



October 6, 2015

Ian Crittenden
City of Sparks
1675 E Prater Way # 107
Sparks, NV 89434

Re: Wingfield Commons 5-acre/2-unit annexation fiscal impact analysis

Dear Mr. Crittenden,

Thank you for your input on the Wingfield Commons project. This letter is in response to your request that we revise our earlier fiscal impact analysis to provide results pertaining only to the 5 acres of property that are proposed for annexation into the City of Sparks.

As you probably recall, Rubicon Design Group provided a fiscal impact analysis as part of our earlier submittal on the Wingfield Commons project. Our analysis evaluated the impact to the City of Sparks General Fund that could be expected to result from developing the full 65-acres as single family residential. The 5 acres of the Wingfield Commons property that are currently outside the City limit was assumed to be annexed into the City. This full-site analysis provided an overall view of impacts from the Wingfield Commons project. But it did not separately described impacts that can be expected from the 5-acre annexation. The results contained in this letter describe solely the impact from this annexation. Additionally, the City also requested that this annexation analysis reflect the current allowable residential density of 1 unit per parcel. Given the two parcels, the maximum unit count is 2 and that is what has been modeled here.

Below is a summary of the cumulative impacts of annexation, for the years 2015-2025. Construction is assumed to begin in 2016. Attached to this letter is an expanded summary table. The overall impact is strongly positive, both for individual years and over the life of the project.

Summary

| | Cumulative Impact 2015-2025 |
|---------|-----------------------------|
| Revenue | \$116,430 |
| Costs | \$54,117 |
| Net | \$62,313 |

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This result is somewhat to be expected in that the overall analysis was also positive. The 5-acre annexation property is closely linked to the overall project and there are no geographical or design elements that distinguish it from the larger property. In other words, there is an overall similarity between the 5-acres and the full site. This similarity is borne out in the results.

For consistency, the modeling assumptions for the 5-acres are, with one exception, the same as those used for the full project. This includes the buildout schedule, City of Sparks expenditures, tax rates, and any other factors that impact cost and revenue generation. The only exception is the residential density. For the full-project analysis, an increased unit count of 450 was used, reflecting an assumed change to the master plan and zoning. As noted above, this annexation analysis reflects the current zoning allowance of 2 units.

I hope this is sufficient for you to complete your review. I'll be happy to review this information with you any time. Thank you for your continued assistance with this project.

Sincerely,

A handwritten signature in dark ink, appearing to read "Derek Wilson". The signature is fluid and cursive, with the first name "Derek" being more prominent than the last name "Wilson".

Derek Wilson

Wingfield Commons
Fiscal Impact Analysis from 5-acre Annexation
prepared by Rubicon Design Group

5-Acre Annexation

SUMMARY OF COSTS AND REVENUES

| | Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Cumulative 2015-2025 |
|---------|------|------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|-------------------------|
| Revenue | | \$0 | \$3,103 | \$6,131 | \$9,087 | \$11,971 | \$14,786 | \$14,611 | \$14,438 | \$14,268 | \$14,100 | \$13,935 | \$116,430 |
| Cost | | \$0 | \$1,151 | \$2,371 | \$3,663 | \$5,031 | \$6,478 | \$6,672 | \$6,872 | \$7,078 | \$7,291 | \$7,509 | \$54,117 |
| Net | | \$0 | \$1,952 | \$3,760 | \$5,424 | \$6,940 | \$8,308 | \$7,939 | \$7,566 | \$7,189 | \$6,809 | \$6,425 | \$62,313 |

Sources: City of Sparks 2014 Final Budget; United States Census Bureau; Rubicon Design Group