

RECEIVED-CITY OF SPARKS

MAY 16 2018

COMMUNITY SERVICES
ADMINISTRATION

SPACEPORT RV STORAGE ANNEXATION

Fiscal Impact Analysis

MAY 2018

Prepared by:

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SPACEPORT RV STORAGE ANNEXATION FISCAL IMPACT ANALYSIS

EXECUTIVE SUMMARY

Ekay Economic Consultants, Inc. (EEC) of Reno, Nevada was retained to conduct a fiscal impact analysis of the proposed RV storage project on the City of Sparks. The project includes 1.8 acres of land, covered RV storage, plus an existing single-family home with a detached garage and an office/apartment building.

The SpacePort RV Storage project is located in unincorporated Washoe County and is proposed to be annexed to the City of Sparks. This fiscal impact analysis estimates the impact of the project on the City of Sparks as if it is annexed and developed, as proposed. Findings of the analysis are summarized below:

General Fund

- The project is estimated to generate \$136,173 in revenue for the City of Sparks General Fund over the 20-year analysis period (2018-2037). This includes real property tax, sales tax, and other revenue sources.
- The project is estimated to generate \$121,192 in City of Sparks General Fund expenditures over the 20-year analysis period. This includes all General Fund expenditure sources (police, fire, judicial, etc.), as well as a 3% contingency amount.
- The project is estimated to have a cumulative positive impact (revenue surplus) on the City of Sparks General Fund of \$14,981 over the 20-year analysis period.

Street/Road Fund

- The project is expected to annex approximately 415 linear feet of one-half of Sullivan Lane to the City of Sparks. However, the City is already providing maintenance to this section of the road. As a result, the analysis assumes no significant additional revenues or costs for the City.

Methodology

SpacePort RV Storage Annexation- Fiscal Impact Analysis

Assumptions used in developing these estimates are presented at the end of each appendix. Those appendices are:

- Appendix 1: Buildout Assumptions
- Appendix 2: City of Sparks Estimated Number of Residents
- Appendix 3: City of Sparks Estimated Real Property Tax Revenue
- Appendix 4: City of Sparks Estimated Sales Tax Revenue
- Appendix 5: City of Sparks Comparison of Estimated Revenue to Estimated Costs
- Appendix 6: City of Sparks Police Department Cost Projections
- Appendix 7: City of Sparks Fire Department Cost Projections

The following important assumptions were made in this analysis:

1. The project currently includes two residential units, a single-family unit with a detached garage and an apartment unit, which will also be used as the office for the RV storage operation. The analysis conservatively assumes 2.0 persons per household, lower than the average City of Sparks population per household of 2.63, due to the smaller than average size of both residential units and their commercial location.

Since both residential units already exists, the analysis assumes all residents estimated in the analysis (Appendix 2) are current residents of the region. As a result, the analysis conservatively does not estimate any additional revenues for the City of Sparks associated with these residents, though some revenues will occur. However, as the City of Sparks currently does not provide services to the project's residential units and will once annexed, costs associated with these units are estimated.

2. EEC's fiscal impact analyses for the City of Sparks include all revenue and expenditure sources for the General and Road Funds. This is because the General Fund is expected to provide the majority of services to the project and receive the majority of its revenue. The Road Fund analysis is typically included, as projects add new streets to the City of Sparks inventory, resulting in new costs for the City.

The project is expected to annex 415 lineal feet of one-half of Sullivan Lane to the City of Sparks. However, according to project developers, the City is already maintaining

Methodology

SpacePort RV Storage Annexation- Fiscal Impact Analysis

estimated using information provided by department representatives for this and/or past projects.

5. It is our understanding that the closest fire station to the Project is Station 1- 1605 Victorian Avenue, is located approximately a 5 minute drive away from the Project (1.8 miles), according to Google Maps. The analysis assumes services to the development will be provided by the existing fire station. Fire costs associated with the project are estimated in Appendix 7 using a combination of calls for service for residential and self-storage uses.
6. Police costs are estimated using a national staffing ratio of 1.5 uniformed officers per 1,000 population, as provided by the Sparks Police Department, plus calls for services generated by similar self-storage facilities. Non-uniformed positions are also estimated, as well as services/supplies and capital outlay costs associated with the project. Police costs are estimated in Appendix 6.
7. Information for the ACM and the indirect cost analyses was obtained from the fiscal year (FY) 2017-18 budget documents for City of Sparks. FY 2016-17 is used as the base year for the analysis, as this is the latest year for which non-budgeted, actual data is available.
8. Additional information for revenue and cost estimate methodology, sources of data, calculations, and findings is provided in the appendices attached to this report.

FINDINGS

The findings of the fiscal impact analysis are presented below with summaries for estimated revenue and costs for each fund.

Table 1 summarizes the estimated impact of the project on the City of Sparks General Fund over the 20-year analysis period. Detailed information on City of Sparks revenues and costs by line item, by year, as well as methodology for estimating these costs and revenues is found in Appendix 5. The table shows the project is estimated to result in a

Findings

SpacePort RV Storage Annexation- Fiscal Impact Analysis

Table 2. Summary of Estimated City of Sparks General Fund Impacts, by Year

| Year | Total Project Revenue | Total Project Costs | Annual Revenue Surplus | Cumulative Revenue Surplus |
|--------------|-----------------------|---------------------|------------------------|----------------------------|
| 2018 | \$ 7,243 | \$ 4,615 | \$ 2,628 | \$ 2,628 |
| 2019 | 5,133 | 4,741 | 392 | 3,021 |
| 2020 | 5,287 | 4,871 | 416 | 3,436 |
| 2021 | 5,446 | 5,005 | 440 | 3,877 |
| 2022 | 5,609 | 5,143 | 466 | 4,343 |
| 2023 | 5,777 | 5,286 | 492 | 4,834 |
| 2024 | 5,951 | 5,432 | 519 | 5,353 |
| 2025 | 6,129 | 5,583 | 547 | 5,900 |
| 2026 | 6,313 | 5,738 | 575 | 6,475 |
| 2027 | 6,503 | 5,898 | 605 | 7,080 |
| 2028 | 6,698 | 6,062 | 635 | 7,715 |
| 2029 | 6,899 | 6,232 | 667 | 8,382 |
| 2030 | 7,106 | 6,406 | 700 | 9,082 |
| 2031 | 7,319 | 6,586 | 733 | 9,815 |
| 2032 | 7,538 | 6,771 | 768 | 10,583 |
| 2033 | 7,764 | 6,961 | 803 | 11,386 |
| 2034 | 7,997 | 7,157 | 840 | 12,226 |
| 2035 | 8,237 | 7,359 | 878 | 13,105 |
| 2036 | 8,484 | 7,567 | 918 | 14,023 |
| 2037 | 8,739 | 7,781 | 958 | 14,981 |
| Total | \$ 136,173 | \$ 121,192 | \$ 14,981 | |

As described above, the project is not expected to generate significant revenues or costs for the City's Road Fund, as revenues for the fund are impacted by new residents and the analysis conservatively estimates no revenues associated with the project's residents and as the City currently provides maintenance services for the portion of Sullivan Lane annexed to the City with this project, generating no significant additional costs for the City.

As a result, the fiscal impact analysis concludes the SpacePort RV Storage project will have a positive fiscal impact on the City of Sparks if annexed and developed as described in this report.

APPENDICES

**APPENDIX 2
CITY OF SPARKS
ESTIMATED NUMBER OF RESIDENTS**

| <u>YEAR</u> | <u>USE TYPE</u> | <u># OF UNITS ADDED</u> | <u>CUMUL. # OF UNITS</u> | <u>CUMUL. NO. OF RESIDENTS</u> | <u>% OF SPARKS POPULATION</u> |
|-----------------|-----------------|-------------------------|--------------------------|--------------------------------|-------------------------------|
| 2018 | Existing Units | 2 | - | 4.0 | 0.004% |
| | RV Storage | - | - | - | 0.000% |
| Subtotal | | 2 | - | 4.0 | 0.004% |
| 2019 | Existing Units | - | 2 | 4.0 | 0.004% |
| | RV Storage | - | - | - | 0.000% |
| Subtotal | | - | 2 | 4.0 | 0.004% |
| TOTAL | | 2 | | | |

APPENDIX 2, ASSUMPTIONS:

1. Number of residential units from Appendix 1.
2. Residents are estimated using a ratio of **2.00** residents per household/unit.
Source: "Comparative Housing Characteristics." 2016 American Community Survey 1-Year Estimates, US Census Bureau. Data for Sparks, NV.
3. City of Sparks FY 2016-17 population is estimated at **93,581** Source: City of Sparks Budget, FY 2017-18.
This is used to estimate the percent of existing population generated by the project.

**APPENDIX 3
CITY OF SPARKS
ESTIMATED REAL PROPERTY TAX REVENUE**

| <u>YEAR</u> | <u>USE TYPE</u> | <u>ADDED TAX. LAND VALUE (\$)</u> | <u>ADDED TAX. IMPROVEMENT VALUE (\$)</u> | <u>CUMULATIVE TOTAL TAX. VALUE (\$)</u> | <u>CUMULATIVE ASSESSED VALUE (\$)</u> | <u>GENERAL FUND REVENUE</u> | <u>AB 104 REVENUE</u> |
|-----------------|-----------------|-----------------------------------|------------------------------------------|-----------------------------------------|---------------------------------------|-----------------------------|-----------------------|
| 2034 | Existing Units | - | - | 206,784 | 72,375 | 695 | 1 |
| | RV Storage | - | - | 2,168,806 | 759,082 | 7,286 | 16 |
| Subtotal | | - | - | 2,375,591 | 831,457 | 7,980 | 17 |
| 2035 | Existing Units | - | - | 212,988 | 74,546 | 715 | 2 |
| | RV Storage | - | - | 2,233,871 | 781,855 | 7,504 | 16 |
| Subtotal | | - | - | 2,446,859 | 856,400 | 8,220 | 18 |
| 2036 | Existing Units | - | - | 219,378 | 76,782 | 737 | 2 |
| | RV Storage | - | - | 2,300,887 | 805,310 | 7,729 | 16 |
| Subtotal | | - | - | 2,520,264 | 882,093 | 8,466 | 18 |
| 2037 | Existing Units | - | - | 225,959 | 79,086 | 759 | 2 |
| | RV Storage | - | - | 2,369,913 | 829,470 | 7,961 | 17 |
| Subtotal | | - | - | 2,595,872 | 908,555 | 8,720 | 19 |
| TOTAL | | \$ 335,430 | \$ 1,144,960 | | | \$ 133,628 | \$ 285 |

APPENDIX 3, ASSUMPTIONS:

1. The project is currently located in unincorporated Washoe County, generating no property tax revenue for the City of Sparks. As a result, all project property tax revenue will be new to the City.
2. Taxable value of land and improvements is estimated in Appendix 1.
3. Land and improvement taxable values are inflated by **3.0%** annually, the maximum allowed increase for owner-occupied properties.
4. Property tax calculation: Taxable Value X 35% = Assessed Value; Assessed Value/100 X Tax Rate = Property Tax Revenue.
5. City of Sparks General Fund operating tax rate is assumed to remain constant at FY 2017-18 rate of \$ **0.9598** per \$100 of value. Source: City of Sparks Budget, FY 2017-18.
6. City of Sparks is expected to receive **7.53%** of property tax revenue generated by the AB 104 property tax rate of \$ **0.0272** Source: Nevada Department of Taxation. "Local Gov't Tax Act Distribution." Three-year average FY 2015-16, FY 2016-17, and partial year 2017-18.

**APPENDIX 5
CITY OF SPARKS
COMPARISON OF ESTIMATED REVENUE TO ESTIMATED COSTS**

| | Base Year FY 16-17 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 1ST 10-YEAR SUBTOTAL |
|------------------------------------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| GENERAL FUND | | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | | |
| <u>Taxes</u> | | | | | | | | | | | | |
| Ad Valorem ¹ | Appendix 3 | \$ 4,973 | \$ 5,122 | \$ 5,276 | \$ 5,434 | \$ 5,597 | \$ 5,765 | \$ 5,938 | \$ 6,116 | \$ 6,300 | \$ 6,489 | \$ 57,011 |
| Subtotal | | \$ 4,973 | \$ 5,122 | \$ 5,276 | \$ 5,434 | \$ 5,597 | \$ 5,765 | \$ 5,938 | \$ 6,116 | \$ 6,300 | \$ 6,489 | \$ 57,011 |
| <u>Licenses and Permits</u> | | | | | | | | | | | | |
| Business Licenses ² | \$ 5,878,303 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Liquor Licenses ² | 252,674 | - | - | - | - | - | - | - | - | - | - | - |
| City Gaming Licenses ² | 554,193 | - | - | - | - | - | - | - | - | - | - | - |
| Franchise Fees ² | 4,416,852 | - | - | - | - | - | - | - | - | - | - | - |
| Nonbusiness Licenses and Permits ⁴ | 53,249 | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | \$ 11,155,271 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <u>Intergovernmental Revenue</u> | | | | | | | | | | | | |
| Consolidated Tax-CERT Revenue ³ | Appendix 4 | \$ 2,114 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,114 |
| Consolidated Tax-Other Revenue ⁴ | \$ - | - | - | - | - | - | - | - | - | - | - | - |
| State Distributive Fund-Sales Tax ³ | Appendix 4 | 146 | - | - | - | - | - | - | - | - | - | 146 |
| State Distributive Fund-Other ⁵ | Appendix 3 | 11 | 11 | 12 | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 122 |
| County Gaming Licenses ² | 389,292 | - | - | - | - | - | - | - | - | - | - | - |
| Other Intergovernmental Revenue ² | 551,354 | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | \$ 2,270 | \$ 11 | \$ 11 | \$ 12 | \$ 12 | \$ 12 | \$ 12 | \$ 13 | \$ 13 | \$ 13 | \$ 14 | \$ 2,381 |
| <u>Charges for Services</u> | | | | | | | | | | | | |
| Building and Zoning Fees ² | \$ 27,305 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other ² | 2,646,746 | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | \$ 2,674,051 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <u>Fines and Forfeits</u> | | | | | | | | | | | | |
| Fines ² | \$ 619,500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <u>Miscellaneous</u> | | | | | | | | | | | | |
| Miscellaneous ² | \$ 153,669 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUE TOTAL | \$ 7,243 | \$ 5,133 | \$ 5,287 | \$ 5,446 | \$ 5,609 | \$ 5,777 | \$ 6,129 | \$ 6,313 | \$ 6,503 | \$ 6,692 | \$ 6,881 | \$ 59,392 |

**APPENDIX 5
CITY OF SPARKS
COMPARISON OF ESTIMATED REVENUE TO ESTIMATED COSTS**

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 1ST 10-YEAR SUBTOTAL |
|---------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| Base Year FY 16-17 | | | | | | | | | | | |
| Community Support | | | | | | | | | | | |
| Management Services ⁷ | \$ 19 | \$ 19 | \$ 20 | \$ 20 | \$ 20 | \$ 21 | \$ 22 | \$ 22 | \$ 23 | \$ 23 | \$ 24 |
| Community Support Total | \$ 19 | \$ 19 | \$ 20 | \$ 20 | \$ 20 | \$ 21 | \$ 22 | \$ 22 | \$ 23 | \$ 23 | \$ 24 |
| EXPENDITURES SUBTOTAL | \$ 4,480 | \$ 4,603 | \$ 4,729 | \$ 4,860 | \$ 4,994 | \$ 5,132 | \$ 5,274 | \$ 5,420 | \$ 5,571 | \$ 5,726 | \$ 50,788 |
| CONTINGENCY | 3% | \$ 134 | \$ 138 | \$ 142 | \$ 146 | \$ 150 | \$ 154 | \$ 158 | \$ 163 | \$ 167 | \$ 1,524 |
| EXPENDITURES TOTAL | \$ 4,615 | \$ 4,741 | \$ 4,871 | \$ 5,005 | \$ 5,143 | \$ 5,286 | \$ 5,432 | \$ 5,583 | \$ 5,738 | \$ 5,898 | \$ 52,312 |
| GENERAL FUND SURPLUS/(DEFICIT) | \$ 2,628 | \$ 392 | \$ 416 | \$ 440 | \$ 466 | \$ 492 | \$ 519 | \$ 547 | \$ 575 | \$ 605 | \$ 7,080 |
| ROAD FUND | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | |
| Licenses and Permits | | | | | | | | | | | |
| Licenses and Permits ² | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subtotal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Revenues | | | | | | | | | | | |
| County Gasoline Tax ³ | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Gasoline Tax ⁴ | 1,793,365 | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 2,458,615 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous | | | | | | | | | | | |
| Interest Earned ⁵ | \$ 5,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Subtotal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUE TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | | | | | | | | | | | |
| Public Works ¹¹ | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES SUBTOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CONTINGENCY | 3% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| ROAD FUND SURPLUS/(DEFICIT) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**APPENDIX 5
CITY OF SPARKS
COMPARISON OF ESTIMATED REVENUE TO ESTIMATED COSTS**

| | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 10-YEAR SUBTOTAL | 20-YEAR TOTAL |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|------------------|
| EXPENDITURES | | | | | | | | | | | | |
| General Government | | | | | | | | | | | | |
| Legislative ⁷ | \$ 40 | \$ 42 | \$ 43 | \$ 44 | \$ 45 | \$ 46 | \$ 48 | \$ 49 | \$ 50 | \$ 52 | \$ 459 | \$ 807 |
| Mayor ⁷ | 10 | 10 | 11 | 11 | 11 | 12 | 12 | 12 | 13 | 13 | 115 | 202 |
| Management Services ⁷ | 549 | 565 | 580 | 597 | 613 | 630 | 648 | 666 | 685 | 705 | 6,239 | 10,980 |
| Legal ⁷ | 149 | 153 | 157 | 162 | 166 | 171 | 176 | 181 | 186 | 191 | 1,692 | 2,977 |
| Financial Services ⁷ | 280 | 288 | 296 | 304 | 313 | 322 | 331 | 340 | 350 | 360 | 3,184 | 5,603 |
| Community Services ⁷ | 95 | 98 | 100 | 103 | 106 | 109 | 112 | 115 | 119 | 122 | 1,080 | 1,901 |
| General Government Total | \$ 1,124 | \$ 1,155 | \$ 1,188 | \$ 1,221 | \$ 1,255 | \$ 1,290 | \$ 1,326 | \$ 1,364 | \$ 1,402 | \$ 1,442 | \$ 12,767 | \$ 22,471 |
| Judicial | | | | | | | | | | | | |
| Judicial ⁸ | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 908 | \$ 1,815 |
| Judicial Total | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 91 | \$ 908 | \$ 1,815 |
| Public Safety | | | | | | | | | | | | |
| Police | \$ 3,199 | \$ 3,293 | \$ 3,390 | \$ 3,491 | \$ 3,593 | \$ 3,699 | \$ 3,809 | \$ 3,921 | \$ 4,037 | \$ 4,156 | \$ 36,588 | \$ 63,946 |
| Police ⁹ | | | | | | | | | | | | |
| Fire | \$ 1,269 | \$ 1,307 | \$ 1,347 | \$ 1,387 | \$ 1,429 | \$ 1,472 | \$ 1,516 | \$ 1,561 | \$ 1,608 | \$ 1,656 | \$ 14,552 | \$ 25,380 |
| Fire ¹⁰ | | | | | | | | | | | | |
| Community Services | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 55 | \$ 546 | \$ 1,092 |
| Community Services ⁸ | | | | | | | | | | | | |
| Public Safety Total | \$ 4,523 | \$ 4,655 | \$ 4,792 | \$ 4,932 | \$ 5,077 | \$ 5,226 | \$ 5,379 | \$ 5,537 | \$ 5,699 | \$ 5,867 | \$ 51,686 | \$ 90,417 |
| Public Works | | | | | | | | | | | | |
| Community Services ¹¹ | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Community Services ¹¹ | | | | | | | | | | | | |
| Public Works Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Culture and Recreation | | | | | | | | | | | | |
| Community Services ⁸ | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 1,232 | \$ 2,465 |
| Community Services ⁸ | | | | | | | | | | | | |
| Culture and Recreation Total | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 123 | \$ 1,232 | \$ 2,465 |
| Community Support | | | | | | | | | | | | |

**APPENDIX 5
CITY OF SPARKS
COMPARISON OF ESTIMATED REVENUE TO ESTIMATED COSTS**

APPENDIX 5, ASSUMPTIONS:

Unless otherwise indicated, the analysis uses Estimated Current Year Ending 6/30/2017 (Fiscal Year 2016-2017) revenue and expenditure data from the City of Sparks Budget, FY 2017-18.

- 1 See Appendix 3 for property tax revenue calculations.
- 2 These revenues are mainly impacted by increases in population. The project is not expected to add a significant number of new residents to the area and is, therefore, not expected to have an impact on these revenue sources. While the project will add residents to the City of Sparks, these residents are existing residents of the region and unlikely to generate significant new revenue for the City. Alternatively, these revenue sources may be impacted by the development, though the impact is difficult to estimate and/or is expected to be minimal.
- 3 See Appendix 4 for sales tax revenue calculations.
- 4 In addition to CCRT revenue, Consolidated tax for the City includes revenue from Real Property Transfer Tax, GST (MVPT), Cigarette and Liquor taxes. These revenue sources are typically impacted by population growth. As a result, the impact of the project on this revenue is difficult to estimate and is expected to be minimal.
- 5 In addition to sales tax revenue, AB 104 revenue for the City includes revenue from property, gaming, and RPTT taxes and interest. Analysis is conservative in not estimating gaming, RPTT, and interest revenue. Property tax revenue is estimated in Appendix 3.
- 6 Charges for services for the City include inter-department and inter-fund transfers, which, though impacted, may be difficult to estimate. Some charges for services revenue, such as false alarms may be generated by the project, but again are difficult to estimate.
- 7 Administrative service (indirect) costs assumed to be impacted by the project are calculated at 25.7% of direct service costs.
- 8 ACM: Expenditures are calculated based on estimated FY 2016-17. Source: City of Sparks Budget, FY 2017-18.
3% annually and applied to estimated annual population of the Project. Per capita costs are calculated by dividing FY 2016-17 City of Sparks budget per capita costs inflated 93,581 Source: City of Sparks Budget FY 2017-18.
- 9 See Appendix 6 for calculations and assumptions.
- 10 See Appendix 7 for calculations and assumptions.
- 11 Expenditures for the Public Works source include Public Works administrative and facility maintenance costs and for the Road Fund, road maintenance costs. The project is expected to annex approximately 415 linear feet of one-half of Sullivan Lane to the City of Sparks. However, the City is already providing maintenance to this section of the road. As a result, the analysis assumes no significant additional costs for the City.

**APPENDIX 6
CITY OF SPARKS
POLICE DEPARTMENT COST PROJECTIONS**

- 5. Benefits costs are calculated at 57.1% of salaries.
 - Services/Supplies costs calculated at 3.5% of salaries and benefits.
 - Capital Outlay costs calculated at 9.3% of salaries and benefits.
- Source: Three-year average FY 2015-16 through FY 2017-18 from City of Sparks Budget FY 2017-18.