

**Supporting Materials
Resolution No. 5
Sparks Tourism Facility and Revitalization
Steering Committee**

- **Staff Report**
- **Victorian Square Master Plan**
- **Victorian Ave Section 4
(map)**
- **Civil Engineer's Estimate**



Sparks Tourism Facility and Revitalization Steering Committee
Agenda Item 7.3

Meeting Date: November 18, 2020

Note: this Staff Report serves Exhibit 1 to Resolution No. 5, which it accompanies

Title

Consideration of and possible adoption of Resolution No. 5 Advising the City Council of the City of Sparks Concerning Certain Projects and Capital Improvements (Victorian Square Infrastructure Improvement Project, Section 4) and the Expenditure of Transient Lodging Tax Proceeds (an amount not-to-exceed \$800,000); Concerning Action Taken Thereon by the Committee; and Approving Certain Details in Connection Therewith.

Petitioner

City of Sparks

Presenter

Armando Ornelas, Assistant Community Services Director, City of Sparks

Recommendation

City staff recommends that the Committee adopt Resolution No. 5.

Agenda Item Brief

This agenda item requests that the Sparks Tourism Facility and Revitalization Steering Committee ("Committee") review and adopt Resolution No. 5. The resolution advises and recommends to the Sparks City Council that it expend up to \$800,000 of Lodging Tax proceeds during City fiscal year 2021 to rehabilitate the streetscape along Victorian Avenue between 15th Street and the southern end of Victorian Square plaza, and along a portion of 15th Street north of Victorian Avenue. This area is identified as Section 4 of the Victorian Square Infrastructure Improvement Project. The Committee's Victorian Square Master Plan, last revised in 2016, identifies the Victorian Square Infrastructure Improvement Project as appropriate for the use of Lodging Tax proceeds.

Background

In 2003, the Nevada Legislature enacted, and the Governor signed into law, Assembly Bill 205. This legislation, subsequently codified in Chapter 432, Statutes of Nevada, Sec. 6.6 to 6.9, imposed an additional tax at the rate of two and half percent (2.5%) on the gross receipts from the rental of transient lodging in the City of Sparks ("Lodging Tax"). The Lodging Tax is paid to the Reno-Sparks Convention and Visitors Authority which distributes the proceeds to the City Council of Sparks. The City Council may expend these proceeds after obtaining the "advice and recommendations" of the Sparks Tourism Facility and Revitalization Steering Committee ("Committee"), which is created per Sec. 6.8 of Chapter 432.

The Committee is required, per Sec. 6.9 of Chapter 342, to develop a master plan that identifies:

- Proposed projects or capital improvements that the Committee has determined would be advisable to promote tourism in Washoe County.
- Method(s) pursuant to which the proposed projects and capital improvements identified in the plan will be financed.

The Committee first adopted a Master Plan in 2004, amended it in 2008, and amended it again in 2016 (refer to attached “Victorian Square Master Plan” exhibit). The 2016 update added and identified the Victorian Square Infrastructure Improvement Project (“Project”) as appropriate for the use of Lodging Tax proceeds. The Project provides for the rehabilitation of the streetscape along Victorian Avenue between 15th Street and Pyramid Way, Avenue of the Oaks between 11th and 14th Streets, and portions of adjacent side streets. It involves, on an as-needed basis, repairs or replacement of concrete surfaces, pavers, curbs, kiosks, trees, tree planters, and street furniture such as benches, bollards, and fencing. The Project is being undertaken in sections over multiple years. Section 4 of the Project is located along Victorian Avenue between 15th Street and the southern end of Victorian Square plaza, and also includes a portion of 15th Street north of Victorian Avenue (refer to attached “Victorian Ave Section 4” exhibit).

Analysis

This agenda item requests that the Committee review and adopt Resolution No. 5, which advises and recommends to the Sparks City Council that it expend up to \$800,000 of Lodging Tax proceeds during City fiscal year 2021 to rehabilitate the streetscape in Section 4 of the Project. The request for \$800,000 of Lodging Tax proceeds is based on an engineer’s estimated project cost of \$792,380, inclusive of a \$50,000 force account (refer to attached “Civil Engineer’s Estimate” exhibit) for the proposed improvements reflected in Exhibit __.

The Project was included in the Committee’s 2016 Victorian Square Master Plan for use of Lodging Tax proceeds. The City’s Victorian Square Lodging Tax fund had an unaudited ending fund balance at the end of fiscal year 2020 (June 30, 2020) of \$4,838,018. The City’s current commitments for use of Lodging Tax proceeds total approximately \$944,000, primarily for public art, three remaining annual payments to the Sparks Nugget for construction of the Nugget Events Center, and four remaining annual payments to Syufy Enterprises for renovation of the movie theater facility for Galaxy Theatres. The City thus currently has the financial capacity to not only expend \$800,000 for Section 4 of the Victorian Square Infrastructure Improvement Project but to also fund other projects as they arise, subject to Committee and City Council approvals.

If the Committee adopts Resolution No. 5, City staff will forward it to the City Council and, if the Committee's recommendations are adopted by the City Council, will proceed to bid the Section 4 project.

Alternatives

The Committee's alternatives to approving Resolution No. 5 as presented include:

- a) approving it with changes;
- b) providing direction to City staff for revision and consideration by the Committee at a future meeting; and,
- c) denying the request.

Proposed Motion

I move to approve Resolution No. 5 Advising the City Council of the City of Sparks Concerning Certain Projects and Capital Improvements (Victorian Square Infrastructure Improvement Project, Section 4) and the Expenditure of Transient Lodging Tax Proceeds (an amount not-to-exceed \$800,000); Concerning Action Taken Thereon by the Committee; and Approving Certain Details in Connection Therewith.

Respectfully submitted,

Armando Ornelas

Armando Ornelas
Assistant Community Services Director, City of Sparks

Attachments:

- Resolution No. 5, Sparks Tourism Facility and Revitalization Steering Committee
- Victorian Square Master Plan (Revised 2016)
- Victorian Ave Section 4 (map)
- Civil Engineer's Estimate

**Victorian Square Master Plan
(Revised 2016)**

Victorian Square Master Plan
Sparks Tourism Facility and Revitalization Steering Committee

Background and Purpose of Master Plan

In 2003, the Nevada Legislature enacted, and the Governor signed into law, Assembly Bill 205. This legislation, subsequently codified in Chapter 432, Statutes of Nevada, Sec. 6.6 to 6.9, imposed an additional tax at the rate of two and half percent (2.5%) on the gross receipts from the rental of transient lodging in the City of Sparks ("Lodging Tax"). The Lodging Tax is paid to the Reno-Sparks Convention and Visitors Authority which distributes the proceeds to the City Council of the City of Sparks. The City Council may expend these proceeds after obtaining the "advice and recommendations" of the Sparks Tourism Facility and Revitalization Steering Committee ("Committee"), which is created per Sec. 6.8 of Chapter 432.

The proceeds of the Lodging Tax "must be used to develop, acquire, establish, improve and construct projects and capital improvements that are intended to attract and expand tourism and are, at the time the proceeds from the tax are to be expended, located in or to be located in:

- (1) That portion of the Sparks Town Center Project which is identified as Victorian Square; or
- (2) Any other portion of the Sparks Town Center Project, if the project or capital improvement provides a direct benefit to a project or capital improvement located within Victorian Square, as determined by the City Council of the City of Sparks after obtaining the advice and recommendations of the Committee." (Sec. 6.7.1.(a))

As defined in Sec. 6.7.3, "a project or capital improvement shall be deemed to attract and expand tourism if it is used for retail, entertainment, recreational, scientific, cultural, historic or artistic purposes, as determined by the City Council of the City of Sparks after obtaining the advice and recommendations of the Committee."

The Committee is required, per Sec. 6.9 of Chapter 342, to develop a master plan that identifies:

- Proposed projects or capital improvements that the Committee has determined would be advisable to promote tourism in Washoe County.
- Method(s) pursuant to which the proposed projects and capital improvements identified in the plan will be financed.

The purpose of the Master Plan is to guide the Committee in providing advice and recommendations to the Sparks City Council regarding expenditure of the proceeds from the Lodging Tax. The Committee first adopted a Master Plan in 2004 and amended it in 2008. *This Master Plan replaces the 2008 Master Plan in its entirety.*

Proposed Projects / Capital Improvements

Sec. 6.7 of Chapter 342 defines the uses for which Lodging Tax proceeds may be used. This part of the Master Plan identifies the proposed projects or capital improvements in the Victorian Square area of the Sparks Town Center Redevelopment Area that the Committee has determined would be advisable to promote tourism in Washoe County. All are permitted by Sec. 6.7. Additionally, the Committee will formally advise and provide its recommendations regarding the expenditure of Lodging Tax proceeds for specific projects in the form of resolutions it will adopt, by a two thirds majority vote, and forward to the Sparks City Council.

The proposed projects and capital improvements are as follows.

1. *Victorian Square Infrastructure Improvement Project.* This project involves capital improvements for rehabilitation of the streetscape along: (a) Victorian Avenue between 15th Street and Pyramid Way; (b) Avenue of the Oaks between 11th and 14th Streets; (c) the areas adjacent to the north-south street couplet between Victorian Avenue and Avenue of the Oaks; (d) 13th Street between Avenue of the Oaks and Victorian Plaza Circle; and, (e) the section of Victorian Square Plaza directly in front of the movie theater. The area for this project is defined in Exhibit 1 to this Master Plan.

These public areas serve as a venue for numerous special events including Hot August Nights and the Best in the West Nugget Rib Cook-Off. The majority of the existing streetscape improvements were constructed or installed in the mid-1980's and have not been significantly addressed other than in the Plaza and train exhibit areas. These facilities are exhibiting substantial degradation and are increasingly hazardous for pedestrians and event patrons. In addition, the area's aesthetic appeal as a special events venue is decreasing.

In order for this area to continue serving as a safe and attractive special events venue, investment to repair and rehabilitate the streetscape is required. The project will not involve wholesale replacement of but rather, on as needed basis, repairs, replacements or enhancements of: lighting, concrete surfaces, pavers, curbs, kiosks, street furniture such as benches, planters, bollards, fencing, trees and water urns.

The Victorian Square Infrastructure Improvement Project will be undertaken in sections, as identified in Exhibit 1. Section 1, proposed for City of Sparks fiscal year 2017, is along Victorian Avenue between 10th Street and Pyramid Way. Subsequent

sections will be undertaken over a period of approximately 3-6 years, as funding is recommended by the Committee and approved by the City Council. The order in which Sections 2-7 are undertaken will be determined on a year-to-year basis as these improvements need to be coordinated with, and be sensitive to the timing of, development and improvements on the adjacent private property. It is anticipated that multiple sections will be constructed in some years.

The cost of Section 1 is estimated at approximately \$400,000 with the total cost (in 2016 dollars) of the seven sections estimated at approximately \$2.0-2.1 million.

2. *Public Art.* This proposed expenditure is to acquire (through purchase, lease or on loan) or to retain artworks to be placed on or presently located on public property within Victorian Square, defined as the area between 15th Street on the west, Pyramid Way on the east, Interstate 80 on the south and Victorian Plaza Circle/D Street on the north. The intent is to acquire and install, over a period of years, a collection of artworks that increases awareness and the appeal of Victorian Square for both visitors and local residents while contributing to the revitalization of Victorian Square. The proposed expenditures include installation costs associated with each piece.

The selection of artworks will be based on the recommendations of the City's Arts and Culture Advisory Committee or other advisory body to the Sparks City Council.

Initial funding, in City fiscal year 2017, for the Public Art program is \$150,000. Beginning in fiscal year 2018, the Committee will consider resolutions recommending annual appropriations for acquisition of additional artworks in an amount equal to at least four percent (4%) of the previous fiscal year's lodging tax proceeds. In addition, an annual amount of \$2,500 - \$5,000 will be considered for continued maintenance of the artworks inventory. This amount may start lower and grow based on inventory.

3. *Victorian Square Plaza Enhancements.* The Victorian Square Development Plan (i.e., the redevelopment plan for the Victorian Square area most recently amended in 2015) includes potential enhancements to Victorian Square Plaza, the City owned park-like property bordered on the east and west by the north-south street couplet connecting Victorian Avenue and Avenue of the Oaks, on the north by the front of the movie theater, and on the south by Victorian Avenue. The Plaza includes an interactive fountain in front of the movie theater. Like the public areas of Victorian Square, the Plaza is intensively used as a special events venue.

The Victorian Square Plaza Enhancements, which the City has schematic design plans for, are intended to increase programming options for Victorian Square and, in particular, to provide a facility that would allow more events programming outside

the summer months. The project would add new amenities and provide the ability to host concerts and other performing arts events. The proposed improvements include the addition of a tensile fabric cover to provide shade and protection from rain and snow over approximately half of the Plaza between Avenue of the Oaks and Victorian Avenue, the addition of audio speaker and light towers along the borders the plaza, a mobile performing stage and a seasonal ice skating rink measuring approximately 120 by 55 feet.

The estimated cost of these Plaza enhancements is approximately \$2.5 million. Due to the magnitude of this amount, as well as uncertainty about the timing of development on the vacant parcels east and west of the Plaza, no decision has been made as to whether, and if so when, to construct this capital project. Any future expenditures of Lodging Tax proceeds for the Victorian Square Plaza Enhancements need a Committee recommendation, in the form of a resolution, to the Sparks City Council.

4. *Investment or Incentives for Private Victorian Square Retail and Entertainment Facilities.* The goal of the Redevelopment Agency's Victorian Square Development Plan is to create a highly energized, mixed-use district with a unique ambiance to draw local residents and visitors. Victorian Square has the highway proximity and sufficient "brand recognition" to support mixed-use development. With over 300 residential units currently under construction, and with a proposal for almost 200 more units pending, the biggest challenge for the Victorian Square project area now is the need for complementary activity-generating uses, including additional retail and other commercial uses, that will draw visitors to Victorian Square even when special events are not occurring.

As in the previous (2008) version, this Master Plan identifies incentives for privately owned capital projects with new retail uses (defined to include dining and entertainment) as appropriate for the use of Lodging Tax proceeds. Incentives for substantial upgrades to existing privately owned entertainment venues and facilities that increase the regional appeal of such facilities would also be eligible. Lodging Tax proceeds may also be used for off-site public infrastructure to serve private capital improvements in retail facilities, if the infrastructure is to attract private investment. Any Lodging Tax investment or incentive for a privately owned facility is intended to fill an anticipated financial "gap" and must leverage private investment on, at minimum, a one-to-one (1:1) basis.

No specific private retail or entertainment projects are identified for funding at this time. Any future expenditures of Lodging Tax proceeds to incentivize private retail or entertainment capital projects need a Committee recommendation, in the form of a resolution, to the Sparks City Council.

Financing

The City of Sparks will expend room tax proceeds in Victorian Square in accordance with the provisions of Sec. 6.7 of Chapter 342 of the Statutes of Nevada. While Section 6.7 permits the City Council to pledge Lodging Tax proceeds for the payment of general and special debt obligations, at this time the City of Sparks anticipates paying for projects on a cash, "pay as you go" basis. Should the City of Sparks determine it wishes to utilize a credit facility to finance one or more eligible projects, it will seek a Committee recommendation and resolution prior to doing so.

Amendment of the Plan

This Master Plan was approved by the Committee and may be amended by a two-thirds vote of the members of the Committee.

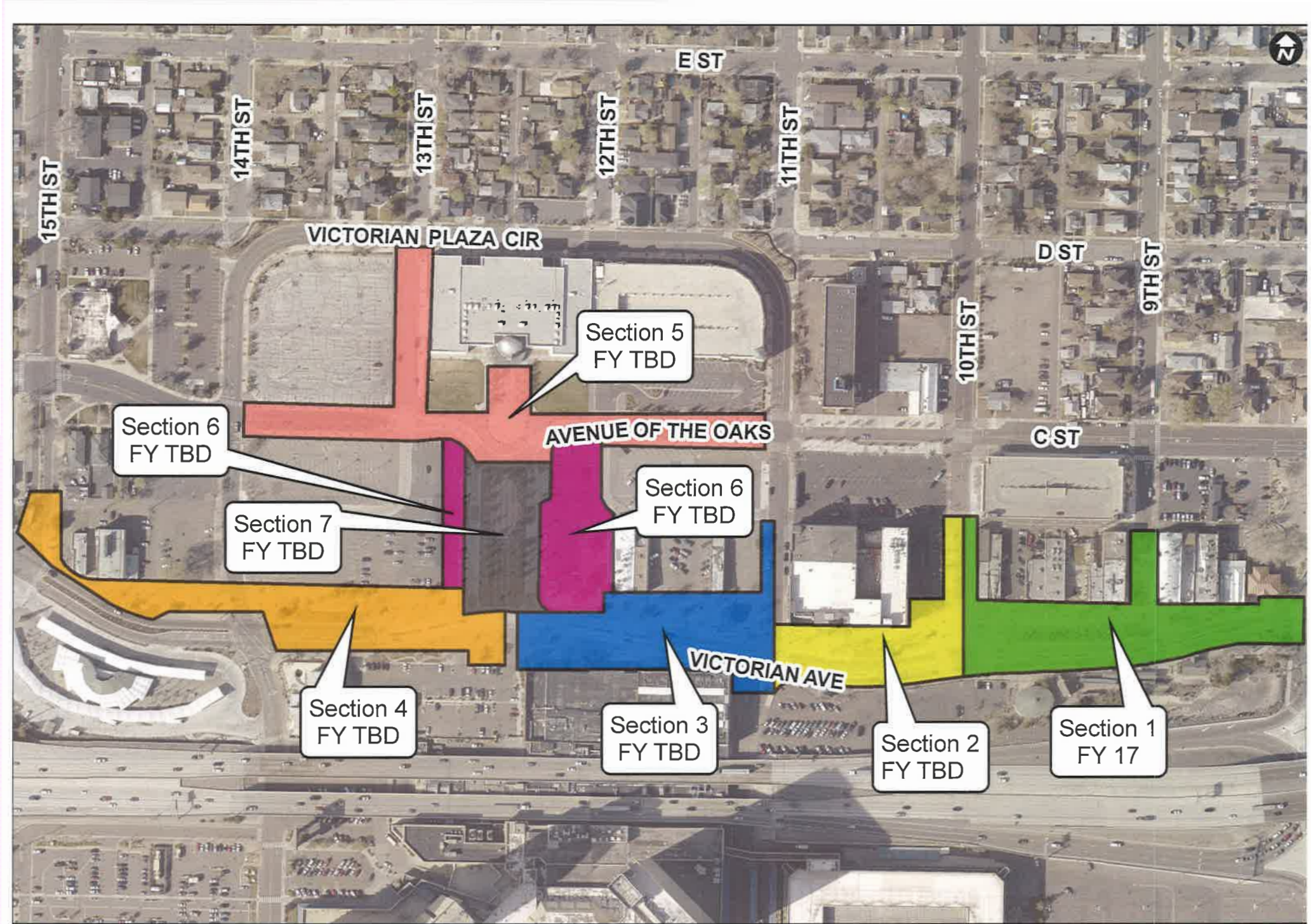
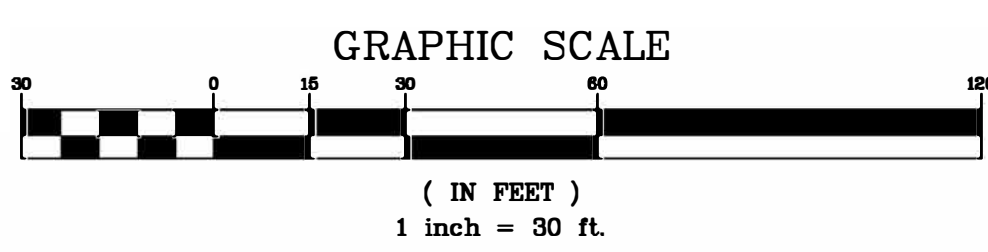
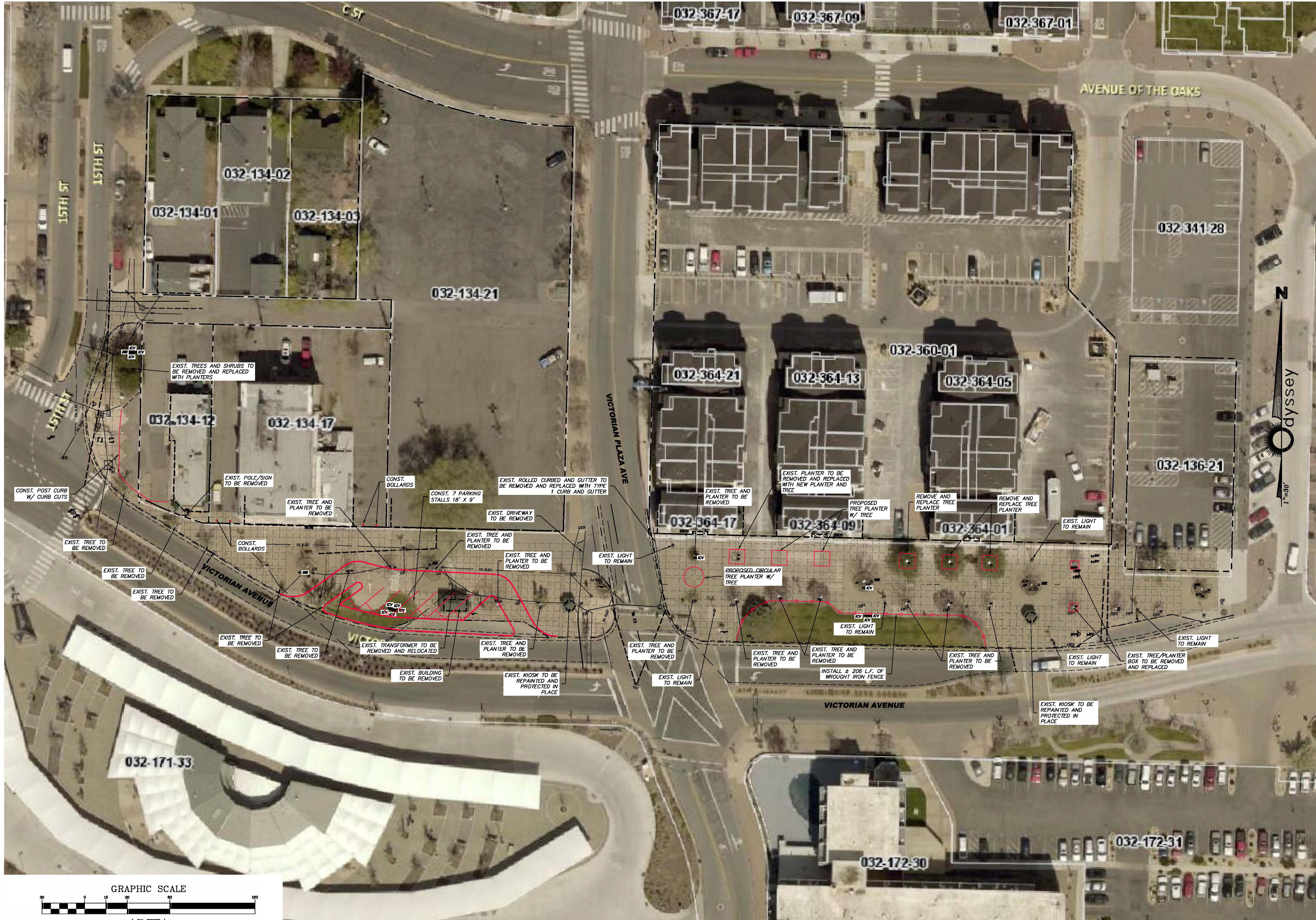


Exhibit 1. Proposed Sections for Victorian Square Infrastructure Improvement Project Map

Victorian Ave Section 4 (map)



DATE:	REV.	DATE	DESCRIPTION	BY	APP'D
OCT - 2020					
DRAWN BY:					
ACAD - 2020					
DESIGNED BY:					
NZY					
CHECKED BY:					
FAB					

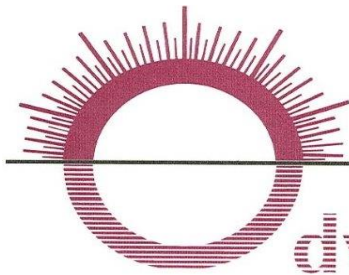
VICTORIAN AVE SECTION 4
 CIVIL DISPLAY
 SPARKS WASHOE COUNTY NEVADA

885 ROBERTA LANE, SUITE 104, SPARKS, NV 89431
 (775) 368-3367 FAX: (775) 368-3368
 ODYSSEY-RENO.COM

Odyssey ENGINEERING INCORPORATED

SCALE	
HORIZ. 1"=30'	
VERT. -	
JOB NO.	
SHEET	
CD-1	
OF	
1	

Civil Engineer's Estimate



895 Roberta Lane, Suite 104, Sparks, NV 89431
(775) 359-3303 Fax (775) 359-3329

dyssey ENGINEERING
INCORPORATED

Civil Engineer's Estimate
Victorian Square Infrastructure Improvement Project - Section 4
10/9/2020
By: TP

Demolition				
Activity	QTY.	Unit	\$/Unit	Total
Sawcutting	1	EA	\$10,000.00	\$10,000.00
Concrete Removal	15,000	SF	\$4.50	\$67,500.00
Curb & Gutter Removal	260	LF	\$8.00	\$2,080.00
Asphalt Removal	1,200	SF	\$5.00	\$6,000.00
Pavers Removal	6,000	SF	\$5.00	\$30,000.00
Tree	24	EA	\$1,000.00	\$24,000.00
Sign	2	EA	\$300.00	\$600.00
Planter	18	EA	\$4,000.00	\$72,000.00
Transformer	1	EA	\$10,000.00	\$10,000.00
Bus Station Removal	1	EA	\$4,000.00	\$4,000.00
Catch Basin	3	EA	\$4,000.00	\$12,000.00
Demolition Total:				\$238,180.00

Construction				
Activity	QTY.	Unit	\$/Unit	Total
Concrete W/ Base	15,000	SF	\$14.00	\$210,000.00
Asphalt W/ Base	6,000	SF	\$8.00	\$48,000.00
Curb & Gutter W/ Base	210	LF	\$50.00	\$10,500.00
Post Curb W/ Base	800	LF	\$45.00	\$36,000.00
Construction Total:				\$304,500.00

Landscaping				
Activity	QTY.	Unit	\$/Unit	Total
Planters	9	EA	\$8,000.00	\$72,000.00
Tree	6	EA	\$1,500.00	\$9,000.00
Bollard	4	EA	\$800.00	\$3,200.00
Wrought Iron Fence	210	LF	\$200.00	\$42,000.00
Painting	1	EA	\$15,000.00	\$15,000.00
Landscape Total:				\$141,200.00

Utilities				
Activity	QTY.	Unit	\$/Unit	Total
Water	1	EA	\$20,000.00	\$20,000.00
Electrical	1	EA	\$25,000.00	\$25,000.00
Type 4-R Catch Basin	3	EA	\$4,500.00	\$13,500.00
Utility Total:				\$58,500.00

Force Account **\$50,000.00**
Civil Grand Total: **\$792,380.00**