



**CITY OF SPARKS, NEVADA OF ITS TOURISM IMPROVEMENT DISTRICT NO. 1
(LEGENDS AT SPARKS MARINA)**


**SENIOR SALES TAX ANTICIPATION REVENUE REFUNDING BONDS
SERIES 2019A
SUBORDINATE SALES TAX ANTICIPATION REVENUE REFUNDING BONDS
SERIES 2019B (TAX-EXEMPT)
SUBORDINATE SALES TAX ANTICIPATION REVENUE REFUNDING BONDS
SERIES 2019C (TAXABLE)**

CERTIFICATE OF CITY MANAGER PURSUANT TO NRS 350.155

IT IS HEREBY CERTIFIED by the undersigned, City Manager, as the chief administrative officer of the City of Sparks, Nevada (the "City"), in connection with the sale and issuance of the City's (i) Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Refunding Bonds, Series 2019A (the "2019A Bonds"), (ii) Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt) (the "2019B Bonds") and (iii) Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable) (the "2019C Bonds" and together with the 2019A Bonds and the 2019B Bonds, the "Bonds"), being issued for the purposes described in the ordinance of the City Council of the City to be considered for adoption on November 25, 2019, authorizing the issuance of the Bonds:

1. As described in the report of Fieldman, Rolapp & Associates, Inc., as financial advisor to the City in connection with the Bonds, attached to this certificate and made a part hereof, the Bonds are being sold at a time when, because of particular conditions in the market, a negotiated sale may provide a substantial benefit to the City that would not be available if the Bonds were sold by competitive bid;
2. As further described in the attached report, the particular conditions in the market which indicate that a negotiated sale of the 2019A Bonds may provide a substantial benefit to the City are the continued market volatility in municipal debt markets, and the transaction's dependence on interest rates. A negotiated offering provides the City the flexibility and ability to pre-market the transaction with the expected benefits of a lower effective interest cost to the City;
3. As further described in the attached report, a negotiated sale of the 2019B Bonds and the 2019C Bonds may provide a substantial benefit to the City for expediency, flexibility and efficiency purposes in connection with the City's overall refunding goals; and
4. The estimated amount of benefit which could accrue to the City is stated in the attached report.

WITNESS my hand as of this November 25, 2019.



Neil Krutz, ICMA-CM
City Manager and Chief Administrative Officer
of the City of Sparks, Nevada

There is no substitute for experience.

November 12, 2019

Mr. Jeff Cronk
Chief Financial Officer
City of Sparks (the "City")
431 Prater Way
Sparks, NV 89432

Dear Mr. Cronk,

As required by the Nevada Revised Statutes, this letter serves as the financial advisor's certification of the potential benefits to be derived from a negotiated method of sale for (i) the City of Sparks, Nevada Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Refunding Bonds, (the "Series 2019A Bonds"), (ii) the City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019B (Tax-Exempt) (the "Series 2019B Bonds"), and (iii) the City of Sparks, Nevada, Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Refunding Bonds, Series 2019C (Taxable) (the "Series 2019C Bonds" and together with the Series 2019A Bonds and the Series 2019B Bonds, the "Series 2019 Bonds").

The Series 2019A Bonds will be issued to: (i) refund (a) all of the outstanding "City of Sparks, Nevada Tourism Improvement District No. 1 (Legends at Sparks Marina) Senior Sales Tax Anticipation Revenue Bonds, Series A" (the "Senior Series A Bonds") and (b) a portion of the outstanding "City of Sparks, Nevada Tourism Improvement District No. 1 (Legends at Sparks Marina) Subordinate Sales Tax Anticipation Revenue Bonds, Series A" (the "Subordinate Series A Bonds"); (ii) fund a deposit to the Reserve Fund established for the Series 2019A Bonds; and (iii) pay certain costs of issuing the Series 2019A Bonds. The Series 2019B Bonds and the Series 2019C Bonds (collectively, the "2019 Subordinate Bonds") will be issued to: (i) refund the remaining outstanding Subordinate Series A Bonds; and (ii) pay certain costs of issuing the 2019 Subordinate Bonds.

Presently, the global refunding plan is to sell the Series 2019A Bonds via a negotiated public offering and sell the 2019 Subordinate Bonds via a negotiated private placement with Sparks Legends Development, Inc., the original developer for Tourism and Improvement District No. 1 (Legends and Sparks Marina) and holder of the Subordinate Series A Bonds (the "Developer").

Negotiated bond sales will allow for better coordination of the execution of each bond sale.

In connection with the Series 2019A Bonds, a negotiated bond sale will enable the City to benefit from more extensive investor outreach and pre-marketing, enabling investors to understand the current development of the Legends at Sparks Marina and anticipated future development. Working with both investors and Moody's, the lead manager can work with the City and the Financial Advisor to ensure that we achieve the lowest yield and structure the transaction to achieve the most effective pricing (including adjusting coupons to respond to different investor

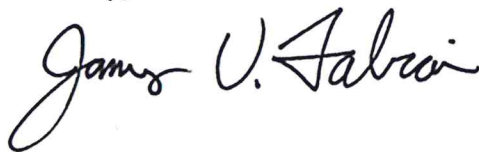
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needs). In addition, since timing and the ability to move quickly to take advantage of historically low interest rates is important, the negotiated method of sale provides the greatest chance of success. A negotiated sale will provide the most flexibility to enter and have outreach to investors, including the potential of a site tour. In today's still volatile financial market, flexibility is critical to a successful transaction. Given the volatility in today's capital markets, the dependency of the economics of the transaction on interest rates, and the need to have extensive outreach to investors, we recommend the Series 2019A Bonds be sold through a negotiated sale. While it is always difficult to determine interest rate differentials as a result of a negotiated or competitive sale, we estimate the benefit of using a negotiated sale to provide pre-marketing outreach to potential investors could be up to 2 basis points in terms of annual interest costs for the Series 2019A Bonds. These potential savings would be derived from lower fixed spreads to the tax-exempt MMD benchmark on the day of pricing. The exact benefit will not be known until the day of pricing and the bond purchase agreement is executed.

For expediency, flexibility and efficiency purposes, it is a substantial benefit to privately place the 2019 Subordinate Bonds via a negotiated sale with the Developer to accomplish the City's overall refunding goals (i.e., in order to refund all of the Subordinate Series A Bonds at the same time that the Senior Series A Bonds are refunded). The negotiated private placement will ensure a buyer of the 2019 Subordinate Bonds versus attempting to sell the 2019 Subordinate Bonds in the public market that may have few participants, if any. Additionally, the negotiated private placement will eliminate the fees related to an underwriter, credit rating agency or preparation of a preliminary prospectus. Because of the credit quality of the potentially illiquid 2019 Subordinate Bonds, it is difficult to quantify the benefit of a private sale in actual dollars; however, each series of the 2019 Subordinate Bonds will be sold to the Developer at a market rate substantially lower than the current interest rate on the Subordinate Series A Bonds.

Thank you for this opportunity to serve the City. Let me know if you have any questions.

Sincerely,



James V. Fabian
Principal