

RTC board explodes over proposed buy-back program using taxpayer funds

RENO, Nev. (Mynews4.com & KRNV) -

There was an eruption of emotions after the Regional Transportation Commission board members voted 4-1 to seek more legal advice on a program that would buy back developer-owned credits.

Credits are part of the RTC's Regional Road Impact Fee Credit Program, or RRIF. Credits are issued to developers who take on infrastructure projects, or building roads themselves. Those credits can be used towards other projects in the future.

The issue, there's not enough projects, so those credits can't be used. And, credits have expiration dates.

Board member and Washoe County Commissioner Bob Larkin voted to move forward and look into ways to fund the buyback program. He said the downturned economy has led to this problem. "There's not enough incoming money from developments to cover the cost of RTC's portion of the projects," he said. So due to the economy developers have had to hang on to these credits, or sell them to other developers at a discounted rate.

Perry Di Loreto, a leading developer in northern Nevada, says something needs to be done, otherwise the credits will expire and they will be left with nothing. "It's a sincere effort on behalf of the Builders Association, developers and myself to try and solve a serious issue," said Di Loreto.

But, according to the RTC's own legal counsel, buying back these credits with fuel taxes is illegal. And unless approved by the legislature, using sales tax is also illegal.

"We've worked on it for 18 months. We've been told it's illegal. I think it should stop right here," said board member Dave Aiuzzi. Aiuzzi was the only member to vote against moving forward with the proposal. He challenged other board members for moving forward calling it a "bailout for their developer buddies who are campaign contributors."

The board is asking for further legal advice, a public outreach program to find out what voters think and an idea of what funds could be used if they are allowed to move forward with the buyback program. "No decision has been made we are doing our due diligence," said Bob Larkin. The issue will be brought back to the board in October.

According to RTC consultants, there is no buyback program like this anywhere else in the country.

