspect of the company, which could present some unique relocation issues as noted herein.

The proposed acquisition impacts the north side of the property, running east to west, cutting through the structure. The building is directly and severely impacted by the acquisition; assume that the tenant occupying this building will be forced to relocate as a result of the acquisition. The business and property do not present any unusual moving issues or significant relocation challenges. It appears that ample replacement property is available in the marketplace.

Principal planning concerns:

- Locating a suitably zoned commercial or light industrial property with freeway or main arterial access
- Immediate attention to inventory layout and operating efficiency at the replacement property will be important for this business
- Locating replacement property with sufficient secure overnight parking for employees and company vehicles

Solutions and mitigation measures:

- Continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase prices and rental costs of suitable replacement locations
- Consider staging the move of company inventory to replacement site to minimize or eliminate downtime
- Consider utilizing specialist to analyze the current operation and the steps that may be taken to optimize operation at the replacement site. Reimbursement of these costs should be considered under §24.301(g)(12) or §24.303(b). Items to consider include new employee parking area, inventory layout and alternative inventory maintenance/storage.

Parcel 261, APN 008-216-07, Andrea Tacchino Corp., owner. Occupied by German Wagen Werks, 545 Depaoli Street, and Bowen Transportation, Inc., 585 Depaoli Street, Reno NV. Assume a full acquisition.

Bowen Transportation occupies the northerly ±75% of the property and the 11,400 square foot transit warehouse. While not as large as Central Freight, previously discussed, the planning considerations and mitigation measures are substantially the same and will not be repeated.

German Wagen Werks occupies the 3,897 square foot office building and service repair garage (1,637 square foot office; 2,260 square foot garage) located on the southerly ±25% of the subject property.

It is assumed that this business owns substantial personal property that will have to be moved, including auto lifts, extensive parts inventory, waste oil container, shop tools, miscellaneous spare parts, and shelving. The business and property do not present any unusual moving issues or significant relocation challenges. It appears that ample replacement property is available in the marketplace.

Principal planning concerns: Locating a suitably zoned commercial or light industrial property with freeway or main arterial access.

Solutions and mitigation measures: Continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase prices and rental costs of suitable replacement locations.

Parcel 262, APN 008-216-08, Andrea Tacchino Corp., 2395 East 5th Street, Reno NV. Vitran Express and Buzzard Trucking occupy/share an 11,700 square foot transit warehouse built in 1966 on a 95,832 square foot parcel. The KMZ file indicates that the building may not be taken, but a majority of the real property will be acquired. Therefore, there will not be sufficient land for vehicular parking and maneuvering and the two trucking businesses are assumed to be displaced. Here again, the planning considerations and mitigation measures are substantially the same as Central Freight and Bowen Transportation, Parcels 260 and 261, and will not be repeated.

Parcel 263, APN 008-216-05, Andrea Tacchino Corp., 2305 East 5th Street, Reno NV. Occupied by Ramage Truck & Equipment Repair. Full acquisition. The business occupies a 21,344 square foot parcel improved with a 3,339 square foot service repair garage built in 1988 and a 1,537 square foot canopy. It is assumed that the business owns substantial personal property that will have to be moved, including lifts, parts, inventory, waste oil container, shop tools, air lines, and shelving. The business and property do not present any unusual moving issues or significant relocation challenges. It appears that ample replacement property is available on the market.

Principal planning concern is locating a suitably zoned commercial or light industrial property with freeway or main arterial access large enough to accommodate the turning radius required by larger trucks or equipment. As with other similar businesses, the mitigation measure is to continue networking with local industrial realtors and providing continuing information on the availability, purchase prices and rental costs of suitable replacement locations.

Parcels 270 and 271, APNs 003-335-03, 04, owned by Jentz Family Trust, 1375-1395 Airmotive Way, Reno NV. The parcels are occupied by Payless Car Rental Company off the Reno Airport campus. The northerly parcel is for vehicle parking and drop off. The southerly parcel is improved with a 2,439 square foot office and 1,432 square foot garage and provides customer and additional vehicle parking. The plans call out a partial acquisition of the parking stalls and car rental business office. The improved parcel will be impacted by a retaining wall. The partial acquisitions will result in the displacement of the business operation which will require the provision of relocation assistance. The principal planning concern is to locate a ±60,000 parcel of properly zoned land within a reasonable distance of the airport to allow Payless to continue to service airport passengers. The mitigation or action piece is to continue dialog with the local real estate community to continually gather and communicate information on the availability, purchase prices and lease rates of suitable replacement property.

Parcel 365, APN 008-331-05, Meyer Family Trust, owner, 1261 East 7th Street, Reno NV. Assumed full acquisition of apparent storage warehouse building, 3,233 square feet in size, with 3-4 overhead doors, 200 feet of 6-foot high chain link fence with top rail, 6,200 square feet of asphalt paving on a 11,573 square foot lot. It appears to be garage like rentals. A sign on the south end of the building advertises Lucky 7 Automotive. It is questionable whether any active operations take place onsite. Assume 3-4 personal property moves. If Lucky 7 Automotive is an active business, a simple move to another similar unit should suffice. Assume no permanent employees onsite.

Parcel 371, APN 008-331-11, JWJC, LLC, owner, 1229 East 7th Street, Reno NV. Improved with a 5,068 square foot single family residence built in 1920, a 2,000 square foot service repair garage in the rear (north end) built in 1988, and an 800 square foot storage building on 7,500 square foot residential size lot. Assume the partial acquisition of the north end and a non-residential relocation. There appears to be ample parking, so assume an active automotive repair operation with the same planning concerns and mitigation measures as Parcel 261, German Wagen Werks, but on a smaller scale.

Parcel 396, APN 008-191-36, Patrick W. Ruff, property owner, 680 N. Wells, Reno NV. Subject is a 3,540 square foot Denny's Restaurant built in 1975 on a 23,130 square foot parcel. Full acquisition.

Assume this to be a Denny's franchise restaurant that has become a familiar business model with sufficient employees operating on a daily basis.

Principal planning concerns:

- Locating a suitably zoned intermediate commercial property with sufficient area and facilities to accommodate the business, taking into consideration that there may be limitations on available locations due to franchise non-compete provisions
- Assure that sufficient utilities are available at the replacement site

- The acquisition directly impacts a lighted onsite sign potentially to be addressed as a cost to cure in the appraisal

Solutions and mitigation measures:

- Continue networking with local industrial/commercial realtors and provide continuing information on the availability, purchase prices and rental costs of suitable replacement locations
- Where adequate utilities are not available at replacement selected by business, §24.303(a) provides for payment for connection to available nearby utilities at the replacement site
- Explore the possibility the lighted onsite sign to a suitable new location on the replacement property if not resolved in the acquisition process

Parcel 339, APN 013-341-23, owned by the State of Nevada, 2050 Villanova Drive, Reno NV. Assume full acquisition of the Regional Transportation Commission (RTC) bus maintenance facility.

The subject property was leased by the State to the RTC under agreement dated February 25, 1983, which provided for a 99-year lease at $1 per year, prepaid from January 1, 1983 to December 31, 2082, covering roughly 6.89 acres, except 926 square feet for the area of the supporting columns. The lease is terminable by either party upon 3 months' prior notice in writing for good cause. The term "good cause" includes if the property is needed by the Department of Transportation for expansion or improvement to the existing highway. The lease further provides that if the lease is terminated because the premises are needed for highway purposes, lessor (NDOT) shall pay lessee (RTC) the market value of the improvements based upon on estimate provided by qualified appraiser, mutually agreed to by both parties. The lease is silent on the issues of relocation assistance benefits or functional replacement of the improvements. An amendment dated May 15, 2017, adds 5,970 square feet of land at the south end of the property (along Plumb and under the highway).

An appraiser was commissioned and determined the present fair market value of the improvements is $7,190,000 as of May 10, 2018.

The biggest issue confronting this parcel is locating a replacement property and having it available so that there is no interruption of bus service.

Principal planning concerns:

- Locating a suitably zoned commercial or light industrial property with freeway or main arterial access and adequate bays/stations for bus maintenance and repair
- Assure that sufficient utilities are available at the replacement site

- Provide sufficient lead time to identify and address any permitting and code requirements
- Address special handling requirements for regulated or hazardous materials used in the bus maintenance process
- Locating replacement property with sufficient secure overnight parking for employees and the bus fleet

Solutions and mitigation measures:

- Continuing networking with local industrial/commercial realtors and provide information on the availability, purchase price and rental costs of suitable replacement locations, including surplus publicly owned property
- Where adequate utilities are not available at replacement selected by business, §24.303(a) provides for payment for connection to available nearby utilities at the replacement site
- Consider possibility of treating this acquisition under the functional replacement rules and provide a built out replacement property for use as a bus depot
- Consider the need for redundant services pursuant to §24.301(g)(16) at the replacement in an effort to eliminate downtime

Residential Relocations/Displacements

The Uniform Act requires that we estimate the number of households to be displaced and information such as owner/tenant status, estimated value and rental rates of properties to be acquired, and special consideration on the impact on minorities, the elderly, large families, and persons with disabilities, when applicable. On the other side, we estimate the number of comparable replacement dwellings in the area, including price ranges and rental rates, that are expected to be available.

Alternative 2 may eventually displace more than 326 households over an extended period. The housing types include: 87 single-family residences, 9 condominium units, 118 units in smaller multifamily buildings, 40 units acquired from larger apartment complexes, 15 mobile homes, 15 townhomes, and 21 duplexes owned by the Reno Housing Authority. For URA purposes, this may be further broken down into homeowners, market rate housing tenants, mobile homes on leased land, and the subsidized housing units. ***See Exhibit 3 Residential Displacements; Exhibit 4 Public Lands; and Exhibit 5 Residential Referral List.***

The benefits and protections provided under the URA apply to all project occupants, although the specific benefits and amounts due each household will differ as hereafter noted.

Regulatory framework. All residential occupants are entitled to the payment of moving expenses and a replacement housing payment (RHP) sufficient to enable them to move into a comparable replacement dwelling.[4] That is defined, in part, as a dwelling which is:

- Decent, safe and sanitary
- Functionally equivalent to the displacement (old) dwelling
- Adequate in size to accommodate the occupants
- Currently available on the private market
- Within the financial means of the displaced person/household

A decent, safe and sanitary dwelling generally means a residential unit which:

- Meets local housing codes
- Is adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person/family unit (sleeping rooms, separate bedroom for children of opposite, etc.)

For homeowners, the RHP has three components:

1. Price differential payment (PD) – the amount by which the cost of the replacement (new) dwelling exceeds the acquisition cost of the old dwelling
2. Mortgage interest differential (MID) – the increased interest costs and other debt service costs which are incurred in connection with the mortgage on the new dwelling. Where the household had an existing loan, the MID is the amount paid to enable them to obtain a new loan at the same monthly cost as the old.
3. Incidental expenses – costs incurred in the purchase of the new property including closing costs, title expenses, document preparation fees, recording fees, etc.[5]

A replacement home is deemed to be within the financial means of the household when they are paid for the old home and are eligible to claim the full RHP (PD, MID, and incidental costs).[6] In the end, the replacement housing is intended to put them back into the same financial position (or better) as they were before the project.

Last of all, no homeowner may be required to move from their old home for at least 90 days after a comparable replacement dwelling, as defined above, is made available to them.[7]

Market rate tenants also receive moving and related expenses and a replacement housing payment (RHP) referred to as a rental assistance or rent supplement payment (RAP) to enable

[4] 49 CFR §§24.2(a)(6) and (8)
[5] 49 CFR §24.401
[6] 49 CFR §24.2(a)(6) (financial means test)
[7] 49 CFR §24.203(c)(3)

them to move into a comparable replacement dwelling as heretofore defined.[8] In general terms, the rental assistance payment is 42 x the amount obtained by subtracting the base monthly rent for the displacement (old) dwelling from the monthly rent and average monthly costs of utilities for the comparable replacement (new) dwelling. This is a spend to get program.

Base monthly rent for the displacement (old) dwelling is the lesser of:

1. The average monthly cost for rent and utilities at the old dwelling, or
2. Thirty percent (30%) of the displaced person's average monthly gross household income if the amount is classified as low income by HUD.

Like the owner occupant benefit, the replacement housing rental assistance benefit is intended to put the tenants back into the same position as they were before the project, limited however, by the duration of the benefit (42 months). Also, no tenant may be required to move for at least 90 days after the comparable replacement property is made available to them.

Based on the replacement residential housing studies conducted to date (see **Exhibit 5**), should the entire project be started today, there may be sufficient replacement property to accommodate 55 homeowners, and 179 market rate tenants.

Mobile home acquisition/relocation. The 15 mobile homes on leased land, **Parcels 188 and 332**, in all probability, are owned by individuals other than the real property owner. The underlying fee will be acquired by NDOT utilizing the normal acquisition process (appraisal, offer, acceptance, etc.). Purchasing or relocating each of the mobiles home are separate transactions that may involve both acquisition and owner-occupant or tenant relocation. The tack taken depends on the facts and circumstances of each case.

Unless the land and coach are owned by the same person, the landowner essentially leases space to each mobile home owner and receives monthly space rent. Relocation then will involve one of the following scenarios:

1. <u>Mobile home owned and occupied by same person</u>. Here we have both a rental assistance payment to cover the difference between the current space rent and utilities (water, sewer, garbage) and the cost of replacement space rent and utilities, multiplied by 42 months. The mobile home can then be relocated to the new site, with all moving and reconnection costs paid by NDOT. The home may also be purchased by the agency if NDOT determines that the mobile home: 1) is not or cannot economically be made decent, safe and sanitary; 2) cannot be relocated without substantial damage or unreasonable cost; 3) cannot be relocated because there is no available comparable replacement site; or 4) cannot be relocated because it does not meet mobile home park entrance requirements. The purchase price paid for the old mobile home is the market

[8] 49 CRF §24.402

value of the coach, which may be nominal in amount. The owner would also be entitled to claim a replacement housing payment as previously discussed, with price differential, mortgage interest differential, and incidental costs paid. Both residential relocation entitlements, therefore, are paid.

2. <u>Mobile home owned by absentee landlord that is rented to a tenant occupant</u>. This is a normal rental situation with the occupant eligible to claim a rental assistance payment to cover the difference between the rent and utilities at the old coach and rent and utilities at the replacement coach. If the tenant also pays the space rent, that will be factored into the rental assistance payment.

We were unable to interview the mobile home occupants, however assume that occupancy of the 12 units is split between owner and tenants. Whether any of the mobile homes are movable depends on their age and condition, and age restrictions set by the possible replacement locations. There are other parks with space available in the greater Reno area and there should be an adequate stock of replacement sites. ***See Exhibit 6.***

It should be noted at this time, however, that the many households impacted by the project are not required to relocate to the same or similar type of property, or to remain in the Reno-Sparks area. NDOT will establish the replacement housing benefit entitlements based on the occupants relocating to comparable replacement housing in the area. Once the benefit is set, each household has the freedom to move to other housing types, converting from owner to tenant status and vice versa. They are free to move wherever they choose in Reno, in Nevada, or anywhere else. The only limitation is that the benefit totals or ceilings will not change. Relocation is still a spend to get program and the benefits do not change when the displaced household moves to more or less expensive areas or locales. NDOT right of way agents will counsel the occupants throughout the process facilitating property inspections to ensure that any and all replacement property is decent, safe and sanitary and within their financial means.

Relocation surveys were mailed out to 300± households on May 14, 2018 and door-to-door interviews were conducted May 30-31, 2018. In all, we received 72 survey responses, which are included in the Appendix as ***Exhibit 7***. The following residential relocation problems, issues or challenges were discovered during the survey and interview process or are expected to be encountered during the acquisition phase of the Spaghetti Bowl Project. Most, if not all, can be resolved by application of present relocation law and practice. Simply stated, residential occupants cannot be made to move unless comparable, decent, safe and sanitary (DSS) replacement property is made available to them. If said property does not exist, existing properties can be built out at Agency's expense as part of the replacement housing payment.

1. People residing in substandard housing. The DSS requirements do not allow us to move people into other substandard housing. All replacement housing must meet local

housing codes and be structurally sound, weather tight, in good repair, with safe electrical wiring, heat and cooling, etc.[9]

2. Large families residing in overcrowded housing. All replacement housing must be adequate in size with respect to the number of rooms and area of living space needed. The number of persons occupying each habitable room used for sleeping purposes shall not exceed that permitted by local housing codes, etc.[10]
3. Persons with disabilities. Again, DSS requires that the replacement housing for a person with a disability be free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling. We have met this requirement in the past by authorizing the installation of grab bars, raised toilets, raised or lowered sinks and kitchen counters, wider doorways to accommodate access, ramps to facilitate building access, and the like. All are covered under the last resort housing provisions of the Uniform Act.[11]
4. Persons without transportation. Relocation advisory assistance services include providing transportation to inspect housing to which displacees were referred.[12]
5. Insufficient funds for deposits, application fees, etc. Relocation funds may be paid in advance for good cause where a person demonstrates the need for the payment to reduce a hardship.[13] Agencies, as a matter of practice, set aside funds for the benefit of displacees for rental application fees and other similar expenses incurred as a result of displacement.
6. Displacee without a bank account or unable to cash benefit checks. Funds may be delivered by purchasing prepaid cash or credit cards for use by the displaced household.
7. Households with little income. As noted previously, the rental assistance payment is the difference between base rent and the cost of rent at comparable replacement property. For low income households, base rent is defined as 30% of average monthly gross household income. The benefit is paid for 42 months. In practice, this results in a very high rental assistance payment for use by the household. In the alternative, the Agency may offer to help the low income family get into assisted housing which, as noted earlier, has no benefit time limit.
8. Displacees unable to relocate due to criminal record or registered sex offender status. This may present a major obstacle to timely relocation. It is, however, possible to locate single family dwellings, smaller multifamily units or property owned by relatives. In any case, any such placement should be done with full disclosure. We suggest discussing the problem with the probation officer or other individual monitoring the displacee.

Each of the foregoing situations may require additional time spent on the relocation process; therefore, early discovery of the issues is crucial.

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[9] 49 CFR §§24.2(a)(8)(i), (ii) and (iii)
[10] 49 CFR §24.2(a)(8)(iv)
[11] 49 CFR §§24.2(a)(8)(vii) and 24.404
[12] 49 CFR §24.205(c)(2)(ii)(E)
[13] 49 CFR §24.207(c)

The Reno-Sparks housing market has become quite expensive. If all the residential displacements were scheduled to occur in the next year or two, it would become more difficult to find affordable or lower cost houses and apartments for those displaced by the project, a basic supply/demand dilemma. But NDOT's initial plan is to construct the project in five phases over roughly 20 years. This will ease the supply/demand issue making it easier to locate adequate and affordable housing for the following reasons:

- The displacements will be spread between 2022 and 2039, making it easier to absorb the displaced homeowners and renters into the housing market
- Phase 1 has no residential displacements, and Phase 2 currently has relatively few residential displacements (12 under Alternative 2, for example)
- It is not until Phase 3 (2025-2027) where a significant number of residential displacements occur (about 200 in Alternative 2, for example)
- The Truckee Meadows Housing Study forecasts that population and housing demand will grow more slowly after 2020 than it will in the 2015-2020 period (Truckee Meadows Regional Planning Agency, 2016). Should that prove true, it could make it easier to absorb these displaced households into reasonably priced replacement housing.

The preceding discussion involved market rate properties and the application of fundamental relocation laws. For the most part, those properties do not appear to present considerable challenges given the inventory of residential properties presently on the market and the probable construction phasing.

The acquisition of a large number of assisted housing units could, however, present several issues that should be addressed as soon as possible as it may be more difficult to develop timely solutions in that case to minimize the adverse impacts of displacement.

Reno Housing Authority (RHA) – Mineral Manor. Of the 320+ residential family units possibly impacted by Alternative 2, 21 duplexes (or 42 households) located north and westerly of the Spaghetti Bowl interchange are owned by the Reno Housing Authority. RHA is the public housing authority for the cities of Reno and Sparks and Washoe County. RHA currently owns and manages 764 units of public housing (475 for families) in eight different locations in Reno and Sparks under the public housing program. Using neighborhood stabilization programs and other funding, RHA owns over 100 rental properties specifically targeted for low-income households. RHA provides subsidies to more than 2,500 low-income families through rental assistance programs.

Effective July 6, 2018, all waiting lists are closed for both public housing and Section 8 rental assistance programs.

Alternative 2 targets the acquisition of 42 housing units owned by RHA and occupied by families receiving federal housing assistance through the public housing program. For purposes of analysis, assume the amount paid by each occupant household for rent and utilities is capped at 30% of gross household income.

For many reasons, it is preferable that these families be relocated to other assisted housing units. Where such units are available, and are offered as replacement property to these families, the replacement housing payment previously discussed will be nominal in amount. Their moving expenses would be paid through the URA relocation program and their monthly rent will remain at 30% of gross household income for as long as they remain in assisted housing.

Where assisted housing is otherwise available, and the household opts to move to market rate housing, they will not receive a rental assistance payment to cover the increased cost. As noted previously, the rental assistance benefit for market rate tenants is basically 42 x the difference between the current monthly rent and utilities, and the cost of rent and utilities at the new property.

For a person receiving government housing assistance before displacement, however, a comparable replacement dwelling is one that reflects similar housing assistance. Assuming there is assisted housing available to those displaced people, the cost of replacement housing will result in a zero or very low rental assistance payment, as both the old and new units will cost the displaced household roughly the same amount.

However, in the event subsidized housing is not available to a family previously receiving assistance, the resulting replacement move to market rate housing is quite costly, essentially 42 x the difference between 30% of household income and the cost of rent and utilities at the new property. For example, a household with monthly income of $1,000 moving to market rate (unsubsidized) housing costing $1,200 per month would be entitled to a replacement housing benefit of $37,800; i.e. 42 x ($1,200 – [30% x $1,000]). While this may appear generous, the inherent problem is that after the funds run out there is no longer any assistance available to the household.

Solutions and mitigation measures:

The bulk of the residential displacements are so far out into the future that NDOT cannot set forth an exact program for mitigation measures that may or may not be required over and above the Uniform Act benefits. It is clear, however, that it would be prudent to identify and develop an inventory of assisted or affordable housing units in the greater Reno-Sparks area. Suggested alternatives include:

- Continuing coordination with RHA to explore the many available resources, including the possibility that a for or non-profit developer specializing in developing affordable housing and RHA come together to provide affordable housing for those in need. For example, RHA could commit project-based Section 8 and/or HCV in exchange for the project carving out spots for persons displaced from Mineral Manor.

- RHA, as an experienced developer, could pursue to self-develop a project with the capacity to intake the 42 households.
- Make available to RHA a multi-acre parcel owned by NDOT located between Clear Acre Lane and US 395 near McCarron Boulevard. RHA could use this parcel to build replacement housing for those units that will be displaced from Mineral Manor. The Mineral Manor units will not need to be replaced until the mid-2030s under the initial NDOT phasing plan.
- RHA elects to apply for HUD Section 18 Demolition/Disposition for which they would likely receive HCV or Tenant Protection Vouchers from HUD for the units demolished.
- RHA pursues conversion to HUD's Rental Assistance Demonstration (RAD) program of this portion or the entirety of Mineral Manor. RAD assistance could be "attached" to units rebuilt onsite at Mineral Manor or could be transferred to other sites including properties owned by RHA or another entity that could be rehabilitated. RHA could divide the RAD assistance between a reconstructed project at Mineral Manor and other new construction and/or rehabilitated units. Through RAD, RHA would choose between Project Based Rental Assistance (PBRA) or Project Based Voucher (PBV) to replace the public housing subsidy lost for the converted units. RHA has a compelling story to tell which could place them in good position to be approved for conversion to RAD. RHA has a solid in-house development program that could self-develop or leverage additional resources in the private sector to partner with them. RAD is a potential option. There is a waiting list for RAD approval/funding. It takes one to three years to get approval from HUD for RAD funding, then 18-24 months for construction if property development is involved. RAD-funded units could continue to be owned by RHA, a subsidiary or a third party. RHA would only receive RAD for the total units demolished. RHA could engage a developer to build a project or own it, or they could self-develop and own the units.
- NDOT is investigating the feasibility of building replacement housing or providing funds to another agency, like RHA or the cities of Reno or Sparks, to build affordable housing.

NDOT will coordinate closely with RHA, the cities of Reno and Sparks, and the Truckee Meadows Regional Planning Agency to monitor market conditions and data on cost burdened residents as the displacements become closer in time. A more finely-tuned relocation plan will be developed by NDOT closer to when displacements occur. This is because 1) the housing market could change dramatically before the bulk of displacement occur, and 2) the displacements are so far in the future that the people who will be displaced, especially renters, probably have not yet moved into the apartments and the Mineral Manor units that NDOT will acquire.

Regardless of the timing of the displacements and the circumstances of those who are displaced, the Uniform Act will guide NDOT's mitigation. NDOT will closely monitor the housing market and may take additional steps beyond those required by the URA to ensure displaced residents are treated in a fair and equitable manner.

Billboards/Off-Premise Outdoor Advertising Signs

Signs can be divided into two categories: "off-premise" and "on-premise," for appraisal and negotiation purposes.[14]

On-premise signs advertise a product or business on the property that is to be acquired, such as the Chevron gas station sign on **Parcel 250** or the lighted sign advertising German Wagen Werks on **Parcel 261**. These signs are often considered real property and an offer to purchase them should be made to the real property owner, or in some cases, the tenant owner. The signs may be movable and reinstalled at the replacement property, code permitting, etc.

Off-premise signs generally advertise a business or product not available on the property being acquired. **There are fifteen (15) off-premise outdoor advertising signs impacted by Alternative 2.**

There are three elements to consider in appraising an off-premise advertising sign.[15] Two elements, the sign site and the sign structure, are considered real property improvements. The third element is the intangible outdoor advertising sign business. Valuation issues include:

1. The appraiser shall appraise all real property improvements in the acquisition parcel, including any off-premise advertising, or billboard, sign structures. This activity should not be confused with the valuation of any intangible business value/revenue that is required under Nevada case law.
2. The value of any billboard site within the acquisition area and the billboard permit as they contribute to the value of the real property must be determined/appraised.
3. Where the billboard structure (pole, footing, head, etc.) is a tenant-owned improvement (often owned by the billboard company), as defined in 49 CFR §24.105, the sign structure will be valued in conformance with the NDOT Right-of-Way Manual.[16] Just compensation for said tenant-owned improvement is the amount by which the improvement contributes to the market value of the whole property, or its salvage value, whichever is greater.

Relocation considerations. In addition to compensation to the landowner or tenant for the structure, where the outdoor advertising business (possibly along with the salvaged sign structure) must be relocated to another site, the relocation of the business (i.e., the billboard) will be handled under the relocation assistance program. NDOT has successfully relocated at

[14] NDOT Right-of-Way Manual, 2016, Section 5.380
[15] NDOT Right-of-Way Manual, 2016, Section 4.213
[16] NDOT Right-of-Way Manual, 2016, Section 4.259

least six billboards for Project NEON, essentially paying for a replacement structure as substitute property under the URA, thereby minimizing rent loss to the billboard companies involved. NDOT also worked with the City of Las Vegas to amend the billboard ordinance to allow replacements to be established within the project area, thereby avoiding the need to buy the billboards in place.

Where a suitable site for relocation cannot be found in the market area, the lost business value, or good will, must be appraised by a business appraiser. This valuation is over and above the initial appraised value offered to the property owner and/or tenant and is often done as part of a court action where an application is made for an Order of Occupancy.

Replacement Business Property

In researching the availability and cost of suitable commercial replacement property for the businesses that may potentially be displaced from the Reno Spaghetti Bowl Project, NorthCap Commercial was recruited as a resource to compile a comprehensive pool of properties. The search parameters considered the current use and zoning of the subject parcels and were limited to properties within a 10-mile radius of the Study Area, with reasonable freeway access and adequate utilities. Rail access was not contemplated. Based on this research, there appears to be an adequate supply of available commercial properties within a reasonable distance of the Corridor, classified in four types and more fully described herein. ***See Exhibit 8 Business Referral List.***

<u>Office</u>
Office properties are devoted entirely to office-type operations and do not have large storage or warehouse areas or the zoning necessary for some activities. Office space ranges from Class A to Class C, with Class A being newly constructed premium, high-end space, while Class C is less extravagant and focused on function rather than form. Within a 10-mile radius of the Project Corridor, there are more than 20 separate spaces available for lease. These office suites range in size from 800 square feet to 15,680 square feet and lease from $6.60 to $21.00 per square foot per year. Office space sales range from Class A to Class C. There are 11 office buildings for sale within a 10-mile radius of the Project Corridor ranging from 1,482 square feet to 13,800 square feet and asking sale prices range from $325,000 to $2,500,000.

<u>Flex</u>
Flex properties are a combination of office and industrial space with appropriate zoning for light industrial users and a large percentage of the usable area devoted to warehouse or showroom space. Flex properties are rated as Class B or Class C, with Class B being newer and of a slightly higher quality than Class C. Within a 10-mile radius of the Corridor, there are 13 separate flex spaces available to rent ranging in size from 1,868 square feet to 62,000 square feet with prices ranging from $4.80 to $14.40 per square foot per year. There are four flex space buildings for

sale within a 10-mile radius of the Project Corridor. Flex buildings range from 5,000 to 27,600 square feet and asking sale prices range from $750,000 to $3,950,000.

Industrial/Warehouse

Industrial/Warehouse properties are primarily warehouse and showroom spaces with nominal office buildout and suitable for warehousing, manufacturing, industrial and light industrial users. Industrial/Warehouse ranges from Class A to Class C, with Class A being the premium, newly-constructed space, and Class C being somewhat more dated. Within a 10-mile radius of the Project Corridor, there are 42 suites available for lease. These suites range in size from 4,470 to 390,000 square feet with leasing rates ranging from $4.20 to $15.60 per square foot per year. There are currently 11 flex buildings available for sale within a 10-mile radius of the Project Corridor. They range in size from 4,800 to 87,000 square feet in size with asking prices ranging from $720,000 to $5,500,000.

Land

There are 25 unimproved properties for sale ranging in size from 0.13 acres to 85.22 acres and asking prices ranging from $25,000 to $15,124,033.

Replacement Business Property Summary

As of the effective date of this Relocation Plan, there appears to be a sufficient inventory of suitable replacement commercial property available on the market to absorb those business operations that may potentially be displaced. It appears, however, that several of those businesses may occupy less expensive space and may be paying below market rents and, as such, may not have the financial resources available to survive extended downtime or increased operating costs if similar, less expensive property is not available. In addition, some of the businesses may be resistant to a relocation that displaces them from a visible, high profile location along the freeway.

Conclusion

A common preference shared by businesses being considered for displacement is that they would rather remain onsite and might be willing to reorient on the remainder parcel where that option is available. Alternatively, they may prefer to stay in the general area with I-80 and/or I-580/US 395 access and exposure, and close to their suppliers. The success of the relocation of any business starts with locating replacement property. Our research indicates that there is a sufficient inventory of suitable replacement property available on the market to absorb those business operations that may potentially be displaced, although whether the available replacement property is within the financial means of some of the businesses may be an issue. Additional advisory assistance services would then be needed in an effort to mitigate the impact of displacement on those businesses that are less able to financially absorb the downtime or the increased rent and operating costs that may be encountered.

For the most part, once replacement site decisions are made, few of the businesses present unusually difficult or time-intensive move problems. Some of the moves will be time consuming due to the sheer volume of materials. Others may require substantial site preparation, plant set up and lead time. A few may require time and study to best utilize the remaining property in the after condition. Some are just plain time consuming.

Having sufficient time is a critical component in the implementation of this project. As noted earlier in this Plan, NDOT is directed to plan the Project in such a manner that recognizes the problems associated with the displacement of individuals and businesses and develop solutions to minimize the adverse impacts of displacement. We have attempted to identify those "problems" and have offered suggestions and approaches to minimize the negative effects on those in the direct path of the Project. Those issues should be addressed as soon as practicably possible so there is sufficient time to resolve them. Where dialog has been initiated, continued collaboration is encouraged. Where displacements can be avoided by slight plan modifications, reasonable alternatives should be aired and considered. Now is the time to attack the problems. These efforts will be critical to Project success by providing the means and resources to the affected individuals to locate new homes and the displaced businesses to move and economically reestablish operations.

OPC

Charles A. Grombacher, Regional Manager

Contributors
Jovan Adams
Clara Castaneda
Teresa Grombacher
Mike Overbo
Todd Salvatore
Tammy Smithson