

# Legislative Committee on Public Lands' Subcommittee to Study Changing the State Boundary Line With Utah



January 2005



*Legislative Counsel  
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**LEGISLATIVE COMMITTEE ON PUBLIC LANDS' SUBCOMMITTEE TO STUDY  
THE FEASIBILITY AND DESIRABILITY OF A CHANGE IN THE  
BOUNDARY LINE BETWEEN NEVADA AND UTAH**

**BULLETIN 05-11**

**JANUARY 2005**



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## SUMMARY OF RECOMMENDATIONS

### **LEGISLATIVE COMMITTEE ON PUBLIC LANDS' SUBCOMMITTEE TO STUDY THE FEASIBILITY AND DESIRABILITY OF A CHANGE IN THE BOUNDARY LINE BETWEEN NEVADA AND UTAH**

Senate Concurrent Resolution No. 20  
(File No. 82, *Statutes of Nevada 2003*)

This summary presents the recommendation approved by Nevada's Legislative Committee on Public Lands' Subcommittee to Study the Feasibility and Desirability of a Change in the Boundary Line Between Nevada and Utah at its final meeting on August 13, 2004, in West Wendover, Nevada, as modified by the Legislative Committee on Public Lands at its final meeting in Carson City, Nevada, on August 27, 2004.

#### **RECOMMENDATION FOR COMMITTEE ACTION**

**The Subcommittee recommends the following action, and the Public Land's Committee adopts the recommendation, to wit:**

- (1) Recommend that a letter be sent from the Committee to the Nevada Congressional Delegation, with copies to the city councils of West Wendover Nevada, and Wendover, Utah, urging support for legislation authorizing the proposed annexation of Wendover, Utah, by West Wendover, Nevada, on condition that:
  - (a) The United States Congress provide adequate financial assistance to cover the costs of annexation for the next fifty years, including but not limited to, restoration or removal of the dilapidated portions of the Wendover airport;
  - (b) The Utah Legislature, Tooele County, Utah, and Wendover, Utah, agree to deliver to West Wendover, Nevada, all the physical assets of Wendover, Utah, including but not limited to, the Wendover airport and existing public facilities such as schools, free and clear of any and all debt and other encumbrances, and provide sufficient funding to renovate blighted areas of Wendover, Utah, and cover reasonably necessary costs for the social welfare needs of residents; and
  - (c) Affected local governments present a detailed plan for annexation, mutually acceptable to elected local officials, which is also acceptable to the Nevada and Utah Legislatures and is embodied in an interstate compact that addresses, at a minimum, the following issues:
    - (1) The specific acreage and areas to be annexed;

- (2) Terms and conditions for acquisition of the Wendover Airport;
- (3) Terms and conditions for acquisition of the school facilities of Wendover, Utah, and a plan for retiring existing outstanding debt on the Anna Smith Elementary School;
- (4) Consolidation and integration of police and fire services, including handling of retirement benefits for officers who previously worked in Wendover, Utah;
- (5) Resolution of litigation regarding water systems and a plan for provision of water and sewage services to the unified city, including responsibility for and payment of municipal debt for existing improvements serving Wendover, Utah;
- (6) Treatment of different graduation requirements for Nevada and Utah high school graduates;
- (7) Ability of former Utah residents of Wendover, Utah, to attend Utah post-secondary institutions without incurring nonresident fees;
- (8) Credentialing of former Utah-licensed teachers who continue to teach in Wendover schools after annexation;
- (9) Benefits, if any, for former Utah-licensed teachers who remain in Wendover schools after annexation, including pay scales and retirement credits for time worked under the Utah educational system;
- (10) Proposed handling of professional licensing for existing Utah practitioners and facilities;
- (11) Benefits, if any, for former Wendover, Utah, employees who remain city employees after annexation, including retirement credits for time worked under the Utah system;
- (12) Potential credits for fees paid on motor vehicles previously registered in Utah;
- (13) Disposition of pending matters in the court;
- (14) Integration of building codes and handling of potential nonconformance with applicable Nevada codes through grandfathering or otherwise;

- (15) Whether gaming will be allowed in the areas formerly belonging to the State of Utah, and if so, what type of gaming will be allowed and what conditions or restrictions, if any, will apply;
- (16) Assistance, financial and otherwise, to the Elko County Assessor's Office for calculating the assessed valuation of property formerly part of Utah; and
- (17) Local officials provide quarterly reports to the Legislative Committee on Public Lands respecting progress on the foregoing items.



**REPORT TO THE DIRECTOR OF THE LEGISLATIVE COUNSEL BUREAU BY  
NEVADA'S LEGISLATIVE COMMITTEE ON PUBLIC LANDS' SUBCOMMITTEE  
TO STUDY THE FEASIBILITY AND DESIRABILITY OF A CHANGE IN THE  
BOUNDARY LINE BETWEEN NEVADA AND UTAH**

**I. INTRODUCTION**

The Legislative Committee on Public Lands' Subcommittee to Study the Feasibility and Desirability of a Change in the Boundary Line Between Nevada and Utah (Senate Concurrent Resolution No. 20 [File No. 82, *Statutes of Nevada 2003*]) was created by S.C.R. 20 of the 2003 Session. A copy of that resolution is included as Appendix A. As its name indicates, the Subcommittee was established to study the feasibility and desirability of annexing the city of Wendover, Utah, as part of the city of West Wendover, Nevada.

**A. SUBCOMMITTEE MEMBERS AND STAFF**

The Subcommittee consists of the following members:

Senator Dean A. Rhoads, Chairman

Senator Michael A. Schneider

Assemblyman John C. Carpenter

The following Legislative Counsel Bureau (LCB) staff members provided support for the Subcommittee:

Scott Young, Principal Research Analyst, Research Division

Brenda J. Erdoes, Legislative Counsel, Legal Division

Gayle Nadeau, Senior Research Secretary, Research Division

**B. HEARINGS AND RECOMMENDATIONS**

The Subcommittee held its first meeting on January 9, 2004, in West Wendover. Additionally, numerous communications occurred between Subcommittee staff and officials in both Wendover, Utah; West Wendover, Nevada; Elko County, Nevada; and Tooele County, Utah.

The Subcommittee held its final meeting on August 13, 2004, in West Wendover, Nevada. At its final meeting, the Subcommittee adopted recommendations for consideration by the Legislative Committee on Public Lands. The recommendations cover a variety of issues and are summarized in the "Summary of Recommendations" section of this bulletin, beginning on page iii. These recommendations were presented to, modified slightly, and then adopted by the Legislative Committee on Public Lands at its final meeting in Carson City, Nevada, on August 27, 2004.

This bulletin: (1) provides an account of the Subcommittee's activities during the 2003-2004 Legislative Interim; (2) provides background information on the two communities and previous efforts to combine them; and (3) summarizes the major issues considered and acted upon by the Subcommittee.

Data was collected during the course of the study and much of it is included in exhibits that became part of the Subcommittee minutes. All supporting documents and minutes of meetings are on file with the Research Library of the LCB (775/684-6827). Additionally, minutes are available online at: [www.leg.state.nv.us/72nd/Interim/StatCom/UtahLine](http://www.leg.state.nv.us/72nd/Interim/StatCom/UtahLine).

Finally, the Audit Division of the Legislative Counsel Bureau provided invaluable service to the Subcommittee by reviewing and analyzing extensive financial documents relating to the fiscal impact of a possible annexation of Wendover, Utah, by West Wendover, Nevada. The results of the Audit Division's analysis of these documents are contained in a letter dated June 28, 2004, to Donald O. Williams, Research Director of the Legislative Counsel Bureau. A copy of that letter is attached hereto as Appendix B.

## **II. BACKGROUND INFORMATION ON ANNEXATION OF WENDOVER, UTAH**

### **A. FACTS CONCERNING THE TWO WENDOVERS**

There has been interest in combining Wendover, Utah, and West Wendover, Nevada, for some years. Both communities are isolated from major population centers; Wendover, Utah, is 122 miles from Salt Lake City, approximately a two-hour drive by automobile. West Wendover is 109 miles from the county seat in Elko.

Wendover, Utah, has a population of approximately 1,500 citizens while West Wendover has about 4,800 residents. The two communities have separate school systems, municipal governments, and services such as police and fire protection. Some residents of both communities believe combining the two cities would result in better, less expensive public services and a stronger economic future for a united community.

### **B. PRIOR CONGRESSIONAL EFFORTS AT ANNEXATION**

On June 5, 2001, Utah Congressman James V. Hansen, now retired, introduced a bill in Congress, H.R. 2054. This bill provided for the consent of Congress to a compact between Utah and Nevada regarding a change in boundaries in the Wendover area. The measure was cosponsored by Nevada Congressman Jim Gibbons.

Shortly before the bill was introduced in Congress, the West Wendover City Council voted not to endorse the measure. Concern was expressed about the ability to assume existing debts from Utah for a new elementary school and the airport. The day after H.R. 2054 was

introduced in Congress, the Elko County Commission voted 3-2 in favor of studying annexation.

On September 2, 2001, the city councils of both communities voted to ask Congress to allow citizens of the affected cities to vote on the issue of annexation. As a result, H.R. 2054 was amended to include a requirement for such a vote. Ultimately, the bill passed the House of Representatives and was referred to the Senate Committee on the Judiciary where it expired when no action was taken.

Briefly, the version of H.R. 2054 that passed the House provided that Congress consented to a compact or agreement between Utah and Nevada that met the following requirements:

- The agreement must be consented to by the legislatures of the two states not later than December 31, 2006;
- The agreement must not conflict with any federal law or change any other state boundary;
- The transfer of land to Nevada must not exceed 10,000 acres; and
- The voters of both cities must approve the agreement or compact at the General Election in 2002.

### **C. UTAH LEGISLATION ON ANNEXATION**

During the Utah Legislature's Fifth Special Session in 2002, House Bill 5003 was enacted. This measure authorized a local election, if required or authorized by federal law, to vote on whether or not Utah's legal boundaries should be changed. Pursuant to this bill, the issue was placed on the ballot in Wendover, Utah, during the General Election in November 2002. At the same time, voters in West Wendover, Nevada, considered a similar advisory question regarding annexation. Citizens of both communities passed the advisory question approving annexation. The vote was:

Wendover, Utah — "yes" 110 / "no" 61

West Wendover, Nevada — "yes" 248 / "no" 191 [55.11% to 42.44%]

### **D. PRIOR STUDY OF ANNEXATION**

To help clarify the many complex issues surrounding annexation, the two cities commissioned a study by Applied Development Economics, Inc., of Berkeley, California. A copy of this document is attached as Appendix C. The study was funded by grants from the United States Department of Agriculture, Rural Business Opportunity Grant Program. This is the study mentioned in S.C.R. 20, which created this interim legislative subcommittee. The study examined a wide range of issues, including among others:

- Land use and zoning;
- Public services such as police and fire, recreation, community development, and public works;
- Infrastructure such as sewers and storm drainage, streets and lighting, and waste disposal;
- Municipal debt, infrastructure finance, and taxes;
- Social services such as schools, employment, health, and recreation; and
- Professional licensing of medical providers, teachers, lawyers, and other business professionals.

As far as future efforts to achieve annexation, staff's understanding is that both Utah and Nevada would have to agree to a compact or agreement, which in turn would have to be approved by Congress.

### **III. MAJOR CONCLUSIONS OF S.C.R. 20 STUDY**

Public testimony before the Subcommittee indicated support for annexation but concern over the cost to Elko County if the two communities were in fact combined. According to the review conducted by the Audit Division, annexation could cost Elko County approximately \$27 million between 2004 and 2020 just for assumption of debt and operating losses associated with the Wendover, Utah, airport; debt for Tooele County schools located in Wendover; and the cost of hiring additional teachers for new students currently living in Wendover, Utah.

The Audit review is careful to note that these are not all the potential costs associated with annexation and that the \$27 million is based on certain stated assumptions. If the assumptions change, the amount of estimated costs would also change, potentially decreasing if Tooele County waived some or all of the debt assumption for the airport and schools.

### **IV. CONCLUDING REMARKS**

After adoption of the recommendation noted herein, a letter was sent to the Nevada Congressional Delegation in accordance with the direction of the Public Lands Committee. Copies of the letter were also sent to the city councils of Wendover, Utah, and West Wendover, Nevada. A copy of the letter to Congress is attached hereto as Appendix D.

**V. APPENDICES**

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**APPENDIX A**

Senate Concurrent Resolution No. 20



Senate Concurrent Resolution No. 20–Senator Rhoads  
(by request)

FILE NUMBER.....

SENATE CONCURRENT RESOLUTION—Directing the Legislative Committee on Public Lands to conduct an interim study of the feasibility and desirability of changing the state boundary line along the border with Utah.

WHEREAS, In a local referendum on November 5, 2002, the residents of the cities of West Wendover, Nevada, and Wendover, Utah, voted to approve a merger of the two cities; and

WHEREAS, The annexation of Wendover, Utah, to the State of Nevada will result in a change in the boundary line between the two states; and

WHEREAS, The consulting firm Applied Development Economics of Berkeley, California, recently conducted a limited study for the cities of West Wendover and Wendover, funded in part by the United States Department of Agriculture, that indicated a merger would provide benefits for both cities; and

WHEREAS, A change in the boundary line between Nevada and Utah must be agreed upon by the two states in an interstate agreement or compact enacted by the Legislature of each state; and

WHEREAS, There are several issues that must be examined and evaluated before the step of redrawing a long-standing state boundary can be taken; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Legislative Committee on Public Lands is hereby directed to conduct an interim study of the feasibility and desirability of a change in the boundary line between Nevada and Utah; and be it further

RESOLVED, That the Legislative Commission shall appoint one additional member of the Senate and one additional member of the Assembly to assist in conducting the study; and be it further

RESOLVED, That the study must include a review of the 2002 Wendover Annexation Study conducted by Applied Development Economics of Berkeley, California; and be it further

RESOLVED, That the study must include, without limitation, an examination and evaluation of the potential impact of such a merger upon the economic, educational, fiscal, professional and social health and well-being of the two communities; and be it further

RESOLVED, That the Legislative Committee on Public Lands may appoint and consult with an advisory committee for the purposes of this study; and be it further

RESOLVED, That the members of the advisory committee serve without compensation and per diem allowances, travel expenses or other reimbursement; and be it further

RESOLVED, That the members of the Legislative Committee on Public Lands are directed to meet, communicate and work cooperatively with members of the Utah State Legislature to achieve the goals set forth and, if appropriate, prepare a draft of language to be used in an interstate agreement or compact to change the boundary; and be it further

RESOLVED, That on or before September 1, 2004, the Legislative Committee on Public Lands shall prepare and submit a report of its findings and any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission.

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**APPENDIX B**

Letter dated June 28, 2004, to Donald O. Williams, Research Director, LCB



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June 28, 2004

Donald O. Williams, *Research Director*  
Legislative Counsel Bureau, *Research Division*

Dear Mr. Williams:

As requested, we have performed certain procedures to assist the Research Division regarding the study of the feasibility and desirability of a change in boundary line between Nevada and Utah. Our procedures related to reviewing and updating debt amounts and operating costs to be paid by Nevada if Wendover, Utah is annexed into Nevada. We focused our efforts on four areas: 1) Wendover Airport debt, 2) Wendover Airport operating costs/losses, 3) Tooele County School District debt, and 4) the fiscal impact to Elko County School District.

For the areas we analyzed, the costs of annexation will impact many years. Exhibit 1 shows the estimated fiscal impact to Nevada from 2004 through 2020.

**Exhibit 1**

**Estimated Fiscal Impact to Nevada if Annexation Occurs**

Calendar Year	Wendover Airport Debt (Exhibit 3)	Airport Operating Loss (Exhibit 5)	Tooele County School District Debt (Exhibit 6)	Elko County School District (Exhibit 7)	Total Cost
2004	\$ 1,073,760	\$ 2,185,047	\$ 51,019	\$ 1,067,828	\$ 4,377,654
2005	53,760	186,355	218,282	1,067,828	1,526,225
2006	53,760	186,355	218,094	1,067,828	1,526,037
2007	53,760	186,355	219,107	1,067,828	1,527,050
2008	53,760	186,355	175,314	1,067,828	1,483,257
2009	53,760	186,355	145,596	1,067,828	1,453,539
2010	53,760	186,355	145,301	1,067,828	1,453,244
2011	53,760	186,355	117,053	1,067,828	1,424,996
2012	53,760	186,355	137,051	1,067,828	1,444,994
2013	53,760	186,355	140,201	1,067,828	1,448,144
2014	53,760	186,355	134,341	1,067,828	1,442,284
2015	53,760	186,355	110,911	1,067,828	1,418,854
2016	53,760	186,355	110,666	1,067,828	1,418,609
2017	34,587	186,355	83,040	1,067,828	1,371,810
2018	27,960	186,355	-	1,067,828	1,282,143
2019	27,960	186,355	-	1,067,828	1,282,143
2020	27,960	186,355	-	1,067,828	1,282,143
<b>Total</b>	<b>\$ 1,837,347</b>	<b>\$ 5,166,727</b>	<b>\$ 2,005,976</b>	<b>\$ 18,153,076</b>	<b>\$ 27,163,126</b>

In performing our work, we reviewed the September 2002 annexation study, county financial statements, and certain financial records from Tooele County. We also requested the two school districts and Tooele County to provide information regarding costs and debt. Our work did not constitute an audit. Rather, we analyzed selected areas for the purposes of estimating future costs to Nevada if annexation occurs. For some areas, such as airport operations and school district costs, our estimates are based on an analysis of historical data. Therefore, future costs could vary significantly depending on changes in the local economic environment.

**Wendover Airport Debt**

On May 26, 1998, Wendover City, Utah, entered into an inter-local agreement transferring their ownership of the Wendover Airport to Tooele County. Under the currently proposed annexation, the Airport would be transferred back to the City and eventually annexed into West Wendover, Nevada. However, certain conditions related to debt must be satisfied in order to convey the airport property back to the City. Article XIV of the inter-local agreement states, in part:

- A. The primary indebtedness in the approximate amount of \$1,200,000 shall have been paid in full;
- D. If there is any other indebtedness associated with improvements at the airport, that the City either: (i) pay those obligations in full at the time of the transfer; or (b) assume full legal responsibility for payment of any such obligations;

According to the inter-local agreement, a transfer back to the City can occur no sooner than June 1, 2008. Therefore, Tooele County must be willing to amend the inter-local agreement to effectuate an earlier transfer.

Wendover Airport debt consists of three bonds issued to finance construction projects. Exhibit 2 shows the balances owed on Airport Revenue Bonds as of January 2004.

**Exhibit 2**

**Airport Revenue Bonds**

<b>Revenue Bond</b>	<b>Bond Amount</b>	<b>Principal Paid</b>	<b>Balance January 2004</b>
Series 1998A	\$ 1,200,000	\$ 180,000	\$ 1,020,000
Series 1998B	500,000	26,764	473,236
Series 1998C	311,750	58,320	253,430
<b>Total</b>	<b>\$ 2,011,750</b>	<b>\$ 265,084</b>	<b>\$ 1,746,666</b>

Source: Auditor analysis of bond documents, payment schedules, and review of Tooele County's audited financial statements for calendar year 2002.

Note: Series 1998C bond maximum is \$331,800.

Tooele County has paid an estimated \$265,084 in principal on the bonds as of January 2004. This amount is included in the calculations of the airport operating losses from 1998 to 2003 (Exhibit 4). Therefore, the County will recover the full amount of principal paid if the airport is conveyed back to the City.

According to the inter-local agreement, the Series 1998A bond must be paid in full at the time of the transfer. However, the Series 1998B and 1998C bonds can either be paid in full or assumed by the City at the time of transfer. Exhibit 3 shows the estimated amounts due each year if the City assumes responsibility for the 1998B and 1998C bonds.

**Exhibit 3**

**Wendover Airport Debt  
 Estimated Amounts Due if Airport is Transferred to the City**

Calendar Year	Series 1998A	Series 1998B		Series 1998C		Total
	Principal	Principal	Interest	Principal	Interest	
2004	\$ 1,020,000	\$ 5,602	\$ 22,358	\$ 14,066	\$ 11,734	\$ 1,073,760
2005	-	5,874	22,086	14,749	11,051	53,760
2006	-	6,159	21,801	15,465	10,335	53,760
2007	-	6,458	21,502	16,215	9,585	53,760
2008	-	6,772	21,188	17,003	8,797	53,760
2009	-	7,101	20,859	17,828	7,972	53,760
2010	-	7,445	20,515	18,693	7,107	53,760
2011	-	7,807	20,153	19,601	6,199	53,760
2012	-	8,186	19,774	20,553	5,247	53,760
2013	-	8,583	19,377	21,550	4,250	53,760
2014	-	9,000	18,960	22,597	3,203	53,760
2015	-	9,437	18,523	23,694	2,106	53,760
2016	-	9,895	18,065	24,844	956	53,760
2017	-	10,378	17,582	6,572	55	34,587
2018	-	10,879	17,081	-	-	27,960
2019	-	11,407	16,553	-	-	27,960
2020	-	11,961	15,999	-	-	27,960
Subtotal	\$ 1,020,000	\$ 142,944	\$ 332,376	\$ 253,430	\$ 88,597	\$ 1,837,347
2021 to 2038	-	330,292	155,417	-	-	485,709
Total	\$ 1,020,000	\$ 473,236	\$ 487,793	\$ 253,430	\$ 88,597	\$ 2,323,056

**Airport Operating Costs/Losses**

Under the inter-local agreement between Tooele County and Wendover City, certain financial conditions must be satisfied in order to convey the airport property back to the City. One such condition is the repayment of the cost of improvements and operating costs/losses. Article XIV states, in part:

- C. The City pays to the County the cost of all improvements and operating costs paid from non-airport County funds which have not, at the time of transfer, been reimbursed to the County fund(s) from which said costs of improvements and operating costs have been advanced;

According to the inter-local agreement, the operating costs/losses should be calculated on a cost paid basis rather than generally accepted accounting principles. Therefore, non-cash expenses such as depreciation would be excluded from the calculations, and principal payments on debt would be included as an operating cost.

As shown in Exhibit 4, the County has accumulated an operating loss of \$1,998,692 from 1998 through 2003.

**Exhibit 4**

**Estimate of Airport Operating Losses  
 1998 to 2003**

<u>Calendar Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Loss</u>
1998	\$ 148,978	\$ 463,074	\$ 314,096
1999	154,592	729,675	575,083
2000	214,645	470,898	256,253
2001	329,221	584,717	255,496
2002	207,375	490,348	282,973
2003	419,999	734,790	314,791
<b>Total</b>	<b>\$ 1,474,810</b>	<b>\$ 3,473,502</b>	<b>\$ 1,998,692</b>

Source: Tooele County Auditor's Office.

**Estimate of Future Airport Operating Losses**

To estimate future operating losses, we calculated the average loss, on a cash basis, over the past 6 years. Principal and interest payments, totaling \$880,564, were excluded from our calculations because future payments on airport debt are separately reported in Exhibit 3. Assuming that no significant changes occur in airport operations, we estimate future operating losses for 2004 through 2020 of \$186,355 per year.

Exhibit 5 shows the estimated fiscal impact to Nevada from airport operations including the repayment of the accumulated operating loss.

**Exhibit 5**

**Airport Operations  
 Estimate of Fiscal Impact to Nevada**

<b>Calendar Year</b>	<b>Accumulated Loss (1998 to 2003)</b>	<b>Estimated Loss <sup>(1)</sup></b>	<b>Total</b>
2004	\$ 1,998,692	\$ 186,355	\$ 2,185,047
2005	-	186,355	186,355
2006	-	186,355	186,355
2007	-	186,355	186,355
2008	-	186,355	186,355
2009	-	186,355	186,355
2010	-	186,355	186,355
2011	-	186,355	186,355
2012	-	186,355	186,355
2013	-	186,355	186,355
2014	-	186,355	186,355
2015	-	186,355	186,355
2016	-	186,355	186,355
2017	-	186,355	186,355
2018	-	186,355	186,355
2019	-	186,355	186,355
2020	-	186,355	186,355
<b>Total</b>	<b>\$ 1,998,692</b>	<b>\$ 3,168,035</b>	<b>\$ 5,166,727</b>

<sup>(1)</sup> Estimated losses are on a cost paid basis and exclude payments related to airport debt.

**Tooele County School District Debt**

In September 2002, consultants reported in their annexation study there was approximately \$4.5 million in outstanding debt on the Anna Smith Elementary School. However, after the study was prepared, this debt was refunded and has lost its specific identity as it relates to Anna Smith Elementary School. Although this debt has been refunded, Nevada would still be expected to pay a prorata share of the District's total outstanding bonded indebtedness according to School District officials.

School District officials indicated that when one district annexes a portion of another district, Utah's practice is the annexing district assumes the prorata share of the previous district's bond debt that existed on the date of the annexation. The annexing district must then make semi-annual payments until the debt is paid in full. Accordingly, Nevada would be expected to pay a prorata contribution each year of the outstanding bonded indebtedness since the issuance of the bonded debt was pledged by future tax collections from existing property valuations. School District officials reported the outstanding bonded indebtedness will total \$52,655,000 as of July 1, 2004, and Wendover's portion of Tooele County's tax base is

approximately 2.93%. Therefore, Nevada's prorata share of the debt would be \$1,542,792 to be paid over the life of the bonds (plus interest).

Because the School District's outstanding bond indebtedness includes several bonds with different interest rates and maturities, we requested the District provide a schedule showing the principal and interest payments required each year over the life of all bonds. In response, the District provided a schedule of semi-annual payments beginning on December 1, 2004. The following schedule shows the total principal and interest amounts for each calendar year.

**Exhibit 6**

**Nevada's Share of Tooele County's School District Debt**

<b>Calendar Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2004	\$ 15,822	\$ 35,197	\$ 51,019
2005	151,627	66,655	218,282
2006	158,366	59,728	218,094
2007	166,278	52,829	219,107
2008	128,481	46,833	175,314
2009	103,576	42,020	145,596
2010	107,677	37,624	145,301
2011	83,944	33,109	117,053
2012	108,410	28,641	137,051
2013	117,200	23,001	140,201
2014	117,200	17,141	134,341
2015	99,181	11,730	110,911
2016	104,015	6,651	110,666
2017	81,015	2,025	83,040
<b>Total</b>	<b>\$ 1,542,792</b>	<b>\$ 463,184</b>	<b>\$ 2,005,976</b>

Source: Tooele County School District.

Note: 2004 and 2017 include only one payment during the year.

In lieu of payments through 2017, School District officials indicated they may accept a lump-sum payment of approximately \$1.63 million.

**Annual Fiscal Impact of Annexation for Elko County School District**

In September 2002, consultants estimated that Elko County School District would incur a net deficit of more than \$1 million per year in the event of annexation. This estimate included an analysis of both revenues and expenditures. Our work in this area related to contacting each school district and updating the cost estimate for educating the Utah resident students.

**Revenues**

Consultants estimated that revenues for the Elko County School District would increase by \$1,198,626 in the event of annexation. The consultant's estimate included an analysis of property taxes, sales taxes, and State and Federal funds.

Expenditures

We contacted the Elko County School District and Tooele County School District to update the cost information for educating Utah resident students. Based on information provided by the two school districts, it will cost Elko County School District an additional \$2,266,454 each year in the event of annexation. A significant cost factor is the hiring of teachers. Using student-to-teacher ratios in Elko County, consultants estimated Nevada would need to hire 18 new teachers if annexation were to occur.

Annual Deficit

As shown in Exhibit 7, the Elko County School District can expect an operating deficit of more than \$1 million each year if annexation occurs.

**Exhibit 7**

**Estimated Annual Fiscal Impact of Annexation for Elko County School District**

			<u>Total</u>
<b>Revenues</b>			
Consultant's Estimate of Annual Revenues <sup>(1)</sup>			\$ 1,198,626
<b>Expenditures</b>			
	<u>Number of Utah Students <sup>(2)</sup></u>	<u>Estimated Cost Per Student <sup>(3)</sup></u>	<u>Estimated Additional Cost</u>
Anna Smith Elementary (K - 6th grade)	229	\$ 5,209.03	\$ 1,192,868
Wendover High School (7th - 12th grade)	169	\$ 6,352.58	\$ 1,073,586
			<u>\$ 2,266,454</u>
<b>Net Deficit Per Year</b>			<u><u>\$(1,067,828)</u></u>

Source: (1) September 2002 Annexation Study, Applied Development Economics, Inc., page 131.

(2) Tooele County School District, March 2004.

(3) Elko County School District, Fiscal Year 2003.

Please contact me if we can be of further assistance.

Sincerely,



Paul V. Townsend, CPA  
 Legislative Auditor

PVT:dc

cc: Scott Young, Principal Policy & Special Projects Analyst  
 Legislative Counsel Bureau, Research Division



## **APPENDIX C**

A Study by Applied Development Economics, Inc., Berkley, California, titled  
“Wendover, Utah / West Wendover, Nevada Annexation Study”



**WENDOVER, UTAH /  
WEST WENDOVER, NEVADA  
ANNEXATION STUDY**

September 2002

Prepared for the cities of  
**West Wendover, Nevada and Wendover, Utah**

Prepared by

**Applied Development Economics, Inc.**  
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# EXECUTIVE SUMMARY

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## INTRODUCTION

This report has been prepared at the request of the cities of Wendover, Utah and West Wendover, Nevada. The purpose of the report is to present analysis and findings related to a variety of subject areas pertaining to the proposed annexation of Wendover, Utah into West Wendover, Nevada. The report was first presented in draft form in July 2002. This draft report was subject to review by the public, affected governmental agencies and independent expert review. Based on comments received from all of these groups, the report was revised and a summary report issued in September 2002 for dissemination to the voters in both cities. The report was funded by grants to both cities from the U.S. Department of Agriculture (Rural Business Opportunity Grant program).

A separate report on Wendover Airport had been prepared by the Annexation Coordinator, Chris Melville. A summary of the Wendover Airport report is included in this report. In addition, the complete Wendover Airport report is included as Appendix B.

## LAND USE

### Border Change

Figure 1 in the first section of the report outlines the proposed new Nevada/Utah state line. This figure includes three options. In Option 1, West Wendover, Nevada annexes Wendover, Utah, and thus grows by 5,915 acres. Option 2 would add approximately 9,935 acres of land to Nevada. Under Option 2, the northeastern corner of the boundary turns south about two miles east of the current state line until it crosses I-80, at which point it turns east for about another 1.75 miles before turning south again. Along this east-west stretch, the proposed boundary would follow the I-80 right of way south of the highway. The purpose of this alignment is to include industries such as Reilly that are economically tied to the urbanized area of Wendover and West Wendover, while at the same time, maintaining the location of the Utah Port of Entry at about three miles east of the current state line. One issue with Option 2 is that it splits Reilly Industries' property holdings into two states. To avoid this, a third option would be a much larger annexation that would move all of Reilly Industries' property into Nevada.

### Zoning Designations

The report discusses the current zoning in Wendover, Utah and the comparable zoning classifications under the West Wendover Comprehensive Plan and Zoning

Ordinance. It is anticipated that with annexation, the comparable zones would be applied in Wendover and that no major land use changes would be designated in Wendover.

## **PUBLIC SERVICES**

The following increases in staff and facilities are projected to be needed by West Wendover to extend services to a newly annexed Wendover. The budgetary implications of these service expansions are discussed in the economics section below, along with the tax and revenue analysis.

- It is estimated that the West Wendover Police Department would need an additional four sworn officers and patrol cars to extend serve to Wendover. Two additional staff would be needed for dispatch and animal control. The police department would not need to expand its station or use the Wendover police facility.
- The Fire Department would need to add 15 volunteer fire fighters and would assume operation of the two fire stations in Wendover.
- The West Wendover Recreation District currently serves the population in Wendover, Utah and is not likely to experience a significant increase in patronage. Annexation would increase revenues to the District that are needed to improve existing services.
- The West Wendover Community Development Department anticipates the need for one additional professional-level employee to assist with building inspection and permit processing. This employee would work out of the Public Works Department.
- In addition, the Public Works department sees the need for one additional worker in both the water and sewer services.
- Finally, the Administrative Office in West Wendover would need one additional support staff position to handle customer service requests.

## **INFRASTRUCTURE**

- **Water:** Both cities currently receive water through the Administrative Authority, which operates wells in Shafter Valley and a pipeline to the communities. In addition, Wendover has its own wells and treatment plant, which are in the process of being expanded. Consolidation of the two water systems under a single local and state jurisdiction would remove the legal purpose of the Administrative Authority. Based on the operating characteristics and optimal financial reserves for the combined water system, it appears that annexation would provide the opportunity to consider a water rate reduction for all

customers in the expanded City of West Wendover. In addition, the recent improvement to the Wendover water systems will provide adequate capacity to serve growth for many years to come.

- **Sewer:** West Wendover would assume operation of the sewer system in Wendover, which includes a well-functioning collection system and two evaporation ponds. Wendover currently delivers a portion of its wastewater to the reclamation facility in West Wendover via an existing pipeline.
- **Storm Drainage:** Wendover has relatively new storm drains in three major arterials: Wildcat Avenue Wendover Way and Wendover Blvd. The storm drain system includes a retention basin but no pumping facilities. Due to the sloping terrain in the City, Wendover does not experience major flooding.
- **Streets and Street Lights:** Of Wendover's 15 miles of roads, not including I-80, almost one-third are below standard. These roads are clustered in the residential areas, especially in the neighborhood south of Wendover Blvd. The street lights are maintained by Wells Rural Electric Cooperative, which reports that the existing lights are in good condition. Wendover does not have any underground electric utilities. The Utah Department of Transportation currently maintains both I-80 and Wendover Blvd., while Tooele County maintains the frontage road east of Wendover. Based on current service arrangements in Nevada, West Wendover would assume maintenance of Wendover Blvd. and the Nevada Department of Transportation would assume maintenance of the additional two miles of I-80. The frontage road would be the responsibility of West Wendover, assuming the city boundary extends all the way east to the state border.
- **Solid Waste:** The City of West Wendover's garbage franchise (Ace Disposal) would provide service to all of the current Wendover, Utah customers, under the rate structure that is currently in place in West Wendover. West Wendover constructed new landfill and composting facilities in 1998 and has sufficient capacity to accept the additional solid waste.

## ECONOMICS

### General Fund Impacts to West Wendover

Annexing Wendover, Utah would create an estimated \$401,616 in general fund revenues for West Wendover and an estimated \$392,385 in added costs. The annexation would have a marginally beneficial impact on the general fund. Some of the revenues that currently accrue to the Wendover, Utah general fund, such as the Transient Occupancy Taxes and some of the sales taxes, would benefit jurisdictions such as the Wendover Recreation District and Elko County rather than the West Wendover general fund, thus reducing revenue benefit.

### **Special Fund Impact**

In addition to the general fund, West Wendover operates a number of special funds, including those that address utility services, recreation, and other grant programs. As mentioned above, annexation would have a positive impact on the recreation fund by increasing revenues with no increase in service costs, as the Recreation District already serves Wendover residents. It is also likely that annexation will have a positive benefit on the water fund, through consolidation of three entities currently providing water service to the communities. The impact on the other special funds is anticipated to be neutral.

### **Municipal Debt**

Wendover has three outstanding bond issues that are paying for improvements to the water systems. These bonds total about \$4.1 million and are secured by enterprise revenues from the water system. As such, they would not become a general obligation of West Wendover under annexation. Bond counsel has not yet rendered an opinion as to whether annexation would in any way violate the bond covenants.

### **Infrastructure Finance**

The primary infrastructure deficiency in Wendover, in addition to those at the Airport, is the local streets in the residential neighborhoods. The report discusses the possibility of establishing a redevelopment agency in these areas, which could generate revenues to address these costs without raising taxes for the existing residents and businesses in West Wendover. In addition, the demographic profile of Wendover, in terms of its minority and low income population, will increase the ability of West Wendover to access federal funds such as the Community Development Block Grant program, to help with such costs.

### **Taxes**

Taxes in the State of Nevada are among the lowest in the nation for both residents and businesses. According to the Tax Foundation,<sup>1</sup> Utah's combined state and local tax burden ranks as the 15th highest among the 50 states, while Nevada ranks 36th overall. Although many of Nevada's existing taxes - including sales tax and property tax - are currently assessed at higher rates than the corresponding taxes in Utah, the overall tax burden imposed on Wendover residents and businesses is greater than it would be under the West Wendover taxation system. For example, while a typical homeowner whose primary residence is in Wendover would pay more in annual property taxes due to annexation, that same individual would not be subject to state

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<sup>1</sup> <http://www.taxfoundation.org>

income tax as a result of annexation into Nevada. For the majority of Wendover residents and businesses, therefore, annexation would result in a net tax benefit.

### **Financial Services**

Nevada-based banks that currently have local operations would not be impacted by the annexation. Key Bank in Utah is a federally-chartered institution, and under the terms of the Reigel-Neil Interstate Banking and Branch Efficiency Act of 1994, it would be able to continue operations in Nevada.

### **Professional Licensing**

Medical and Dental licensing is significantly different in Nevada than in Utah. Wendover professionals and entities such as the Women's Clinic may experience difficulty in obtaining required licenses in Nevada. For other businesses, annexation will remove the need for duplicate licenses in both Utah and Nevada.

### **Franchises**

Electric, gas, cable TV and Internet services are provided by firms with the capability of serving both communities. Annexation will not affect their operations other than to remove the necessity of duplicate licensing in both cities and states. Two separate phone companies serve the existing communities. The Utah firm, Skyline Telecom, would be required to file with the Nevada Public Utilities Commission. This would be fairly routine and would not in itself change the service areas of either firm. That could only be changed by the Federal Communications Commission (FCC). Over the long term, the FCC may permit competition among multiple telecommunications firms currently serving the area, but this is unknown at this time.

## **SOCIAL SERVICES**

The report discusses a wide range of services provided by both states for employment, health, children and recreation. Many of these programs are federally funded, and while their administration is affected by state policy, the benefits of the programs are very similar in both states. The primary issue in this subject area is access to medical care. The Women's Health Clinic in Wendover is not licensed to operate in Nevada and may lose its ability to serve the community with annexation. Similarly, residents currently receiving hospital and emergency services at facilities in Salt Lake City would need to establish new relationships with medical facilities and providers in Elko.

## **EDUCATION**

### **K-12**

Elko County and Tooele County school officials are currently discussing the possibility of a school merger, with or without annexation. There could possibly be a

number of advantages given the location and capacities of the schools in the two communities. However, a number of issues need to be resolved, including the following:

- **Teacher Credentials.** In the event of annexation, using student-to-teacher ratios employed by Elko County, there will be a need for eight additional Nevada-credentialed teachers to teach Wendover High School students, and a need for 10 additional Nevada-credentialed teachers to teach Anna Smith Elementary school students. Whether and how Nevada and the Elko County School District can recognize and allow teachers credentialed in Utah to teach in Nevada in the event of annexation is an issue that is yet to be determined.
- **Teacher Benefits.** Another teacher-related concern: if Elko County assumes responsibility over Wendover Schools and hires Utah teachers, what kind of retirement and health benefits will it provide? Also, will lateral transfer teachers receive the same pay in Nevada that they earned while in Utah?
- **Infrastructure.** There are some concerns that the infrastructure at Wendover High School is not in as good as shape as thought, especially with regards to the single-ply membrane roof, HVAC system, and the municipal sewage system to which the school is connected. At the same time, Elko County has declared that it will not pay for capital improvements, should the two entities merge. The two entities must discuss this further.
- **Outstanding Debt.** In addition, they will need to discuss what to do with the approximately \$4.5 million remaining in outstanding debt on the Anna Smith Elementary School, which was constructed in 1998.
- **Graduation Requirements.** Nevada has different graduation standards than Utah. Will Utah students graduate on time, in the event of annexation or merger?
- **Middle School.** In the event that Elko County and Tooele County school districts merge the Wendover schools, what will become of the \$17 million middle school slated for construction in West Wendover in the year 2011?

### Higher Education

Existing Wendover residents who wish to attend Utah universities will no longer have residency status in Utah. Persons wishing to enter the University of Utah as a state resident must have resided in the state for one year. This would affect their cost of higher education substantially. However, Utah universities have considerable discretion in granting waivers of such requirements through reciprocal agreements with other states. The University of Nevada and the University of Utah currently participate in a reciprocal program in which Nevadans receive a 50 percent discount on out-of-state tuition. Other programs exist to reduce the cost of graduate and professional programs for Nevadans at the University of Utah.

# BORDER LOCATION AND LAND USE

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## BORDER LOCATION

In the legislation pertaining to the proposed annexation passed by the United States House of Representatives but not the Senate, a maximum of 10,000 acres may be annexed from Utah to Nevada. Figure 1 provides several options for a proposed new state boundary that meets and, in the case of Option 3, exceeds this criterion. One approach would be simply to follow the existing City boundary of Wendover (Option 1)(Figure 1). In this option, West Wendover, Nevada will grow by 5,915 acres.

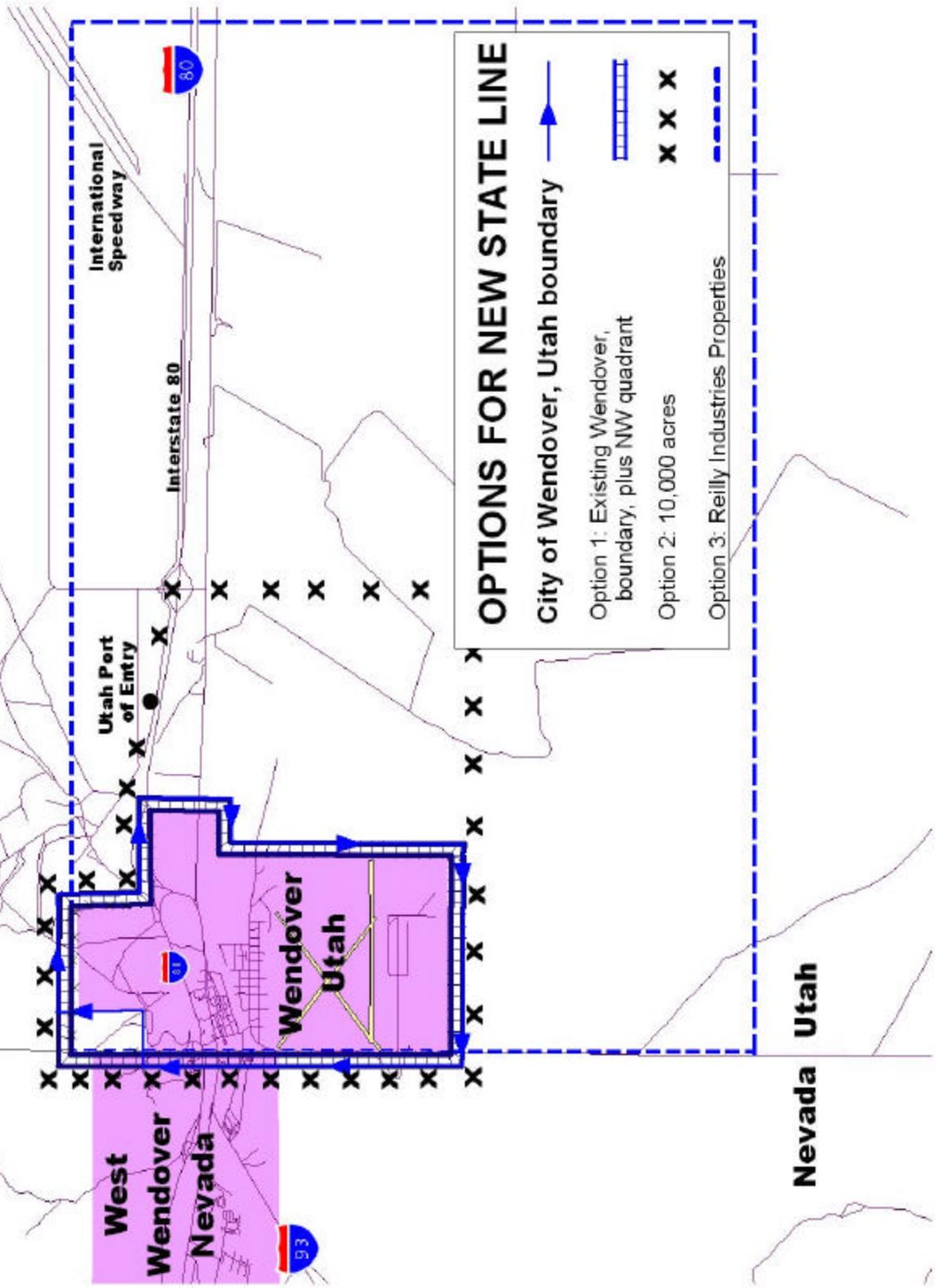
Option 2 includes the existing City of Wendover boundary and extends east to include the Wendover airfield and Reilly Industries plant, among other businesses east of Wendover. The existing City limits include 5,915 acres and the additional area within the proposed boundary includes 4,020 acres, for a total of 9,935 acres.

Under Option 2, the northeastern corner of the boundary turns south about two miles east of the current state line until it crosses I-80, at which point it turns east for about another 1.75 miles before turning south again. Along this east-west stretch, the proposed boundary would follow the I-80 right of way south of the highway. The purpose of this alignment is to include industries such as Reilly that are economically tied to the urbanized area of Wendover and West Wendover, while at the same time, maintaining the location of the Utah Port of Entry at about three miles east of the current state line.

One issue with Option 2, however, is that it splits Reilly Industries' property holdings into two states. To avoid this issue, a third option would be a much larger annexation that would move all of Reilly Industries' property into Nevada. This would require moving the state line some 13 miles east of its present location and probably would require moving the Utah Port of Entry (Option 3).

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**FIGURE 1. OPTIONS FOR NEW STATE LINE**



## LAND USE

Some of the many challenges emerging from the proposed annexation of Wendover concerns its land use pattern and the existing designations. With its larger population and gaming economy, West Wendover's existing land use designations and its policies as expressed through the land use plan reflect a more complex system of interactions between different uses than in Wendover. The issue at hand is how to merge two different regulatory systems and the future growth expectations that these policies reflect. In other words, can Wendover's existing land uses patterns be readily merged into West Wendover's land use plans and to what degree are the existing designations at odds with these plans? Potential conflicts are built into this endeavor. Fortunately, in most cases the existing designations in Wendover are general enough such that they do not pose significant conflicts with potential designations that would come from West Wendover's zoning code.

## WEST WENDOVER

The West Wendover Zoning Code is generally separated into residential, commercial, industrial, and planned development and other special use districts. The designations do not follow a pyramidal structure where tightly regulated uses such as housing are automatically allowed in more intense and less restrictive zoning districts such as commercially designated areas.

According to the West Wendover Land Use Plan, nearly half of the land under West Wendover's current jurisdiction is designated for residential uses. About one-fourth of the land is designated for either industrial or commercial uses, with about four percent designated for hotel-casino development. The plan covers approximately 20,731 acres, with about 4,231 acres within the existing city limits.

## WENDOVER

Wendover's zoning code has a similar separation between residential, industrial, and commercial uses, except that it does not account for several uses and densities represented in West Wendover's land use designations. Some potential designations that are not currently accounted for in the zoning code, such as potential "R-2" and "C-1" districts, are listed in the zoning code as "reserved for future use." In addition, the land within the existing city limits encompasses only three zoning districts (R-3, C-2, and M-1), while the zoning code has provisions for at least seven zoning districts (Figure 2). Other designations not used within the city limits are used in the airport area.

## RESIDENTIAL DISTRICTS

In West Wendover, the residential designations consist of four housing unit districts and four mobile home districts. The general provisions of the R-1, R-2, RMI, and R-

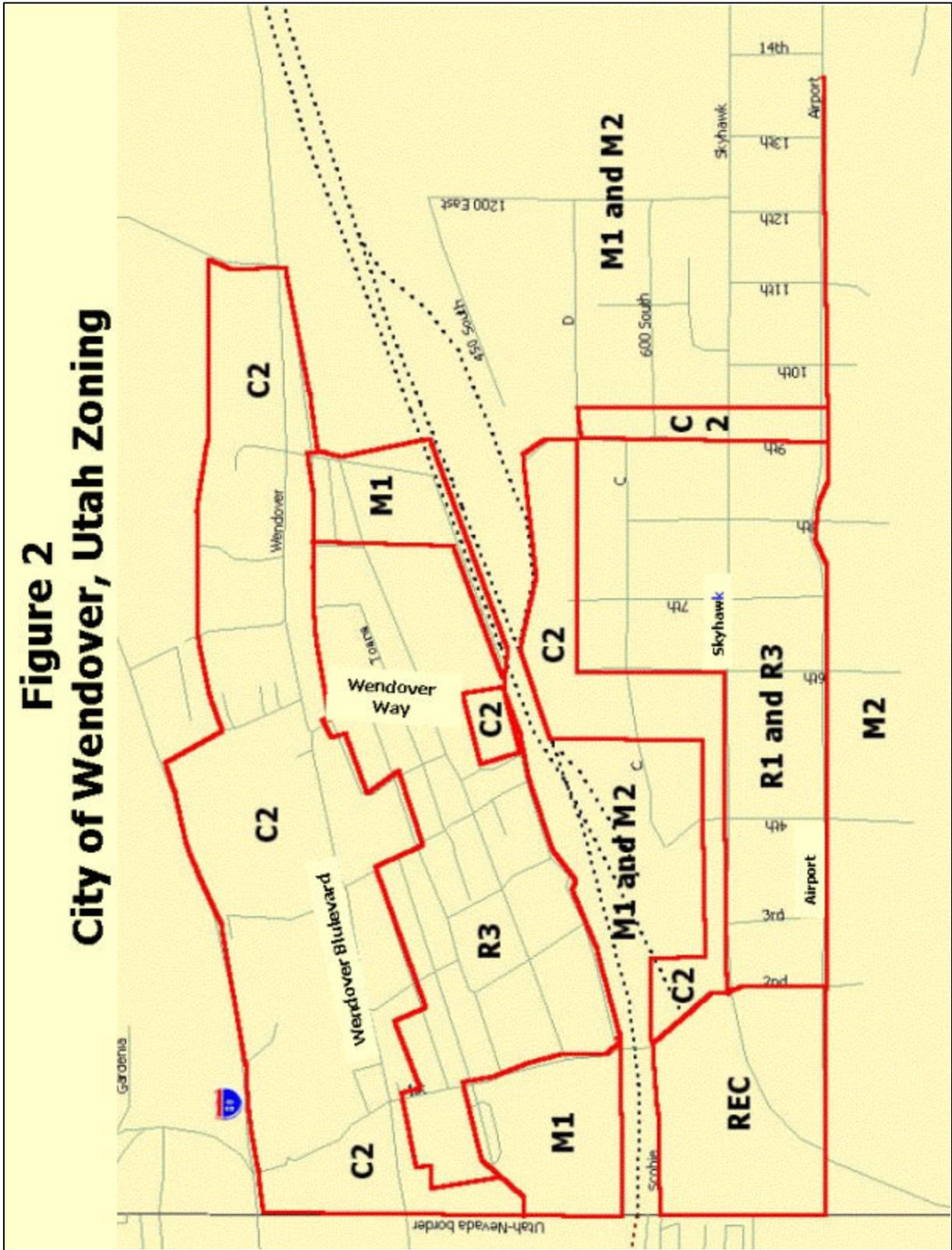
4 designations permit residences, local utility structures, and recreational areas. Each of these zoning districts has differing sets of densities, minimum lot sizes, and setback requirements, with R-1 (single family) and R-4 (ranchettes) being the most restrictive. West Wendover's residential districts have maximum allowable density standards ranging from 0.5 dwelling units per acre for the R-4 district and 7 dwelling units per acre for the R-1 district, to 20 dwelling units per acre for the R-3 district. The minimum lot sizes range from 6,000 square feet for the R-1 district to 2,200 square feet for the RMI district. Minimum conditional uses include childcare facilities, churches, health facilities, and public buildings.

The mobile home designations differ based on their development standards and the tenure of the property. The RMH-1 and RMH-3 districts regulate mobile home parks where housing units are located on rented or leased sites, with the RMH-3 district having larger net space, lot width, and setback requirements. The RMH-2 district regulates mobile homes located on individually owned lots in mobile home subdivisions. RMH-4 applies to recreational vehicle parks.

Wendover's residential designations consist of three districts—R-1, R-3, and RMH-1. The R-1 district covers single family residential uses, while the R-3 district allows for multi-family housing. There is no district comparable to West Wendover's R-2 designation in the zoning code for duplex or similar moderate density housing. On

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**Figure 2  
City of Wendover, Utah Zoning**



Wendover's zoning map, all of the residential uses within the city limits are in the R-3 district, yet much of the housing is single family. The only R-1 designations exist in the airport area. Development standards for the R-3 district do not include any minimum lot sizes and multifamily housing up to eight dwelling units are permitted by-right. Developments with nine or more units require a special use permit. The more restrictive R-1 district has a minimum lot size of 6,000 square feet and a minimum lot width of 60 feet. None of the residential designations in Wendover have a maximum allowable density in terms of units per acre.

## **COMMERCIAL DISTRICTS**

West Wendover's commercial designations have very specific directives, and include a special district for hotel-casino developments. The C-1 district is primarily for small-scale convenience commercial centers with a maximum lot size of 30,000 square feet. Uses are primarily limited to local-serving retail and personal services. The C-2 and C-3 districts are designed to accommodate all commercial uses, with the less restrictive C-3 designation also allowing for hotel/motel developments and other unrestricted commercial activities. These districts do not have set development requirements, but do have minimum distances from residential areas and street access requirements. The HC district provides for hotel/casino resort developments. The RC district is a restricted commercial designation primarily reserved for adult businesses.

Wendover's commercial designations are limited to the C-2 district. The C-2 district is the only general commercial zoning designation in Wendover. The allowable uses generally include most retail and personal services, along with professional services. Some repair and light manufacturing, recreation, and larger scale retail uses are also permitted with a special use permit. Development standards for Wendover's C-2 district do not include any minimum lot areas or dimensions. The only development requirements are 20 foot setbacks from the front and side (facing street from corner lot) and a maximum lot coverage of 60 percent. Commercial uses are also permitted in the C-D central development district, which is primarily for planned unit development.

## **INDUSTRIAL**

West Wendover uses two designations for industrial uses: M-1 and M-2. The M-1 designation is for light industrial uses, while M-2 is for general industrial use. Uses permitted in the M-1 district generally permits repair, storage, contractor yards, and most manufacturing and assembly uses. Development requirements in the M-1 district include a minimum area of 8,000 square feet and 10 yard setbacks. Within the M-1 district, a PML district can be set up. The PML district is a planned light industrial district. Development requirements for the PML district include a

minimum development area of five acres and minimum lot sizes of 10,000 square feet.

The M-2 district is the less restrictive industrial designation and permits heavy manufacturing uses such as building materials extraction, metalworking, electronics manufacturing, processing, and junkyards. The only major development requirement in the M-2 district is buffering when the use abuts a residential area.

Wendover also provides M-1 and M-2 designations for industrial uses. The differentiation in terms of the uses permitted between the two districts is similar to how West Wendover's districts are defined, except that Wendover's industrial districts have specified uses that require a special use permit. Development standards for the M-1 district require a minimum lot size of 3,000 square feet and lot width of 40 feet.

## **SPECIAL DISTRICTS**

West Wendover's zoning code provides for several special development districts. These special districts include general agriculture, flood areas, airport area districts, planned community districts, and park and recreation development. By contrast, Wendover's only special district is the C-D or central development district, which covers planned unit development. The C-D district has no specific limitations and all development requires a conditional use permit. West Wendover's planned development districts require at least a 10 acre site in the R-PD district (Residential Planned Development District), 20 acres within the PD district (Planned Development District), and 3,000 acres within the P-C (Planned Community District).

## **POTENTIAL CONFLICTS**

The proposed annexation of Wendover would overlay West Wendover's zoning code onto the existing land uses in Wendover. Because lots within the Wendover city limits only use the R-3, C-2, and M-1 designations, this section will focus on those districts and compare them with the most equivalent designation in West Wendover. Overall, the potential for conflicts appear fairly low, with mostly minor differences in what the most equivalent zoning designations will allow.

### **Residential**

Wendover's R-3 designation is most equivalent to the RMI designation in West Wendover in that both designations allow for multifamily housing. Even though most of its housing stock appears to be single family, all of the housing within the Wendover city limits is zoned for higher density. The main differences are listed below.

- The R-3 district in Wendover has no specified maximum density levels, except for a maximum of eight dwelling units in one development by-right (more can be developed with a conditional use permit). The RMI district has a maximum density of 20 dwelling units per acre, any development with more than five dwelling units requires a conditional use permit.
- The R-3 district has no explicitly stated minimum lot size, while the RMI designation has a minimum lot area of 2,200 square feet per unit. Minor differences in the setback requirements exist between the two residential districts.
- Some accessory uses permitted in the West Wendover residential districts – such as guest quarters, livestock structures, and accessory buildings – require a conditional use permit in Wendover.

### **Commercial**

The C-2 commercial designation in Wendover mostly covers the properties that run along Wendover Boulevard and is analogous to the C-2 designation in West Wendover. However, many of the allowable uses in Wendover's C-2 district are only permitted in West Wendover's C-3 district. In this respect, the C-3 designation may be a more appropriate designation to apply to Wendover's existing C-2 properties. Major differences between the districts in the two cities are summarized below.

- The C-2 district in Wendover has a specified list of uses that are permitted and uses that require conditional use permits. In West Wendover, the permitted uses are more vaguely defined with the gasoline service stations as the only commercial use that explicitly requires a conditional use permit.
- Higher intensity highway commercial uses are only permitted in West Wendover's C-3 district. The C-3 district also conditionally permits light manufacturing activities. These types of uses are already conditionally allowed in Wendover's C-2 zone.
- West Wendover commercial uses located within 150 feet of a residential area are subject to conditional use permitting. No such provision exists in Wendover.
- Apartments are conditionally allowed in the Wendover C-2 district. The West Wendover zoning code makes no explicit provisions for residential uses in commercial districts.
- The two communities have minor differences in the current setback standards.
- Gaming is permitted as an accessory use in West Wendover.

## Industrial

The M-1 district is Wendover's primary industrial designation. Its uses are segregated to the outside edge of the city limits. Overall, the district is similar to the provisions of West Wendover's M-1 designation, but many differences still exist, particularly with conditional uses. These differences are summarized below.

- M-1 uses in Wendover have a minimum lot size of 3,000 square feet with a minimum lot width of 40 feet. By contrast, the M-1 district in West Wendover requires a minimum lot size of 8,000 square feet with no minimum lot width. Minor differences in the setback requirements also exist.
- The uses permitted in Wendover's M-1 district are similar to the light industrial uses permitted in the West Wendover M-1 district. In general, the allowable uses in Wendover are more specific, while West Wendover's code allows more discretion for the City Council to define the allowable uses. Wendover has several uses that specifically require a special use permit. These uses include airport, fertilizer manufacturing, stone materials, food processing, glass manufacturing, and most manufacturing made from raw and organic materials. In West Wendover, some of these uses are allowed by-right; however, most of them are only permitted in the M-2 districts.
- Residential uses are conditionally allowed in West Wendover industrial districts, while they are not permitted in Wendover.

## OVERALL PRIORITIES

West Wendover's long-term land use plan envisions tremendous development expansion, with land uses planned over an area three times greater than the existing city limits. The growth will mostly occur in residential and industrial uses, as well as public open space. It is clear from this proposed pattern that West Wendover seeks to diversify its economic base, because the casino developments that drive the local economy remain largely confined to the existing city limits.

At the time of this analysis, Wendover was in the process of revising its overall land use plan. The existing zoning as an outcome of this process could eventually change, but, as it stands, the land use patterns in Wendover are relatively simple. The commercially zoned land almost exclusively runs along Wendover Boulevard, and industrial uses occupy relatively isolated areas. The land use designations in the airport area also represent a differentiated pattern, with a mix of variable density residential, commercial, industrial, and recreational uses. The airport area has a separate master plan that proposes the new development in three phases.

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# PUBLIC SERVICES AND INFRASTRUCTURE

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## PUBLIC SERVICES

### West Wendover, Nevada

#### Administration Offices

The professional management and staffing of the City of West Wendover is directed through the Administration Offices of the City of West Wendover. Direct contact with community residents, businesses, and developers, as well as with visitors to the area occurs on a daily basis. The Administration Offices consists of the City Manager, the City Clerk, the Finance Department, and one administrative assistant. Working with the City Council – a policy-setting board of six elected officials – the Administrative Office staff manages and coordinates a workforce of 60 people spread across various departments, including the police department.

**TABLE 1**  
**CITY ADMINISTRATION BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$271,505	\$298,900	\$293,075
<b>Employee Benefits</b>	\$85,068	\$138,600	\$103,503
<b>Service &amp; Supplies</b>	\$349,670	\$240,750	\$227,194
<b>Capital Outlay</b>		\$22,200	\$1,188
<b>Welcome Center</b>	\$30,384		
<b>Elections</b>		\$2,000	\$5,225
<b>Total</b>	<b>\$736,627</b>	<b>\$702,450</b>	<b>\$630,185</b>

*Source: Form10 General Govt.*

As Table 1 shows, City Administration also partially funds local elections and, in the past, Welcome Center activities, paying for supplies used by these cost centers. Altogether, the current budget of the administrative function is \$630,185, down by 10 percent from the previous year and 14 percent from two years ago. Forty-seven percent of the City Administration budget is salary and wages, with services and supplies as the next largest cost activity at 36 percent.

In the event of annexation, administrative officials anticipate a need for one additional support staff, to assist in handling the expected increase in workload and customer service requests.

### Community Development Department

The Community Development Department is responsible for planning, zoning, and building inspection and permitting, as well as other community development matters such as securing county, state and federal grants. In addition, staff manages the local government's information management system. There are two employees in this department, including the Director.

**TABLE 2**  
**COMMUNITY DEVELOPMENT DEPARTMENT BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$69,054	\$90,250	\$87,714
<b>Employee Benefits</b>	\$21,950	\$30,500	\$30,305
<b>Service &amp; Supplies</b>	\$154,878	\$206,550	\$168,388
<b>Capital Outlay</b>	\$6,923	\$2,000	\$1,900
<b>Total</b>	<b>\$252,805</b>	<b>\$329,300</b>	<b>\$288,307</b>

*Source: Form10 CommDev*

As Table 2 shows, the salaries and wages in the department total \$118,019 dollars, an increase over previous years' budgets. The bulk of spending is in services and supplies, which represents almost 60 percent of department expenditures.

One additional professional-level employee is needed in the event of annexation, to assist in building inspection and permit processing. This position will be funded out of the Community Development coffers, although daily supervision of the employee will be provided by the Public Works Department.

### Public Works Department

The Public Works Department is responsible for a wide range of municipal services, from above ground maintenance and planning matters such as public facilities and road management, to below surface responsibilities related to storm drains, water services, and sewage services.

At the time of City incorporation, the department assumed control over Elko County's Town Board operations, and many of the County employees who were managing the utilities in West Wendover elected to transfer to the City. Today, the department includes two supervisors, clerical staff and four technicians. The department maintains the citywide water system that includes primarily distribution lines and also maintains five wells, main spring, water transmission lines and storage facilities administered by the Administrative Authority. Public Works is also responsible for storm drainage, waterways, streets, city-vehicle fleet, snow removal and various construction / reconstruction projects in the City as well as maintenance of City owned properties.

The Director of Public Works also performs the duties of Building Official in conjunction with the Community Development Department. The Building Official is responsible to ensure that all construction in the City of West Wendover is performed and conforms to adopted City Building Codes and in accordance with the approved building plans and City Standards for Design and Construction.

**TABLE 3**  
**PUBLIC WORKS DEPARTMENT BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

ACTIVITY	COST CATEGORY	2001	2002	2003
<b>Paved Street</b>	Salary & Wages	\$33,860	\$63,800	\$79,458
<b>Paved Street</b>	Employee Benefits	\$11,049	\$23,450	\$29,241
<b>Paved Street</b>	Service & Supplies	\$68,483	\$341,500	\$77,235
<b>Paved Street</b>	Capital Outlay	\$42,188	\$55,000	\$161,500
<b>Public Works</b>	Salary & Wages	\$154,002	\$172,700	\$189,335
<b>Public Works</b>	Employee Benefits	\$52,522	\$65,850	\$73,150
<b>Public Works</b>	Service & Supplies	\$27,706	\$42,100	\$43,415
<b>Public Works</b>	Capital Outlay	\$32,295	\$7,000	\$1,900
<b>Building Inspections</b>	Service & Supplies	\$2,006	\$10,800	\$7,885
<b>Total</b>		<b>\$424,111</b>	<b>\$782,200</b>	<b>\$663,119</b>

*Source: Form10 Public Works*

As Table 3 shows, at \$663,119, the Public Works Department is one of the largest departments outside of the Police Department. Given its road maintenance responsibilities, it has one of the largest capital outlay budgets in the city, at \$161,000. Fifty-six percent of the departmental budget is attributable to salaries and benefits. Additional portions of the Public Works staff are funded by the water and sewer special funds.

In the event of annexation, the Public Works Department will need three additional employees, one of whom will be paid out of the Community Development Department budget as mentioned earlier. It is anticipated that the other two employees will be paid out of the water utility and sewage special funds. Thus, the fiscal impact of annexation on Public Works budget will be minimal.

### **Police Department**

The West Wendover Police Department was formed on July 1, 1991. In the beginning, the department consisted of six sworn officers and two civilian technicians. Over time the department has kept pace with the growth of the community and today, it includes one Police Chief, one lieutenant, two sergeants, 10

sworn officers and six technicians operating four divisions: Administration, Patrol, Investigation and Animal Control. In recent years, the department has fostered and implemented such civic programs as: Gang Resistance Education And Training (G.R.E.A.T.), the Police Activities League (P.A.L.), which provides sports activities for local youth, Neighborhood Watch programs, Honor Guard and, most recently, the Police Explorer program. Tables 4, 5 and 6 show the operating budgets for the police, animal control and dispatch departments, all of which are supervised by Chief of Police Fritz Weighall.

**TABLE 4**  
**POLICE DEPARTMENT BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$596,372	\$769,800	\$765,035
<b>Employee Benefits</b>	\$240,685	\$330,100	\$321,124
<b>Service &amp; Supplies</b>	\$266,875	\$237,980	\$231,786
<b>Capital Outlay</b>	\$167,401	\$1,000	\$4,870
<b>Total</b>	<b>\$1,271,333</b>	<b>\$1,338,880</b>	<b>\$1,322,815</b>

**TABLE 5**  
**ANIMAL CONTROL BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$28,626	\$38,100	\$22,895
<b>Employee Benefits</b>	\$9,819	\$15,300	\$12,474
<b>Service &amp; Supplies</b>	\$11,525	\$19,685	\$17,727
<b>Capital Outlay</b>		\$0	
<b>Total</b>	<b>\$49,970</b>	<b>\$73,085</b>	<b>\$53,096</b>

**TABLE 6**  
**DISPATCH CONTROL CENTER BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$4,478	\$121,850	\$123,950
<b>Employee Benefits</b>	\$1,554	\$52,150	\$52,939
<b>Service &amp; Supplies</b>	\$9,028	\$37,000	\$28,364
<b>Capital Outlay</b>	\$177,985	\$0	
<b>Total</b>	<b>\$193,045</b>	<b>\$211,000</b>	<b>\$205,253</b>

In the event of annexation, the police department anticipates needing four additional sworn police officer patrolmen. There is also a need for one more staff in the dispatch center and in animal control, in the event of annexation. Preliminary indications are that the building structure within which the police department and the dispatch center are housed is in good working condition, meaning no damage to the water system, HVAC, and bathrooms and kitchens. Animal control is housed separate from the others, and its building condition is good as well.

Currently, the public safety departments retain the following mission critical capital equipment: 16 patrol cars, 1 animal control vehicle, 1 surveillance vehicle, 1 vehicle for the detective, and a fully-operable VHF communication system. In the event of annexation, four additional squad cars are needed.

### **Fire Department**

The West Wendover Fire Department was established in January 1993 under the direction of newly appointed Fire Chief Jeff Knudtson. It currently is home to three pumper trucks, three command vehicles, a hazardous materials truck, a Nevada Division of Forestry brush truck, an air truck, and a rescue squad. All equipment is in good working condition. Twenty-five volunteer firefighters and three career officers who perform regularly above and beyond the call of duty staff the Department. The volunteers receive an annual stipend in the amount of \$2,400. The career officers consist of one fire chief, a regular captain, and a radiological emergency response captain.

As Table 7 shows, the fire department has grown significantly in the last three years, a growth that keeps pace with the needs of a growing community. The budget more than doubled between 2001 and 2003, largely in salaries and services and supplies—a sign of an increasingly professional, albeit largely volunteer, force. Initial analysis indicates that 15 additional volunteers are needed in the event of annexation. To accommodate the anticipated growth and its relatively new equipment, the Fire Department needs another fire station and one facility to store equipment. No

major improvements are needed to the facilities currently used by the fire department, as all building systems such as HVAC, kitchen, and water are in good order.

**TABLE 7**  
**FIRE DEPARTMENT BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

<b>ACTIVITY</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Salary &amp; Wages</b>	\$38,050	\$152,650	\$187,332
<b>Employee Benefits</b>	\$98,977	\$50,980	\$66,359
<b>Service &amp; Supplies</b>	\$10,545	\$76,300	\$109,197
<b>Capital Outlay</b>		\$14,200	
<b>Total</b>	<b>\$147,572</b>	<b>\$294,130</b>	<b>\$362,888</b>

*Source: Form PublicSafety*

## Wendover, Utah

### Administrative Office

The Administrative Office of Wendover, Utah consists of the City Manager, the Finance-Personnel staff person, a part-time contract auditor, and a part-time contract city attorney. In addition, there are two administrative personnel. Altogether, the Administrative Office is responsible for managing, coordinating, and planning the \$852,000 general fund, as well as the special funds such as water, sewer, garbage, and the cemetery fund. The Administrative Office receives guidance from the City Council, a five-member body of representatives elected by the residents of Wendover. Table 8 below identifies budget trends for the Administrative Office.

As demonstrated below, salaries and wages have fluctuated within the Administrative Office, generally on a downward track. Salaries fell by 4 percent between 2001 and 2003.

**TABLE 8**  
**CITY ADMINISTRATION BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

<b>ACTIVITY</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Salary &amp; Wages</b>	\$42,619	\$24,544	\$40,973
<b>Employee Benefits</b>	\$5,695	\$5,365	\$8,897
<b>Service &amp; Supplies</b>	\$19,479	\$36,587	\$22,424
<b>Capital Outlay</b>	\$5,553	\$0	\$5,000
<b>Total</b>	<b>\$73,346</b>	<b>\$66,496</b>	<b>\$77,294</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

### Planning, Zoning, and Building Inspection

The brunt of planning, zoning and building inspection services falls on the decision-making authority of City Council, which serves as the planning and zoning commission. There is a paid staff-person, whose funding largely comes from building fees, to assist the City Council in administering decisions, although staff availability for medium- to long-term planning is at this point absent. As Table 9 shows, salaries and benefits have been negligible for the last three years, as is the case for building inspection (see Table 10). As a result, there is a tremendous backlog of planning cases and building code violations to follow-up on.

**TABLE 9**  
**PLANNING AND ZONING BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

ACTIVITY	2001	2002	2003
Salary & Wages	\$37	\$0	\$0
Employee Benefits	\$4	\$0	\$0
Service & Supplies	\$16,991	\$8,008	\$26,000
Capital Outlay			
<b>Total</b>	<b>\$17,032</b>	<b>\$8,008</b>	<b>\$26,000</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

**TABLE 10**  
**BUILDING INSPECTION BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

ACTIVITY	2001	2002	2003
Salary & Wages	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$88
Service & Supplies	\$10,900	\$1,999	\$5,912
Capital Outlay	\$0	\$0	\$0
<b>Total</b>	<b>\$10,900</b>	<b>\$1,999</b>	<b>\$6,000</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

### General Government Buildings, Streets and Public Improvements: Public Works Functions

There is no public works department per se, although the Wendover, Utah budget contains general government improvements, streets, Class "C" roads, and public improvements as specific cost centers whose functions are public works related. The

Utility Department covers the salaries of personnel who perform public work functions, since utility employees themselves execute many if not all of the street and building maintenance tasks, in addition to utilities. A utility employee also drives a bus operated by the City of Wendover. Table 11 aggregates data from the four public works related cost centers identified above, and shows that these centers in aggregate focus more on providing funds for services and supplies than capital outlay. These cost centers provide enough money to pay the salary of one low- to mid-level technician. The bulk of the services and supplies expenses go toward paying rent, which annually is \$45,000, or 27 percent of public works related expenditures.

**TABLE 11**  
**BUDGET OF PUBLIC WORK FUNCTIONS**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$30,629	\$25,020	\$35,608
<b>Employee Benefits</b>	\$5,234	\$5,468	\$10,244
<b>Service &amp; Supplies</b>	\$86,091	\$76,365	\$122,956
<b>Capital Outlay</b>	\$350	\$2,136	\$0
<b>Total</b>	<b>\$122,304</b>	<b>\$108,989</b>	<b>\$168,808</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

It should be noted that the State of Utah Department of Transportation (UDOT) maintains Wendover Blvd. within the City of Wendover as well as I-80. The County of Tooele maintains the frontage road that is currently outside of Wendover but would be within the area annexed to Nevada. In Nevada, the Nevada State Department of Transportation (NDOT) maintains I-80 but not Wendover Blvd., which is maintained by the City of West Wendover. With annexation, West Wendover would also assume maintenance responsibility for Wendover Blvd., through the current Wendover jurisdiction, rather than NDOT. Maintenance of the frontage road would also be handled by West Wendover if the City boundary extends to the new state line.

### **Police Department**

Eight employees provide public safety services in Wendover. There is one police chief, four patrol officers, two administrative support staff, and one animal control officer. In addition, the Utah Highway Patrol stations an officer in the Wendover City Hall. A review of the mission critical capital equipment (aside from weapons and ammunition) shows that the police force retain five patrol cars, one SWAT van, one animal control van, and a new 800 mega-hertz hand-held communication system that is leased to it by Tooele County. There are no major capital outlay or

improvement requests, although the department will purchase a new patrol car in Fall 2002 to replace an old one, and it seeks to purchase video cameras for its fleet of patrol cars.

Table 12 breaks down data on the budget of the police force, and it shows that this to be one of the largest cost centers of the overall municipal budget. Almost 45 percent of the municipal budget is in law enforcement. This is one of the few cost centers to increase in size since FY2001, growing by seven percent since then. Table 13 shows animal control budget trends for the 3-year period from 2001 to 2003.

**TABLE 12**  
**POLICE DEPARTMENT BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

ACTIVITY	2001	2002	2003
Salary & Wages	\$179,458	\$160,258	\$185,025
Employee Benefits	\$38,178	\$46,213	\$78,106
Service & Supplies	\$69,447	\$54,739	\$76,556
Capital Outlay	\$45,596	\$22,617	\$14,606
<b>Total</b>	<b>\$332,679</b>	<b>\$283,827</b>	<b>\$354,293</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

**TABLE 13**  
**ANIMAL CONTROL BUDGET**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

ACTIVITY	2001	2002	2003
Salary & Wages	\$84	\$928	\$741
Employee Benefits	\$14	\$277	\$277
Service & Supplies	\$2,314	\$848	\$1,829
Capital Outlay	\$0	\$0	\$0
<b>Total</b>	<b>\$2,412</b>	<b>\$2,053</b>	<b>\$2,847</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

### Fire Department

The Wendover Fire Department consists of 15 volunteers – 10 fire fighters, one fire chief, one captain, and three lieutenants. For the most part, the fire department volunteers receive little to no compensation, as Table 14 shows. The optimal number of volunteers is 20, so Wendover is currently understaffed in its fire department. To complicate matters, Wendover fire officials report that facilities for

the volunteers are below expectations at the Wendover Fire Station. Capital equipment is stored outside, not in the fire station, as there is no space. The flat roof needs resurfacing, and minor improvements are needed for the heating and air conditioning systems. At the Airport Fire Station, which is leased by the Tooele County Fire Department, the situation is somewhat similar. Showers and toilets are reportedly in poor condition, and what is supposed to be the upstairs sleeping quarters is used as exercise space, due to lack of area for the latter. While fire officials desire to move kitchen, exercise space, showers and bathrooms onto a new second floor at the Wendover Fire Station, to alleviate overcrowding, no major capital improvements are in store.

**TABLE 14**  
**FIRE DEPARTMENT**  
**FY 2000-2001 THROUGH 2002-2003**  
**Wendover, Utah**

ACTIVITY	2001	2002	2003
<b>Salary &amp; Wages</b>	\$8,345	\$6,259	\$10,500
<b>Employee Benefits</b>	\$283	\$184	\$302
<b>Service &amp; Supplies</b>	\$48,557	\$51,404	\$39,017
<b>Capital Outlay</b>	\$0	\$10,936	\$11,000
<b>Total</b>	<b>\$48,840</b>	<b>\$62,524</b>	<b>\$50,592</b>

*Source: Wendover, Utah FY2002-2003 Final Approved Budget*

The Wendover Fire Department retains the following mission critical capital equipment: a relatively new Pierce fire truck (purchased in 2000); another fire truck purchased in 1986; a patrol car for the fire chief; a Wildland International truck, and an 800 mega-hertz hand-held radio system leased from Tooele County. In addition, the fire department has a period-piece fire truck that it displays for show.

## INFRASTRUCTURE

### Water System

#### West Wendover, Nevada

Water is the life-blood of all communities, most especially for arid and remote areas such West Wendover, Nevada. West Wendover's water is obtained from five deep wells and one spring located in the Goshute Valley approximately 25 miles to the west of the City. While West Wendover's Utility and Public Works Departments provide day-to-day management of water services, overall direction for the water supply system is provided by what is known as the Administrative Authority (dba

Wendover Pipeline Company). Formed in the late 1970s to assume control of the water pipelines built by the United States Army Corps of Engineers in 1940, the Administrative Authority is, in effect, a wholesaler of water to the City of West Wendover that, in turn, retails water to residential, commercial, and industrial users. Thus, the City of West Wendover Utility Department purchases water from the authority at a rate of \$1.55 per thousand gallons.

The West Wendover Public Works Department indicates that the infrastructure for securing and delivering water is in fine shape, pointing out that the water wells and pipelines have been upgraded in the last 10 years. The infrastructure delivers water from the wells to two tanks with the capacity to hold 1.5 million gallons of water each.

Currently, the source capacity of the water supply system is 2,700 gallons per minute and transmission capacity is 3,300 gallons per minute. In terms of actual water consumption, West Wendover water usage averages 390 million gallons per year.<sup>2</sup> The City of West Wendover and the Administrative Authority have planned improvements to increase the transmission to 8,500 gallons per minute.

The City is acquiring and securing thousands of acre-feet of remaining water rights in what is billed as an aggressive strategy to ensure growth and “help transform an arid high desert region into one of the greenest cities in Nevada.”<sup>3</sup> To this end, on top of purchasing water from the Administrative Authority, the Water Fund manages a water reclamation facility that currently reclaims 600,000 gallons of water per day, about half of its design capacity.

All customers pay a rate of \$18 per month for the first 8,000 gallons, and an additional \$2.25 for each 1,000 gallons above the initial 8,000.<sup>4</sup> There is also a one-time connection fee of \$2,500. The City is also considering a Capacity Fee (CF) that would be incorporated into the present rate structure to allow owners of undeveloped land to reserve capacity. The cost to existing users would not change. While varied by residential type, for the purposes of water utility planning, consumers of culinary water (as opposed to water for industrial uses) are categorized by what is called “equivalent residential unit” (ERU), a unit of analysis that allows

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<sup>2</sup> Source: Glen Wadsworth, City Manager of Wendover, Utah and Executive Director of the Administrative Authority

<sup>3</sup> Source: <http://www.westwendovercity.com/city/utilities.html>

<sup>4</sup> AQUA Engineering, Inc., *Water Systems Rehabilitation Projects: Preliminary Engineering Report*, Chapter Three: Existing Facilities, page 3-9 (August, 2000). Water rates in Wendover, Utah are similar to the rate in West Wendover, Nevada for the bulk of water users. Water rates are adjusted according to water pipe size. The bulk of users have .75 meter pipes, and these consumers pay \$17.25 per 7,500 gallons, and \$2.30 per 1,000 gallons after the first 7,500. Users with wider pipes pay on a different scale, for example those with 1 meter pipes pay \$34.50 per 15,000 gallons and \$2.30 per 1000 gallons after the first 15,000.

planners to compare water usage in a uniform manner. Table 15 identifies the number of ERUs in West Wendover, and it shows hotels as the entity with the largest potential demand for water. Hotels represent 51 percent of all ERUs, with single-family residences as the next closest ERU by residential type. On average, each ERU pays a monthly bill of about \$33.00.

**TABLE 15**  
**COMPOSITION OF ERUS IN WEST WENDOVER**  
**West Wendover, Nevada**

Residence Type	Total Conversion		ERU Distribution	
	Units	Factor		
Single family	346	1.00	346	17%
Hotels	1,352	0.75	1,014	51%
Apartments	426	0.75	320	16%
Manufactured housing	433	0.75	325	16%
<b>Total</b>	<b>2,557</b>		<b>2,005</b>	<b>100%</b>

*Source: AQUA*

### **Revenues, Expenses and Cash Flow**

Given the characteristics of its customer base and their respective demands for water, the water utility generates revenues and expenses to meet the needs of its customers. Table 16 presents data on operating revenues and operating expenses, and it shows an increase in revenues from FY2001 of \$871,104 to an estimated FY2003 revenue of \$1,426,110. In other words, the water utility projects a 64 percent increase in revenues from 2001 to 2003. While operating expenses exceed revenues in FY2002 by \$65,756, the water utility expects to return to a positive operating income by the end of FY2003, as Table 16 shows. Salaries for the water department are, in aggregate, \$150,000, including benefits. It should be noted that of the \$788,012 in FY2002 services and supplies expenses, water represented \$649,780, or 82 percent.

**TABLE 16**  
**OPERATING INCOME STATEMENT, FY 2000-2001 – FY2002-2003**  
**WEST WENDOVER WATER UTILITY**  
**West Wendover, Nevada**

<b>Proprietary Fund</b>	<b>Actual Prior Year Ending 6/30/2001</b>	<b>Actual Prior Year Ending 6/30/2002</b>	<b>Final Approved Year Ending 6/30/2003</b>
<b>OPERATING REVENUE *<sup>5</sup></b>			
Charges for Service	\$871,104	\$826,207	\$1,250,560
Connection fees		\$4,275	\$175,550
aa. Total Operating Revenue	\$871,104	\$830,482	\$1,426,110
<b>OPERATING EXPENSE *</b>			
Salary & Wages	\$89,684	\$79,965	\$121,830
Employee Benefits	\$30,778	\$28,261	\$41,820
Services & Supplies	\$711,291	\$788,012	\$1,087,030
Depreciation/Amortization	\$76,690		\$70,000
bb. Total Operating Expense	\$908,443	\$896,238	\$1,320,680
Operating Income or (Loss) (aa - bb)	-\$37,339	-\$65,756	\$105,430

Source: City of West Wendover, Nevada

While Table 16 tracks annual changes in operating-revenues to operating-expenses, the Table 17 cash flow statement compares the effect of annual revenue-to-expense changes against accumulated income and expenses from a variety of other sources over time. Thus, the FY2002 operating loss of \$65,756 is offset by the fact that the Water Fund ended FY2002 with a cash balance \$1,309,646, as demonstrated in Table 17 below. Thus, West Wendover planners anticipate that, for FY2003, operating revenues will exceed expenses by \$105,430 (see Table 16). It should be noted that the Water Fund will loan \$875,000 for a one-year period to the compost garbage enterprise fund, and it will acquire \$627,000 in capital assets in FY2003, resulting in a low end of the year cash balance.

<sup>5</sup> \* Note: Asterisks (\*) denotes actual FY2002 data from "City of West Wendover: Balance Sheet: June 30, 2002: Water Fund." The rest of the data for FY 2001 and FY 2003 comes from City of West Wendover's Budget (Excel spreadsheet: worksheet "Water Form 20")

**TABLE 17**  
**WATER FUND CASH FLOW STATEMENT**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

<b>Proprietary Fund</b>	<b>Actual Prior Year Ending 6/30/2001</b>	<b>Actual Prior Year Ending 6/30/2002</b>	<b>Final Approved Year Ending 6/30/2003</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating Income * <sup>6</sup>	-\$37,339	-\$65,756	\$105,430
Depreciation	\$76,690		\$70,000
Decrease in Assets	\$723,642		
Increase in Liabilities	-\$2,073		
Other Non-Operating Revenue	\$40,245		
a. Net cash provided by (or used for)			
Operating activities	\$801,165	-\$65,756	\$175,430
<b>B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Acquisition of Capital Assets	-\$163,036	-\$320,000	-\$627,000
Proceeds from Water Revenue Bond	\$0		\$0
Proceeds from Issuance of Capital Lease	\$64,500		\$0
12 Month Loan to Compost	\$0	\$0	-\$875,000
Customer Contribution	\$104,000		\$0
Interest Paid *	-\$234,806	-\$192,524	-\$208,848
Principal Paid Capital Lease	-\$34,965	-\$29,090	-\$30,612
Principle Paid on Bonds	-\$175,348	-\$183,260	-\$192,908
Collection from Component Unit	-\$1,327,612	\$171,400	\$180,360
Residual Equity Transfers Out	-\$1,100,000	\$1,100,000	
b. Net cash provided by (or used for)			
noncapital financing			
Activities	-\$2,867,267	\$546,526	-\$1,754,008
<b>C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
c. Net cash provided by (or used for)			
capital and related			
Financing activities	\$0	\$0	\$0
<b>D. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Received *	\$292,227	\$224,868	\$284,000
Miscellaneous Income *		\$33,709	\$34,000
d. Net cash provided by (or used in)			
Investing activities	\$292,227	\$258,577	\$318,000
<b>NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)</b>			
	-\$1,773,875	\$739,346	-\$1,260,578
<b>CASH AND CASH EQUIVALENTS AT</b>			
<b>JULY 1</b>	\$2,344,175	\$570,300	\$1,309,646
<b>CASH AND CASH EQUIVALENTS AT</b>			
<b>JUNE 30</b>	\$570,300	\$1,309,646	\$49,068

*Source: City of West Wendover, Nevada*

<sup>6</sup> \* Note: asterisks (\*) denotes data from "City of West Wendover: Balance Sheet: June 30, 2002: Water Fund." The rest of the data comes from City of West Wendover's Budget (Excel spreadsheet: worksheet "Water Form 20")

Water infrastructure investments are budgeted separately from either the general fund or special fund budgets, and can be found in “Form 22 Water” of the FY2003 West Wendover budget, which is shown below in Table 18. As this table shows, the City of West Wendover has issue a total of \$5 million in bonds for improving water infrastructure since the 1990s, and of this amount, it has made approximately \$911,400 in payments (principal and interest).

**TABLE 18**  
**WATER SPECIAL FUND BONDS AND LOANS**  
**FY 2000-2001 THROUGH 2002-2003**  
**West Wendover, Nevada**

Name Of Bond Or Loan	Term	Original Amount of Issue	Issue Date	Final Pmnt Date	Int. Rate	Beginning Outstndng Balance 7/1/02	Requirements For Fiscal Year Ending 06/30/03		Total
							Interest Payable	Principal Payable	
<b>Water Fund</b>									
Refinance Bond	10	1,500,000	7/1/96	7/1/06	5.66	\$773,000	\$40,543	\$156,000	\$196,543
1998 P.W. Vehicles	5	146,000	9/2/98	9/2/02	5.25	\$32,219	\$1,607	\$30,612	\$32,219
Wendover Pipeline	40	3,058,300	11/17/98	11/1/38	4.75	\$3,000,065	\$142,504	\$31,209	\$173,713
Wendover Pipeline	40	550,000	6/27/00	6/1/40	4.5	\$537,642	\$24,194	\$5,699	\$29,893
<b>TOTALS</b>		<b>\$5,254,300</b>				<b>\$4,342,926</b>	<b>\$208,848</b>	<b>\$223,520</b>	<b>\$432,368</b>

*Source: Form22 Water*

### Wendover, Utah

Similar to West Wendover, Nevada, the City of Wendover, Utah has its own water system, which is managed by the Utility Department. Currently, Wendover, Utah accesses water from three water springs outside of the City, and the cost of delivering water is relatively cheap given that this is a gravity-based system. However, the system currently cannot fully accommodate residents and businesses, especially during the summer time, when it must purchase supplementary water from the Administrative Authority.

The current condition of the water delivery system is relatively good, with no need to refurbish or replace the existing infrastructure. There are three springs that deliver approximately 400 gallons per minute. Wendover will soon access two other water springs, which will provide an additional 700 gallons per minute. With the five water springs online, Wendover will generate up to 1,100 gallons of water per minute, which is slightly above what is needed. At the same time, it should be noted that

West Wendover accesses four springs with a system that transmits 2,300 gallons per minute, which suggests that Wendover's system is less efficient with regards to transmission.

The cost of the project to access the two additional water springs is \$2 million. When ready, the five water springs will store an estimated one million gallons of water.

Presently, spring water is delivered via pipes to a chlorinator that, in turn, delivers water via pipes to a one million gallon receiving tank from which residents and businesses obtain their water. A \$3 million water treatment plant is under construction that, when complete, will add another one million gallon water storage capacity. This plant will be ready in Fall 2002.

#### **Administrative Authority**

For the fiscal year ending June 30, 2002, the Authority has operating revenues of about \$907,000 against expenditures of \$383,135. The net income of \$524,000 is significantly above budget, due to higher than expected revenues and lower than expected costs. The Authority's balance sheet for the fiscal year ending June 30, 2002 shows a fund balance of \$5,252,255. Within this balance, the Authority maintains reserves in the amount of \$1 million.

### **Impact of Annexation and Utility Consolidation**

#### **Annual Operations**

The Administrative Authority's existence is predicated on delivering water to the cities of West Wendover, Nevada and Wendover, Utah. Thus, annexation provides an opportunity for decision-makers to consider consolidating all three water utilities.<sup>7</sup> As it is, West Wendover's Utility and Public Works Departments already provide day-to-day management of the Administrative Authority water services.

Table 19 below provides a simplified financial operating statement for the three entities under the annexation scenario. West Wendover's Water and Public Works Departments would assume responsibility over the Wendover, Utah water system, and potentially the Administrative Authority as well. West Wendover Public Works staff estimates a need for one additional technician to assist current staff in managing the combined West Wendover-Wendover water system. The expense of the

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<sup>7</sup> As it is, the Administrative Authority will sunset by agreement in the year 2007. If annexation does not occur by then, there is a possibility that ownership of the Authority's infrastructure will transfer to the Wendover municipal water system, with the West Wendover water system obtaining ownership of water rights. What concerns West Wendover officials is that their city has invested funds in improving the Authority's infrastructure. Decision-makers are reviewing the matter as part of annexation discussions.

additional hire is estimated at \$42,748, including benefits. In addition, based on current cost for Wendover, it is estimated there would be additional expenses for supplies and services of \$46,859. Notably, this does not include the \$149,000 currently paid by Wendover to the Administrative Authority for dry season water

**TABLE 19  
ESTIMATED NET EFFECT OF ANNEXATION ON WATER SERVICES**

<b>Wendover, Utah</b>		
<b>Revenues</b>		
Service Charges		241,920
Connections		1,411
Interest		31,731
<b>Subtotal</b>		<b>275,062</b>
<b>Expenses</b>		
Salaries/benefits		42,748
Supplies/Services		46,859
Debt Service		151,542
<b>Subtotal</b>		<b>241,149</b>
<b>Net Income</b>		<b>33,913</b>
<b>Administrative Authority</b>		
<b>Revenues</b>		
Service Charges		681,992
Interest		68,602
<b>Subtotal</b>		<b>750,594</b>
<b>Expenses</b>		
Salaries/benefits		44,531
Supplies/Services		118,450
Interest Expense		213,051
<b>Subtotal</b>		<b>376,032</b>
<b>Net Income</b>		<b>374,562</b>
<b>West Wendover</b>		
<b>Revenues</b>		
Service Charges	1,250,560	
Connections	4,275	
Interest/Misc.	464,360	
<b>Subtotal</b>	<b>1,719,195</b>	
<b>Expenses</b>		
Salaries/benefits	163,650	
Supplies/Services	1,087,030	
Debt Service	432,368	
<b>Subtotal</b>	<b>1,683,048</b>	
<b>Net Income</b>		<b>36,147</b>
<b>Combined Net Income</b>		<b>444,622</b>

Source: ADE, Inc.

supplies. This water is anticipated to be supplied by the new well and treatment plant system under construction. The debt service for these improvements amounts to \$151,542 per year.

There are 560 ERUs in Wendover, Utah, according to the water engineering company, AQUA, which produced West Wendover's water system preliminary engineering study. On average, ERUs pay a monthly utility bill of \$33.00, so that expected revenues from Wendover will be \$241,920. In estimating the \$241,920, water charges paid by the Stateline Casino are not included. Up until recently, Wendover, Utah provided water to this casino, but as of now, West Wendover is the water provider, and all of the tables in this report reflect this shift. The net income for operations of the Wendover portion of the system would be nearly \$34,000 per year.

For the Administrative Authority, revenues include current charges to West Wendover less the charges to Wendover as mentioned above. If West Wendover also operated the Administrative Authority, these revenues would be realized as lower costs under the West Wendover City water system budget. The operating charges are essentially identical to the current budget, less one-time expenses related to an AB 198 grant, which is also not counted in the operating revenue in the table. The net income from these operations is estimated to be \$374,562.

For West Wendover itself, the revenues and expenses do not change significantly from its existing financial statements. One adjustment is that connection fees are assumed in Table 19 to continue at historical levels. Also, the Interest/Misc. category includes \$1,809,360 shown in the financial statement as "Collection from Component Unit." These adjustments result in a slightly lower net operating income than shown in Table 17 (\$36,147 compared to \$105,430). However, each of the three components of the combined system have net operate revenues, for a total of nearly \$445,000 annually.

It should be noted that the operating expenses do not include depreciation figures. West Wendover currently estimates annual depreciation at \$70,000. Wendover does not include depreciation in its financial statements, but the \$7 million in new facilities installed in Wendover would carry a \$140,000 annual charge assuming a 50 year depreciation schedule. No annualized figures for depreciation are available from the Administrative Authority.

### **Operating Reserves**

Water utilities generally desire to maintain three reserves (a) operating reserve, which generally represents 1/8 of operating expenses and is needed because of the delay between when water service is provided and when customers make payments; (b) emergency reserve, which is an amount, paid in annual installments, to cover the cost of replacing the most vulnerable and important capital equipment (i.e. pipeline or wells); and, (c) replacement reserve, an amount, paid in annual installments, set-aside

to cover the replacement cost of the total water system minus the amount set aside for emergency reserve.<sup>8</sup>

It is estimated that the consolidated water utility will have an operating expense of \$2,300,229, as Table 19 above shows. Table 20 below identifies \$17.4 million in facility replacement costs for the combined West Wendover-Wendover-Administrative Authority utility.

**TABLE 20  
PROJECTED FACILITY REPLACEMENT COSTS**

Shafter Wells 1 Thru 5 Pumping System	\$2,750,000
Johnson Spring Collection & Pumping System	\$410,000
Shafter Transmission Pipeline	\$4,785,000
1.5 Mg Land Tank	\$750,000
1.5 Mg Three-Mile Reservoir	\$700,000
Wendover Water Treatment Facility	\$3,000,000
Wendover Pipeline	\$3,040,000
Wendover Project: Two Additional Wells	\$2,000,000
<b>TOTAL</b>	<b>\$17,435,000</b>

Source: City of West Wendover, Nevada, City of Wendover, Utah and AQUA

In addition to the facility replacement plan and costs, the water utilities have future capital facility requirements. Table 21 identifies the future requirements identified by the Administrative Authority.

**TABLE 21  
PROJECTED FUTURE CAPITAL FACILITY COST**

Johnson Spring Transmission Pipeline (2002)	\$1,950,000
Shafter Transmission Pipeline Ph Iv	\$750,000
Future Goshute Valley Wells	\$3,000,000
Future 12" Pilot Valley Pipeline	\$1,650,000
Future Pilot Valley Wells	\$1,000,000
Future 1.5mg Ola Grade Water Tank	\$750,000
<b>TOTAL</b>	<b>\$9,100,000</b>

Source: City of West Wendover, Nevada, City of Wendover, Utah and AQUA

<sup>8</sup> Williams, Andrea L. "A guide for financing and rate-setting options for small water systems"(Special Report SR17-1999)(Virginia Water Resources Research Center, Virginia Polytechnic Institute and State University)(Blacksburg, VA) November, 1999.

Table 22 below estimates reserve requirements for a consolidated West Wendover-Wendover-Administrative Authority water utility, based on data in Tables 19, 20 and 21. Based on its \$2.3 million in operating expenses, \$17.4 million in critical facility costs, and the value of other capital within the system, the consolidated water utility should have reserves in the amount of \$2.7 million. In addition, the Administrative Authority has programmed completion of the Johnson Spring pipeline for 2002, at a cost of \$1,950,000. Of this cost, the administrative Authority may need to interim finance up to \$1 million until additional funding is secured through USDA by the City of West Wendover. The reserve plus this capital expense together total about \$4.65 million.

The Administrative Authority currently has a fund balance of \$5,252,255 and \$1 million in reserves. Wendover has a reserve of approximately \$180,000. West Wendover is projected to have a fund balance of \$49,068 at the end of FY 2003 (June 30), but this reflects a loan of \$875,000 to its compost\garbage enterprise fund for a one-year period. When that loan is repaid, the fund should have a balance close to \$1 million. Thus, the combined services appear to have adequate reserves and savings for both planned and unanticipated capital expenditures.

**TABLE 22**  
**ESTIMATED RESERVE REQUIREMENTS**  
**FOR CONSOLIDATE WATER SERVICE**

<b>Operating Expense</b>	287,529
<b>Emergency Reserve</b>	871,750
<b>Facility Replacement</b>	1,543,670
<b>Total Reserve</b>	2,702,949

Source: ADE, Inc.

### **Potential Water Rate Reduction**

Many see a duplication of effort in water services in the West Wendover, Nevada and Wendover, Utah areas. As demonstrated above, a combined water service would have adequate fund balance and reserves, and would also have the potential to generate annual operating surpluses based on existing water rates. It would be possible to consider a water rate reduction, at least for some period of time until cost inflation raised operating costs beyond their current levels. Since this is essentially a political decision, there is no particular approach that is recommended. However, Table 23 presents a scenario in which half of the projected annual net operating revenue is used to reduce water rates. Under this scenario, about \$215,460 in annual revenue would be rebated to customers in the amount of about \$7 per month per ERU. This would constitute a 20 percent reduction in current rates.

**TABLE 23**  
**MONTHLY RATE REDUCTION PER ERU**  
**OVER 5-YEAR PERIOD**

Monthly Rate Reduction per ERU	Annual Cost	% Reduction per ERU rate
\$7.00	\$215,460	20%

*Source: Applied Development Economics*

### **Sewer West Wendover**

The City of West Wendover constructed a “state of the art” water reclamation facility in 1993, providing reclaimed water for irrigation purposes in the community, including uses at the public golf course, schools, and parks and recreation facilities. This reclaimed water meets all state and national guidelines and is sold at a discount well below the cost of potable water. The facility is currently receiving upgrades that will increase the flow beyond its current rate of over 100,000,000 gallons per year.<sup>9</sup>

For the current fiscal year ending 6/30/03, the West Wendover sewer fund provides net operating revenues of \$247,150, with total operating revenues of \$1,027,100 and expenses of \$779,950 (including depreciation). Factoring in non-operating revenues and expenses, the sewer fund is projected to generate \$192,110 in net income for the year.

West Wendover sewer customers currently pay \$11.50 per month for administration, operation, and maintenance of the system, plus a one-time connection fee of \$2,000 per ERC to cover the costs of necessary capital improvements (i.e. expansions and upgrades to the system). The City is also considering a Capacity Fee (CF) that would be incorporated into the present rate structure to allow owners of undeveloped land to reserve capacity. The cost to existing users would not change.

The two sewer systems will be merged into one, with the City of West Wendover providing sewer service to its current customers plus those customers currently served by the City of Wendover, UT. Engineering analysis will have to be performed to determine what, if any, capital improvements may be needed to the system as a result of the merger, and whether those costs would be covered under the existing (at the time of annexation) rate structure. Finally, a uniform rate/fee structure will have to be established under the merged system to ensure a fair and equitable distribution of costs among the system’s current and future customers.

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<sup>9</sup> City of West Wendover Snapshot, Second Edition, February, 2000, p. 4-3.

**Wendover, Utah**

Wendover, Utah switched from septic to sewer about twenty years ago, and its sewer lines remain in good shape currently. The City operates two evaporation ponds, and delivers a portion of its wastewater to the reclamation facility in West Wendover via an existing pipeline.

Wendover, UT currently serves 279 residential customers (units) and 20 commercial units at a base monthly rate of \$11.65, and eight hotel/motel units at a base rate of \$6.55. Together, the customer base in Wendover generates approximately \$14,000 in monthly billings (including excess charges). For the 2003 fiscal year, the Wendover sewer fund is projecting a slight deficit, with \$151,000 in total revenue against \$159,000 in expenditures.

**Storm Drainage System****West Wendover**

During periods of heavy rain, whether flooding occurs in any part of a city depends on the storm drainage system. There are approximately two miles of underground pipeline that comprise the storm drainage system in West Wendover. Included in the system are an estimated 150 catch basins and 15 retention basins. As the City is on a hillside, there are no pump stations.

When it rains, water flows through the storm drainage system on a north-to-south axis, following the downward slope of the hills to the flatland. Water collected in the system is eventually released near the railroad tracks.

Public Works staff report that the storm drainage system is in excellent shape and is capable of handling a 10-year storm, although it may not be capable of handling a 100-year storm. No specific projects are under consideration for West Wendover in the event of annexation.

**Wendover, Utah**

Wendover, Utah has two miles of storm drains, which are along Wildcat Avenue, Wendover Way, and Wendover Boulevard. The storm drains are relatively new, having been put in place in the last decade. The storm drain on Wendover Way was built in 1992 at a cost of \$136,000 and the Wildcat Avenue storm drain was built in 1998 for \$227,000.

There are no storm drains outside of these major arterials, including in and around the airport. However, Public Works staff note that, typically, Wendover does not experience major flooding, although streets and gutters in areas outside of storm drain system experience some ponding during major rains and storms. There is one retention basin for the storm drainage system, and no pump stations as Wendover, Utah is on a hill with a slight slope on a north-to-south axis.

## **Streets, Roads and Sidewalks**

### **West Wendover**

There are 36 miles of paved roads, including 10 miles of privately maintained roads, in West Wendover. The majority of the roads are in good to excellent condition, with Public Works staff reporting five percent in excellent (newly re-surfaced) condition and 70 percent in fair to good condition (no surface or subsurface structural damage, excluding minor pot holes). However, 20 percent of the roads are below standard, with sub-surface damage, and these streets are portions of Florence Way, the far west portion of Wendover Boulevard, and portions of Wells Avenue. No road improvement capital projects are underway and annexation is not expected to impact the road system in any special way.

### **Wendover, Utah**

Of Wendover's 15 miles of roads, not including Highway 80, almost one-third are below standard. These roads are clustered in residential areas of the City, especially in the neighborhood south of Wendover Boulevard. The remaining streets, according to Public Works staff, are in good-to-fair condition, with minor potholes and no subsurface damage requiring major capital improvements. Wendover has approximately two miles of sidewalks, most of which are on major thoroughfares such as Wendover Boulevard. The sidewalks are in excellent shape.

## **Street Lights**

### **West Wendover**

According to the Wells Electric Cooperative, there are 154 mid-block and intersection lights in West Wendover. A standard issue street light in West Wendover is a 25 foot metal pole with a 200 watt high pressure sodium light. It costs approximately \$2,750 to install, in large part due to labor and material expenses associated with connecting the light to underground wiring. West Wendover pays the electric cooperative a fee of \$6.15 per street light for electricity and on-going care.

Almost all street lights are in good working order. Well Electric upgrades street lights in West Wendover on a 12-year rotation, and it typically finds that only one percent of the lights in a given rotation pool need to be completely replaced. Thus, there is no project underway to replace any light in West Wendover, even after annexation. Wells Electric assumes 40-year depreciation for poles and light fixtures, while bulbs last 10 years.

### **Wendover, Utah**

Street lights in Wendover are mounted on 25 feet wood poles, unlike in West Wendover, which has metal poles. Similar to West Wendover, lights in Wendover are also 200 watt high pressure sodium lights. The Wells Electric Cooperative wood pole mounted lights because Wendover does not have underground wiring. Presently there are 39 streetlights in Wendover, most of which are intersection lights.

Similar to what it finds in West Wendover, Wells Electric reports that only one percent of lights in its replacement rotation pool are so badly damaged as to require immediate replacement. Street lights in Wendover are in good working condition, and the only way annexation can affect the street light system is if city official decide to underground the electric wiring system, in which case the 39 street lights will need to be replaced. The cost of installing wood pole mounted lights is significantly cheaper than metal pole lights, \$1,250 (including \$250 for the light bulb) versus \$2,750.

### **Solid Waste/Compost West Wendover**

West Wendover constructed new landfill and composting facilities in 1998. Each day, the compost facility accepts up to 25 tons of garbage, which is mechanically sorted and combined with up to five tons/day of biosolids generated by the adjacent water reclamation facility. The mix is then entered into a composting process that results in fourteen tons per day of compost material, and six tons per day of non-compostable garbage (glass and construction debris, e.g.) that is delivered to the landfill.<sup>10</sup> Garbage service is contracted out to Ace Disposal pursuant to a franchise agreement with the City.

The City of West Wendover's garbage franchise (Ace Disposal) will provide service to all of the current Wendover, Utah customers in addition to its West Wendover customers, under the rate structure that is currently in place in West Wendover.

### **Wendover, Utah**

Wendover, UT provides garbage collection service to Wendover residents and businesses, with 263 residential customers (units) and 30 commercial customers. The base cost (i.e. one can only) for residential pick-up is \$11 per unit; commercial pick-up ranges from \$38 to \$112.50, depending upon dumpster size. Altogether, garbage service generates approximately \$10,500 in monthly billings (including excess charges). For the 2003 fiscal year, the Wendover garbage fund is projected to have net revenues (revenues less expenditures) of about \$10,000.

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<sup>10</sup> City of West Wendover Snapshot, Second Edition, February, 2000, p. 4-4.

# ECONOMICS

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## INTRODUCTION

The proposed annexation of Wendover, Utah will have myriad economic impacts on the residents and businesses in the community, both short-term and long-term. One of the primary arguments for annexation is that it will, over the long-term, improve the economic viability of what is now Wendover, Utah, which currently suffers from a depressed economy marked by significant physical blight. To the extent that annexation will eliminate redundant and costly government services and facilitate community-wide economic development, Wendover residents and businesses can expect to realize significant economic benefit over the long-term. More immediately, however, there may be temporary, short-term economic impacts from annexation, some of which are positive, other that will be negative, and still others that will be neutral. This section examines some of the short-term effects that may result from annexation, focusing on the following key areas of municipal economics: taxes, costs of public services and infrastructure, financial services, professional licensing, and franchises. This section also identifies a number of questions regarding how annexation could impact households and individuals, particularly with regards to essential activities regarding car, housing and insurance payments, as well as retirement benefits.

## TAXES

The array of state and local taxes imposed upon the residents of Wendover, Utah are much different than those imposed upon residents of West Wendover, Nevada. The key differences between two taxation systems with respect to the three major taxes affecting all businesses and individuals (income tax, sales tax and property tax) are described below.

### Existing Conditions

#### Income Tax

Per the State of Nevada Constitution, the Nevada Department of Taxation does not levy a state income tax for either individuals or corporations. Utah's state individual income tax rates range from 2.3 to 7.0 percent, with a total of six income tax brackets. The corporation income rate in Utah is 5 percent. The tax is applicable to all corporations deriving income from sources within Utah.<sup>11</sup>

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<sup>11</sup> Utah also assesses a Corporation Franchise tax, which is assessed at the same rate as the Corporate Income Tax; businesses which are subject to the Corporation Franchise Tax are not required to pay the

### Sales and Use Tax

The state sales tax in Nevada is 6.5 percent.<sup>12</sup> Elko County does not currently assess any additional optional taxes, which in some Nevada counties make the combined state/county sales tax rate as high as 7.25 percent. Utah's state sales tax is 4.75 percent. Utah cities and counties also levy additional local sales taxes that vary among the municipalities. In Wendover, Utah the combined (state and local) sales tax rate is 6.00%.<sup>13</sup>

### Property Tax

**Nevada** has a wide-ranging property taxation system, with its laws stating that "except as otherwise provided by law, all property of every kind and nature whatever within this state shall be subject to taxation." Ad valorem taxes are administered by the Nevada Department of Taxation's Division of Assessment Standards and local county assessors. However, exemptions are granted. Among those items and enterprises designated as tax-exempt are business inventories and consumables, livestock, bees, certain pipe and agricultural equipment, boats, campers, computers and related equipment donated to schools, and fine art for public display. Furthermore, the Nevada Tax Commission may exempt from taxation that personal property for which the annual taxes would be less than the cost of collecting those taxes.

The assessed valuation of property tax is based on 35 percent of the full market value and property in Nevada is required to be reappraised (revalued) at least once every five years. Between reappraisal years, the values are adjusted each year with factors approved by the Nevada Tax Commission. Additional appraisals may occur when improvements are added, new structures are built, or because of use or zoning changes.

In West Wendover, the combined (state and local) property tax rate is 3.2446 percent of assessed valuation.

*Example:* A home in West Wendover with a full market value (FMV) of \$135,000 would be assessed at \$47,250 (35% of FMV). Applying the combined rate of 3.2446 percent (i.e., \$3.25 per \$100 of assessed value), the property tax levy is calculated to be \$1,533.

**Utah** property taxes are assessed and collected locally. The taxable value of a property is 100 percent of its fair market value, less any exemptions that may be

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Corporation Income Tax (i.e., all businesses not statutorily exempted must pay one of these two types of Utah corporate taxes, but not both).

<sup>12</sup> Food items purchased for consumption off-premises are exempt from sales tax in Nevada (but not in Utah).

<sup>13</sup> Additional Tooele Co. taxes (i.e., taxes levied on top of the combined sales tax rate) include TRT (3.0%), restaurant tax (1.0%) and car rental tax (2.5%).

permitted. For example, the Utah Constitution permits the Legislature to exempt up to 45 percent of the fair market value of primary residential property from property taxation. Assessed valuation of residential property in Utah, therefore, is 55 percent of the fair market value. For example, a primary residence with a fair market value of \$100,000 would be valued for property tax purposes at \$55,000. Rental properties are eligible for the exemption; secondary homes and business properties are not.

In Wendover, Utah the combined (state and local) property tax rate is 1.393 percent of assessed valuation.

*Example:* A home in Wendover with a full market value (FMV) of \$135,000 would be assessed at \$74,250 (55% of FMV). Applying the combined rate of 1.393 percent (i.e., \$1.39 per \$100 of assessed value), the property tax levy is calculated to be \$1,034.

## Conclusions

Taxes in the State of Nevada are among the lowest in the nation for both residents and businesses. According to the Tax Foundation,<sup>14</sup> Utah's combined state and local tax burden ranks as the 15th highest among the 50 states, while Nevada ranks 36th overall. Although many of Nevada's existing taxes - including sales tax and property tax - are assessed at higher rates than the corresponding taxes in Utah, the overall tax burden imposed on Wendover residents and businesses is greater than it would be under the West Wendover taxation system. For example, while a typical homeowner whose primary residence is in Wendover would pay more in annual property taxes due to annexation (as described in the example provided above), that same individual would not be subject to state income tax as a result of annexation to Nevada. For the majority of Wendover residents and businesses, therefore, annexation would result in a net tax benefit.

## IMPACT OF ANNEXATION ON THE WEST WENDOVER GENERAL AND SPECIAL FUNDS

### Current Budget

In June 2002, the City Council of West Wendover, Nevada approved the one-year budget for the City. The General Fund is comprised of revenues and expenditures for major categories. On the revenue side, the General Fund budget is \$3,548,195. The West Wendover City Council authorized \$3,778,241 in General Fund expenditures. Table 24 identifies General Fund revenue categories and expense categories.

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<sup>14</sup> <http://www.taxfoundation.org>

On the revenue side, the largest contributing revenue center is the “state consolidated revenue fund”, which is within the revenue category called intergovernmental revenue. The consolidated revenue fund is also known as the CTX<sup>15</sup>, which is a combination of the sales taxes revenues, real property transfer tax revenues, motor privilege fee revenues, liquor tax revenues, and cigarette tax revenues.<sup>16</sup> In FY 2003, West Wendover will receive an estimated \$1,249,440 in CTX from the state, an amount that the State of Nevada has reviewed and approved. In other words, the CTX is 35 percent of General Fund revenues.

The next largest revenue category is property taxes, at \$757,000 in FY2002-2003. This category represents 21 percent of all revenues, and is slightly larger than the license and permits category, which is 19 percent of the General Fund. Gaming licenses and franchise fees make up the bulk of the revenue centers within the license and permits revenue category, as Table 24 demonstrates. Together, these revenue centers represent 14 percent of General Fund revenues.

Underscoring the importance of the gaming industry to West Wendover, the city annually receives \$440,000 in county gaming taxes, which is a revenue center under the intergovernmental revenue. In combination, the city gaming license revenue center and the county gaming tax revenue center account for 18 percent of the General Fund.

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<sup>15</sup> The CTX was devised in the late 1990s in response to how state and county budgets were disproportionately and negatively impacted by loss of sales taxes when unincorporated areas became incorporated entities. Also, state officials devised the CTX in response to complaints made by local governments that the state and counties distributed a number of funds (such as liquor taxes, sales taxes, real property transfer taxes, etc.) in a disorganized and unreliable manner, which in turn affected municipalities’ ability to budget and deliver services in a timely manner.

<sup>16</sup> Local governments share of the CTX is established according to a base amount established in FY1999. If liquor-sales tax-property transfer tax-etc revenues increase above the base amount for the county as a whole, each local government continues to receive its respective base amount, and divides the remaining excess according to a pre-arranged distribution. If liquor-sales tax-property transfer tax-etc revenues decline for county as a whole, then the CTX is adjusted downward in similar proportions to the original base. As a side note, sales taxes via the CTX are distributed to municipal, county and state governments on a special formula basis.

**TABLE 24**  
**GENERAL FUND OF WEST WENDOVER, NEVADA**  
**FY 2001-2002 AND FY 2002-2003**

	2002	2003	Difference	%
<b>GENERAL FUND REVENUES</b>				
PROPERTY TAXES	\$647,300	\$757,000	\$109,700	17%
LICENSES AND PERMITS	\$727,675	\$681,075	-\$46,600	-6%
Business Licenses	\$13,600	\$20,000	\$6,400	47%
Building Permits	\$150,000	\$150,000	\$0	0%
Special Permits & fees	\$500	\$500	\$0	0%
Animal Licenses	\$500	\$500	\$0	0%
City Gaming Licenses	\$293,000	\$210,000	-\$83,000	-28%
Franchise fees	\$270,000	\$300,000	\$30,000	11%
Other	\$75	\$75	\$0	0%
INTERGOVERNMENTAL REVENUE	\$1,963,300	\$1,903,120	-\$60,180	-3%
State consolidated revenue (CTX)	\$1,360,300	\$1,249,440	-\$110,860	-8%
Optional \$.01 gas tax	\$22,700	\$27,700	\$5,000	22%
1.75 cent gas tax	\$48,000	\$46,180	-\$1,820	-4%
2.35 cent gas tax	\$45,300	\$47,300	\$2,000	4%
County road tax	\$2,000	\$2,000	\$0	0%
County Gaming tax	\$440,000	\$440,000	\$0	0%
Federal/state grants	\$45,000	\$90,500	\$45,500	101%
CHARGES FOR SERVICES	\$35,800	\$42,100	\$6,300	18%
HEALTH	\$2,300	\$3,000	\$700	30%
COURT FEES	\$3,500	\$500	-\$3,000	-86%
FINES AND FORFEITURES	\$120,000	\$120,000	\$0	0%
MISCELLANEOUS REVENUE	\$43,600	\$41,400	-\$2,200	-5%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$3,543,475</b>	<b>\$3,548,195</b>	<b>\$4,720</b>	<b>0%</b>
<b>GENERAL FUND EXPENDITURES</b>				
GENERAL GOVERNMENT	\$702,450	\$630,185	-\$72,265	-10%
PUBLIC SAFETY				
Police	\$1,338,880	\$1,322,815	-\$16,065	-1%
Fire	\$294,130	\$362,888	\$68,758	23%
Dispatch Center	\$211,000	\$205,253	-\$5,747	-3%
Animal Control	\$73,085	\$53,096	-\$19,989	-27%
public safety debt service	\$152,000	\$91,252	-\$60,748	-40%
PUBLIC WORKS	\$782,200	\$663,119	-\$119,081	-15%
COMMUNITY DEVELOPMENT	\$329,300	\$288,307	-\$40,993	-12%
MUNICIPAL COURT	\$134,850	\$116,756	-\$18,094	-13%
COMMUNITY SUPPORT	\$42,500	\$30,400	-\$12,100	-28%
HEALTH	\$13,500	\$6,000	-\$7,500	-56%
LIBRARY	\$8,600	\$8,170	-\$430	-5%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$4,082,495</b>	<b>\$3,778,241</b>	<b>-\$304,254</b>	<b>-7%</b>
Beginning year fund balance (July 1)	\$1,507,453	\$968,433	-\$539,020	-36%
(Deficit) / Surplus	(\$539,020)	(\$230,046)		
Significant unpaid property taxes		\$340,000	\$340,000	
<b>Ending year fund balance (June 30)</b>	<b>\$968,433</b>	<b>\$738,387</b>		

*Source: City of West Wendover*

The recession that is affecting the economic prospects of the nation will affect West Wendover as well, as total General Fund revenues are expected to grow at a low .13 percent between FY2002 and FY2003—from \$3,543,475 to \$3,548,195. CTX is projected to decline by \$110,860, or 8 percent, while another important source of

revenue, the city gaming licenses, is expected to decline by \$83,000 or 28 percent. However, property tax collections will increase from \$647,300 to \$757,000, or 17 percent. Property tax collections do not include an outstanding \$300,000 in revenues that the City of West Wendover is yet to collect from a major land owner in the city.

On the expenditure side of the General Fund, public safety represents the largest cost category, at 53 percent of expenditures. Within public safety, the police department and the fire department are the highest cost centers, at \$362,888 and \$205,253 respectively (or 45 percent of the total expenditures). Public Works is the next largest category, in large part because of its multiple responsibilities beyond street repair and public infrastructure. Public Works also manages the utility funds, such as water. General government, which coordinates and provides direction to all departments, represents 17 percent of expenditures, or \$630,185 in FY2003.

Responding to the general downturn in the economy, city officials are reducing expenditures, as total General Fund expenditures will decrease by seven percent between FY2002 and FY2003, or \$304,254. Public Works, General Government, and Community development will decline by \$119,000, \$72,000 and \$41,000 respectively.

While officials have instituted a reduction in spending, overall expenses at \$3,778,241 exceed overall General Fund revenue of \$3,548,195. Thus, officials anticipate ending the fiscal year with an annual deficit of \$230,046. However, the end-of-year deficit is offset by the beginning of the year fund balance of \$968,433, as Table 20 shows. Historically, West Wendover has had a high beginning-of-year fund balance, which in essence is a built up reserve of funds accrued over the years by forgoing certain municipal services essential for local quality of life.<sup>17</sup> While West Wendover ends the year in deficit, it will still have an end-of-the-year balance of \$738,387, a cash reserve amount that is equivalent to 21 percent of General Fund revenues for FY2003.

### **Estimated Impact of Annexation on West Wendover, Nevada General Fund**

This section of the report analyzes the fiscal impact of annexation on the City of West Wendover, in large measure because this city will absorb Wendover, Utah. Data for this analysis comes from the local administrators in the West Wendover Finance Department, the administrative office of Wendover, Utah, and the State of Nevada, which assisted in projecting certain revenue streams.

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<sup>17</sup> A rule of thumb in municipal planning is to have enough reserves to be able to pay for services for at least three months (or 25 percent of General Fund revenues) in the event that an emergency or natural disaster precludes collection of funds from normal sources. Some municipalities maintain a strictly cash reserve, others maintain a mix of cash and loan that can be easily accessed in an emergency.

In estimating the General Fund impacts of annexation on West Wendover, Nevada, several assumptions are worth reviewing. In general, FY2003 General Fund revenues and expenditures are used as the base from which annexation impacts are calculated. On the expenditure side, new employees (excluding police officers) hired by West Wendover are assumed to be hired at the Step 5 pay scale and each receive benefits valued at \$9,000. Police officers hired as a result of annexation are assumed to receive benefits valued at \$20,000 per year. Benefit figures are calculated using data in the detailed budget provided by the City of West Wendover. Information on the number of employees needed by department in the event of annexation was obtained through discussions with city staff (see Public Services chapter).

On the revenue side of the General Fund, given the intricacies of calculating shared revenue funds distributed between municipalities within a county, the State of Nevada assisted in calculating the CTX and gas tax distributions, asking for and receiving from the consultants information on road mileage, taxable sales, land area, population, and vehicle miles. Finally, many of the other revenue centers are adjusted on a per capita basis. Revenue centers such as the city gaming licenses or the county gaming tax are not adjusted at all, as it is anticipated that the gaming industry will remain within what are the historic borders of West Wendover, Nevada.

Table 25 identifies the impacts of annexation on West Wendover's General Fund. As the table shows, the bulk of revenues will come from intergovernmental revenues, which, at \$1,978,045, represents 50 percent of all revenues. Within intergovernmental revenues, the CTX is a major revenue source, representing 32 percent of General Fund revenues. The next largest revenue centers are property taxes and licenses and permits, at 23 percent and 20 percent respectively, or \$891,362 and \$800,124.

While property taxes increase as a relative share of revenues, from 21 percent in FY 03 to 23 percent in post annexation, state consolidated taxes (CTX) decrease as a relative share, from 35 percent to 32 percent. State of Nevada local government finance staff estimate that CTX will increase by 1 percent, from \$1,249,440 to \$1,265,867, in the event of annexation. In large measure, the relative decline and the limited absolute and percentage increase is attributable to the way that CTX works: any increase in taxable sales, liquor tax revenues, motor privilege fees, or cigarette tax revenues attributable to annexation are sent to the state, which then shares the revenues with entities within Elko County. In order for West Wendover or any entity in the county to receive a greater share of the CTX, by design, the CTX for all entities in the county must grow.

Nevada officials estimate that the various gas taxes received by West Wendover will increase significantly as a result of annexation. Revenues from the optional 1 cent gas tax, the 1.75 cent gas tax, and the 2.35 cent gas tax will increase collectively by

almost \$50,000, as a result of annexation. However, these revenue centers represent only five percent of total revenues.

Overall, as demonstrated in Table 25, the City of West Wendover will receive an estimated \$401,616 in revenues as a result of annexation, and because this figure exceeds estimated expenditures attributable to annexation, early indications are that annexation is a fiscal positive. As it is, total General Fund revenues will be an estimated \$3,949,811 after annexation, versus the FY2003 figure of \$3,548,195, for a growth of 11 percent.

On the expenditure side, total expenditures after annexation are estimated at \$4,170,626, which is a \$392,400 or 10 percent increase over FY2003. Major cost centers include the Police Department, which is expected to need four additional patrol officers plus additional animal control and dispatch personnel. Police Department expenditures represent 37 percent of all expenditures, up slightly from the 35 percent share in the FY2003 budget. Public Works will drop as a relative share of the budget to 16 percent from 18 percent, with expected spending of \$663,119. Three employees are needed by the Public Works, but their respective budgets will be borne by Community Development Department, the water utility, and the garbage/compost fund. General government will increase by \$36,000, with the hiring of one support staff to handle the anticipated additional workload.

In the post-annexation budget, General Fund expenditures continue to exceed General Fund revenues, but this is attributable to previous policies, not annexation. Indeed, annexation closes the FY2003 deficit by \$9,200. Thus, the annexation deficit is \$220,815, which is less than the FY2003 deficit of \$230,046. The beginning year balance of \$738,387 ensures that, with annexation, end of year balance will remain positive, at \$517,572. It should be noted that this fund balance – or reserve – represents 15 percent of General Fund operating revenues. To be sure, West Wendover is in the process of collecting \$340,000 of outstanding property taxes, a portion of which, when collected, can go toward increasing the cash balance reserves.

**TABLE 25**  
**POST ANNEXATION GENERAL FUND OF WEST WENDOVER, NEVADA**  
**FY 2001-2002, FY 2002-2003 AND POST-ANNEXATION**

	2002	2003	POST ANNEXATION	Difference	% Difference
<b>GENERAL FUND REVENUES</b>					
PROPERTY TAXES	\$647,300	\$757,000	\$891,362	\$134,362	18%
LICENSES AND PERMITS	\$727,675	\$681,075	\$800,124	\$119,049	17%
Business Licenses	\$13,600	\$20,000	\$36,662	\$16,662	83%
Building Permits	\$150,000	\$150,000	\$153,152	\$3,152	2%
Special Permits & fees	\$500	\$500	\$547	\$47	9%
Animal Licenses	\$500	\$500	\$663	\$163	33%
City Gaming Licenses	\$293,000	\$210,000	\$210,000	\$0	0%
Franchise fees	\$270,000	\$300,000	\$399,000	\$99,000	33%
Other	\$75	\$75	\$99	\$24	33%
INTERGOVERNMENTAL REVENUE	\$1,963,300	\$1,903,120	\$1,978,045	\$74,925	4%
State consolidated revenue	\$1,360,300	\$1,249,440	\$1,265,867	\$16,427	1%
Optional \$.01 gas tax	\$22,700	\$27,700	\$36,296	\$8,596	31%
1.75 cent gas tax	\$48,000	\$46,180	\$65,463	\$19,283	42%
2.35 cent gas tax	\$45,300	\$47,300	\$69,405	\$22,105	47%
County road tax	\$2,000	\$2,000	\$2,651	\$651	33%
County Gaming tax	\$440,000	\$440,000	\$440,000	\$0	0%
Federal/state grants	\$45,000	\$90,500	\$98,362	\$7,862	9%
CHARGES FOR SERVICES	\$35,800	\$42,100	\$55,993	\$13,893	33%
HEALTH	\$2,300	\$3,000	\$3,977	\$977	33%
COURT FEES	\$3,500	\$500	\$663	\$163	33%
FINES AND FORFEITURES	\$120,000	\$120,000	\$159,068	\$39,068	33%
MISCELLANEOUS REVENUE	\$43,600	\$41,400	\$60,580	\$19,180	46%
<b>GENERAL FUND REVENUES</b>	<b>\$3,543,475</b>	<b>\$3,548,195</b>	<b>\$3,949,811</b>	<b>\$401,616</b>	<b>11%</b>
<b>GENERAL FUND EXPENDITURES</b>					
GENERAL GOVERNMENT	\$702,450	\$630,185	\$667,015	\$36,830	6%
PUBLIC SAFETY					
Police	\$1,338,880	\$1,322,815	\$1,526,700	\$203,885	15%
Fire	\$294,130	\$362,888	\$401,888	\$39,000	11%
Dispatch Center	\$211,000	\$205,253	\$238,173	\$32,920	16%
Animal Control	\$73,085	\$53,096	\$86,016	\$32,920	62%
public safety debt service	\$152,000	\$91,252	\$91,252	\$0	
PUBLIC WORKS	\$782,200	\$663,119	\$663,119	\$0	0%
COMMUNITY DEVELOPMENT	\$329,300	\$288,307	\$325,137	\$36,830	13%
MUNICIPAL COURT	\$134,850	\$116,756	\$116,756	\$0	0%
COMMUNITY SUPPORT	\$42,500	\$30,400	\$40,400	\$10,000	33%
HEALTH	\$13,500	\$6,000	\$6,000	\$0	
LIBRARY	\$8,600	\$8,170	\$8,170	\$0	0%
<b>GENERAL FUND EXPENDITURES</b>	<b>\$4,082,495</b>	<b>\$3,778,241</b>	<b>\$4,170,626</b>	<b>\$392,385</b>	<b>10%</b>
Beginning year fund balance (July 1)	\$1,507,453	\$968,433	\$738,387		
(Deficit) / Surplus	(\$539,020)	(\$230,046)	(\$220,815)	\$9,231	
<i>Significant unpaid property taxes</i>				\$340,000	
<b>Ending year fund balance (June 30)</b>	<b>\$968,433</b>	<b>\$738,387</b>	<b>\$517,572</b>	<b>\$866,803</b>	

Source: ADE, Inc.

### Special Revenue Funds

This section of the report analyzes the impacts of annexation on special funds, such as the water, sewage, and garbage utilities, as well as the recreation district. Analysis for the water district is presented in another part of this report, although findings are included in the tables below.

The methodology employed to estimate revenues and expenditures for the sewage and garbage estimates is as follows. It is assumed that sewage and garbage habits are roughly the same on a person to person basis, thus, initially, the 2003 amounts for these special funds are adjusted upward on a per capita basis. However, the per capita growth of 33 percent is adjusted for the influence of the hotels. As it is, hotels represent approximately 50 percent of water demand in West Wendover, as demonstrated in the earlier section on water. Thus, the growth rate is reduced by half, and the new rate applied to the 2003 revenue and expenditure figures for sewage and garbage. Table 26 identifies the impact of annexation on the municipal utilities enterprise funds.

**TABLE 26**  
**IMPACT OF ANNEXATION ON SPECIAL REVENUE FUNDS**  
**MUNICIPAL UTILITIES**  
**West Wendover, Nevada**

	2003	POST ANNEXATION	Difference	% Difference
Water Fund Revenues	\$1,426,110	\$1,669,441	\$243,331	17%
Water Fund Expenditures	\$1,320,680	\$1,671,200	\$350,520	27%
(Deficit) / Surplus	\$105,430	(\$1,759)		
Sewer Fund Revenues	\$1,027,100	\$1,196,572	\$169,472	17%
Sewer Fund Expenditures	\$779,950	\$908,642	\$128,692	17%
(Deficit) / Surplus	\$247,150	\$287,930		
Combined Garbage\Compost Rev.	\$1,322,810	\$1,541,074	\$218,264	17%
Combined Garbage\Compost Exp.	\$1,088,820	\$1,268,475	\$179,655	17%
(Deficit) / Surplus	\$233,990	\$272,598		

Source: City of West Wendover and Applied Development Economics

There is a special recreational district that provides for the needs of Wendover and West Wendover residents alike. The source of revenues for this fund is the transient occupancy tax (TOT), which is a 16 percent tax on the price of hotel, motel or RV camp ground stay. Of the TOT, West Wendover receives 88 percent of the total amount, with 3.5 percent going to the county, 3.5 to the state and 7 percent to West Wendover for marketing purposes only. According to data from the Utah Tax Commission, the average annual taxable sales related to transient occupancies is \$2,364,000. Thus, the District will receive \$238,000 in TOT taxes as a result of annexation. As the District already serves the needs of Wendover residents, the analysis does not anticipate any additional impacts resulting from annexation. Table 27 provides information on revenues and expenses.

**TABLE 27**  
**IMPACT OF ANNEXATION ON SPECIAL REVENUE FUNDS**  
**RECREATION DISTRICT**  
**West Wendover, Nevada**

	2003	POST ANNEXATION	Difference	% Difference
Recreation District Revenues	\$1,700,000	\$1,938,000	\$238,000	14%
Recreation District Expenditures	\$1,700,000	\$1,700,000	\$0	0%
(Deficit) / Surplus	\$0	\$324,601		

Source: City of West Wendover and Applied Development Economics

West Wendover is the recipient of a number of special grants from state and federal sources. Table 28 below aggregates the number of special grant revenues, and these grants are special grants for transportation, the Youth Council, rural health clinic, Future Farmers of America, state Economic Development, and Pueblo Enhancement Grant. Table 28 below anticipates that, with annexation, need for services funded by grants will grow according to per capita change. As a result, expenditure should increase by 33 percent. However, we anticipate that state and federal grants listed under special grants are not formula driven, and are proposal-driven grants to meet the specific needs of a specific population in West Wendover on a one-time basis. As a result, expenditures or revenues are not adjusted to account for annexation, although social service needs will in all likelihood increase.

**TABLE 28**  
**IMPACT OF ANNEXATION ON SPECIAL REVENUE FUNDS**  
**SPECIAL GRANTS**  
**West Wendover, Nevada**

	2003	POST ANNEXATION	Difference	% Difference
Special (excluding Recreation) Rev.*	\$1,691,705	\$1,691,705	\$0	0%
Special (excluding Recreation) Exp.	\$1,610,160	\$1,610,160	\$0	0%
(Deficit) / Surplus	\$81,545	\$81,545		

Source: City of West Wendover and Applied Development Economics

## MUNICIPAL DEBT IN WENDOVER, UTAH

### Existing Conditions

Neither Wendover, Utah nor West Wendover, Nevada currently have any outstanding general obligation debt.<sup>18</sup> However, Wendover, UT does have a modest

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<sup>18</sup> General obligation bonds is secured by the “full faith and credit” of an issuer with taxing power, and are typically secured by a pledge of the issuer’s ad valorem taxing power.

amount of outstanding debt that was issued to finance various improvements to the City water system, including the following:<sup>19</sup>

1. **Name of Issue:** \$540,000 Water Revenue Refunding Bonds, Series 1993.  
**Trustee:** Zions First National Bank  
**Bond Counsel:** Blaine Carleton, Ballard, Spahr, Andrews, & Ingersoll, (801) 531-3000  
**Financial Advisor:** Laura Lewis, Lewis Young Inc., (801) 596-0700
2. **Name of Issue:** \$122,670 Water Revenue Bonds, Series 1996  
**Purchaser/Bondholder:** U.S. Dept. of Agriculture  
**Bond Counsel:** Blaine Carleton, Ballard, Spahr, Andrews, & Ingersoll, (801) 531-3000  
**Financial Advisor:** Laura Lewis, Lewis Young Inc., (801) 596-0700
3. **Name of Issue:** \$3,416,000 Taxable Water Revenue Bonds, Series 1999  
**Purchaser/Bondholder:** Utah Drinking Water Board  
**Bond Counsel:** Blaine Carleton, Ballard, Spahr, Andrews, & Ingersoll, (801) 531-3000  
**Financial Advisor:** Dale Oakerlund, First Securities Capital Markets, (801) 246-1736

All of Wendover's water bonds are secured by a pledge of the enterprise revenues of the City's water system.

### Conclusions

Because the debt is secured by enterprise revenues as opposed to being general obligations of the City secured by tax revenue, annexation is not expected to pose a threat to the credit quality or overall security of the bonds. Moreover, by broadening the customer base from which the water revenues are derived via a merger of the now separate water systems of Wendover and West Wendover, the security of the outstanding bonds may in fact be strengthened as a result of annexation. The earlier section on water finance suggests that a consolidated system could service all associated debt and possibly reduce monthly service charges due to operational efficiencies.

Aside from the question of the security of the bonds and integrity of the revenue source, the main issue with respect to outstanding indebtedness is the legal context in which the bonds were issued. The bond counsel of record (Blaine Carleton of Ballard, Spahr, Andrews, & Ingersoll) will need to review the bond transcripts and provide a legal opinion as to whether or not the proposed annexation may potentially be in violation of any bond covenants. If so, steps will need to be taken to mitigate the potential consequences of such violations.

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<sup>19</sup> Wendover also has existing lease purchase agreements, payable from the city's general fund, for the purchase of two automobiles for the Police Department, as well as a lease obligation to Tooele County for the municipal office building that the City shares with the County pursuant to a lease agreement.

## FINANCIAL SERVICES

### Existing Conditions

Banks that currently have operations in the study area include Nevada State Bank, Nevada Bank & Trust, Greater Nevada Credit Union, and Key Bank of Utah.<sup>20</sup> Among these, Key Bank is the only one that is not based in Nevada and does not hold a Nevada Bank Charter. However, Key Bank is a nationally chartered bank under the Reigle-Neal Interstate Banking and Branching Efficiency Act (“the Act”). Pursuant to this 1994 legislation, any nationally chartered bank such as Key Bank may operate within any state that did not opt out of the Act.

### Conclusions

Nevada-based banks that currently have local operations would not be impacted by the annexation. Furthermore, because the State of Nevada did not opt out of the Act, the proposed annexation would not affect Key Bank’s ability to conduct operations as usual.

## PROFESSIONAL LICENSING

### Existing Conditions

#### Individuals

Certain occupations – such as teachers, physicians, dentists, nurses, attorneys, etc. - require a state license or certification issued by the governing board or agency. Teachers in the Tooele County School District, for example, must be certified by the Utah State Office of Education, while teachers within the Elko County School District must obtain their endorsement from the Nevada Department of Education. Similarly, an attorney who wishes to practice law within Nevada must be a member of the Nevada Bar Association. If that same attorney also wishes to practice law in the State of Utah, he/she must also be a member of the Utah Bar Association.

While there are some professionals in Wendover who are already licensed to work in both states (e.g., attorneys who practice in both states and, therefore, must be a member of both states’ bar associations) and many more who are licensed to work in Nevada only, there are also those who are currently working in Wendover, Utah and do not presently have the necessary credential to allow them to provide services in the State of Nevada. Included in this group are Wendover schoolteachers and a few lawyers, dentists, and other medical personnel.

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<sup>20</sup> Key Bank is a national bank with corporate headquarters located in Cleveland, Ohio.

### **Businesses**

Both Utah and Nevada also require any business operating within the state to first obtain a state business license. Pursuant to Nevada Revised Statutes (NRS) 364A, all businesses operating in Nevada are required to have a State Business License issued by the Department of Taxation (DOT)<sup>21</sup> while in Utah all businesses are required to register with the Utah Department of Commerce. In addition to the state license requirements, both Wendover and West Wendover also require businesses to obtain a local business license (i.e., issued by the respective city or cities in which the business has operations).

### **Conclusions**

Many local businesses that have cross-border operations are currently required to have a business license for both cities and both states. In such instances, annexation would eliminate the need for duplicate licenses and the fees that go with them. Businesses that currently operate in Wendover, Utah and do not have a Nevada business license will need to obtain one, unless their Utah license can be transferred to Nevada, perhaps as a condition of the proposed legislation. Locally, business licenses issued by the City of Wendover could, through action of the West Wendover City Council, retain their validity after the annexation.

Of greater potential concern to a number local professionals as well as those who rely on their services is the issue of occupational licenses and/or certifications.<sup>22</sup> Dental licensure in the State of Nevada, for example, can be a lengthy, expensive, and difficult process, with the exam offered only once per year by the State Board of Dental Examiners. In addition, health care and human services providers (e.g., child care) require state licensure to operate facilities. The Women's Clinic in Wendover, Utah is one such entity that does not currently have a Nevada license and, therefore, may not be able to continue to provide services in the local community due to annexation.<sup>23</sup>

For most of the affected facilities and professions, the adverse impact of the annexation may reasonably be expected to be limited to minor, short-term disruptions in service. As an immediate outcome, however, the annexation may result in fewer medical professionals and facilities to serve the population of the combined city, unless the proposed legislation includes provisions that would mitigate these potential impacts. For example, the legislation could allow health care

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<sup>21</sup> To apply for a Nevada State Business License, submit a completed Nevada Business Registration form accompanied by a \$25 fee.

<sup>22</sup> Example of occupations requiring state licensure include medical staff (doctors, dentists, nurses, chiropractors, etc.), attorneys, teachers, truck drivers, contractors, etc.

<sup>23</sup> Staff from the Women's Clinic, which is based in Salt Lake City, travel to Wendover Utah to provide on-site services on a weekly basis.

providers to continue to operate under temporary or “emergency” licenses, with the stipulations that they must obtain the required Nevada license within a specified period of time.<sup>24</sup>

## FRANCHISES

The term ‘franchise’ refers to a regulated service provider – such as public utility companies - that must be granted territorial rights to conduct operations.<sup>25</sup> Franchise fees are levied against these companies by the respective municipalities in which the franchise is granted permission to do business pursuant to a franchise agreement. This section examines the economic and market implications of annexation with respect to existing franchises in Wendover and West Wendover.

### Existing Conditions

#### Public Utilities (Electricity and Gas)

Wells Rural Electric Company (WREC) and Propane of Wendover/Wendover Gas currently serve customers on both sides of the border. These firms pay franchise fees to both Wendover and West Wendover pursuant to franchise agreements with the municipalities, and are under regulatory control by the Nevada Public Utilities Commission (NPUC) as well as the Utah Public Service Commission (UPSC).

#### Telecommunications/Cable Television/Internet

The Federal Communications Commission (FCC) is the primary government agency responsible for regulating interstate and international communications by radio, television, wire, satellite, and cable. Telecommunications firms are also subject to regulatory oversight by the states in which they operate.

The FCC assigns service areas to individual telecommunications firms.<sup>26</sup> In West Wendover, phone service is provided by Frontier Communications, located in Elko, Nevada. In Wendover, local phone service is provided by Skyline Telecom, located in Fairview, Utah.<sup>27</sup> These two companies are the incumbent local exchange carriers (ILECs) for their assigned “study areas.” The border serves as the dividing line between their respective study areas, so that their jurisdictions do not overlap.

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<sup>24</sup> A similar solution (i.e., granting of temporary or “emergency” licenses) may be needed with respect to teachers who are not currently certified to teach in Nevada schools.

<sup>25</sup> Due to economic and regulatory reasons, franchises generally operate in a monopolistic or oligopolistic environment

<sup>26</sup> The FCC divides every state into a number of “study areas,” which are jurisdictions controlled by a particular telephone exchange carrier.

Frontier Communications is a subsidiary of Citizens Communications, with corporate headquarters in Rochester, NY. Skyline Telecom is a subsidiary of Central Utah Telephone, Inc.

Cable television service is provided by Precis Communications,<sup>28</sup> which is located in Price, Utah but serves both Wendover, Utah and West Wendover, Nevada, as well as several other communities on both sides of the border. Local Internet service is provided by two competing firms, Lnett Internet Services and Apollo Products/Elko Net. Both Internet service providers are located in Nevada but currently offer local Internet access to customers in Wendover, Utah in addition to West Wendover.

The cable and Internet companies are not currently subject to regulatory control by the states, but must abide by the franchise agreements with each of the municipalities in which they provide service.

### **Conclusions**

Franchises that currently serve both cities will be able to continue to serve their customers as usual, without any foreseeable disruptions caused by annexation. Moreover, the proposed annexation would eliminate the need for duplicative business licenses, franchise agreements and fees, and regulatory oversight. Thus, annexation is expected to have positive financial and/or administrative impacts (i.e., streamlined bureaucratic processes) on the franchises that currently provide service on both sides of the border.

The potential effect of annexation on telecommunications is somewhat less clear. Although Skyline Telecom would be required to file with the NPUC due to annexation and would no longer be subject to UPSC regulations, this would be a fairly routine procedure. Although the most visible study area boundary (i.e., the border) would be changed, the study areas and calling pattern assigned to each of the two local telephone companies will remain intact until and unless the FCC decides to alter the current structure. Over the long term, annexation could potentially create a much more competitive environment by opening up the telecommunications market to direct competition between the two ILECs currently serving the local area within separate, adjacent jurisdictions.

### **REDEVELOPMENT AS A TOOL FOR INFRASTRUCTURE FINANCING**

As discussed in earlier sections, there is the need for improved roads and streets in part of Wendover. In addition, the Airport report (under separate cover) discusses the fact that infrastructure at the airport is much older than that in Wendover City, and is in need of major improvements in order to support potential industrial development at the airport. Redevelopment offers a stable, long-term source of funding that can reduce Wendover's dependency on state and federal grants to fund infrastructure, make other physical improvements at the airport, and eliminate blight.

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<sup>28</sup> Formerly known as Peak Cablevision.

Most redevelopment agencies make investments in new public facilities such as sewer, water, streets, parking, and drainage, that are critical for attracting new private investment. Redevelopment agencies can also improve transit, services, and housing opportunities in the project area and create public/private partnerships to assist with the development of specific privately owned parcels.

Examples of the type of projects a West Wendover Redevelopment Agency fund include:

- Infrastructure needed to support industrial development can be funded by redevelopment. Funding from a Redevelopment Agency could be used to comply with the local matches that may be required by federal and state funding agencies.
- Improvements to the airport runways, or other aviation related improvements could be funded by redevelopment. The Agency's funds could be used to comply with the significant local financial matches required to qualify for the Federal Aviation Administration's grants available for runway or other aviation improvements.
- Streetscape improvements and façade renovations on individual buildings can be partially funded and subsidized by the Redevelopment Agency.
- Public/private partnerships for demolitions, or the adaptive reuse of existing buildings at the airport or elsewhere in Wendover, Utah can be financed by a Redevelopment Agency.
- An Economic Development staff position and future planning efforts could be funded by a Redevelopment Agency.
- New housing can be financed by a redevelopment agency to improve the housing stock in Wendover, Utah. Participation often takes the form of loans or grants to existing home owners for repair or compliance with building code requirements.

### **Powers Of A Redevelopment Agency**

The creation of a redevelopment agency can provide West Wendover with four essential tools that can help the city gain the fiscal benefits of annexing and revitalizing Wendover, Utah.

#### **Incur Debt**

A redevelopment agency has the power to borrow money, including issuing bonds, that will be paid back from expected future tax increment revenues, from property sale proceeds, or from other sources. Debt incurred by the Redevelopment Agency will not be the obligation of the City of West Wendover.

**Sale of Real Property**

A West Wendover Redevelopment Agency would have the power to act as a developer by buying and selling property. The Agency will have the authority to acquire one or more properties for consolidation or reconfiguration to enable private market-based development to occur. No other local public agencies are so directly and actively involved in the private real estate market.

**Eminent Domain**

The creation of a West Wendover Redevelopment Agency would allow community leaders to acquire the power of eminent domain and property condemnation. Eminent domain allows a Redevelopment Agency to acquire private property, upon paying a fair price for the property and relocating the tenants. This authority can be used to require uncooperative property owners to comply with agreed upon land use and revitalization goals by forcing the development or sale of properties at market prices.

**Tax Increment Financing**

A West Wendover Redevelopment Agency would have the power to collect property tax increments that would provide the agency with the capacity to finance projects and activities such as infrastructure improvements, the acquisition or lease of private property, loans for private property improvements, remedy or removal of hazardous waste, and other real estate improvements.

**What Is Tax Increment Financing?**

Tax increment financing is the predominant source of revenue for redevelopment agencies. The tax increment is the increased property taxes on the growth in assessed values created by redevelopment. The new property tax “increment” revenue would go directly to West Wendover’s general fund in the absence of redevelopment. Of course, if there is no growth in property values then there will be any tax increment revenue.

When a redevelopment project area is formed, the property tax prior to the formation of the project area becomes the project area’s base year. As property values in the project area grow, the increases are the incremental revenue. Other agencies such as school districts that share the total property tax will still get their share, including the increases. The share the redevelopment agency gets is that portion remaining after other agencies get their shares.

It is important to note that a redevelopment agency is not a source of new revenue, and has no power to levy a taxes, assessments, or fees of any kind. Nor does it affect the property tax distribution for the city, county, schools, and special districts, such as the Recreation District that exist at the time a project area is adopted. The

establishment of a redevelopment project area only diverts a portion of future property tax revenues generated within a defined project area.

### **How Can West Wendover Form A Redevelopment Agency**

The decision to form a redevelopment agency requires strong support among the business community, the general public, and elected officials at the start of the process. Many communities have started the time consuming and costly process of creating a redevelopment project area, only to find out later that support was weak and agreement could not be achieved.

The actual creation of a redevelopment agency for West Wendover must be initiated by the City Council. One of the first acts of Council business on this topic would be to engage the services of a professional consultant experienced with creating redevelopment agencies. The City may need expert consulting help to design and pass an ordinance that declares the need for such an agency, and create a governing structure appropriate for the community's leadership. Most likely, the City Council will become the governing board of the Redevelopment Agency.

By itself the formation of a redevelopment agency does not achieve anything. It is merely a governing structure for managing the affairs within a designated redevelopment project area. In order to create a designated project area, a city needs to prepare three documents: a redevelopment plan, a preliminary report, and a report to the City Council. The preparation of these documents involves substantial up-front effort and costs requiring the skills of professionals with redevelopment experience. Generally, it is an eight to 12 month process to adopt the survey area, prepare the preliminary and final redevelopment plan, comply with any required environmental review, consult with the other affected taxing entities, and conduct a series of public hearings at various stages. The timeline will be extended if there is controversy over the agency's formation or specific activities that should be allowed.

Once a redevelopment agency is established, an agency has authority to hire staff. However, the City Manager would be the most likely redevelopment director for West Wendover. Other city staff will also be involved in conceiving projects and overseeing the activities of the Redevelopment Agency.

### **Redevelopment Plan**

A "redevelopment plan" is the charter for the redevelopment agency and represents a process and a basic framework within which specific projects will be undertaken. The plan provides the redevelopment agency with the powers to take certain actions, such as buy and sell land within the project area, improve dilapidated facilities, and tax increment financing. Development of the plan will involve considerable public input and review from the community. A redevelopment plan is primarily a legal

document rather than an actual plan that requires the assistance of an expert in redevelopment law, and should contain the following provisions.

- A legal description of the project boundaries,
- A redevelopment plan map showing permitted land uses within the project area,
- The agency's goals and objectives for the project area
- The agency's powers and authorities in carrying out the plan (including eminent domain),
- A list of public improvements that will benefit the project area, and the agency's proposed financial contribution.
- Time limits on establishing project debt, debt repayment and the plan's duration,
- The maximum amount of bonded debt that can be outstanding at one time.

### **Preliminary Report**

The preparation of a preliminary report is a second document required to establish a project area and guide the management of the redevelopment project area. The preliminary report is intended to provide a rationale for the creation of the project area, evidence of blight, project the available tax increment revenues, identify the improvement projects to be funded, and prepare a plan for debt repayment. When project area priorities and market conditions change, the preliminary report should be amended accordingly.

### **Report to the City Council**

The third and final report is a legal document that pulls together all relevant information gathered during the planning effort. The council must then approve the plan and notify the affected taxing agencies so that tax increment revenues can begin accruing to the agency.

### **Financing Project Area Improvements**

A redevelopment agency has the ability to incur debt and finance agreed upon project area improvements. The most common form of debt that agencies incur is through the sale of bonds secured by a pledge of tax increment. The holders of the bonds have a first lien on the redevelopment agency's revenues. This means that the annual debt service on tax allocation bonds get paid before any other obligations of the redevelopment agency. It also means that the agency's other debts must be specifically subordinated to the repayment of bonded indebtedness in order to provide the strongest possible pledge of repayment.

Therefore, any debt incurred by the West Wendover Redevelopment Agency would not be a debt of the City or its citizens. In fact, current state law restricts the number of years that a redevelopment agency can exist and continue to incur debt through loans or the sale of bonds. State law is designed to ensure that redevelopment agency debt is fully retired and paid-off before the agency legally goes out of existence.

### **Barriers To Establishing A West Wendover Redevelopment Agency**

It is important for West Wendover to understand why only a few Nevada communities have embraced redevelopment as an economic development financing tool. The Redevelopment Agencies of Reno and Sparks were created through the initiatives of the gaming industry who have a financial interest in transforming downtown areas into vibrant, pedestrian friendly areas that can attract and keep visitors for lengthy stays. For the same reason, Carson City also created an agency, but revitalization has been relatively slow. Clark County communities have been in the redevelopment business for more than two decades. In fact, redevelopment has played a significant role in making the Las Vegas strip a highly successful destination.

Essentially, only a handful of Nevada communities have adopted redevelopment. Some small cities such as Fallon have considered redevelopment, but have yet to pursue the actual creation of an agency for a number of reasons as summarized below.

#### **Concern that Redevelopment will Cause a Tax Increase**

Community leaders throughout rural Nevada take great pride in the state's low tax, pro-business business climate, and generally do not support any project or program that causes a tax increase. So it will be very important to educate community leaders and the general public about how redevelopment can finance projects to eliminate blight without raising taxes.

Before a redevelopment project area is formed all property tax revenue goes to the state, county, city, schools, and special districts. When the redevelopment project area is formed, all tax agencies continue to receive the tax revenue they received from that area before the agency was formed. In addition, as property values increase and tax revenues increase accordingly, the redevelopment agency shares a mandatory amount of the future increased property tax revenues from the project area with the county, school districts, special districts, etc., using the formula under law. The redevelopment agency passes these tax revenues through to the taxing agencies each year.

As property is sold and as new construction (public or private) occurs in a redevelopment project area, the assessed value of the property goes up. This causes tax revenues to increase even though the tax rate does not change.

The increased tax money is known as “tax increment.” It is used by the redevelopment agency to pay the expenses of improving the project area and eliminating blight. This is usually done in the form of using tax increment revenues to leverage the sale of tax increment bonds to finance the necessary public improvements and public/private programs.

At the life’s end of the agency (typically 35 to 45 years) and the debts are paid by the cumulative tax increment revenues, then the redevelopment agency and project area are terminated and all tax revenue from the project area’s increased assessed values are distributed to all other tax agencies (county, city, schools, and special districts, etc.), as a proportion of their tax rates. Redevelopment generally results in increased property tax revenues for the other taxing agencies that they would not have experienced if redevelopment had not occurred.

### **Reluctance to Incur Debt**

West Wendover, like most other small Nevada towns, manages government on a pay-as-you go philosophy. There is a genuine reluctance to borrow, and sometimes there is just no political support to incur debt. This barrier cannot be changed quickly. Thoughtful analysis during the redevelopment agency startup period can help guide the type and amount of debt with which a community is comfortable.

### **Fear of Eminent Domain**

This is a fear that can be overcome through proper input and analysis during the startup period. The power of eminent domain is one of the most controversial powers of a redevelopment agency, and often the focus of opposition during the adoption of a redevelopment project area. Thus, a number of agencies have restricted their eminent domain authority to specific properties, and a few have totally relinquished their ability to use condemnation powers in order to ensure public support for the agency’s existence.

### **High Start up Costs**

The total costs for preparing a redevelopment plan, preliminary report, and report to council will be approximately \$150,000. Although a thorough blight analysis will need to be completed, the costs of agreeing on a set of project improvements may be reduced since the recently completed West Wendover economic development strategy can be used to guide project improvement on the Nevada side of the current border.

Although some of the startup requirements can be met by using inhouse staff and the agency can borrow the initial costs from the City, there is no way to avoid agency start up costs. West Wendover’s civic leaders should be aware that it will take a number of years for the agency to pay its debt back to the City. Accordingly, redevelopment should be delayed until West Wendover’s community leaders are willing to incur these costs.

### Staff Capacity

West Wendover, like other small Nevada communities, has minimal staff to the point that existing staff can take on no more work. This is a real barrier that must be overcome. In most small towns such as Carson City, city staff have been able to fulfill the staff duties of a redevelopment agency. Cities like Reno and Sparks have sufficient redevelopment agency revenues to support their own staff.

## IMPACT OF ANNEXATION ON THE HOUSEHOLDS

### Comparison of Essential Needs: Automobile License and Registration

The table below compares the registration, license and sales tax associated with purchasing a \$20,000 2001 Ford vehicle. As the table shows, the cost of obtaining a vehicle license and registration for a \$20,000 2001 Ford vehicle is lower if the car is purchased in Wendover, Utah rather than in West Wendover, Nevada. Registration fees in Nevada are substantially less than in Utah, as is the license plate fee. A consumer will pay slightly more in sales taxes than in Utah. The most significant difference in regulatory fees and taxes is that Nevada assesses what is called a government service tax, which Utah does not assess.

**TABLE 29**

#### COMPARISON OF LICENSE FEE, REGISTRATION FEE AND SALES TAXES GENERATED BY \$20,000 2001 FORD AUTOMOBILE

	West Wendover	Wendover
Registration fee	\$33	\$150
government service tax	\$238	
license plate fee	\$1	\$33.50
sales tax	\$1,300	\$1,200
	\$1,572	\$1,383.50

### Comparison of Essential Needs: Home and Car Insurance

Every state has a wide variety of required rules, practices, and assumptions that are factored into insurance contracts that, in turn, affect the cost of an insurance policy.

A local insurance broker licensed to work in both West Wendover, Nevada and Wendover, Utah calculated that the monthly cost of home insurance for a typical \$115,000 owner-occupied single family dwelling in West Wendover, Nevada is \$405.<sup>29</sup> If that same home is in Wendover, Utah, the cost is \$282. Factors in Reno and Las Vegas, such as population growth and increases in insurance claims there are, in part, leading Nevada-based insurance carriers to file for rate increases with the State of Nevada. Their determination applies to insurance carriers throughout the state. As a result, the cost of home insurance is higher in West Wendover, Nevada than in Wendover, Utah, a state that has not experienced any noticeable increase in requests to change rates.

The insurance cost for similar cars whose respective owners have similar driving records is higher in Nevada than in Utah. The cost of insuring a 35-year-old driver with an excellent driving record and an excellent condition three-year old car in Nevada is \$450 for a six-month period, versus \$263 in Utah. The \$263 figure includes personal injury protection (PIP) that, by state law, Utah drivers are required to have. Nevada law does not require a licensed driver to have any personal injury protection, and state law allows insurance carriers to waive a number of features in a car insurance policy, unlike in Utah. However, the \$450 Nevada rate is for a complete insurance package, which includes medical coverage and coverage against accidents caused by uninsured drivers. If a Nevada car owner and an insurance carrier agreed to waive a number of features except for medical, then the cost of insurance for a six month period can go as low as \$244, although at this rate, there is no protection against accidents caused by uninsured drivers.

In addition to the difference in cost of car insurance, Nevada and Utah laws also differ as to how accidents are settled. The State of Nevada is an “at fault” state, while Utah is a “no fault” state. If two similar cars with drivers with identical driving records approach a four-way stop intersection, run the stop sign and subsequently collide, the insurance of the car that failed to stop and to yield the right-of-way to the car on the right pays for all damages in Nevada. If a similar situation occurred in Utah, one car will pay for two-thirds of the damages, with the other driver paying the final third. These ratios are based on the fact that there were three violations (two failures to stop at the intersection and one failure to yield to the car on the right), with one car committing two-thirds of the violations and the other committing one-third. In Utah, drivers who are injured as a result of an accident must pay the first \$3,000 of the medical costs via their respective personal injury protection plan (PIP), with any costs above the \$3,000 amount covered by the PIP of the other car owner. In Nevada, the insurance carrier of the car driver who commits the greater number

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<sup>29</sup> Robert Supp, Supp Insurance, Inc., Wells, Nevada, personal communication, and State Farm Insurance, Elko, Nevada

of violations in an accident is required to pay for all medical costs, assuming that the driver did not waive medical coverage as part of his car insurance package.

### **Comparison of Essential Needs: Retirement Benefits**

West Wendover, Nevada employees are members of the Nevada Public Employees Retirement System. The City pays 100% of the cost of Nevada PERS for both non-public safety and public safety employees. West Wendover pays an amount equivalent to 18.75% of the city employees' salary to PERS, and 28.5% of the public safety employees' compensation. City employees access these benefits based on the following formula: non-public safety employees gets 2.67% of their high three years average compensation times the number of years of covered Nevada PERS service. The final amount cannot exceed 75% of their highest salary. City employees are fully vested after 30 years of services. If employees work for 10 years for West Wendover, Nevada, they can retire fully vested at the age of 60. If 5 years, then they can fully retire at 65. Members of Nevada PERS do not participate in social security, although West Wendover pays 1.45% to Medicare.

Municipal government employees in Wendover, Utah access a retirement plan that is similar to Nevada PERS although with different benefit and contribution rates. The City of Wendover pays 100% of the cost of the Utah Retirement System (URS). Wendover pays an amount that is equivalent to 10.19% of non-public city employees' respective salaries into the URS, as well as 17.66% of public safety employees' salaries. The public employee retirement benefit formula is 2% per year of service for non-public safety employees and 2.5% per year of service for public safety employees. Similar to West Wendover, Nevada, the Wendover municipal government does not participate in the federal social security program. Employees who work for the city for at least 30 years are fully vested in all retirement plans, and can retire at any time. Employees who worked for 20 years for the city can retire fully vested at age 60; ten-year employees can fully retire at age 62. Retirement benefits are determined by age, number of years of service, final average monthly salary, and the benefit formula

In the event of annexation, Wendover, Utah municipal employees will retain the amount of retirement benefits that they had earned per the URS formula, so long as they are vested. Wendover, Utah employees become vested in their respective retirements after four years of employment. Thus, if vested Wendover municipal employees seek employment with West Wendover, other government agencies, or in the private sector, they will receive the amount of retirement that is their due per the URS formula. And, they are eligible to receive retirement benefits from their new place of employment.

Wendover, Utah employees who had worked for the government for less than four years and thus are not vested could lose what retirement benefits the municipal government set aside for them in the URS. Former employees of Wendover who had not vested and who, after annexation, are employed in the private sector lose URS benefits unless their new employers remedy the situation. If they are hired by West Wendover's municipal government, they can either forgo their URS benefits by starting anew in the Nevada PERS, or they can buy what is called "service purchase option." This option is available only after working in Nevada for at least five years, and it requires employees to set aside 21.1 percent of their average salary at the time of purchase for each year of service that they want to buy. For example, if a former Wendover employee working now with West Wendover averages \$45,000 for a two-year period and begins the process to exercise her or his "service purchase option" to recover lost URS benefits, then she or he will set-aside 42.2 percent of \$45,000, or \$18,990. Depending on how the "service purchase option" is structured, the individual pays federal income taxes on \$26,010 as opposed to \$45,000. While the "service purchase option" allows Wendover employees who did not vest in the URS to receive retirement benefits that they had lost as a result of annexation, it does so at a cost in terms of discretionary income.

# WENDOVER AIRPORT

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## INTRODUCTION

Formerly known as Wendover Field, Wendover Airport provides an unparalleled view into our nation's past and its efforts to defend liberty during World War II. The famous bomber that carried the atomic bomb, the Enola Gay, was stationed at this airport. A number of the buildings and structures from World War II still remain at Wendover Airport, although, today, most buildings from that era are gone, and, of those remaining, many are in disrepair. Local officials, planners, and volunteers have joined together to preserve the Wendover Airport as a living museum, and, as important, to transform the airport and its immediate surroundings into a place of economic opportunities. The following is a summary of the complete Airport Study, which is provided in the Appendix.

As it is, the existing facilities of the Wendover Airport undoubtedly have great potential. To tap into its economic potential, local officials are focusing not simply on the airport's direct facilities (runways, taxiways, flight-line, fixed based operations, etc) but are also focusing attention to the existing properties in and adjacent to those direct airport facilities. When the airport was deeded to the City of Wendover in 1977, the federal government believed at the time that there was not a substantial existing base of aviation users to justify the operation and capital needs of the facility. Thus, the deed for the facility also included over 60 acres of property north of the flight line that was to be used for industrial development. Through leases on this industrial property, a sustainable revenue source could be provided to the airport, ensuring its continued operation as a public facility. Thus, development of properties contiguous to the airport could provide "fuel to the airport engine", which would drive growth and the long-term increased use of the facilities.

## BACKGROUND

The federal government deeded Wendover Airport to the City of Wendover, Utah in 1977, which, in turn, operated the airport as a general aviation facility from 1977 to 1993. In 1993, the airport began operating as a commercial service airport with charter flights operating under a casino-charter program. In 1994 the airport moved to a primary commercial service status enplaning over 10,000 persons per year. At the peak of air service in 1995 the airport enplaned over 68,000 passengers with flights to over 100 different cities throughout the United States. As a result of the increased traffic and use of the facilities by heavier aircraft (in this case aircraft with 120,000 pound DWG weights or more), the airport undertook the construction of a new Runway 8-26, which would meet the growing demands of the traffic. In April of 1997, the airport experienced an unrecoverable blow to its facility and financial

plans for the future: Great American Airways (the airline operating the scheduled and charter flights) lost its operating certificate with the Federal Aviation Administration. Efforts by the casinos, airport and other entities were made to continue the service with a replacement carrier. Low passenger loads continued despite the effort of local officials and the gaming industry, due to timing and specifically a downgrade in the performance of the different equipment (from MD-87 and DC-9 aircraft to older 737-200's) and unusually high summer temperatures, which kept many visitors away. Thus, a decrease in revenues and additional increases in costs leading the program sponsor, the State Line/Silver Smith Casino Resorts, to end the program.

During this same period as the air carrier problems, the airport had already began the construction of the new Runway 8-26 and subsequently found itself now without any large commercial operations and no revenue stream to pay for the improvements being made. In the early spring of 1998, discussions were initiated between the City of Wendover, Utah and Tooele County, Utah with regard to the County taking over the Airport under an Interlocal Agreement. With mounting debt associated with the new runway project and the impending financial burden on the City, the City was faced with the possibility of dis-incorporation. In June of 1998, the City and the County reached consensus and an Interlocal Agreement was signed. The Agreement provided that Tooele County would assume all liabilities for the airport including construction of the new Runway 8-26, which would be completed and in return, the City of Wendover, Utah would release all control and jurisdiction of the airport to Tooele County. The Agreement also provided for a return of the Airport to the City after certain financial liabilities were met and under a specified time line.

Despite the difficult circumstances it found itself facing, the City of Wendover accomplished many important goals with regard to the development of the airport, among other things, obtaining over \$3,000,000 in grants between 1991 and 1998. In addition, it developed an airport master plan, historic mitigation plan, establishment of the airport historical museum, reconstructed Runway 12-30, and acquired airport rescue and fire fighting vehicles.

Tooele County, Utah became the owner/operator of the Wendover Airport in June of 1998 under an Interlocal Agreement with the City of Wendover, Utah. Since the agreement, the County has operated the facility as a General Aviation Airport, completed the initial construction of Runway 8-26 (8,000' x 150') with accompanying taxiway, and completed a ramp overlay as well as completing other important projects for the facility. At the same time, there has been no large scheduled or charter flights into the Wendover Airport since 1997. Tooele County has received nearly \$7,000,000 in grants from the Federal Aviation Administration, United States Department of Agriculture, Utah Aeronautics and State of Utah. Included in the \$7 million was approximately \$1 million in entitlement funds, which were established as

part of the FAA Entitlement Program during the operation of the flight program in the mid 1990's when the airport enplaned more than 10,000 passengers per year.

## **ECONOMIC TRANSFORMATION**

Today, local officials and volunteers envision a process involving three phases to economically transform Wendover Airport. Phase One focuses on the 60 plus acres of property directly owned by the Wendover Airport: this property is between the flight line and the Western Pacific Railroad. This phase lays out the most intense infrastructure development, providing the necessary services for the development of industry including warehousing and transportation. The infrastructure development includes streets, water lines, sewer lines, storm drainage and the like. Early estimates place the cost of this phase at \$6.4 million.

Phase Two provides for the development and needed infrastructure for the properties immediately west of Phase One. Currently held in private ownership, these properties could either be purchased and brought into the inventory of the Wendover Airport or perhaps a development district could be created to help pay for infrastructure. Though the current zoning provided for by the City of Wendover shows commercial and residential development in this area, officials are considering re-zoning the area to facilitate industrial development, a key element of which may involve adding to the existing rail spurs. Early estimates place the cost of this phase at \$2.2 million.

Phase Three improves the link between transportation and services, especially for those industries located on the 60 acres that was improved in Phase One. Phase Three transit improvements will better connect the 60 acre with Wendover Boulevard, U.S. Highway 93A and Interstate 80. As well, Phase Three provides for the continued upgrade of water and sewer service to the most northwesterly properties associated with the airport, and will also enhance storm drainage system, especially from 100 East Street to Wendover Boulevard south. Though the current zoning provided for by the City of Wendover shows commercial and residential development in this area, local officials believe that it would be prudent to consider a zone change, especially to provide for continued industrial development. Local planners consider Phase One and Phase Two as critical phases to realizing Wendover Airport industrial potential, leaving Phase Three for now as an option to be fully considered at a future date. Early estimates place the cost of improvements associated with Phase Three at \$2.9 million.

## **IMPACT OF ANNEXATION ON WENDOVER AIRPORT**

Some changes would occur with the transfer of the Wendover Airport back to the City of Wendover, Utah and the eventual annexation of the City of Wendover, Utah

and the Wendover Airport into West Wendover, Nevada. The most significant of these changes are:

1. The Airport would no longer operate under the jurisdiction of the State of Utah Aeronautics but under the State of Nevada which to date does not have a viable State Aeronautics program. Thus the City of West Wendover would be operating the facility primarily under its own and Federal guidelines and as such, without the support of a distinct aeronautics division in the State, be required to lobby and work with other airports in the State and the identified Region of the FAA on a much broader scale.
2. The Airport would no longer operate in the Mountain West Region of the Federal Aviation Administration out of Colorado but would be moved into the Western Pacific Region headquartered in California. This would mean that the Wendover Airport would be competing with a larger number of commercial and primary commercial service airport facilities such as Los Angeles World Airports, Honolulu International Airport, Oakland International Airport, Phoenix Sky-Harbor Airport, San Francisco International Airport, San Diego International Airport, Tucson International Airport, San Jose International Airport, Las Vegas McCarran Airport, Long Beach Airport, Orange County (John Wayne Airport), and Reno Cannon Airport, to name a few airports. The advantage of being in the Mountain West Region is that there are fewer commercial and primary commercial service airports to compete with resulting in more likelihood of available grant funds. Some of the airports which the Wendover Airport (if it was operating as a commercial or primary commercial service airport and remained in the Northwest Mountain Region) would compete with would include: Salt Lake City International Airport, Denver International Airport, Portland International Airport, Seattle Sea/Tac Airport, Colorado Springs Regional Airport, Boise Airport, Missoula Airport, St. George Regional Airport, Pocatello Airport, Spokane Airport and others. There should be some effort applied through the U.S. Congress to see of the potential of securing the Wendover Airport in the Northwest Mountain Region even though it would be located in Nevada.
3. For aviation fuel sales, there would be higher taxes with the Wendover Airport being in Nevada.
4. Virtually no State grant monies would be available to the Airport due to the lack of an effective State Aeronautics program.

Local officials identified the following benefits of the Wendover Airport Under Annexation to the City of West Wendover:

1. Increased and likely better coordination for the development of properties and land uses around the Airport would be established (i.e. Air Industrial Park on former Air Force properties).
2. Increased ability to use the facility and represent it as a community-wide facility.
3. Local control of the Airport would be re-established.
4. The Airport would become more of a strategic and long-term growth asset for the community under control of the local jurisdiction.
5. Potential increases in the use and preservation of the Historic Properties would be established.
6. Industrial users would be more receptive to locating facilities in the State of Nevada.
7. Associated property values would be higher.
8. The State of Nevada and Elko County would receive a new asset to the State and County
9. Tooele County would receive payment for the debts incurred and would receive a release of liability.
10. The local community would have increased ability to diversify its economy
11. An increase in the City boundary would occur and the municipality would own and have direct control over a significant portion of the new lands for potential development. This would provide a stimulus for development and prevent landowners from "sitting" on property awaiting the next big boom.

Possible detriments of the Wendover Airport Under Annexation to the City of West Wendover are as follows:

1. Tooele County and the State of Utah would lose a large asset.
2. The Airport may experience more difficulty in receiving federal grant monies due to increased competition with a larger number of and larger capacity airports under the Western Pacific Region of the FAA versus the Northwest Mountain Region.
3. Fuel Taxes at the Airport would be higher in Nevada.
4. Property taxes would likely rise, unless West Wendover established a redevelopment project area to include the airport.
5. Infrastructure development would be necessary by the community.

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# **SOCIAL SERVICES**

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## **INTRODUCTION**

The purpose of this section of the report is to compare the social services currently available to the residents of Wendover Utah with those that will be available to the current residents if the City is annexed to West Wendover in the State of Nevada. The discussion will also identify any reduction in social services available to the residents of West Wendover due to the inclusion of current Wendover residents. For the purpose of this report, social services are defined as programs and policies that directly or indirectly benefit the current residents of Wendover without regard to whether or not Wendover residents are taking advantage of the benefits available.

The focus will be on those services that are currently being provided by the State of Utah, the County of Tooele, Utah and/or the City of Wendover, Utah. These services will be compared to those that will be available from the State of Nevada, the County of Elko, Nevada and/or the City of West Wendover, Nevada if the residents of Wendover become residents of West Wendover due to annexation. The services covered will include housing, health, social, employment and recreation services provided by state, county, or city government. The analysis will not cover social services that are readily available to the residents of Wendover and West Wendover, which would not be affected by the change in residency of Wendover residents due to annexation.

The availability of Federal funds administered by the States will also be included. These funds are derived from the Federal Government but administered by the State with some degree of discretion. State administered Federal funds are available to the City of Wendover for the benefit of their residents or directly to the residents. In some cases, the Federal funds would be the same as those available in Nevada. However, discretion in administration by the two States might alter the availability of these funds to Wendover residents if the annexation is approved.

## **HOUSING**

### **State of Utah**

The State of Utah directly administers a number of housing programs available to the residents of Wendover. Among the most important are the following:

**Olene Walker Housing Trust Fund**<sup>30</sup>

The fund is comprised of state and federal funds that assist in the construction, rehabilitation, and purchase of multifamily and single-family housing throughout Utah. The fund is named in honor of Lt. Governor Olene Walker because of her longtime advocacy of affordable housing.

Utah residents served by the fund include those with low-incomes, first-time homebuyers and residents with special needs such as the elderly, the mentally and physically disabled, victims of domestic abuse, and Native Americans.

Money from the fund is almost always loaned to home buyers, builders, developers, and thus, is a revolving loan fund. Payments made on these loans are returned to the fund allowing it to be used again for future projects. The Fund is also supported by a leveraging ratio of nearly ten dollars from federal and other sources for each dollar contributed by the state. Ongoing efforts are made to partnership with lending institutions, communities, nonprofit agencies, developers, community groups, and others to create affordable housing at a minimal investment by the state.

**Special Needs Assistance Programs (SNAPS)**

Special Needs Assistance Programs (SNAPS) is sponsored by HUD and includes the following programs:

Shelter Plus Care (S+C) components are designed to provide flexibility in providing appropriate housing and supportive services for homeless persons with disabilities. Participants in S+C units receive supportive services.

**Housing Opportunities for Persons with AIDS (HOPWA)**<sup>31</sup>

This program is funded through the U. S. Department of Housing and Urban Development. The program helps prevent homelessness among persons with AIDS. Utah passed the threshold of 1,500 persons with AIDS in 2000 and thus became eligible for the first time to receive a HOPWA formula grant of \$368,000.

HOPWA contracts are in place with the Salt Lake Community Action Program (SLCAP) for short-term rental assistance, emergency assistance, and homeless prevention programs. They also provide housing information services, referrals, and placement. SLCAP provides assistance statewide and coordinates with all HOPWA program providers and other agencies in the community.

Contracts are also in effect with housing authorities in Utah and Salt Lake counties and Salt Lake City for long-term rental assistance (up to two years) for

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<sup>30</sup> For more information, contact Michelle Lea at (801) 538-8885.

<sup>31</sup> For more information, contact Sherm Roquero at (801) 538-8644.

twenty-five people with AIDS who apply for and are placed on waiting lists for Section 8 vouchers or public housing. Catholic Community Services of Ogden provides short-term rental assistance and emergency assistance for northern Utah. A part-time housing resource person is under contract to develop housing assistance resources, particularly in rural areas.

In fiscal year 2001, the HOPWA Program will be expanded in two additional rural areas. Iron County Care and Share in Cedar City and the St. George Housing Authority will provide long-term rental assistance and emergency assistance for persons with AIDS in these areas.

HOPWA facilitates the creation and maintenance of affordable quality housing opportunities for people living with HIV/AIDS. It is a subcommittee of the Olene Walker Housing Trust Fund.

### **Local Government in Utah**

The County of Tooele and the City of Wendover do not directly fund or participate in the administration of housing programs. However, elected and appointed County and City officials do work with State Housing Agencies to secure adequate housing for County and City residents.

### **State of Nevada**

#### **Single Family Program**

The Single Family Mortgage Purchase Program provides mortgage loans to qualified buyers at interest rates, which are below conventional market interest rates, making home ownership affordable to a broader range of Nevada's citizens. The principal purpose of the Housing Division's Single Family Program is to provide a source of mortgage funds, which cannot be supplied by the private sector, to qualifying families and individuals of low and moderate income. The Nevada Housing Finance Law passed in May of 1975, established the Nevada Housing Division to:

*"...encourage the investment of private capital and to stimulate the use of public financing, to provide mortgage loans and to make loans to and purchase mortgage loans from mortgage lenders."*

Under the powers of this mandate, the Housing Division reaffirms its commitment to aid in the elimination of: *"...serious shortage of decent, safe and sanitary housing...available to persons and families of low and moderate incomes."*

#### **Multi-Family Bond Financing Project**

The Housing Division is the designated issuer of tax-exempt housing revenue bonds in Nevada. Bond financing for affordable housing projects is a method of

financing in which tax exempt and taxable mortgage revenue bonds are utilized to fund permanent mortgages for affordable housing projects. Bond financing requires both regulatory approvals as well as outside credit enhancement. The benefit of bond financing, for an affordable housing project, is the lower cost of capital versus conventional financing methods. Additionally, an eligible project may be entitled to non-competitive 4% (approximate) tax credits for the qualifying projects. Projects that are smaller than \$5,000,000 in size may not realize the lower cost of capital do to the high front end cash requirements of completing a bond financing

#### **Low-Income Housing Tax Credit Program**

The Tax Credit Program is a federally regulated state administered program designed to help eliminate the funding gap in the creation of low- and very low-income housing projects. Federal Tax Credits, awarded on a competitive basis, provide equity financing for affordable housing projects. The Housing Division develops an annual Tax Credit Allocation Plan pursuant to Section 42 of the Internal Revenue Code.

The Low-Income Housing Tax Credit Program creates economic incentives to for-profit or non-profit developers to produce low-income housing. Approximately \$3.0 million in tax credit is available annually in Nevada. Tax credits can be used to cover the cost of construction or rehabilitation of rental units. Projects in these categories may be eligible for up to 9% in tax credit.

Most multi-family apartment projects, which need \$5+ million in financing, elect to finance with federal tax exempt private activity bonds (see Multi-Family Financing). Projects utilizing private activity bonds may also be entitled to a 4% (approximate) tax credit on certain projects. These tax credits are allocated outside the state's ceiling cap and do not effect the annual allocation.

#### **Home Investments Partnership Program**

The HOME Program is designed as a partnership among federal, state, and local governments, and those organizations in the private sector who build, own, manage, finance and support low-income housing initiatives.

The purpose of the program is to expand the supply of rental housing, improve home ownership opportunities, carry out strategies tailored to local markets and protect government (federal, state, and local) investments in housing to ensure affordability for the remaining useful life of the property.

HOME Investment Partnership Program (HOME) is a federally funded, large-scale program for affordable housing. Funds are allocated by formula to Participating Jurisdictions (PJs are state and local governments who receive funds to operate HOME). HOME is designed as a partnership among the Federal

government, state and local governments, and those in the private sector (profit and not-for-profit) who build, own, manage, finance and support low-income housing initiatives.

#### **Low-income Housing Trust Fund**

The Account for Low-Income Housing (Trust Fund) is a state-funded program for affordable housing. Funds are allocated by formula to participating jurisdictions (state and local governments) to expand and improve the supply of rental housing through new construction and rehabilitation of multifamily projects. Trust Funds may also be used to provide financing for down payment assistance and homeowner rehabilitation of single family residences, and to provide emergency assistance to families who are in danger of becoming homeless. Funding is supported with a real property transfer tax of ten cents for each \$500 of value or fraction thereof. All funds allocated must be used to benefit individuals and families whose incomes do not exceed 60% of the area median income, as defined by the U.S. Department of Housing and Urban Development.

#### **Emergency Shelter Grant Program**

The Emergency Shelter Grant (ESG) Program was established in 1989 to: help improve the quality of existing emergency shelters for the homeless; help make available additional emergency shelters; help meet the costs of operating emergency shelters; provide certain essential social services to homeless individuals so that these persons have access not only to safe and sanitary shelter, but also to the supportive services and other kinds of assistance they need to improve their situations. The Program was also intended to restrict the increase of homelessness through the funding of preventive programs and activities.

#### **Low Income Housing Weatherization Assistance Program**

The Low Income Weatherization Assistance Program was established in 1977 to assist low income persons reduce their utility bills by providing for various energy conservation measures. With the exception of multi-family buildings (5 or more units per building) assistance is provided free of charge and no liens or financial obligations are placed on individuals receiving assistance. The only source of program revenue is that received from the U.S. Department of Energy and a small amount from the Housing Trust Fund account. No state general funds are appropriated to the state's Weatherization Assistance Program. Current program funding enables the program to operate in Clark and Washoe counties and at least one rural county each year.

#### **Local Government in Nevada**

The County of Elko and the City of West Wendover do not directly fund or participate in the administration of housing programs. However, elected and appointed County and City officials do work with State Housing Agencies to secure adequate housing for County and City residents.

## Summary

Most of the housing assistance programs currently available to Wendover residents are funded by the Federal Government and administered by the State. Both Utah and Nevada have supplemented these Federal programs with programs funded by State government. There appears to be little difference between the housing assistance programs that are currently available to Wendover residents and that which would be available to them as residents of Nevada after annexation. Since all housing assistance programs are available only by application, the potential difference would be in the level of interest of West Wendover in securing available housing assistance for Wendover residents compared to the efforts of Wendover officials to secure similar funds and the willingness of State of Nevada housing officials to make the funds available.

## HEALTH

### State of Utah

The Utah Department of Health is the central state point of contact for all Public Health issues in the state. Public Health relates to the matters of health of individuals and communities. Local Health departments in Utah are independent from the Utah Department of Health. These 12 agencies are partners with UDOH in serving the citizens, visitors and businesses of Utah with public health services. In addition to the programs offered by the state Health and Human Services (HHS) Secretary Tommy G. Thompson approved Utah's request for a federal waiver to expand benefits for primary care and preventive services to about 25,000 residents who otherwise would not have access to health coverage. Applications for the program will be available in late June, 2002.

### Children's Health Insurance Program (CHIP)

The Utah Children's Health Insurance Program (CHIP) is a state-designed health insurance plan for children whose families cannot afford private health insurance. Co-sponsored by Senator Orrin Hatch, the CHIP program was initiated on August 1, 1998. The CHIP benefit plan is modeled after traditional commercial health insurance plans and contracts with three HMOs for medical services and one HMO for dental services.

**Enrollment.** Utah has approximately 30,000 children who are eligible for CHIP; currently more than 19,000 of these children are enrolled in the CHIP program. Since August of 1998, over 28,000 children have received CHIP coverage. It is estimated that 40% of CHIP families obtain employer sponsored health coverage within one year of enrolling on CHIP. The program expects to enroll another 2,000 uninsured eligible children by July of 2001 the end of FY 2001.55% of CHIP

children are residents of Davis, Salt Lake, Weber, and Utah counties; 45% are residents of other counties in Utah.

**Eligibility.** A one page, four question CHIP application was drafted for the CHIP program in order to simplify the process for the CHIP clients.

**Basic Eligibility Criteria**

1. Family income must be below a certain level. For example, a family of four can earn up to \$34,100.
2. The child must be a resident of the state of Utah.
4. The child must be 18 years of age or younger.
5. 4. The child cannot have other insurance.

**Outreach Efforts.** CHIP has partnered with existing Department of Health child health programs such as Baby Your Baby and Immunize by Two in order to streamline outreach efforts and reach additional CHIP eligible families. CHIP also coordinates their outreach efforts with community organizations including the March of Dimes, Head Start, State Office of Education, Utah Nurses Association, Primary Children's Hospital, and Baby Watch.

**Baby your Baby Program**

Through Medicaid and the Baby Your Baby program financial support is available to pregnant women who do not have the money to pay for prenatal care. Baby Your Baby can help finance a pregnancy through a form of Prenatal Medicaid.

**Basic Qualifications:**

- To sign up for Baby Your Baby financial assistance, the applicant must first have their pregnancy confirmed with a test. Most county health departments can provide low-cost pregnancy testing. For residents on the Wasatch Front, there are some places where free urine tests are provided.
- For qualification for Prenatal Medicaid, the applicant must meet income guidelines. Qualifying applicants are issued a temporary Medicaid card, which is good for up to 45 days or until the Medicaid application is processed. This card covers outpatient pregnancy related services such as doctor's appointments and prescriptions. Only one Baby Your Baby temporary card can be issued per pregnancy.
- Once the applicant's Medicaid application is processed, the Medicaid card will cover the rest of the pregnancy along with the hospital stay and delivery charges.

**Office of Primary Care, Rural, and Ethnic Health**

This Office is a health resource for Utah's rural, multicultural and underserved communities. The Office coordinates federal, state, and local efforts aimed at improving the health of Utah's rural, medically underserved, and multicultural residents. The Office works with communities that need assistance conducting needs assessments, recruiting health care professionals, grant writing, identifying sources of funding and implementing other projects related to decreasing disparity and increasing access to primary health care.

**Underserved Communities Program**

The Office of Primary Care, Rural and Ethnic Health (PCREH), Utah Health Care Workforce Program, under the Utah Department of Health, has the responsibility to assist Utah rural and underserved communities in dealing with primary health care needs relating to recruiting health professionals, planning, and technical assistance.

The Utah Health Care Workforce Program is responsible for assisting communities in development of new or expanded primary health care services and working with them to improve primary health care by providing information to increase the effectiveness of their systems, to decrease duplication and fragmentation of services, and to maximize community use of primary gifts, and local, state, and federal grants and contracts.

The Utah Health Care Workforce Program provides recruitment and retention assistance activities, and includes four programs which are geared to help rural and underserved urban communities in recruiting health professionals: the Rural Physicians and Physician Assistants Grant and Scholarship Program, the Urban Special Population Health Care Provider Financial Assistance Program, the Nurse Education Financial Assistance Program, and the federal National Health Service Corps Recruitment and Retention Assistance Program.

The Utah Health Care Workforce Program also offers recruitment assistance through our Clearinghouse Database to health professionals seeking employment in the State of Utah, but who are not interested in educational loan repayment.

**Health Professionals Shortage Areas**

The Division of Shortage Designation has become the Shortage Designation Branch of the National Center for Workforce Analysis (NCWA) in the Bureau of Health Professions (BHP). Shortage designations are based on the evaluation of criteria established through regulation to identify geographic areas or population groups with a shortage of primary health care services. There are two types of shortage designations, each linked to a federal Health Resources and Services Administration (HRSA) activity or function. The shortage designations are:

- Health professional shortage area (HPSA) designation, which is a prerequisite to apply for National Health Service Corps (NHSC) recruitment assistance.
- The HPSA designation criteria includes primary medical care, mental health, and dental care.
- Medically underserved areas/populations (MUA/Ps) designation, which is a prerequisite to requesting grant awards to plan, develop, and operate a community health center under section 330 of the Public Health Service Act.

### **Hospital Flexibility Program (FLEX)**

The Utah Department of Health's **Office of Primary Care, Rural and Ethnic Health** is directing the activities of the Medicare Rural Hospital Flexibility (FLEX) Program. The FLEX Program is authorized by Section 4201 of the Balanced Budget Act of 1997 (Public Law 105-33) and its amendment, the Balanced Budget Refinement Act of 1999. The Office has received a grant to carry out the activities of the Program.

#### **The purpose of the Program is to:**

1. Assist rural hospitals to become designated as "critical access hospitals." Hospitals designated as CAHs are eligible for cost-based Medicare reimbursement for inpatient and outpatient services, i.e., they are exempt from the Prospective Payment System (PPS). Criteria for participation in the program include the following:
  - Hospitals may operate with up to a maximum of 15 acute care beds. The facility may have no more than 25 beds including swing beds (excluding OB and nursery beds).
  - The average length of stay for acute care patients in a CAH must not exceed 96 hours.
  - The hospital may be located less than a 35 mile drive (or in mountainous areas, a 15 mile drive) from a hospital or another CAH, if it meets additional State criteria as a "necessary provider."
2. Foster network development. The FLEX Program gives rural communities and hospitals the opportunity to enter into agreements regarding patient referral and transfer, development and use of communications systems (including telehealth), emergency and non-emergency transportation among network members, credentialing and quality assurance.
3. Improve and integrate EMS services. The FLEX Program will help with the establishment or expansion of programs to improve and integrate emergency services in Utah's rural communities.

4. Improve quality of care. CAHs are required to have agreements for credentialing or quality assurance with at least one hospital that is a member of the network to which the CAH belongs, one peer review organization (PRO) or equivalent entity, or another qualified entity identified by the State. The FLEX Program will participate in activities related to the implementation of these provisions.
5. Update State Rural Health Plan. Utah's Rural Hospital Flexibility Plan was recently approved by the Health Care Financing Administration (HCFA). Results of this Plan will be incorporated into the State's Rural Health Plan.

The Office will work closely with the **FLEX/CAH Advisory Committee**, a broad-based group representing the interests of Utah's rural communities.

### **Cultural Competency Resources**

Culturally and linguistically appropriate health services are essential ingredients in quality health care. Cultural and linguistic factors are crucial contributors to the development and delivery of quality care to all people. These factors are especially important in our pursuit of the total elimination of health disparities in ethnic and racial communities.

The Office of Primary Care, Rural, and Ethnic Health (PCREH) Primary Care Office, within the Utah Department of Health, offers free cultural competency training, links to other resources, and is advised through the Utah Department of Health's Ethnic Health Advisory Committee and their ad hoc Cultural Competency Committee.

### **Tooele County**

There are 12 Local Health Departments (LHD) in Utah. Each these agencies provide a variety of direct public health services. The primary purpose of Utah's Health Departments is to protect and promote the health, safety and well being of all citizens in the state. Local departments of health are city-county, county or multi-county organizations, operated by local governments. LHDs develop partnership with private, volunteer and government health organizations in the provision of public health services directly to local citizens.

### **Women, Infants & Children Program (WIC)**

WIC provides supplemental nutritional assistance for qualified women, infants, and children. This 100% Federally Funded Program offers nutritional foods to participants who are at a special risk with respect to physical and health well being because of inadequate nutrition.

### **City of Wendover**

The City of Wendover provides no funding for health programs and does not administer any of the health programs funded by Federal and State government. The City is, however, the site of a Women's Clinic which is not licensed in the State of Nevada. Annexation would also prevent Wendover residents from receiving services from Salt Lake City Hospitals.

### **State of Nevada**

#### **Consumer Health Assistance**

The Governor's Office for Consumer Health Assistance was established to provide a single point of contact for consumers and injured workers to assist them in understanding their rights and responsibilities under Nevada law and health care plans, including industrial insurance policies. The Office is dedicated to providing assistance through information, counseling, education, and advocacy.

#### **Senior Rx Program**

The Senior Rx program provides seniors with insurance coverage for prescription medicine. The program is funded with a portion of Nevada's share of the tobacco settlement funds. It provides up to \$5,000 in benefits per year. Many of the most commonly prescribed drugs are available through Senior Rx for a co-pay of \$10 per drug. The same drug, in some cases, could otherwise cost an uninsured senior 10 times as much.

#### **Prenatal Program**

The Maternal/Child Health Prenatal Program is a program designed to help cover the costs of prenatal care for women. Financial eligibility for participation in the program varies according to the gross annual income of the client's household in comparison to 250 percent of the level of poverty designated for a household of that size by the United States Department of Health and Human Services. A woman must be seen by a participating health care provider. There are many participating providers throughout the state. Once a woman has been accepted on the program, she will be sent a letter stating she is accepted. A caseworker is assigned to her and will be happy to answer any questions about the program's coverage and if the woman's health care provider is participating in the MCH program.

#### **Domestic Violence Prevention**

The Bureau of Family Health Services is committed to informing health care providers and the public about the consequences of domestic violence. Health care providers must become more aware of domestic violence, begin to actively and routinely inquire about abuse, and have the knowledge and skills to assess safety and refer appropriately. A truly effective response requires an interdisciplinary approach involving physicians, nurses, social workers, health

educators and other allied health personnel. It also involves activities which go beyond the health care setting and into the community, such as involvement with the local shelter, community education about domestic violence, and the formation of domestic violence consortia to coordinate otherwise fragmented services and to share resources. As a result of this commitment, the Bureau actively coordinates and presents health care provider training, collaborates with various state and local domestic violence prevention organizations, and airs television public service announcement on an intermittent basis.

#### **Baby your Baby Program**

The Baby Your Baby program helps pregnant women in Nevada obtain early and continuous prenatal care. The campaign also assists parents with children up to age five find health care for their children. Baby Your Baby can help parents find financial assistance, a baby car seat, and immunizations for their child and much more.

#### **Perinatal Substance Abuse Prevention Initiative**

The mission of Nevada's perinatal substance abuse prevention (PSAP) initiative is to prevent substance abuse among women during their perinatal period (pre-conception through lactation). Because substance abuse during pregnancy can cause Fetal Alcohol Syndrome (FAS) and other substance-related birth defects and injuries, the emphasis of the PSAP initiative is preventing substance abuse during pregnancy.

#### **Supplemental Nutrition Program**

WIC (Special Supplemental Nutrition Program for Women, Infants, and Children) is a federally funded short-term nutrition program operated in Nevada through the Nevada State Health Division, Bureau of Family Health Services. Its objective is to improve the health of Nevada women, infants and children who are eligible for the program by providing supplemental nutritious foods, nutrition education, and other health and social services.

#### **Health Facilities**

The Bureau licenses health and medical facilities in Nevada in accordance with Nevada Revised Statutes Chapter 449. The Bureau also has an agreement with the federal Health Care Financing Administration to certify medical facilities and providers and skilled nursing facilities in the Medicare and Medicaid reimbursement programs. Surveys (inspections) are conducted in accordance with applicable regulations, based on the type of facility, and following specific time frames and procedures. The Bureau also conducts complaint investigations for all licensed and/or certified facilities.

#### **Emergency Medical Services**

The Emergency Medical Services section, as authorized in NRS 450B inclusive, establishes and enforces standards for the provision of quality out of hospital

emergency medical care, the operation of ambulance services, certification of EMS personnel, licensure of attendants and the delivery of trauma care. The section also supports the emergency medical services system for Nevada's rural counties (15 counties) and Washoe County by providing technical assistance, consultation and training to EMS managers and personnel as well as public officials. A registry of all persons certified in Nevada, including Clark County, is maintained as part of the Emergency Medical Services program activities. Additionally, this section is responsible for implementation, monitoring, and maintaining a database for Nevada's out of hospital emergency care and a statewide EMS radio network.

### **Elko County**

Elko County does not fund any health services programs or participate in their administration.

### **City of West Wendover**

The City of West Wendover does not fund any health services programs or participate in their administration.

### **Summary**

Health Care programs are primarily funded by the Federal Government and administered by the State with the exception of Medicare which is funded directly to individuals. The programs available in Utah that are currently available to Wendover residents are similar to those that would be available in Nevada should the annexation of Wendover take place. Hospital access, however, would require Wendover residents to establish a relationship with Nevada Hospitals similar to what they have in Utah with Salt Lake City Hospitals. This could be a disadvantage to current Wendover residents.

## **HUMAN SERVICES**

### **State of Utah**

#### **The Women, Infant, Children (WIC) program**

The purpose of the Women, Infant, Children (WIC) program is to provide supplemental food as well as nutritional education to pregnant, breast-feeding or postpartum women, infants and children up to five years of age. Included are individuals from low income families who are determined to be at nutritional risk because of inadequate nutrition, health care, or both. WIC is specifically designed to serve as an adjunct to good health care during critical periods of human growth and development.

To be eligible to receive the supplemental foods, pregnant, lactating or postpartum women, infants and children must meet the following criteria:

- **Residence:** They must be residents of an area or members of a population served by the local clinic.
- **Inadequate Income:** They must be determined to be members of a family or family group which has a gross income at or below 185% of the poverty guidelines established by the Federal Government.
- **Nutritional Need:** They are certified by competent professionals of the local agency to be at nutritional need through a medical and/or nutritional assessment.
- **Certification:** Recipients also must be re-certified every six months to determine their continuing eligibility for the program.

A primary concern of the WIC Program is to deliver preventive health care.

#### **Child Care**

In 1989, Governor Norman Bangerter appointed a committee to conduct a comprehensive study of child care in Utah. As a result of the study, legislation was enacted in 1990 creating the Office of Child Care as an office within the Department of Community and Economic Development (DCED). In 1991, the Department of Human Services (DHS) contracted with the Office of Child Care to develop a statewide child care resource and referral network and to provide training and career development opportunities for child care givers. The Office of Child Care assumed new responsibilities with the addition of before-and-after school contracts in 1994. During the 1997 Legislative Session, HB184 (Youth Prevention Programs) was passed. This bill authorized an additional \$450,000 be spent on community and youth programs.

The Office of Child Care was integrated into the Department of Workforce Services in 1997. This new alliance facilitated the addition of work/life activities in the office. The Office of Child Care assists families in being successful in the workforce. This is accomplished by the following programs that support both families and child care providers:

- Assisted Child Care
- Child Care Resource and Referral
- Infant/Toddler & Early Childhood Initiatives
- School Age Initiatives
- Training and Professional Development

- Work/Life Support and Development

**Adoption Services**

All children deserve to have permanency in their lives. Adoption services help obtain permanent homes for children in state custody who cannot safely be returned to their original homes. Adoptions may be made by relatives, families who have fostered the child, or a family seeking to add to their family. In each of these instances, the goal is to find a home for each child that will be permanent and loving in which the child can be safe and thrive.

Adoption assessments are done in a unified process that also prepares and trains a family to foster or adopt a child with unique needs. Families and children are matched in an attempt to find the very best family for each child. Adopted children may qualify to continue to receive adoption assistance until they are 18 years old. The goal is to ensure a successful experience for both the child and the family in a nurturing relationship. Adoption agencies are licensed and must meet state laws, regulations, and other requirements in placing a child for adoption.

**Adult Protective Services**

The Adult Protective Services process begins by contacting the adult intake worker and reporting information regarding the disabled or elder adults who may be in need of services, or who may be suffering from abuse, neglect or exploitation. The intake worker obtains and documents information for the referral provides information and referral services and assigns an investigator for further assessment as appropriate. The purpose of investigations is to provide prevention and/or protection to disabled and elder adults from abuse, neglect or exploitation while preserving an individual's rights with the least restrictive intrusion. Consideration is given toward maintaining the accustomed lifestyle of the adult while ensuring a comprehensive assessment of the adult's total situation in order to determine intervention strategies. Adult Protective Services assesses the situation and, if needed provides protection from, or prevention of, further incidents. Supervision services are provided to adults and families who require intervention to assure activities of daily living are maintained.

**Adult Day Care**

Adult Day Care is a community-based group program designed to meet the needs of adults through an individual plan of care. An adult day care environment is the next best thing to home, offering a warm, home-like environment with pleasant surroundings. Adults who participate in Adult Day Care attend on a planned basis during specified hours. Adult Day Care assists its participants to remain in the community, enabling families and other caregivers to continue caring for a disabled or elder adult.

**Child Abuse and Neglect Services**

Utah law requires any person who has reason to believe that a child has been subjected to abuse, neglect, or dependency to immediately notify the nearest office of Child and Family Services, a peace officer, or a law enforcement agency. Abuse, neglect, or dependency of a child can be physical, emotional, or sexual. Child Protective Services is a required service offered to all Utah residents by Child and Family Services. When a child is reported as being abused or neglected, child protection social workers are required by law to make a face-to-face contact with the child and determine if abuse, neglect, or dependency occurred. A child's safety is paramount. The social worker assigned to the case will assess risk and safety to ensure that any immediate protection needs are met.

If the social worker determines that the child requires immediate protection, the child is placed into protective custody and taken to a safe environment. In cooperation with the family, strengths and challenges of the family are assessed and the family is linked to needed services and resources, either through Child and Family Services or through other community resources. Social workers provide crisis intervention for children and their families in times of trauma and confusion. Where possible, Child and Family Services works with the family to determine ways to ensure the child's safety and overall well-being so that the family can be stabilized at the earliest possible time.

**Domestic Violence**

Emergency shelter, crisis counseling, educational counseling, and support services are available for domestic violence victims and their children. There are numerous shelter programs located in Utah that provide shelter and support for families. Support services may include assistance, self-sufficiency, day care, legal, financial, housing, and other services. Individual and group support, as well as educational and crisis counseling is available to assist families who are still living at home or elsewhere. Domestic violence treatment is available for adult and child victims through outpatient treatment providers. Domestic violence perpetrator treatment is available for court-ordered and voluntarily participating domestic violence perpetrators.

**Foster Care**

Foster care is a program for children in state custody who are unable to remain safely in their homes. Children in foster care stay with a family who provides safety, nurturing, support, and role models for change. A child or youth may be placed in foster care as a result of a juvenile court order finding of abuse, neglect, or dependency. Child and Family Services offers a 90-day maximum voluntary foster care placement. Every effort is made to keep children with their families unless the safety needs of the children or legal mandates indicate otherwise. Once a child is placed in the custody of Child and Family Services, the goal is to provide

permanency, safety, and enduring relationships, along with a sense of family, stability, and belonging in the least restrictive setting possible. In determining a permanent home for a child, Child and Family Services reviews the following priority for placement: kin of the family of origin, foster family, adoptive family, permanent custody and then guardianship, or independent living. Many families in Utah are willing to take foster children into their homes and care for them in a kind and loving manner until they can be returned to their own home or placed into a more permanent home.

### **Home Based Care**

Disrupting children's lives and attachments is emotionally traumatizing. Child and Family Services believes that children should remain with their families whenever it is possible and safe. Child and Family Services provides the following three types of Home-Based Care to children at risk of abuse, neglect, or dependency, and to their family members who may be helped in providing permanent, safe homes for them: Services can include teaching parenting skills, developing child safety plans, teaching conflict resolution and problem solving skills, and linking the family to broad-based community resources.

### **In-Home Services**

The Alternatives Program offers in-home services to persons to enable these individuals to remain in their own home for as long as possible. If these services were not available, these seniors who have health, mobility or functional limitations would not be able to continue living in their current living arrangements. The program offers a wide variety of in-home services available to adults based on an assessment of their needs. The individual receives a comprehensive assessment by a case manager and, at times, a registered nurse, examining the client's physical, mental, social and financial status. The case manager works closely with the individual, their family, and other social and health agencies to identify service needs and the funding resources available to meet those needs.

The case manager develops and manages a comprehensive care plan of services designed to maintain the individual at home based on the assessment. Services are monitored monthly by the case manager to re-evaluate the individual's needs.

### **Adult Mental Health Services**

The Utah Division of Mental Health (DMH) with the Division of Health Care Financing, conducts on-site reviews of the nine community mental health centers (CMHC) participating in the Utah Prepaid Plan and DMH reviews the other CMHC as well for quality of care. The purpose of the reviews is to assess the quality of care being provided to clients receiving services under the plan. This function is consistent with the statutory mandate of DMH to monitor the quality of services being provided by the local mental health authorities. In negotiation

with the Division of Health Care Financing, DMH agreed to: Review the care of Medicaid clients and to rate the degree of compliance with the Utah Public Mental Health System's (UPMHS) Preferred Practice Guidelines; and to provide a report on the findings that is consistent with the CMS operating and monitoring plan.

#### **Youth Mental Health Services**

The DMH Child/Youth Quality of Care clinical service reviews consists of three components: (1) An interview with each administrative team including the CMHC director, Children/Youth Services Coordinator, Clinical Supervisor, and staff. (2) Individual clinical case staffing during which the clients sampled are discussed with their parent's)/guardian's), clinician's) providing services, and staff from other partner entities also providing services to the child/youth and/or family. (3) An interview with parent's)/guardian either in person or by telephone. The Children and Youth Quality of Care Review Team consists of three members representing Systemic, Clinical, and Family perspectives. These review teams model by practicing and implementing the values and principles of effective practices and processes in Children's Mental Health stemming from System of Care and Wraparound research. The State, by contract with the local mental health authorities and by direction to the State Hospital, shall provide or arrange for a continuum of services.

#### **Vocational Rehabilitation**

The Vocational Rehabilitation Department at USH offers services that will assist the patient with successful transition into the community. Industrial Therapy, Supported Job-Base Training and Supported Employment are programs designed as training grounds for individuals to learn, work, grow in confidence, and live as independently as possible in the least restrictive environment. These programs include work-training positions on hospital grounds and in the community. Some positions work with a job coach with the goal of phasing out of the program and continuing to work on their own. The thrust of Vocational Rehabilitation is in helping people to help themselves.

#### **Tooele County**

Tooele County plays a role in the administration of a number of the human services programs funded by Federal and State government and administered through the State. However, the cost for administration of these programs is born by the program and reimbursed to the County. There is some discretion in how the funds are administered, but the rules and regulations of Federal and State funding sources are the major determinant.

### **City of Wendover**

The City of Wendover does not fund or participate in the administration of human services programs.

### **State of Nevada**

#### **Head Start**

Head Start has long known that to succeed in school and later in life, children must be healthy, nourished, socially competent, and have a healthy self-esteem, as well as strong, supportive, caring families. Head Start programs develop curricula, activities and service options that reflect the cultures, characteristics and service needs of their communities.

Although all Head Start programs may look different, they all provide the same services for children and families including health, parent involvement, disabilities, family literacy and social services. Head Start serves children who are 3- and 4-years of age, and has now expanded to serve expectant parents and children from birth to age 3.

#### **Early Intervention**

Early intervention is a system of coordinated services that promotes the child's growth and development and supports families during the critical early years. Early intervention services to eligible children and families are federally mandated through the Individuals with Disabilities Education Act.

The HAPPY program staff serves infants and toddlers with developmental delays and their families in rural northern and northeastern Nevada counties. Staff includes developmental specialists, and contracted related specialists such as speech, physical and occupational therapists, pediatric neurologist, vision and orientation and mobility specialist, audiologist, nutritionists and family therapists. The Elko office serves the communities of: Elko, Wells, Wendover, Jackpot, Carlin, Battle Mountain, Winnemucca, Owyhee, Ely, Eureka, Austin and others.

#### **Family Resource Center**

Family Resource Centers (FRCs) were established by legislation in 1995 (NRS 430A). Since then, 40 Family Resource Centers have been developed in communities throughout Nevada: 10 in Washoe County, 5 in rural Nevada, 6 in the frontier areas and 19 in southern Nevada. Because most children's lives take place close to home and because families first seek sources of enrichment and support in their own neighborhoods, FRCs are established within geographic communities where services can be made most responsive to children and families.

**Family to Family Counseling**

Family to Family Connection builds upon the strengths of children, families and communities to support the child within the family and the family within the neighborhood. This statewide effort creates a comprehensive network that encourages optimal child growth and development through community-based public and private partnerships.

**Social Services Block Grants**

The Federal Community Service Block Grant (CSBG) program was created to assist low-income individuals and families to succeed in their struggle against poverty. Community Connections awards funds to 16 legislatively designated public and non-profit agencies located in each county of the state to deliver programs and services to Nevadans. The Department of Human Resources also allocates a portion of these funds to non state programs that provide social services in urban and rural communities across the state. Funds are allocated on a two-year cycle through a competitive process. In FY 2000 and 2001, twenty-six programs have been awarded funds.

**Adoption**

The Division of Child and Family Services is the designated state agency to provide adoption services. The agency has a number of district offices located through out the state, each providing a full range of adoption services to birth and adoptive parents; special needs children; and adoptees.

The state is interested in hearing from all families who have an interest in adopting special needs children. Many children are waiting in foster care until permanent homes can be located for them. Pre-service training, home studies, post placement supervision, and information and referral services are provided to adoptive families of special-needs children free of charge.

**Adolescent Treatment Center (ACT)**

The Adolescent Treatment Center (ATC) is a 16 bed residential program for severely emotionally disturbed adolescents. Fourteen of these beds provide services for clients requiring longer term care while the remaining 2 beds are dedicated to crisis intervention and psychiatric emergency care. The program is designed for both boys and girls, ages 13-17. The unit is staffed 24-hours a day/seven days per week, providing around the clock awake supervision.

The goal of the program is to help clients progress to age appropriate levels of emotional and social development by means of behavioral and development-based mental health services. This structured residential program provides supervision and intensive treatment to adolescents who may be experiencing a broad range of serious emotional problems or behavioral difficulties. Psychiatric and psychological services are available as needed. School services are provided by

the Washoe County School District through the Special Education Department and Washoe High School.

The average length of stay for clients in ATC is 4 to 6 months. For emergency admissions the average stay is 10 days for stabilization. The goal is to move the youth to a less restrictive level of care at the earliest possible date. During the client's stay at ATC, the youth and their families will be working closely with a Team Leader/Clinician, developing treatment plans, meeting weekly for family sessions, and working toward the youth's return to the community. During the family sessions the child and family work to resolve issues and initiate changes to bring about more stable individual and family functioning.

#### **Child Protective Services**

The Division of Child and Family Services delivers child protective services in rural Nevada and oversees child protective services statewide. Services include the investigation of reports of child abuse or neglect; services to promote well-being and strengthen families; and emergency shelter care for the protection of children. Division staff administer the Basic State Grant program and the Children's Justice Grant Act program.

#### **Family Preservation Services**

Services include concrete services advocacy, skill-building, and therapy. Services are provided to families of children at risk of out-of-home placement due to abuse/neglect and to adoptive families where there is a high risk of disruption. Provided by Family Preservation Services in Las Vegas and Reno, and by Intensive Family Services in Rural Nevada. Services are also provided to families of status offenders at risk of out-of-home placement. Provided by Family Preservation Services in Reno only.

#### **Child Mental Health Services**

Northern Nevada Child and Adolescent Mental Health Services (NNCAS) is responsible for providing mental health services under the provisions of the Nevada Revised Statutes. As it is currently organized NNCAS provides a range of mental health related services to severely disturbed and/or behaviorally disordered children, adolescents, and their families. A continuum of care is available and includes early childhood programming, active case management, outpatient counseling, intensive family oriented community based treatment homes, and inpatient residential treatment for adolescent populations. NNCAS strives to provide quality mental health care and treatment in the least restrictive programming environment and utilizes community based, family oriented, individualized services developed to address the unique needs of each child and their family.

## IMPACTS OF ANNEXATION ON ACCESS TO SERVICES

As this section demonstrates, there are a variety of social, medical, and health services provided directly by public and private entities in Nevada and Utah. Services are more readily available and accessible in Wendover, Utah than in West Wendover, Nevada. The Tooele County Public Health Department, for example, operates an office in the new city hall that, among other things, manages the WIC program. There is also the Utah Women's Clinic, as well as the privately owned Valley Mental Health. Many of the Wendover-based service providers serve residents from West Wendover, Nevada, not just residents of Wendover, Utah. This is due to the absence of services in West Wendover. The Table 30 below provides data that illustrates the extent to which West Wendover residents access two service providers in Wendover. For both of these programs, West Wendover residents comprise 40 percent of clients.

**TABLE 30**  
**ACCESS OF WENDOVER-BASED SERVICES BY WEST WENDOVER RESIDENTS**  
**Summer, 2002**

Wendover-based Services	Wendover clients	West Wendover clients	Wendover clients	West Wendover clients
Women, Infant, Children	225	172	57%	43%
Women's Health Clinic	126	84	60%	40%

Because the two cities have different populations (West Wendover, 4,721; and Wendover, 1,537), the data in Table 31 normalizes Table 30 data into rates per 1,000 residents in order to make proper comparisons. The 225 Wendover clients accessing WIC services translates into a rate of 146 Wendover clients per 1,000 residents, while West Wendover's figure of 172 clients actually accessing WIC translates into a rate of 36 West Wendover clients per 1,000 residents. Data in Table 31 illustrates that need is most concentrated in Wendover, Utah.

**TABLE 31**  
**ACCESS PER 1,000 RESIDENTS OF WENDOVER-BASED SERVICES BY WEST WENDOVER RESIDENTS**  
**Summer, 2002**

Services	Wendover clients per 1,000 Wendover residents	West Wendover clients per 1,000 West Wendover residents
Women, Infant, Children	146	36
Women's Health Clinic	82	18

Service providers have raised concerns about how annexation might affect social service delivery to vulnerable populations. One provider expressed a need to raise local capacity in West Wendover by hiring a person to plan and manage social services in West Wendover, in the event of annexation.<sup>32</sup> Much of the Wendover-based services are licensed to operate in Utah only and, as important, receive much of their operating revenues from Utah-based sources, especially public dollars. It is not clear to what extent Utah state or county agencies will continue to fund grantees that they funded prior to annexation.<sup>33</sup>

At least in one instance a Utah state agency has expressed a willingness to fund a service provider in post-annexation West Wendover, so long as that provider serves Utah residents. According to Paul Patrick, Program Manager for Quality Improvement within the Emergency Services Division of Utah's Department of Health, Wendover Ambulance, Inc. will continue to be eligible to submit proposals and obtain funding from the State of Utah's emergency services grants program after annexation. To do so, the company must demonstrate that it is licensed to provide emergency medical assistance in Utah, as well as serve a geographic area in Utah or a specific community such as a Native American tribe based in Utah. Should annexation occur, the Wendover Ambulance, Inc. will continue to be eligible to compete for the two EMS grants – the per capita grant (100 percent grant program) and the competitive grant (a 50 percent matching grant program) – because it will continue to serve Utah residents.

As it is, service providers in Nevada and Utah understand the need to plan accordingly in the event of annexation. For example, Nevada's WIC Program Director, Doug Schrauth, has discussed the matter of annexation with the western regional United State Department of Agriculture WIC program coordinator, and both agree that federal funds designated for the Wendover, Utah WIC program can be transferred to West Wendover in a seamless fashion, so long as the western regional USDA office is apprised early on of the specific date of annexation. West

<sup>32</sup>Larry Robb, Resource Council member. Letter of August 2, 2002 re: need to create local capacity of manage social services in West Wendover, in the event of annexation

<sup>33</sup>Laura Snyder, Co-Chairman, Wendover Resource Council. Letter of August 22, 2002 re: impact of annexation on members of the Resource Council

Wendover non-profits or government agencies, particularly those experienced in managing food-related programs, can compete for the contract to serve as the WIC vendor in post-annexation West Wendover.

At the same time, concerns persist about the availability and accessibility of social services in West Wendover. Currently, agencies in Wendover, Utah provide for free or below cost a wide a range of social, medical and health services, such as immunization, STD examinations, pap smears, WIC services, and planned parenthood services. The State of Utah and Tooele County Public Health Department covers the cost of these services. Elko County also provides social and health services, but at a higher cost, and services are typically provided in the City of Elko, which is more than 100 miles away from West Wendover.

## **EMPLOYMENT**

### **State of Utah**

#### **Employment Training**

The Workforce Investment Act (WIA), public law 105-220, was signed into action by President Clinton on August 7, 1998. According to the National Governors' Association, WIA "rewrites current federal statutes governing programs of job training, adult education and literacy, and vocational rehabilitation, replacing them with stream-lined and more flexible components of workforce development systems." Coordination rather than consolidation is the founding principle of WIA. Other key principles include: streamlining services, empowering individuals, universal access, increased accountability, strong roles for boards and the private sector, state and local flexibility, and improved youth programs.

Utah was one of only nine states to implement WIA a year early. WIA significantly impacted the role of workforce services agencies by requiring that they provide employment and training services to the "universal customer" rather than to income-eligible participants and has significantly expanded the customer base to be served. Under WIA, DWS is required to provide at least three levels of employment and training services, i.e., core, intensive, and training. Once customers are assessed as needing occupational or skills training, one or more of the following options may be available to them:

- WIA Adult training services
- WIA Youth training services
- WIA Dislocated Worker training services
- On-the-job training

- North American Free Trade Act (NAFTA) assistance/Trade Act assistance
- Veterans' training services
- Family Employment Program (FEP)
- Utah Displaced Homemaker services

### **Apprenticeships**

Another excellent training process is through employer sponsored Apprenticeship Programs. These are certified through the U. S. Department of Labor Bureau of Apprenticeship and Training. These opportunities may also be accessed through your DWS Employment Counselor.

### **Applicant Eligibility and Requirements**

Registered apprenticeship program sponsors identify the minimum qualifications to apply into their apprenticeship program. The eligible starting age can be no less than 16 years of age; however, individuals must usually be 18 to be an apprentice in hazardous occupations. Program sponsors may also identify additional minimum qualifications and credentials to apply, e.g., education, ability to physically perform the essential functions of the occupation, proof of age. All applicants are required to meet the minimum qualifications. Based on the selection method utilized by the sponsor, additional qualification standards, such as fair aptitude tests and interviews, school grades, and previous work experience may be identified.

### **Child Care Services**

Child Care is a necessity for any working parent with small children. The Office of Childcare assists parents in finding appropriate care providers and the Office offers financial assistance for child care for qualifying families.

### **Adoption Assistance**

The Utah Adoption Assistance Program provides employment connection services, including cash assistance, to a Birth Parent who was (or would have been) the caretaker of a child whose custody has been relinquished in the State of Utah for the purpose of adoption. The child must be legally released through a public or private adoption agency or licensed attorney. Adoption assistance payments are provided up to a maximum of twelve consecutive months from the date of relinquishment, with the month after relinquishment counted as month one. The program provides assistance to a birth parent that would have otherwise been eligible for the Family Employment Program if custody of the child had been maintained. Birth parents who have had their parental rights terminated are not eligible for this program.

### **Diversions**

Diversions is an optional program available for those who would otherwise qualify for the Family Employment Program. A diversion payment is an option used to

divert a family in crisis from opening a regular FEP case. It is a one-time financial assistance payment to meet immediate needs of a family until regular income is received from employment, child support or other ongoing sources. The amount of the payment can not exceed the FEP maximum cash grant for three months and should be negotiated based on the family's need. Individuals who are employed or have a reasonable hope of employment or other sources of income are eligible to receive a diversion. Medical coverage and child care services are available for a family receiving a diversion.

### **Family Employment Program**

The Family Employment Program (FEP) provides financial assistance and employment services to all eligible parents with dependent children residing in their home. The purpose of the Family Employment Program is to empower families to increase their income and become self sufficient through employment, child support, and/or disability benefits. Every parent works with a case manager to develop an employment plan, which outlines appropriate activities to help the parent meet the goal of self sufficiency. In order to remain eligible to receive financial assistance a parent must follow through and participate in the activities outlined in their employment plan. Child care services are provided to all FEP participants who need the service to participate and medical coverage is available for the family.

Financial assistance is time limited for most families. Parents can only receive cash payments for up to 36 months over their lifetime. Any cash payments received are counted towards the 36 month time limit. Additional months may be approved if the parent meets specific criteria for extension. A parent who has a history of working or who is certified as medically unable to work may qualify for additional months of FEP assistance. The time limit does not apply when all parents in the household receive SSI or when assistance is being provided to children living with a relative not included on the financial assistance case.

In order to be eligible for the Family Employment Program an individual must be a parent with dependent children residing in their home. Individuals must be willing to participate in the Family Employment program and must met a gross income criteria. Only individuals who meet a certain level of poverty will qualify for assistance in the FEP program.

### **General Assistance Program**

General Assistance is available to single adults or married couples without dependent children who have medical and/or mental health limitations which keep them from working for longer than 30 days. Medical evidence of unemployability is required from an MD/DO for physical limitations and a Licensed Certified Psychologist for mental health limitations. Cash assistance is provided on a time-limited basis not to exceed 24 months out of any 60 month

period while customers are involved in medical and/or mental health treatment to overcome the limitations keeping them from employment. Opportunities for participation in adult education, skills training, community work, job search or other related employment activities are also provided. The program involves large amounts of coordination with other community resources, the Office of Rehabilitation, the Social Security Administration, etc. Applicants must be at least 18 years of age or emancipated, provide medical evidence of unemployability; negotiate an employment plan and follow through on efforts to become more self-reliant by focusing on employment and/or qualifying for SSI/SSDI.

#### **Utah Refugee Resettlement Program**

The objective of the Refugee Resettlement Program is to provide for the effective resettlement of refugees; and to assist refugees to achieve economic self-sufficiency within the shortest possible time after entrance to the State through employment and acculturation by use of coordinated support services and cash/medical assistance.

The Refugee Cash Assistance Program (RCA) provides Federal funding to cover the cost of time-limited financial assistance to refugees. Refugee Cash Assistance is limited to **up to 8** months from the month of entry into the U.S.

The Refugee Cash Assistance Program connects refugees to appropriate activities such as job search, job training, adult education, skill training, community work, English language training, and other employment-related activities. By using appropriate, available resources to follow through on an individualized employment plan, including providing supportive services such as financial assistance on a short-term basis, a refugee will move toward their maximum achievable self-supporting level as quickly as possible.

The Refugee Medical Assistance provides Federal funding for limited medical coverage to refugees not eligible for Medicaid. Refugee Medical Assistance is limited to **up to 8** months from the month of entry into the U.S. The Refugee Cash Assistance and Refugee Medical Assistance Programs are available at all Employment Centers. The program serves eligible refugees.

#### **Tooele County**

The County participates in the planning for employment training programs through the State Council on Employment Services. This provides the county and its residents with a voice in the training programs made available through the Federal Workforce Investment Act of 1998.

## **City of Wendover**

The City of Wendover does not fund or participate in the administration of employment related programs.

## **State of Nevada**

### **Employment Training**

The Rehabilitation Division is comprised of four bureaus and the Community Based Services unit to address prevention, assessment, training, treatment and job placement for Nevadans with functional disabilities. The division places primary emphasis on providing the necessary services to help clients work and live independently and substance-free.

The Workforce Investment Services Division was established by the governor to oversee the federal Workforce Investment Act funds in Nevada. The Workforce Investment Support Services office addresses the employment and training needs of Nevada's economically disadvantaged adults and youth, and re-training of dislocated workers through WIA-funded programs such as Nevada Works; Southern Nevada Workforce Investment Board; veterans training programs; and various occupational educational programs.

### **Rapid Response Program**

The Employment Security Division's Rapid Response team offers workers and employers affected by layoffs or plant closures quick intervention to help make the transition easier for both parties.

Upon receiving advanced warning of a layoff or plant closure, the Rapid Response team arranges to visit the work site to explain all pertinent information to employees (often called dislocated workers) who face the prospect of unemployment. During the team's visit, information about job placement, job training or retraining, counseling Unemployment Insurance, on-the-job training, job fairs, and other services available through the Employment Security Division and local community organizations are discussed at length. Employers can request the intervention team, or in some cases the team contacts the employer for permission to offer Rapid Response services.

The Rapid Response program is instrumental in providing information about all available Department of Employment Training and Rehabilitation (DETR) services for displaced workers in Nevada. Whenever the Rapid Response team learns of a significant layoff (10 or more workers being displaced), the program offers on-site informational presentations. Should on site presentations be impractical, then information is mailed to affected workers. In either case, the displaced workers are encouraged to use DETR services. During presentations

program staff discuss Employment Services, America's Job Bank, Unemployment Insurance, training opportunities through the federal dislocated worker program, Vocational Rehabilitation services, the Career Enhancement Program (CEP), Consumer Credit Counseling, AFL - CIO apprentice and trainee opportunities, Nevada's Career Information System, and Labor Market Information.

Staff discuss applicant registration forms during their presentations, and advise everyone looking for work to complete the form and register with their local Employment Security Division office. A special application form is made available to all attendees. The Rapid Response teams also explain the advantage of registering with the Employment Service to receive referrals over America's Job Bank. Rapid Response is a practical tool to increase the likelihood of applicants returning to work as soon as possible.

A random sample of Rapid Response attendees drawing Unemployment Insurance benefits has shown the average benefit duration is 9.4 weeks. Unemployed individuals who have not attended a staff presentation average 12.4 weeks.

### **Vocational Counseling**

All job seekers can take advantage of vocational counseling for help in making career decisions applicable in today's job market. By arranging an appointment with a trained employment counselor, job seekers can assess their goals and interests, develop an effective job search plan, gain useful contacts, and receive valuable suggestions.

### **Job Search Workshops**

Job seekers wanting to enhance their knowledge and skills to create a more effective self-directed job search may contact the Career Enhancement Program at the nearest Nevada's Job Link office to enroll in a *Job Search Workshop*. *Job Search Workshops* include resume preparation, proper application procedures, interviewing skills and hints on the appropriate dress for the job search. The workshops give tips to help job seekers land the job they want.

### **Career Enhancement Programs**

The CEP serves Nevada employers by building a stronger, more skilled and reliable work force by placing program qualified unemployed Nevadans into training and re-training situations increasing their employability and decreasing the probability of future unemployment. The CEP offers basic academic, vocational and on-the-job training to help unemployed Nevadans gain necessary skills to meet the demands of today's changing labor market -- to find jobs and keep jobs. The goal of the CEP is to infuse Nevada businesses with a more skilled and reliable work force. The program offers employers the opportunity to enhance their work force with qualified, competent employees -- trained to the employer's unique needs.

**Electronic Benefits Transfer**

Electronic Benefits Transfer (EBT) is an electronic system that allows a recipient to authorize transfer of their government food stamp benefits from their EBT account (a bank account Welfare sets up for each food stamp household) to a food retailer's account to pay for products received. EBT eliminates the cumbersome processes required by the paper food stamp system, and automates the accounting process. EBT accounts are accessed by the use of an EBT card (like a debit or credit card) and a Personal identification Number (PIN). Each time the card is used, the benefit account balance is reduced by the amount of the purchase. If the card is lost or stolen, it can't be used by anyone who does not know the PIN, and it may easily be cancelled and replaced. Nevada has recently completed a successful EBT pilot in the Carson, Fallon, and Yerington project area, and has begun convert other Northern Nevada Food Stamp Households to EBT. Initial reports indicate EBT as a Food Stamp delivery method is preferred by Food Stamp recipients, food retailers, and Welfare Division staff. By July 1, 2002, all Food Stamp recipients in the state of Nevada will be receiving their benefits via EBT.

**Medical Assistance Program**

The Nevada State Welfare Division offers medical insurance through a number of programs for individuals and families. Some of this coverage is free to you, and some requires a small fee. The services provided may include doctor visits, prescriptions, dental care, eye exams and glasses, therapies, to name a few. The Child Health Assurance Program (CHAP) provides Medicaid coverage to pregnant women and children under age six, including unborn, with income below 133% of poverty; and to children age six or older born after September 30, 1983 with income below 100% of poverty.

**Temporary Assistance to Needy Families**

TANF provides assistance to needy families so children may be cared for in their homes or in the homes of relatives, and provides parents/caretakers with job preparation, work opportunities and support services to enable them to leave the program and become self-sufficient. The purpose of this program is to provide temporary assistance for the care of dependent children in their homes or in the homes of relatives by furnishing financial, medical and self-sufficiency services.

TANF is federally funded through a block grant from the Department of Health and Human Services. In addition, through maintenance of effort provision in the federal regulations, states are required to contribute money equal to 80% of the amount spent on AFDC and related programs during federal fiscal year 1994.

Receipt of TANF assistance subjects the household to federal and state time limits, work participation requirements, child support enforcement activities and requires they be included in federal data reporting.

"Assistance" is defined as cash payments, vouchers and other forms of benefits provided to cover a family's ongoing basic needs such as food, shelter, clothing, etc. It includes child care, transportation and other supports for families that are not employed.

### **Elko County**

Elko County participates in the employment training programs made available through the Workforce Investment Act of 1998. Job Opportunities In Nevada (JOIN) is a non-profit agency, incorporated in June of 1996 to provide these services. As a nonprofit, and under previous incarnations (Northern Nevada Job Training Agency, from 1972-1984, and JOIN, from 1985-1996), JOIN has provided employment and training programs in each of the thirteen Northern Nevada counties. JOIN service offices are currently located in Carson City, Elko, Ely, Fallon, Reno, and Winnemucca, with the Administrative Office located in Reno.

### **West Wendover**

The City of West Wendover does not fund or participate in the administration of employment related programs.

### **Summary**

Most employment programs are funded by the Federal Government and administered by the State. The employment related programs available to Wendover residents in the State of Utah are similar to those that would be available to them in the State of Nevada. However, there is some degree of discretion with respect to the State's administration of employment related programs. For example the emphasis for training programs could be substantially different for one state to the other. The recent extension of eligibility for unemployment compensation by the Governor of Nevada is another example.

## **RECREATION**

### **State of Utah**

There are abundant recreational opportunities throughout the State including those that are convenient to Wendover residents. However, there are no recreational programs offered by the State that would not be available to Wendover residents if they became residents of Nevada.

### **Tooele County**

Tooele County, like the State of Utah has many recreational opportunities available to Wendover residents. However, like the State these opportunities will be available to Wendover residents if they become residents of Nevada.

### **City of Wendover**

The City of Wendover has no recreational programs available exclusively to Wendover residents.

### **State of Nevada**

There are abundant recreational opportunities throughout the State including those that are convenient to Wendover residents. However, there are no recreational programs offered by the State that would only be available to Wendover residents if they became residents of Nevada.

### **Elko County**

Elko County, like the State of Nevada has many recreational opportunities available to Wendover residents. However, like the State these opportunities will be available to Wendover residents if they become residents of Nevada.

### **City of West Wendover**

The City of West Wendover offers a number of public and private sector recreational opportunities that are currently available to Wendover residents and would remain available if they become residents of Nevada. The West Wendover Recreation District was formed in the mid 1980's to manage and operate West Wendover's premier 18-hole championship golf course. This golf course facility offers spectacular views of the surrounding mountains and valleys as well as offering a challenge to any avid golfer. Though the golf course was the primary reason for the formation of the Recreation District, since its formation, it has evolved into a multi-faceted parks and recreation organization to provide programs for not only the tourists but the local community as well. The Recreation District currently manages an Equestrian Facility, the LaCombe Triune which contains several baseball, soccer/multi-purpose fields, and an Olympic size swimming facility; the Robert F. Scobie Park where one can have family picnics under one of many pavilions or just play with the children on the vast array of playground equipment among the trees and grass. As well, the Recreation District holds several running, biking, swimming and cultural events every year along with many pro-rated golf tournaments and rodeos.

## Summary

Annexation may increase the utilization of the recreational facilities offered by West Wendover. It is unknown, however, how much these facilities are currently used by Wendover residents so no accurate estimate of impact can be made. In any case, with annexation, the Recreation District will receive TOT funds from Wendover lodging facilities, thus increasing the financial support of the recreational programs currently available to Wendover residents.

Both the State of Utah and the State of Nevada are blessed with an abundance of fishing and gaming activities in areas accessible to residents of either Wendover, Utah or West Wendover, Nevada. For both states, gaming licenses are issued by the state agencies responsible for wildlife management. The table below compares the cost of some licenses in both states. Each state has a number of unique fishing and gaming licenses for certain age groups and certain types of game, more than included in the table below. As the table below demonstrates, hunting and fishing licenses that are similar in terms of type and eligibility tend to cost relatively the same.

**TABLE 32**  
**COMPARISON OF HUNTING AND FISHING LICENSES**  
**STATE OF UTAH AND STATE OF NEVADA**

		Nevada	Utah
Fishing Licenses	Annual (junior)	\$5	-
	Annual (mid-teens to adult)	\$21	\$24
	1-day	\$7	\$7
	7-day	\$19	\$15
General Hunting License		\$24	\$29
Combination License		\$39	\$32

*Sources: Utah Division of Wildlife Resources and Nevada Division of Wildlife*

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# EDUCATION

## WEST WENDOVER ELEMENTARY SCHOOLS

### Existing Conditions

Wendover Elementary School is bursting at the seams. The school was originally built to accommodate approximately 500 kindergarten to sixth grade students. Today, there are 713 students at the elementary school, of which 200 are in classes that are permanently housed in modulars, i.e. pre-fabricated buildings placed on available lots that otherwise could be used as open space or play areas. Table 33 identifies the number of students by class, and it shows that the bulk of students are in grades K through 3, representing 62 percent of all students. If the preponderance of children in the early grades is a harbinger of the future, then West Wendover Elementary School will continue to be at full capacity for some time.

**TABLE 33**  
**STUDENT POPULATION BY GRADE**  
**WEST WENDOVER ELEMENTARY SCHOOL**  
**WEST WENDOVER, NEVADA**  
**2001-2002**

Grade	Number	Percentage
Kindergarten	115	16%
1st grade	114	16%
2nd grade	103	14%
3rd grade	111	16%
4th grade	92	13%
5th grade	90	13%
6th grade	88	12%
	713	

Source: Elko County School District

Table 34 shows that the population of West Wendover Elementary School has grown tremendously in the last five years—by 16 percent since school year 1997-1998. In contrast, the student population for the District has declined every year since 1997-1998—decreasing at a slow rate of 7 percent for the five-year period.

**TABLE 34**  
**STUDENT POPULATION TRENDS**  
**WEST WENDOVER ELEMENTARY SCHOOL**  
**WEST WENDOVER, NEVADA**

	1997-98	1998-99	1999-00	2000-01	2001-02
West Wendover Elementary School	613	628	650	675	713
District	10,624	10,444	10,161	10,100	9,847

Source: Elko County School District

Despite the crowded condition, in the last three years West Wendover Elementary School still managed to exceed student achievement goals established in the 1996-1997 school year by parents and school leaders for second through sixth grade students.<sup>34</sup> While performance lags behind that of other students in the County on similar tests, West Wendover Elementary School has, nonetheless, experienced an increase in the number of students receiving test scores that place them in the top reading and math brackets, and experienced decreased numbers in the lowest performing brackets.<sup>35</sup> If anything, the elementary school's relatively high average daily attendance rate of 94 percent is a positive indication of the eagerness and readiness of West Wendover youths to learn.

To assist students, the West Wendover Elementary School has embarked on a program of upgrading access to technology for students, spending \$267,000 to upgrade classroom technologies.<sup>36</sup> The school library accesses the Internet, as do 100 percent of the classrooms, compared to only 59 percent of the classrooms in the District overall. At nine students for every computer, West Wendover Elementary School has a better student-to-computer ratio than the 10.2-to-1 ratio for all District elementary schools; the District ratio for all grades at 8.2-to-1 is better than West Wendover Elementary School's ratio.

While student performance is attributable to a number of factors – from teachers, parents and access to technology – education policymakers throughout the nation have focused attention on the immediate learning environment, especially with respect to class size. As it is, the elementary school has reduced class sizes for all grades over the years, a feat worthy of considerable attention given how this stands in stark contrast to the overall increase in the number students during the same period (see Table 35).

**TABLE 35**  
**CLASS SIZE BY GRADE**  
**WEST WENDOVER ELEMENTARY SCHOOL, WEST WENDOVER, NEVADA**

	K	1st	2 <sup>nd</sup>	3rd	4th	5th	6 <sup>th</sup>
1998-99	24	15	16	28	26	28	25
1999-00	21	14	13	24	22	26	29
2000-01	17	20	19	19	22	22	22

Source: <http://www.elko.k12.nv.us/wwelem/SIP.htm>

The reduced class sizes should benefit many students, but perhaps none more so than children with special needs. As it is, the elementary school is a Title I school, meaning it is part of a federally funded program to provide services to meet the special educational needs of low-income students who are at risk of not meeting the

<sup>34</sup> <http://www.elko.k12.nv.us/wwelem/SIP.htm>

<sup>35</sup> <http://www.elko.k12.nv.us/wwelem/SIP.htm>

<sup>36</sup> Interview: Bill McCloud, Facilities and Technology Director, Elko County School District

local and state performance standards in reading and math. Of the student population at Wendover Elementary School, a considerable number of youths have special needs. Three hundred fourteen students are eligible for free lunch, and 101 are eligible for reduced-cost lunch. In other words, more than half of the student population is low-income.

At 72 percent, the relatively high number of youth who actually take advantage of the subsidized food program is a good indication of the depth of social and economic needs. In addition, there are approximately 150 students – or 21 percent – who are in special classes for those not fluent in the English language.

### Staff and Administration

A staff of 55 provides West Wendover's elementary school-aged children with a nurturing and positive learning environment. Table 36 below provides a breakdown on how the school is staffed.

**TABLE 36**  
**SCHOOL STAFF**  
**WEST WENDOVER ELEMENTARY SCHOOL**  
**WEST WENDOVER, NEVADA**

32 teachers
1 principal
3 administrative support
4 custodial support
1 nurse
1 counselor
1 librarian
12 special program instructors
4 special education
2 English language instructors
1 music teacher
1 computer lab
4 art-music-PE

Source: West Wendover Elementary School

As Table 36 shows, there are 32 teachers at West Wendover Elementary School. All instructors at the elementary school and in the district are certified through the State of Nevada Department of Education. Teachers are represented by the Elko County Classroom Teachers Association, to which about 60 percent of all teachers belong. Among other things, elementary teachers have successfully bargained for 30 consecutive minutes per day for preparation time. It should be noted that Elko County provides health benefits only to employees, not to spouses or family members, and that while the county contributes to retirement, it does not pay it in full.

Table 37 provides a budgetary snapshot of teachers and administrators at West Wendover Elementary School. What it shows is that teachers at \$1,246,267 in salaries

represent almost 55 percent of the \$2,237,784 operating budget for FY 2001-2002. The average salary (including benefits) of a teacher at West Wendover is approximately \$37,000.

**TABLE 37**  
**ADMINISTRATION AND INSTRUCTORS BUDGETS**  
**WEST WENDOVER ELEMENTARY SCHOOL**  
**WEST WENDOVER, NEVADA**  
**FY 2001-2002**

<b>Administration</b>		
Salaries	\$161,776	76%
Benefits	\$43,889	21%
Supplies	\$7,890	4%
Travel	\$500	0%
Misc		0%
<hr/>		
\$214,055		
<b>Teachers</b>		
Salaries	\$1,246,267	76%
Benefits	\$347,822	21%
Supplies	\$52,511	3%
Travel	\$1,000	0%
Misc	\$2,000	0%
<hr/>		
\$1,649,600		

Source: Elko County School District

### Site Conditions

The schools in West Wendover are new, modern and safe. According to Bill McCloud, the Facilities and Technology Director for the Elko County School District, there are no structural (building structure, foundation, roofing) or infrastructure (HVAC, water system, and sewage) deficiencies at Wendover Elementary School.

Table 38 shows the operating budget for West Wendover Elementary School for Fiscal Year 2001-2002. In short, operating the elementary school requires \$2,237,784, not including utility costs of \$101,273. The bulk of the costs are salaries at 75 percent.

**TABLE 38**  
**TOTAL OPERATING BUDGET**  
**WEST WENDOVER ELEMENTARY SCHOOL**  
**WEST WENDOVER, NEVADA**  
**FY 2001-2002**

Salaries	\$1,675,641	75%
Benefits	\$465,865	21%
Supplies	\$87,378	4%
Travel	\$1,900	0.1%
Misc	\$7,000	0.3%
<hr/>		
\$2,237,784		

Source: Elko County School District

The elementary school recently completed a \$4.6 million capital improvement project to increase the number of classes by eight, build a new gym and soccer field, and create a grassy area. The school also upgraded its technology (a \$267,000 project, part of the \$4.6 million). Table 39 provides data on what is required to maintain West Wendover Elementary School. As this table shows, the elementary school has a utilities cost of \$101,273—over half of which is electricity—and requires almost \$375,000 in custodial support.

**TABLE 39**  
**CUSTODIAL SUPPORT AND FACILITIES OPERATION BUDGETS**  
**WEST WENDOVER ELEMENTARY SCHOOL**  
**WEST WENDOVER, NEVADA**  
**FY 2001-2002**

**Custodial Support**

Salaries	\$267,598	72%
Benefits	\$74,154	20%
Supplies	\$26,977	7%
Travel	\$400	0%
Misc	5000	1%
	\$374,129	
Water\sewage	\$23,047	23%
Cleaning services	\$8,588	8%
Communications	\$11,214	11%
Electricity	\$58,071	57%
Bottled gas	\$353	0%
	\$101,273	

Source: Elko County School District

It should be noted that West Wendover Elementary School provides meals to its students through a satellite kitchen program based in the City of Elko, as the elementary school does not have the infrastructure in place to prepare meals directly. Meals are transported to the school on a bi-weekly basis from Elko and the school's food service staff serves the warmed meals for breakfast and lunch daily. Approximately 150 breakfasts and 475 lunches are served every day at West Wendover Elementary School.

Another important matter related to site conditions has to do with transportation. The school district operates a school bus for both schools in West Wendover, using six buses to serve 150 West Wendover students (elementary, middle and high school). Altogether, the district maintains a fleet of 100 buses, which are modernized regularly.<sup>37</sup>

<sup>37</sup> Elko County School District: response to questionnaire

## WENDOVER JR/SR HIGH SCHOOL

### Existing Conditions

Home of the Wolverines, Wendover Jr/Sr High School is a recently constructed facility that contains 415 students between 7<sup>th</sup> and 12<sup>th</sup> grades. The school is fully accredited by the Northwest Association of Schools and Colleges, an association of educational institutions to ensure excellence in education by holding member schools accountable to rigorous standards and what it refers to as “a process of continual improvement.” As one example of a rigorous standard and continual improvement, West Wendover High School students are required to pass three proficiency tests in order to graduate, along with satisfactorily passing regular classes. Across the border in Wendover, Utah, students are required to pass a single eight-grade levels test in order to graduate.<sup>38</sup>

Table 40 provides a breakdown of the student population for the 2001-2002 school year by grades, showing that the bulk of the population is in the middle school grades. It is likely that the school population by grade will increase with each succeeding year.

**TABLE 40**  
**STUDENT POPULATION BY GRADE**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**  
**2001-2002**

Grade	Number	Percentage
7 <sup>th</sup> grade	86	21%
8 <sup>h</sup> grade	83	20%
9 <sup>h</sup> grade	84	20%
10 <sup>th</sup> grade	68	16%
11 <sup>th</sup> grade	50	12%
12 <sup>th</sup> grade	44	11%
	415	

Source: Elko County School District

Table 41 below shows that the population of the combined middle and high school has grown tremendously in the last five years, by 15.6 percent since school year 1997-1998. In contrast, population for the District has declined every year since 1997-1998, decreasing at a slow rate of 7 percent for the five-year period. Thus, with the high growth occurring in the elementary school levels, schools officials and planners foresee continued population growth at West Wendover Jr/Sr High School.

<sup>38</sup> “Divided Districts Eye Merger”, Heather May, The Salt Lake Tribune, 06/03/2002

**TABLE 41**  
**STUDENT POPULATION TRENDS**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**

	1997-98	1998-99	1999-00	2000-01	2001-02
West Wendover Jr/Sr High School	362	388	396	397	415
District	10,624	10,444	10,161	10,100	9,847

Source: Elko County School District

Contrary to what is happening at the elementary school, the new school facility housing West Wendover Jr/Sr High school can accommodate the expected growth in the near future, as the school was built for 600 students. Thus, the school is operating at 69 percent capacity. Class size at the combined middle and high school are within stated goals: the school average of 16 students per teacher is well within the Elko County high school standard of 27-to-1. Therefore, students receive a wide variety of support in pursuing intellectual and community-oriented interests, including having competitive clubs such as Future Business Leaders of America (FBLA), Family, Career, Community Leaders of America (FCCLA), and Vocational Industrial Clubs of America (VICA). In addition, there are three school-based enterprises in the field of cooking, woodworking and embroidery.

To assist students, the West Wendover Jr/Sr School has embarked on a program of upgrading access to technology for students, spending \$130,000 in the 2001-2002 school year to improve its distance learning capabilities and classroom technologies.<sup>39</sup> The school library accesses the Internet, as do all of this school's classrooms. By comparison, 28 and 29 percent of all classrooms at Elko High School and Spring Creek High School have direct access to the Internet. At 6.6 students for every computer, West Wendover Jr/Sr High School has a better student-to-computer ratio than at Elko High School and Spring Creek High School, whose respective ratios are 9.4 to 1 and 8.8 to 1.<sup>40</sup>

Average daily attendance is 92 percent at West Wendover Jr/Sr High School, perhaps an indicator of below-the-surface challenges that manifests itself in the student dropout rate. The high school dropout rate has hovered around 6 to 8 percent in the 1999-2000 and 2000-2001 school years, above the rate for other high schools in the county.

Table 42 below shows a breakdown of general pursuits of high school graduates, indicating that slightly over half the students seek employment immediately.

<sup>39</sup> Interview: Bill McCloud, Facilities and Technology Director, Elko County School District

<sup>40</sup> <http://www.elko.k12.nv.us/districttechnology.htm>

**TABLE 42**  
**STUDENT POPULATION TRENDS**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**

4-year college/university	27%
2-year junior college	3%
Business/technical school	10%
Armed forces	6%
Work force	54%

Source: <http://www/homefair.com/homefair/>

While it is generally accepted that continuing schooling at business, junior or state colleges, or at universities offer greater probabilities of personal financial success, access to higher education by local youths may be impeded by the lack of counselors. While there is one counselor for the 246 West Wendover students in the 9<sup>th</sup> through 12<sup>th</sup> grades, this counselor serves all of the 415-member student body. In comparison, Elko High School and Spring Creek High School have one counselor for 325 students and one counselor to 293 students, respectively. Counselors are critical source of information for youths interested in going to college, as they provide motivation as well as information on college, applications, and information on workshops and summer courses.

Similar to the situation at the elementary school level, West Wendover Jr/Sr High School has a sizeable population of students with special needs. While a small number of students (25) have limited or no English speaking abilities compared to the disproportionately large number (150) at Wendover Elementary School, the Jr/Sr High School has a considerable number of low-income students. One hundred eighty-one students are eligible for the free lunch program, while 69 are eligible for reduced-price meals. In other words, at 250 students combined 60 percent of all students are eligible for subsidized meals. To assist students in general, including those with special needs, social and health services are provided on the school grounds by a community-based non-profit funded by what is known as the Outreach Grant for Mental Health.

It is worth noting that schools in West Wendover are new, modern and very safe, including West Wendover Jr/Sr High School. The school district reports that police and ambulance are summoned to the campus very rarely. Normally, there are one or two medical emergencies, with none so far this year. The local police department provides an officer for closing time in the afternoon and the district maintains two certified police officers on staff for emergency purposes. These police officers make frequent information-gathering trips to West Wendover.<sup>41</sup>

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<sup>41</sup> Elko County School District: response to questionnaire

## Staff and Administration

A staff of 40 provides West Wendover Jr/Sr High School youths with a nurturing and positive learning environment. Table 43 below provides a breakdown of the school staff.

**TABLE 43**  
**SCHOOL STAFF**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**

16 teachers
1 principal
3 administrative support
5 custodial support
1 nurse
1 counselor
1 librarian
12 special program instructors
4 special education
2 English language instructors
1 music teacher
1 computer lab
3 art-music-PE
1 community liaison

Source: West Wendover Elementary School

As Table 43 shows, there are 16 teachers at West Wendover Jr/Sr High School. All instructors are certified through the State of Nevada Department of Education. Secondary teachers have successfully bargained for one period per day as preparation time. There is one teacher with an emergency credential – he is a local businessman who is teaching an advanced computer course. It is also worth noting that there is one individual who serves as a liaison to the community at large.

As is the case for elementary school teachers, teachers at the combined middle and high school teach in a calendar consisting of 180 school days. They have six early days on campus, when students are let out early so teachers can expand their professional capacities. All national holidays are celebrated, along with Nevada Day, Christmas, and Spring break.

Table 44 provides a budgetary snapshot of teachers and administrators at Wendover Jr/Sr High School. It shows that teachers, at \$1,329,818 in salaries, represent 68 percent of the \$1,964,326 operating budget for FY 2001-2002. Thus, the average salary (including benefits) of a teacher at West Wendover Jr/Sr High School is approximately \$45,200, with variations depending on tenure and special skills.

**TABLE 44**  
**ADMINISTRATION AND INSTRUCTORS BUDGETS**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**  
**FY 2001-2003**

<b>Administration</b>		
Salaries	\$213,500	74%
Benefits	\$54,450	19%
Supplies	\$15,484	5%
Travel	\$3,411	1%
Misc		0%
	\$286,845	
<b>Teachers</b>		
Salaries	\$1,002,957	75%
Benefits	\$262,320	20%
Supplies	\$60,733	5%
Travel	\$3,808	0.3%
Misc		0%
	\$1,329,818	

Source: Elko County School District

### Site Conditions

West Wendover Jr/Sr High School is a new, modern and safe learning environment, built with funds from a 75-cent tax override also known as a “pay as you go tax.” This school is completely paid for and, therefore, there is no outstanding debt service. According to Bill McCloud, the Facilities and Technology Director for the Elko County School District, there are no structural (building structure, foundation, roofing) or infrastructure (HVAC, water system, and sewage) deficiencies at West Wendover Jr/Sr High School.

Table 45 shows the operating budget for West Wendover Jr/Sr High School for Fiscal Year 2001-2002. In short, operating the middle-high school requires \$1,964,326, not including utility costs of \$131,000. The bulk of the costs are in salaries, at 75 percent.

**TABLE 45**  
**TOTAL OPERATING BUDGET**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**  
**FY 2001-2002**

Salaries	\$1,469,351	75%
Benefits	\$382,536	19%
Supplies	\$105,172	5%
Travel	\$7,267	0.4%
	\$1,964,326	

Source: Elko County School District

Table 46 provides data on what is required to maintain West Wendover Jr/Sr High School. As this table shows, the school has a utilities fixed cost of \$141,418, almost

70 percent of which is electricity, and requires slightly over \$374,000 in custodial support.

**TABLE 46**  
**CUSTODIAL SUPPORT AND FACILITIES OPERATION BUDGETS**  
**WEST WENDOVER JR/SR HIGH SCHOOL**  
**WEST WENDOVER, NEVADA**  
**FY 2001-2003**

<b>Custodial Support</b>		
Salaries	\$267,598	72%
Benefits	\$74,154	20%
Supplies	\$26,977	7%
Travel	\$400	0%
Misc	5000	1%
	\$374,129	
Water\sewage	\$23,047	16%
Cleaning services	\$10,464	7%
Communications	\$10,364	7%
Electricity	\$97,543	69%
Bottled gas		
	\$141,418	

Source: Elko County School District

## WENDOVER, UTAH

### Existing Conditions

Improving reading achievement is Tooele County's highest educational priority<sup>42</sup>, as reading is the foundation skill for all other education. Anna Smith Elementary School in Wendover, Utah has approximately 232 students, and tests show that this school's reading and other achievement lags behind the rest of the County.

The bulk of the student population at Anna Smith Elementary is in the early grades (Table 47). Kindergarten and 2<sup>nd</sup> grade together comprise 36 percent of the school.

<sup>42</sup> <http://www.tooele.k12.ut.us/annualreport/>

**TABLE 47**  
**STUDENT POPULATION BY GRADE**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**  
**2001-2002**

Grade	Number	Percentage
kindergarten	42	18%
1st grade	36	16%
2nd grade	42	18%
3rd grade	34	15%
4th grade	28	12%
5th grade	26	11%
6th grade	24	10%
232		

Source: Tooele County School District

Table 48 shows that the population of Anna Smith Elementary School has declined tremendously in the last five years, decreasing by 18 percent since school year 1997-1998. In contrast, the student population for the District has increased every year since 1997-1998, by an estimated 20 percent for the five-year period.

**TABLE 48**  
**STUDENT POPULATION TRENDS**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**

	1997-98	1998-99	1999-00	2000-01	2001-02
Anna Smith Elementary School	277	262	255	243	227
District	7,900	8,100	9,000	9,200	9,500

Source: Tooele County School District

Like the student population, student performance on scholastic aptitude tests shows signs of decline. An important measure of student achievement is the Utah CORE Test, questions of which are directly related to classroom curriculum. Data in Table 49 and Table 50 compare Anna Smith Elementary School performance in the language arts by grades against elementary school students throughout Tooele County, showing that Anna Smith performs below the County.

**TABLE 49**  
**UTAH CORE TEST: LANGUAGE ARTS PROFICIENCY BY GRADE**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**

	Mastery and Near Mastery	Partial Mastery	Minimal Mastery	Average % Correct on Test
Language Arts 1	35%	59%	6%	68%
Language Arts 2	47%	53%	0%	68%
Language Arts 3	32%	65%	3%	57%
Language Arts 4	31%	54%	15%	59%
Language Arts 5	68%	32%	0%	66%
Language Arts 6	31%	66%	3%	60%

**TABLE 50**  
**UTAH CORE TEST: LANGUAGE ARTS PROFICIENCY BY GRADE**  
**ALL ELEMENTARY SCHOOLS**  
**WENDOVER, UTAH**

	<b>Mastery and Near Mastery</b>	<b>Partial Mastery</b>	<b>Minimal Mastery</b>	<b>Average % Correct on Test</b>
Language Arts 1	89%	18%	3%	88%
Language Arts 2	91%	14%	1%	88%
Language Arts 3	73%	26%	3%	79%
Language Arts 4	76%	27%	5%	77%
Language Arts 5	78%	22%	1%	75%
Language Arts 6	71%	29%	2%	69%

Source: <http://www.tooele.k12.ut.us/annualreport/>

Third-grade reading and language skills are often closely scrutinized, especially with respect to test scores, as performance at this age is often an early indication of the readiness for learning. As Table 45 shows, 32 percent of Anna Smith third-grade students have mastered or nearly mastered grade-appropriate language skills, a rate far less than that of third graders for the County overall (73 percent)(Table46). While the latter average almost 80 percent correct on their tests, Anna Smith 3<sup>rd</sup> graders on average answered correctly 57 percent of the time.

Anna Smith recorded low scores on another standardized aptitude test called the SAT-9 (Stanford Achievement Test, 9th edition).<sup>43</sup> Table 51 shows that Anna Smith Elementary School recorded combined scores in reading and math that indicate that 3<sup>rd</sup> graders at this school performed better than 13 percent of 3<sup>rd</sup> graders in the nation. In other words, 87 percent of 3<sup>rd</sup> grade classes across the country performed better on the 2001 SAT-9. To be sure, the SAT-9 does not account for the relationship between what students are taught and on what they are tested, as the Utah CORE Test succeeds in doing. Nonetheless, local educational leaders are concerned about the low SAT-9 scores at Anna Smith.<sup>44</sup>

<sup>43</sup> The SAT-9 is norm-referenced test developed by a nationwide test publisher, and it is administered to students across the nation (the norm group), allowing local educational leaders to see how students compare against the nation. Student results are compared to a national group and reported as a percentile: a score of the 50 percentile, for example, means half the national group scored below and half scored above.

<sup>44</sup> <http://www.tooele.k12.ut.us/annualreport/>

**TABLE 51**  
**STANFORD ACHIEVEMENT TEST, 9<sup>TH</sup> EDITION**  
**ANNA SMITH AND COMPARISON ELEMENTARY SCHOOLS**  
**COMBINED READING AND MATH PERFORMANCE SCORES, 2001**  
**WENDOVER, UTAH**

	Anna Smith	District	State
3rd grade	13	50	52
5th grade	10	41	50

Source: Deseret News, January 3, 2002

Reporting on the low SAT-9 scores in Wendover and Tooele County generally, the regional newspaper Deseret News noted that,

“Children who must learn a second language as well as trying to absorb grade-level subjects predictably struggle more than native English speakers. Some also come from homes where parents are poorly educated, where education is not a high priority. They begin school without the preparatory skills that some of their peers have developed.”<sup>45</sup>

In other words, test scores reflect socio-economic status as much as individual learning abilities or intelligence. As it is, the US Census 2000 shows that 29 percent of all children in Wendover, Utah live in poverty, a rate that is much higher than child poverty rates for Tooele County and Utah, where 7 percent and 10 percent of children live in poverty, respectively.<sup>46</sup>

### **Staff and Administration**

There are 22 staff people at Anna Smith School, including 12 teachers, one principal and three individuals in special programs such as special education and English for non-native speakers, and a music teacher. Table 52 provides a breakdown of staff at the school.

<sup>45</sup> “Tooele’s Scores Worrisome,” Twila Van Lier, Deseret News, 1/3/2003

<sup>46</sup> US Census 2000. Table DP-1. General Demographic Characteristics (<http://www.census.gov/Press-Release/www/2002/demoprofiles.html>)

**TABLE 52**  
**SCHOOL STAFF**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**

12 teachers  
1 principal  
1 administrative support  
3 custodial support  
1 nurse  
1 librarian  
3 special program instructors  
    1 special education  
    1 English language instructors  
    1 music teacher

Source: Anna Smith Elementary School

Table 53 provides a budgetary snapshot of teachers and administrators at Anna Smith Elementary School. It shows that teachers, at \$507,000 in salaries, represent 64 percent of the \$769,000 operating budget for FY 2001-2002. Thus, the average salary (including benefits) of a teacher at Anna Smith is approximately \$36,000, with variations depending on tenure and special skills. Early indications are that the music teacher and the English language instructor positions will be eliminated starting Fall 2002.

**TABLE 53**  
**ADMINISTRATION AND INSTRUCTORS BUDGETS**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**  
**FY 2001-2003**

<b>Administration</b>		
Salaries	\$85,497	99.8%
Benefits	\$0	0%
Supplies	\$170	0.2%
Travel	\$0	0%
Misc	\$0	0%
	<b>\$85,667</b>	
<b>Teachers</b>		
Salaries	\$507,040	84%
Benefits	\$33,079	5%
Supplies	\$54,421	9%
Travel	\$8,686	1%
Misc	\$372	0%
	<b>\$603,597</b>	

*Source: Tooele County School District*

Tooele County School District employees have a different situation when it comes to benefits than their counterparts in Elko County. Anna Smith Elementary School or Wendover High School teachers are vested in their retirement after three years,

meaning that at the age of 62, teachers can access retirement benefits, which are scaled to the number of years employed in the Tooele County School system. Moreover, the District pay completely for retirement benefits, while in Elko County, Nevada employees contribute toward their retirement. And, Tooele County School District provides a health package that includes insurance for dependents and spouses, which the Elko County School District does not.

### **Site Conditions**

Anna Smith Elementary School was built in 1998 on a hillside in one of Wendover's newest neighborhoods, and children can see the vast expanse of the Wendover, Utah/West Wendover, Nevada region below from its rooms and outside play areas. There are 220 children at this school, which actually was built to accommodate around 350 children.

School officials report that the school is in very good shape. It was constructed at a cost of \$6.5 million, of which approximately \$4.5 million remains outstanding. The building is made of brick and there are no obvious damages or deficiencies and, therefore, no need for any capital improvements. Infrastructure such as the water system, HVAC and sewage are working well. Unlike Wendover High School, Anna Smith Elementary School is hooked up to a separate sewage system that serves the community on the hill, and this system by all accounts is free of the problems.

Landscaping in and around the school is also in fine shape. Tooele County school officials annually inspect the playground and have always deemed it safe. There are no major problems with pavement around and through the school, although minor cracking in the parking lot has surfaced.

The school has two cars that are in excellent shape. One is a van to transport food to Wendover High School and the local Head Start programs, and the other is the car for school administration. Table 54 shows the operating budget for Anna Smith Elementary School for FY 2001-2002. In short, it costs \$796,091 to operate the elementary school. The bulk of the costs are in salaries, at 85 percent. It should be noted that budget figures below represent a point in time when the school is operating at less than full capacity.

**TABLE 54**  
**TOTAL OPERATING BUDGET, FY 2001-2002**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**

Salaries	\$676,292	85%
Benefits	\$33,079	4%
Supplies	\$68,233	9%
Travel	\$8,686	1%
Misc	\$9,801	1%
	<b>\$796,091</b>	

Source: Tooele County School District

Table 55 provides data on what is required to maintain Anna Smith Elementary School. As this table shows, the school has a low utilities cost of \$54,774 – most of which is in water and sewage – and requires slightly over \$107,000 in custodial support.

**TABLE 55**  
**CUSTODIAL SUPPORT AND FACILITIES OPERATION BUDGETS**  
**ANNA SMITH ELEMENTARY SCHOOL**  
**WENDOVER, UTAH**  
**FY 2001-2003**

**Custodial Support**

Salaries	\$83,755	78%
Benefits	\$0	0%
Supplies	\$13,642	13%
Travel	\$0	0%
Misc	\$9,429	9%
	<b>\$106,826</b>	

Water\sewage	\$25,933	47%
Disposal	\$8,646	16%
Communications	\$5,215	10%
Electricity	\$8,059	15%
Misc.	\$6,921	13%
	<b>\$54,774</b>	

Source Tooele County School District

## WENDOVER HIGH SCHOOL

### Existing Conditions

There are approximately 200 students at Wendover, a 7<sup>th</sup> through 12<sup>th</sup> grade school that has the physical capacity to accommodate 500 students. Class-sizes in Wendover are relatively small at 19 students per teacher and, thus, should be conducive to learning. Yet, if the latest scores from the SAT-9 and Utah CORE Test suggest anything, it is that Wendover High School is performing below expectation.

Table 56 shows the student population at Wendover High School, and it shows that the bulk of the population is in the early grades. Eighth grade comprises almost a quarter of all students.

**TABLE 56  
STUDENT POPULATION BY GRADE  
WENDOVER HIGH SCHOOL  
WENDOVER, UTAH  
2001-2002**

<b>Grade</b>	<b>Number</b>	<b>Percentage</b>
7 <sup>TH</sup> grade	34	17%
8 <sup>th</sup> grade	48	24%
9 <sup>th</sup> grade	35	18%
10 <sup>th</sup> grade	26	13%
11 <sup>th</sup> grade	25	13%
12 <sup>th</sup> grade	32	16%
	200	

Source: Tooele County School District

Table 57 below shows that the population of Wendover High School has tremendously increased in the last five years, by 25 percent since school year 1997-1998. Student population growth at this school exceeds that of the District, which has also has increased every year since 1997-1998, for an overall 20 percent growth for the five-year period.

**TABLE 57  
STUDENT POPULATION TRENDS  
WENDOVER HIGH SCHOOL  
WENDOVER, UTAH**

	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>
Wendover High School	160	187	177	175	200
District	7,900	8,100	9,000	9,200	9,500

Source: Tooele County School District

Scholastic performance has not kept pace with population growth, however. While 8<sup>th</sup> graders and 11<sup>th</sup> graders in the District and Utah performed at almost precisely the national norm (where 50 percent of nation’s student performed better on SAT-9 and 50 percent performed worse), students at Wendover performed below the national norm, as Table 58 shows below. Wendover 8<sup>th</sup> graders performed better than 24 percent of 8<sup>th</sup> graders in the nation, meaning that 73 percent of the nation’s eight graders performed better on the SAT-9 in 2001. Wendover 11<sup>th</sup> graders performed better than 29 percent of their national peer group on the SAT-9, meaning 71 percent of the nation’s 11<sup>th</sup> grade classes performed better than Wendover’s 11<sup>th</sup> graders in 2001.

**TABLE 58**  
**STANFORD ACHIEVEMENT TEST, 9<sup>TH</sup> EDITION**  
**WENDOVER HIGH SCHOOL VERSUS COMPARISON SCHOOLS**  
**COMBINED READING AND MATH PERFORMANCE SCORES, 2001**  
**WENDOVER, UTAH**

	Wendover HS	District	State
8th grade	24	46	53
11th grade	29	50	56

Source: Deseret news, January 3, 2002

Tables 59 and 60 compare how Wendover students performed on the Utah CORE Test math and science proficiency tests, and these tables show that Wendover students perform less well than their peers in the County. For example, 8.8 percent of Wendover 7<sup>th</sup> graders mastered math, compared to 35.1 percent of county 7<sup>th</sup> graders. At the same time, the tables show that Wendover High School students performed better than county peers in pre-algebra and geometry, where 76.0 and 68.8 percent of high school students mastered these disciplines, compared to the county rates of 63 and 52 percent.

**TABLE 59**  
**UTAH CORE TEST: MATH AND SCIENCE PROFICIENCY BY GRADE**  
**WENDOVER HIGH SCHOOL**  
**WENDOVER, UTAH**

	Mastery and Near Mastery	Partial Mastery	Minimal Mastery	Average % Correct on Test
Mathematics 7	8.8%	86.7%	4.4%	41.6%
Pre-Algebra	30.8%	61.5%	7.7%	45.3%
Elementary Algebra	76.0%	16.0%	8.0%	57.7%
Geometry	68.8%	25.0%	6.3%	64.3%
Integrated Science 7	41.3%	50.0%	8.7%	49.0%
Integrated Science 8	44.8%	51.7%	3.4%	46.8%
Earth Systems	24.1%	72.4%	3.4%	46.5%
Biology	28.0%	64.0%	8.0%	50.4%

**TABLE 60**  
**UTAH CORE TEST: MATH AND SCIENCE PROFICIENCY BY GRADE**  
**TOOELE COUNTY SCHOOL DISTRICT HIGH SCHOOLS**  
**WENDOVER, UTAH**

	<b>Mastery and Near Mastery</b>	<b>Partial Mastery</b>	<b>Minimal Mastery</b>	<b>Average % Correct on Test</b>
Mathematics 7	35.1%	61.0%	3.9%	52.9%
Pre-Algebra	54.2%	41.5%	4.3%	55.0%
Elementary Algebra	63.3%	33.7%	3.0%	50.8%
Geometry	52.0%	40.5%	7.5%	54.5%
Integrated Science 7	79.9%	16.9%	3.3%	66.7%
Integrated Science 8	77.8%	21.1%	1.1%	63.8%
Earth Systems	53.1%	44.5%	2.4%	59.9%
Biology	65.6%	32.5%	2.0%	66.4%

Source: Tooele County School District

Wendover's relatively high dropout rate may be related to the school's low-scholastic achievement. Wendover High School has an 18 percent dropout rate.<sup>47</sup>

Table 61 below shows a breakdown of general pursuits of Wendover High School graduates, and what it shows is that 57 percent of graduating students seek employment immediately. Thirty-six percent continue their education at a four-year college, while another 7 percent attend junior college.

**TABLE 61**  
**STUDENT POPULATION TRENDS**  
**WENDOVER HIGH SCHOOL**  
**WENDOVER, UTAH**

4-year College/university	36%
2-year Junior college	7%
Business/technical school	0%
Armed forces	0%
Work force	57%

Source: <http://www/homefair.com/homefair/>

### Staff and Administration

Wendover High School operates with a staff of 25, which includes 13 teachers, 1 principal and 5 individuals in special programs such as special education and English for non-native speakers, and a music teacher. Table 62 provides a breakdown of staff at the school.

<sup>47</sup> <http://www/homefair.com/homefair/>

**TABLE 62**  
**SCHOOL STAFF**  
**WENDOVER HIGH SCHOOL**  
**WENDOVER, UTAH**

13 teachers
1 principal
2 administrative support
2 custodial support
1 counselor
1 librarian
5 special program instructors
1 special education
1 English language instructors
1 Title I
1 art teacher
1 music teacher

Source: Wendover High School

Table 63 provides a budgetary snapshot of teachers and administrators at Wendover High School. What it shows is that teachers, at \$500,886 in salaries, represent 57 percent of the \$871,000 operating budget for FY2001-2002. Thus, the average salary (including benefits) of a teacher at Wendover is approximately \$34,000.

**TABLE 63**  
**ADMINISTRATION AND INSTRUCTORS BUDGETS**  
**WENDOVER HIGH SCHOOL**  
**WENDOVER, UTAH**  
**FY 2001-2002**

**Administration**

Salaries	\$70,750	99%
Benefits		0%
Supplies	\$646	1%
Travel		0%
Misc		0%
	\$71,396	

**TEACHERS**

Salaries	\$500,886	85%
Benefits	\$6,380	1%
Supplies	\$50,354	9%
Travel	\$30,441	5%
Misc	\$2,194	0%
	\$590,255	

Source: Tooele County School District

**Site Conditions**

Wendover High School is a brick structure, with a metal-framed gymnasium, that can house up to 500 students. There are no major capital improvement projects underway or under consideration for either structure. While the HVAC, water pipes, and water fountains are in general good condition, there is a sewage drainage problem, which may relate to the connection of the school system to the City sewage collection system. Otherwise, there are no surface and landscape problems on site,

such as major cracks in pavement or poorly maintained greenery. The school has a fully functional but unused kitchen facility that can accommodate all students. For reasons of efficiency, food is prepared and warmed at the modern kitchen at Anna Smith Elementary School.

The school has two buses and one school van that are in excellent shape. One bus is for general activities such as field trips and transporting students, and the other bus is specifically for youths who reside at a nearby Native American village.

Table 64 shows data on the total operating budget of Wendover High School, excluding utilities. Altogether, the school has an operating budget of \$870,750—85 percent of which is for salaries and benefits. It is notable that the budget figures are for a school that is operating at less than full capacity.

**TABLE 64**  
**TOTAL OPERATING BUDGET**  
**WENDOVER HIGH SCHOOL**  
**WENDOVER, UTAH**  
**FY 2001-2002**

Salaries	\$731,998	84%
Benefits	\$6,380	1%
Supplies	\$89,826	10%
Travel	\$30,840	4%
Misc	\$11,706	1%
	<u>\$870,750</u>	

*Source: Tooele County School District*

Table 65 provides data on what is required to maintain Wendover High School. As this table shows, the school has a high utilities cost – 23,000 – most of which is in electricity and bottled gas. Wendover requires slightly over \$209,000 in custodial support.

**TABLE 65**  
**CUSTODIAL SUPPORT AND FACILITIES OPERATION BUDGETS**  
**WENDOVER HIGH SCHOOL, WENDOVER, UTAH**  
**FY2001-2003**

**Custodial Support**

Salaries	\$160,362	77%
Benefits		0%
Supplies	\$38,826	19%
Travel	\$398	0%
Misc	\$9,513	5%
	<u>\$209,099</u>	

Water\sewage	\$33,733	27%
Disposal	\$2,772	2%
Communications	\$5,522	5%
Electricity	\$27,053	22%
Misc. (bottled gas)	\$53,631	44%
	<u>\$122,712</u>	

*Source Tooele County School District*

## IMPACT OF ANNEXATION

The possible merger of the Wendover, Utah schools into West Wendover, Nevada through annexation or an interlocal agreement is occurring under a backdrop of rapid student population growth in West Wendover, which is projected to continue in the coming years, and low-scholastic performance in Wendover as measured by standardized test results. While many see in a merger an opportunity to address these and other challenges, school and community officials must also address basic business-related questions on which the success of merger hinges.

Elko County and Tooele County school officials are currently discussing school merger, with or without annexation. Tooele officials have voiced concern about the prudence of having two elementary schools and high schools for two adjoining cities which are a distance away from their respective county hubs and whose combined population is only 6,000 people.<sup>48</sup> For its part, the Elko County School District is experiencing declining enrollment, and it sees in a merger an opportunity to reverse this trend and possibly generate revenues.

In July 2002, Elko officials submitted a draft proposal to Tooele County school officials outlining initial merger terms. In this draft proposal, Elko shows how much it costs to educate elementary and high school students.<sup>49</sup> If it assumes responsibility over the Wendover, Utah schools, Elko officials believe the cost per elementary student is \$4,649 and \$8,915 for a Wendover High School student. They propose

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<sup>48</sup> “Wendover schools to unite?”, Stephen Speckman, *Deseret News*, 4/16/2002

<sup>49</sup> The Nevada Interlocal Cooperation Act permits local governments to make the most efficient use of their powers by enabling them to cooperate with other local governments on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization which will best accord with geographic, economic, population and other factors influencing the needs and development of local communities (source: Elko County School District, “Interlocal Cooperation Agreement between The Board of Trustees of the Elko County School District and the Board of Education of the Tooele County School District”(7/2002)

that Tooele County pay these amounts to the Elko County School District.<sup>50</sup> Both amounts include what is referred to as a “District Per Student Expenditure,” which is a fixed \$1,048 cost for administrative overhead and special education (see Table 66).

**TABLE 66**  
**(DRAFT) EXHIBIT A: COST OF EDUCATING EACH UTAH RESIDENT STUDENT**  
**ELKO COUNTY SCHOOL DISTRICT**  
**WEST WENDOVER, NEVADA**

	Number of Students	Total Expenditures Per Site	Weighted Enrollment Per Site	Per Student Expenditure	District Per Student Expenditure	Total Cost Per Student	Proposed Tuition (Paid By Tooele To Elko)	Estimated FY2002 Revenue
Anna Smith Elementary	197	\$2,406,299	669	\$3,601	\$1,048	\$4,649	\$4,649	\$915,894
Wendover High School	182	\$2,166,628	275	\$7,867	\$1,048	\$8,915	\$8,915	\$1,622,575

Source: Elko County School District.

[This space intentionally left blank]

<sup>50</sup> Elko County School District, “Interlocal Cooperation Agreement between The Board of Trustees of the Elko County School District and the Board of Education of the Tooele County School District” (7/2002)

Elko County and Tooele County officials will also need to consider the fiscal impacts of annexation, even as they arrive at an interlocal cooperative agreement outside of the context of annexation. In the event of annexation, West Wendover will begin to collect additional property and sales taxes, and other locally derived taxes and fees, portions of which will go to schools. For example, about 35% of Nevada sales tax collections go to schools, as does 46% of property taxes. Given Wendover, Utah’s 5-year average annual taxable sales amount (\$9,584,674) and its current assessed valuation (\$49,960,000), what was once Wendover, Utah will transmit an estimated \$551,368 in property, sales, and motor vehicle privilege taxes to Nevada schools.<sup>51</sup>

The amount of local funds (\$551,368) is less than the aggregate cost of serving additional students from Wendover, Utah (\$916,894 for elementary students and \$1,622,575 for high school students). Factoring state and federal funds, early indications are that annexation will not generate enough revenues to cover new expenses. As it is, the Elko County School District general fund indicates that local revenues are 46 percent of all funds, state revenues are 52 percent of the general fund, and federal revenues are 2 percent. Based on these ratios, Table 67 shows an estimate of all general fund revenue sources, and compares annexation-derived revenues against annexation-derived expenditures.

**TABLE 67**  
**ESTIMATED REVENUES GENERATED BY ANNEXATION VERSUS ANNEXATION COSTS**  
**FISCAL IMPACT OF ANNEXATION**  
**WEST WENDOVER, NEVADA**

<b>Revenues</b>		
Local	46%	\$551,368
State	52%	\$623,286
Federal	2%	\$23,973
<b>REVENUES (estimated)</b>		<b>\$1,198,626</b>
<b>Expenditures per student</b>		
Elementary	\$4,649	\$915,894
High School	\$8,915	\$1,622,575
<b>EXPENDITURES (estimated)</b>		<b>\$2,538,469</b>
		surplus / (deficit) -\$1,339,843

Source: Applied Development Economics and Elko County School District

Table 67 shows a deficit of \$1,339,843 in the event of annexation. The per student costs in Table 67 reflect the cost of operating either school at full capacity, as opposed to the situation now – where both schools are operating under capacity – and it includes the administrative overhead calculated by Elko officials.

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<sup>51</sup> If the motor vehicle privilege tax is historically 1/3 of property taxes in Elko County, and if property taxes to schools are \$464,700, then the estimated annual amount of the motor vehicle privilege tax is \$86,700.

As it is, Elko County and Tooele County school officials are in the midst of settling a number of merger-related questions. Issues school leaders are discussing include:

- **Teacher Credentials.** In the event of annexation, using student-to-teacher ratios employed by Elko County there will be a need for eight additional Nevada-credentialed teachers to teach Wendover High School students, and a need for 10 additional Nevada-credentialed teachers to teach Anna Smith Elementary school students. Whether and how Nevada and the Elko County School District can recognize and allow teachers credentialed in Utah to teach in Nevada in the event of annexation is an issue that Elko and Tooele County school officials are grappling with right now.
- **Teacher Benefits.** Another teacher-related concern: if Elko County assumes responsibility over Wendover Schools and hires Utah teachers, what kind of retirement and health benefits will it provide? Also, will lateral transfer teachers receive the same pay in Nevada that they earned while in Utah?
- **Infrastructure.** There are some concerns that the infrastructure at Wendover High School is not in as good as shape as thought, especially with regards to the single-ply membrane roof, HVAC system, and the municipal sewage system that the school is connected to. At the same time, Elko County has declared that it will not pay for capital improvements, should the two entities merge. The two entities must discuss this further.
- **Outstanding Debt.** In addition, they will need to discuss what to do with the approximately \$4.5 million remaining in outstanding debt on the Anna Smith Elementary School, which was constructed in 1998.
- **Graduation Requirements.** Nevada has different graduation standards than Utah, reports the Salt Lake City Tribune. Will Utah students graduate on time, in the event of annexation or merger?
- **Middle School.** In the event that Elko County and Tooele County school district merge the Wendover schools, what will become of the \$17 million middle school slated for construction in West Wendover in the year 2011?

## HIGHER EDUCATION

In addition to local educational matters, community leaders and decision-makers ought to consider how annexation affects institutions of higher education, including students. Below is a summary of key issue on resident and non-resident tuition.

### Existing Conditions

**Resident vs. Non-resident Tuition.** Throughout the United States, public institutions of higher education generally charge different tuition rates for residents and non-residents, and the cost differential can be significant. In the University of Utah system, for example, residents of Utah typically pay about one-third the amount of tuition and fees that non-residents pay to attend the same program at the same university.<sup>52</sup>

The criteria for establishing residency vary from state to state. A complete description of the residency requirements for the University of Utah is provided in Appendix A. While these criteria are fairly rigorous and specific, the universities retain significant discretion in terms of granting exceptions, as the following passage from the University of Utah's residency policy demonstrates:

“Institutions may grant full or partial waivers of nonresident undergraduate tuition rates pursuant to reciprocal agreements with other states, e.g., Idaho and Colorado. They may also award a limited number of partial tuition scholarships to nonresident undergraduate students who have not been previously enrolled in a Utah college or university, who have enrolled full-time for ten or more credit hours and whose legal domicile is within approximately 100 highway miles of the Utah system of Higher education or such distance established by the regents for any institution.<sup>53</sup>”

**Reciprocal Agreements.** Many public universities have reciprocal agreements with other states that allow non-residents to attend a participating university at reduced tuition rates. The University of Utah and the University of Nevada, for example, are members of the Western Interstate Commission for Higher Education (WICHE), which offers the following programs for Nevada residents:

#### *Western Undergraduate Exchange Program (WUE)*

This is a program for students at the undergraduate level within the WICHE compact. Nevadans can attend 141 participating colleges and universities in 13 western states (including Utah). Students accepted into the program pay 50 percent

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<sup>52</sup> <http://www.acs.utah.edu/tuition>. Tuition and fees, as well as the cost differential between resident and non-resident status, vary by program

<sup>53</sup> [http://www.utahsbr.edu/html.utah\\_residency\\_requirements.html](http://www.utahsbr.edu/html.utah_residency_requirements.html).

more than the amount of in-state tuition, which is significantly less than normal non-resident tuition.

*Professional Student Exchange Program*

Through this program, nearly \$1 million in grants for out-of-state studies in the fields of dentistry, graduate library studies, occupational therapy, optometry, veterinary medicine, pharmacy, physical therapy, and physician assistants are available. The program is competitive and open to all Nevada residents.

*Western Regional Graduate Program*

Qualified Nevada residents can enroll at reduced tuition rates in any one of the 95 programs at 35 graduate institutions within the 13-state WICHE compact. These distinctive programs are at the master's and doctoral degree levels.

The proposed annexation may pose significant financial and admissions implications for current and future residents of Wendover, Utah who may want to attend university in the State of Utah. However, there appears to be enough flexibility with respect to Utah residency requirements to allow for an exception to be made for the affected individuals. The proposed legislation ought to explicitly address this issue, so that the educational opportunities of Wendover residents are not compromised. A "grandfather clause," for example, could be written into the legislation requiring Utah's public universities and colleges to extend the resident status of current Wendover residents for a specified (or indefinite) period of time.

# REPORT PREPARATION

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Lore Cook, Councilmember  
Viola Troyan, Councilmember  
Alan Rowley, Councilmember  
Michael Miera, Councilmember  
Michael Gunter, Councilmember

### Wendover, Utah

Steve Perry, Mayor  
Shawn Wadsworth, Councilmember  
Dale Higley, Councilmember  
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Louis Abbot, Wells Rural Electric Company

Craig Neeley, AQUA Engineering, Inc.

The Honorable Lamar Melville, Wendover, Utah Municipal and  
Tooele County Judge

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Jamey Reilly, District Clerk, West Wendover Recreation Department

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## APPENDIX A

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### UNIVERSITY OF UTAH REQUIREMENTS FOR RESIDENT CLASSIFICATION<sup>54</sup>

Adults or emancipated minors must prove they have established permanent domicile in Utah (which requires physical presence in the state with the intention to remain there indefinitely). If they have come to Utah to attend an institution of higher education, they must reside in Utah one continuous year prior to the registration period for which resident student status is sought as well as providing evidence of intent to remain permanently. Absences of more than thirty days during the one year period may prove, although not conclusively, that the required year's residence has not been satisfied. Emancipated minors must also prove full freedom from parental support and control for at least one year.

Minors, unmarried students under eighteen years of age, assume the paternal domicile if the father is living, the maternal domicile if the father is deceased. If neither parent is living, the domicile of the most recently deceased parent or of a legally appointed guardian controls. Abandoned minors assume the domicile of the individual in loco parentis; however, if the abandonment was for the sole purpose of enabling the minor to qualify for resident status, the minor's domicile is determined by all other relevant facts.

Students whose parents move to Utah to establish permanent residence are immediately eligible to register as a resident. Students whose parents or guardians move from Utah do not lose instate status for the continuous period of higher education enrollment.

Aliens who have immigrant or permanent resident status in the U.S. shall be classified for purposes of resident status according to the same criteria applicable to U.S. citizens.

Evidence of Domicile, Including but not Limited to: purchase of property; acceptance of nontemporary employment; establishment of a banking relationship; Utah driver's license; registration of a motor vehicle; registration to vote; membership and participation in off-campus political, social, fraternal and civic associations; and marriage to a Utah resident.

Others Eligible for In-State : 1) Members of the U.S. Armed Forces stationed on active duty in Utah and their immediate family members [Normal residency requirements apply to military personnel and their family members upon termination of active duty status.]; and 2) American Indians who are members of tribes whose

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<sup>54</sup> Source: [http://www.utahsbr.edu/html/utah\\_residency\\_requirements.html](http://www.utahsbr.edu/html/utah_residency_requirements.html).

reservation or trust lands lie within or contiguous to Utah, or registered members of Utah tribes who have graduated from Utah high schools.

The president of each institution may waive all or part of the difference between resident and nonresident tuition for meritorious graduate students and nonresident summer school students.

Institutions may grant full or partial waivers of nonresident undergraduate tuition rates pursuant to reciprocal agreements with other states, e.g., Idaho and Colorado. They may also award a limited number of partial tuition scholarships to nonresident undergraduate students who have not been previously enrolled in a Utah college or university, who have enrolled full-time for ten or more credit hours and whose legal domicile is within approximately 100 highway miles of the Utah system of Higher education or such distance established by the regents for any institution.

**Temporary Absence from the State:** Individuals who were residents of Utah prior to their temporary absence may retain resident status if they maintain significant contacts to the State while absent and show an intention to continue permanent domicile in Utah upon return.

Military families must have designated Utah as their permanent home and paid Utah taxes for 12 months prior to registration. Missionaries on temporary assignment out of state maintain Utah residency.

## APPENDIX B: WENDOVER AIRPORT STUDY

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## APPENDIX C

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### **MEMORANDUM**

**To:** Chris Melville, Annexation Coordinator

**From:** Doug Svensson, AICP

**Date:** 8/12/2003

**Re:** Response to Comments

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Applied Development Economics (ADE) submitted a draft copy of the annexation study to the cities of West Wendover, Nevada and Wendover, Utah in late July 2002. Throughout the month of August 2002, ADE gathered comments, questions and concerns from residents, service providers and other interested parties. With this information, ADE conducted further studies in attempting to answer questions and respond to comments and concerns. This memo identifies individuals who raised comments and questions, summarizes their respective issues, and includes ADE's responses. The responses reflect the new language that has been added to the annexation study.

As an overall comment I would note that while not all the answers to questions about state and federal funds and services can be ascertained at this time, the relatively long, four-year period required to enact annexation subsequent to the November vote provides substantial opportunity for the adjustments that would be needed in current funding paths and in licensing requirements for persons and businesses transferring from Utah to Nevada jurisdiction. In addition, the Inter-State Compact process provides an opportunity for the state governments to discuss special agreements related to issues such as continuation of funding, transfer of retirement vesting, certification and licensing requirements and the like. It is unlikely, therefore, that there would be any sudden dislocations of economic or social benefits as a result of annexation. Any unavoidable discontinuations of services could be planned for well in advance.

**Response to comments by Bryan Thiriot, student, University of Utah; E-mail of July 20, 2002 re: annexation study suggestions**

Mr. Thiriot raised a number of questions regarding what he referred to as the personal cost of annexation on households and individuals, particularly with regards to essential activities regarding car and housing payments and insurance, as well as retirement benefits. He was also interested in seeing how the cost of certain leisure activities differ between Nevada and Utah. Below are response to the questions raised by Mr. Thiriot.

**Comparison Of Cost Of Leisure And Sporting Activities: Hunting And Fishing**

Both Wendover, Utah and West Wendover, Nevada are blessed with an abundance of fish and game activities in areas surrounding these cities. For both states, game licenses are issued by the state agencies responsible for wildlife management. The table below compares the cost of some licenses in both states. Each state has a number of unique fish and game licenses for certain age groups and certain types of game, more than are included in the table below. As the table below demonstrates, hunting and fishing licenses that are similar in terms of type and eligibility tend to cost relatively the same.

**TABLE 1  
COMPARISON OF HUNTING AND FISHING LICENSES  
STATES OF NEVADA AND UTAH**

	Nevada	Utah
Fishing Licenses		
Annual (junior)	\$5	-
Annual (mid-teens to adult)	\$21	\$24
1-day	\$7	\$7
7-day	\$19	\$15
General Hunting License	\$24	\$29
Combination License	\$39	\$32

Source: Utah Division of Wildlife Resources and Nevada Division of Wildlife.

### Comparison of Essential Needs: Automobile License and Registration

Table 2 compares the registration, license and sales tax associated with purchasing a \$20,000 2001 Ford vehicle. As the table shows, the cost of obtaining a vehicle license and registration for such a vehicle is lower if the car is purchased in Wendover, Utah rather than in West Wendover, Nevada. Registration fees in Nevada are substantially less than in Utah, as is the license plate fee. A consumer will pay slightly more in sales taxes than in Utah. The most significant difference in regulatory fees and taxes, however, is that Nevada assesses what is called a government service tax, which Utah does not.

**TABLE 2**  
**COMPARISON OF LICENSE FEE, REGISTRATION FEE AND SALES TAXES**  
**GENERATED BY \$20,000 2001 FORD AUTOMOBILE**  
**WEST WENDOVER, NEVADA VERSUS WENDOVER, UTAH**

	West Wendover	Wendover
Registration Fee	\$33	\$150
Government Service Tax	\$238	
License Plate Fee	\$1	\$33.50
Sales Tax	\$1,300	\$1,200
Total	\$1,572	\$1,383.50

Source: Utah and Nevada Departments of Motor Vehicles

### Comparison of Essential Needs: Home and Car Insurance

Every state has a wide variety of required rules, practices, and assumptions that are factored into insurance contracts that, in turn, affect the cost of an insurance policy. A local insurance broker licensed to work in both West Wendover, Nevada and Wendover, Utah calculated that the monthly cost of home insurance for a typical \$115,000 owner-occupied single family dwelling in West Wendover, Nevada is \$405.<sup>55</sup> If that same home is in Wendover, Utah, the cost is \$282. Factors in Reno and Las Vegas, such as population growth and increases in insurance claims there are, in part, leading Nevada-

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<sup>55</sup> Robert Supp, Supp Insurance, Inc., Wells, Nevada, personal communication.

based insurance carriers to file for rate increases with the State of Nevada. Their determination applies to insurance carriers throughout the state. As a result, the cost of home insurance is higher in West Wendover, Nevada than in Wendover, Utah, a state that has not experienced any noticeable increase in requests to change rates.

Conversely, the insurance cost for similar cars whose respective owners have similar driving records are slightly lower in Nevada than in Utah. The insurance broker calculated that the cost of insuring a 35-year-old driver in Nevada is \$244 for a six month period, versus \$263 in Utah. The \$263 figure includes personal injury protection (PIP) that, by state law, Utah drivers are required to have. Nevada law does not require a licensed driver to have any personal injury protection, although the \$244 figure assumes \$5,000 in medical coverage. The broker pointed out that, generally speaking, car insurance rates are lower in Nevada for similar cars because state law allows insurance carriers to waive a number of features in a car insurance policy, unlike in Utah.

While car insurance rates may be cheaper in Nevada, Nevada drivers and their respective insurance carriers are at risk of paying greater amounts in the event of an accident. The State of Nevada is an “at fault” state, while Utah is a “no fault” state. If two similar cars with drivers with identical driving records approach a four-way stop intersection, run the stop sign and subsequently collide, the insurance of the car that failed to stop and to yield the right-of-way to the car on the right pays for all damages in Nevada. If a similar situation occurred in Utah, one car will pay for two-thirds of the damages, with the other driver paying the final third. These ratios are based on the fact that there were three violations (two failures to stop at the intersection and one failure to yield to the car on the right), with one car committing two-thirds of the violations and the other committing one-third.

In Utah, drivers who are injured as a result of an accident must pay the first \$3,000 of the medical costs via their respective personal injury protection plan (PIP), with any costs above the \$3,000 amount covered by the PIP of the other car owner. Nevada does not require PIP but, using the above four-way stop hypothetical, the insurance carrier of the car driver who commits the greater number of violations in an accident is required to pay for all medical costs.

### **Comparison of Essential Needs: Retirement Benefits**

West Wendover, Nevada employees are members of the Nevada Public Employees Retirement System (PERS). The City pays 100% of the cost of Nevada PERS for both non-public safety and public safety employees. West Wendover pays an amount equivalent to 18.75% of the city employees' salary

to PERS, and 28.5% of the public safety employees compensation. City employees access these benefits based on the following formula: non-public safety employees gets 2.67% of their high three years average compensation times the number of years of covered Nevada PERS service. The final amount cannot exceed 75% of their highest salary. City employees are fully vested after 30 years of services. If employees work for 10 years for West Wendover, Nevada, they can retire fully vested at the age of 60. If for five years, they can fully retire at 65. Members of Nevada PERS do not participate in Social Security, although West Wendover pays 1.45% to Medicare.

Municipal government employees in Wendover, Utah access a retirement plan that is similar to Nevada PERS, although with different benefit and contribution rates. The City of Wendover pays 100% of the cost of the Utah Retirement System (URS). Wendover pays an amount that is equivalent to 10.19% of non-public city employees' respective salaries into the URS, as well as 17.66% of public safety employees' salaries. The public employee retirement benefit formula is 2% per year of service for non-public safety employees and 2.5% per year of service for public safety employees. Similar to West Wendover, Nevada, the Wendover municipal government does not participate in the federal Social Security program. Employees who work for the city for at least 30 years are fully vested in all retirement plans, and can retire at any time. Employees who worked for 20 years for the City can retire fully vested at age 60; ten-year employees can fully retire at age 62. Retirement benefits are determined by age, number of years of service, final average monthly salary, and the benefit formula

In the event of annexation, Wendover, Utah municipal employees will retain the amount of retirement benefits that they had earned per the URS formula, so long as they are vested. Wendover, Utah employees become vested in their respective retirements after four years of employment. Thus, if vested Wendover municipal employees seek employment with West Wendover, other government agencies, or in the private sector, they will receive the amount of retirement that is their due per the URS formula. And they are eligible to receive retirement benefits from their new place of employment.

Wendover, Utah employees who had worked for the government for less than four years and, thus, are not vested could lose what retirement benefits the municipal government set aside for them in the URS. Former employees of Wendover who had not vested and who, after annexation, are employed in the private sector lose URS benefits unless their new employers remedy the situation. If they are hired by West Wendover's municipal government, they can either forgo their URS benefits by starting anew in the Nevada PERS, or they can buy what is called a "service purchase option." This option is

available only after working in Nevada for at least five years, and it requires employees to set aside 21.1 percent of their average salary at the time of purchase for each year of service that they want to buy. For example, if a former Wendover employee working now with West Wendover averages \$45,000 for a two-year period and, at that time, begins the process to exercise her or his “service purchase option” to recover lost URS benefits, then she or he will set aside 42.2 percent of \$45,000, or \$18,990. Depending on how the “service purchase option” is structured, the individual pays federal income taxes on \$26,010 as opposed to \$45,000. More importantly, the “service purchase option” allows Wendover employees who did not vest in the URS to receive retirement benefits that they had lost as a result of annexation.

### **Comparison of Essential Services: Voter Registration and Voting**

There are 892 registered voters in West Wendover, Nevada and 302 registered voters in Wendover, Utah.

United States citizens residing in West Wendover can register to vote at any time so long as they are 18 years of age and older. In order to participate in an upcoming election, citizens must have resided in Elko County for at least 30 days and for at least 10 days in a precinct in West Wendover. Citizens can register any day for an upcoming election up until 30 days before the election. Registering to vote in Tooele County is similar to the process in Elko County. Prospective registrants must be at least 18, a US citizen, and have a principal place of residence in a specific voting precinct in Wendover, Utah. Citizens can register to vote in an upcoming election any day up until 20 days before the election.

Primary elections in Nevada are held on the first Tuesday of September, while primaries in Utah are held on the fourth Tuesday in June. General elections for both cities are held on the first Tuesday of November. If annexation occurs anytime after the first Tuesday in August during an election year, Wendover residents could not register in time to participate in that year’s Nevada September primary election. If annexation occurs anytime after the first Tuesday in October of an election year, then Wendover residents could not register in time to participate in that year’s Nevada November general election.

### **Comparison of Essential Services: Governmental Structure**

Early indications are that post-annexation West Wendover will continue to be a City Manager-City Council form of government. It has not been determined as of yet whether Council members will be voted at-large or by

district, and whether specific seats on the initial post-annexation West Wendover City Council will include representatives from Wendover, Utah.

### **Discussion of Annexation Process**

Early indications are the annexation will proceed in the following manner:

1. Voters in West Wendover, Nevada and Wendover, Utah will decide in a vote whether they want annexation to occur. If a majority says yes, then officials in both cities will begin the legal work required to make annexation a reality. If a majority says no to annexation, the annexation process ends.
2. If a majority votes in favor of annexation, local officials in each city will solicit their respective state legislators to produce an interstate compact that outlines all of the issues pertaining to funding, licensing and other matters brought out in the annexation report of 2002. The Utah and Nevada legislative bodies must then approve the compact in order to begin the actual phase of annexation, i.e. redrawing of boundaries.
3. Obtaining the consent of Nevada legislature is a two-step process spanning three years, since this governing body meets every other year. Local officials hope to obtain Nevada's initial consent in 2003, as a second vote on the matter will be required in the succeeding legislature, which meets in 2005.
4. Once the states have agreed to the interstate compact and the governors of each state have signed the agreement, the process goes to the United States Congress, which is the only entity that can change state boundaries.
5. This process will take a minimum of four years to accomplish.

There are some questions as to whether and when county and state citizenry have the right to vote on the annexation matter. Changes to the Nevada Constitution require approval from all of Nevada's voters, as is the case in Utah. However, the interstate agreement itself does not require a citizenry vote—it only requires the State Legislature to draft legislation for an agreement. After the inter-state compact is completed and passed, then voters can decide whether to change the constitutional description of the State of Nevada.

## **Response to question posed at July meeting regarding the official position of Reilly Industries**

In official statement, John Craun, VP of Reilly Industries (Carbon and Brine Operations), indicated that, “The decision to annex is one that must be made by citizens of Wendover. It is our understanding that annexation would not impact our properties, which stay in the State of Utah. We would not want to see half of our property in Utah and half in Nevada.”

Reilly Industries supplied ADE with a map of their properties. In response, ADE produced three options to annexing Wendover and parts of Utah into Nevada, which was discussed in section called “Border Location and Land Use,” the substance of which is included below.

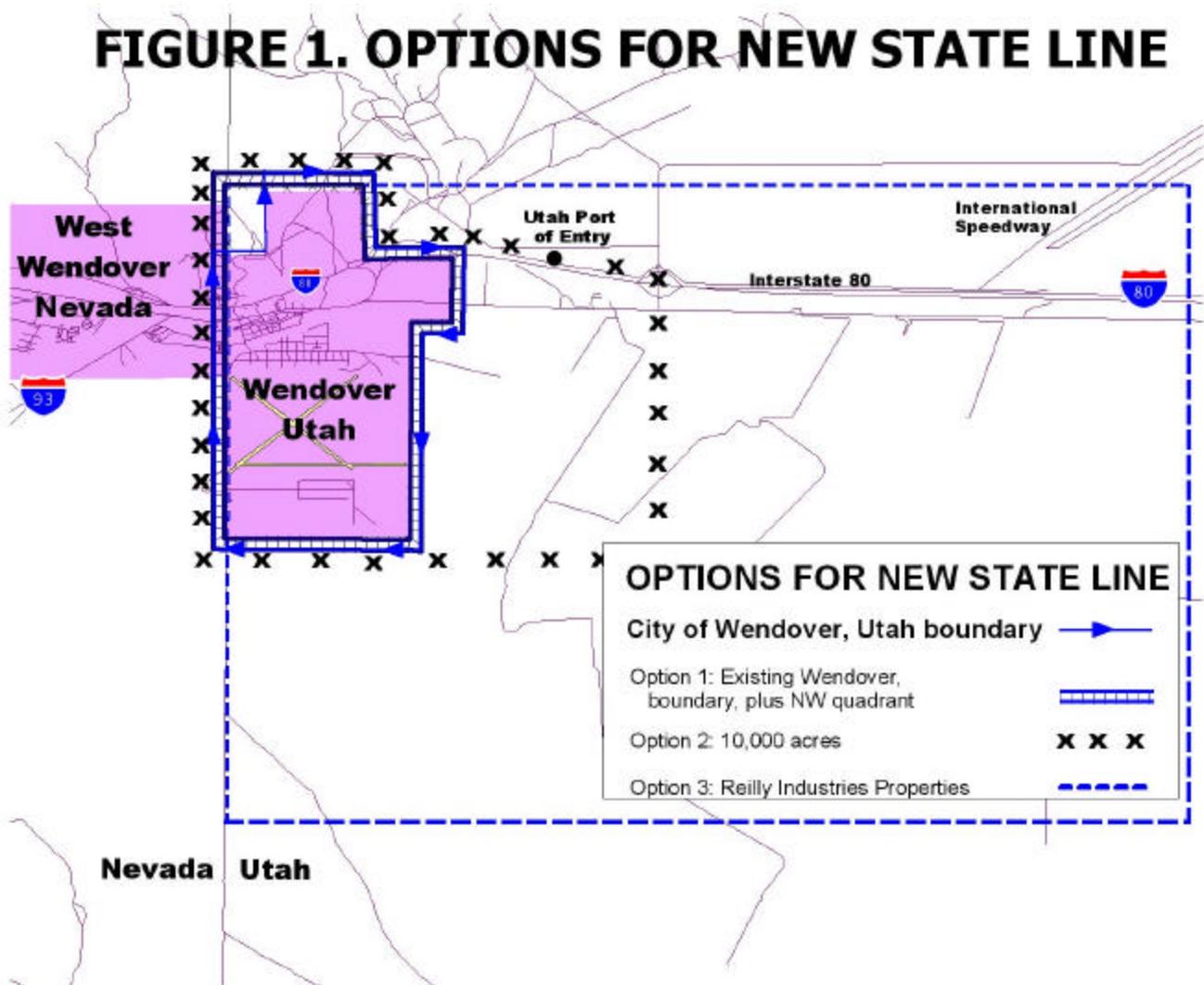
In the legislation pertaining to the proposed annexation passed by the United States House of Representatives but not the Senate, a maximum of 10,000 acres may be annexed from Utah to Nevada. Figure 1 provides several options for a proposed new state boundary that meets and, in the case of Option 3, exceeds this criterion. One approach would be simply to follow the existing City boundary of Wendover (Option 1)(Figure 1). In this option, West Wendover, Nevada will grow by 5,915 acres.

Option 2 includes the existing City of Wendover boundary and extends east to include the Wendover airfield and Reilly Industries plant, among other businesses east of Wendover. The existing City limits include 5,915 acres and the additional area within the proposed boundary includes 4,020 acres, for a total of 9,935 acres.

Under Option 2, the northeastern corner of the boundary turns south about two miles east of the current state line until it crosses I-80, at which point it turns east for about another 1.75 miles before turning south again. Along this east-west stretch, the proposed boundary would follow the I-80 right of way south of the highway. The purpose of this alignment is to include industries such as Reilly that are economically tied to the urbanized area of Wendover and West Wendover, while at the same time, maintaining the location of the Utah Port of Entry at about three miles east of the current state line.

One issue with Option 2, however, is that it splits Reilly Industries’ property holdings into two states. To avoid this issue, a third option would be a much larger annexation that would move all of Reilly Industries’ property into Nevada. This would require moving the state line some 13 miles east of its present location and probably would require moving the Utah Port of Entry (Option 3).

# FIGURE 1. OPTIONS FOR NEW STATE LINE



### Response to comments by

- **Larry Robb (Resource Council member: Letter of August 2, 2002 re: need to create local capacity to manage social services in West Wendover, in the event of annexation);**
- **Billie Cook (Kids in Safe Seats coordinator and community activist. Notes of August 13, 2002 re: social and health services and costs of services in West Wendover versus similar services offered in Wendover, Utah, including budget and client counts for IHC Women’s Health Clinic);**
- **Sherrie Ahlstrom (Community Health Director, Tooele County Health Department. Letter of August 21, 2002 re: WIC and immunization funding);**
- **Laura Snyder (Wendover Ambulance. Letter of August 22, 2002 re: ability to compete for Utah-issued EMS grants); and**
- **Laura Snyder (Co-Chairman, Wendover Resource Council. Letter of August 22, 2002 re: impact of annexation on members of the Resource Council)**

A number of service providers raised comments and concerns regarding the how West Wendover, Nevada and Wendover, Utah residents in need of social, medical, and health services and service providers will be affected by annexation. Below is a summary of their many comments, with responses provided directly afterward.

- If annexation occurs, there will be a need to recruit a staff person to manage social services: in the past, it has been difficult to keep employees in West Wendover
- The Tooele County Public Health clinic in Wendover, Utah provides a range of social, medical and health services, such as immunization, STD examinations, pap smears, WIC services, and birth control services, all of which are provided virtually free of charge by the State of Utah and Tooele County Public Health Department
- West Wendover residents go to Wendover due to lack of services in their own town
- Elko County services are provided at a cost in the City of Elko, a distance away, and general sentiment is that services are not provided in a fashion similar to way services are provided by Wendover-based clinics
- The WIC clinic in Wendover, Utah serves West Wendover, Nevada residents

- Will Wendover Ambulance, Inc. be able to compete for EMS grants issued by Utah after annexation?
- Utah-based agencies do not have a responsibility or obligation to provide services to Nevada residents, in the event of annexation. Decision-makers need to consider ways to ensure adequate and accessible services in post-annexation West Wendover, Nevada, especially since right now there are few if any medical, health and social services

### **Response**

There are a variety of social, medical and health service providers in Wendover, Utah. The Tooele County Public Health Department, for example, operates an office in the new city hall that, among other things, manages the WIC program. There is also the Utah Women’s Clinic, as well as the privately-owned Valley Mental Health Clinic. Many of the service providers serve residents from West Wendover, Nevada, as well as residents of Wendover, Utah. This is due to the absence of services in West Wendover. Table 3 below provides data that illustrates the extent to which West Wendover residents access two service providers in Wendover. For both of these programs, West Wendover residents comprise 40 percent of clients.

**Table 3**

**Access Of Wendover-Based Services By West Wendover Residents**

**Summer, 2002**

<b>Service</b>	<b>West</b>		<b>West</b>	
	<b>Wendover</b>	<b>Wendover</b>	<b>Wendover</b>	<b>Wendover</b>
	<b>Clients</b>	<b>Clients</b>	<b>Clients</b>	<b>Clients</b>
Women, Infant, Children	225	172	57%	43%
Women's Health Clinic	126	84	60%	40%

Source: Tooele County Health Dept. and IHS Women's Health Clinic.

Because the two cities have different populations (West Wendover, 4,721; and Wendover, 1537), the data in Table 4 normalizes Table 3 data into rates per 1,000 residents in order to make proper comparisons. The 225 Wendover clients accessing WIC services translates into a rate of 146 Wendover clients per 1,000 residents, while West Wendover's figure of 172 clients actually accessing WIC translates into a rate of 36 West Wendover clients per 1,000 residents. Data in Table 2 illustrates that need is most concentrated in Wendover, Utah.

**Table 4**

**Access Per 1,000 Residents Of Wendover-Based Services  
By West Wendover Residents**

**Summer, 2002**

<b>Services</b>	<b>Wendover clients per</b>	
	<b>1,000 Wendover</b>	<b>West Wendover clients per 1,000</b>
	<b>residents</b>	<b>West Wendover residents</b>
Women, Infant, Children	146	36
Women's Health Clinic	82	18

Source: Tooele County Health Dept. and IHS Women's Health Clinic.

Service providers have raised concerns about how annexation might affect social service delivery to vulnerable populations. One provider expressed a need to raise local capacity in West Wendover by hiring a person to plan and manage social services in West Wendover in the event of annexation.<sup>56</sup> Much of the Wendover-based services are licensed to operate in Utah only and, as importantly, receive much of their operating revenues from Utah-based sources, especially public dollars. It is not clear to what extent Utah State or county agencies will continue to fund grantees that they funded prior to annexation.<sup>57</sup>

At least in one instance, a Utah state agency has expressed a willingness to fund a service provider in post-annexation West Wendover, so long as that provider also serves Utah residents. According to Paul Patrick, Program Manager for Quality Improvement within the Emergency Services Division of Utah's Department of Health, Wendover Ambulance, Inc. will continue to be eligible to submit proposals and obtain funding from the State of Utah's emergency services grants program after annexation. To do so, the company must demonstrate that it is licensed to provide emergency medical assistance in Utah, as well as serve a geographic area or a specific community in Utah. Should annexation occur, Wendover Ambulance, Inc. will continue to be eligible to compete for the two EMS grants – the per capita grant (100 percent grant program) and the competitive grant (a 50 percent matching grant program) – because it will continue to serve a Utah-based Native American tribe.

As it is, service providers in Nevada and Utah understand the need to plan accordingly in the event of annexation. For example, Nevada's WIC Program Director Doug Schrauth has discussed the matter of annexation with the western regional United State Department of Agriculture WIC program coordinator, and both agree that federal funds designated for the Wendover, Utah WIC program can be transferred to West Wendover in a seamless fashion, so long as the western regional USDA office is apprised early on of the specific date of annexation. West Wendover non-profits or government agencies, particularly those experienced in managing food-related programs, can compete for the contract to serve as the WIC vendor in post-annexation West Wendover.

At the same time, concerns persist about the availability and accessibility of social services in West Wendover. Currently, agencies in Wendover, Utah

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<sup>56</sup>Larry Robb, Resource Council member. Letter of August 2, 2002 re: need to create local capacity of manage social services in West Wendover, in the event of annexation

<sup>57</sup>Laura Snyder, Co-Chairman, Wendover Resource Council. Letter of August 22, 2002 re: impact of annexation on members of the Resource Council

provide for free or below cost a wide a range of social, medical and health services, such as immunization, STD examinations, pap smears, WIC services, and planned parenthood services. The State of Utah and Tooele County Public Health Department covers the cost of these services. Elko County also provides social and health services, but at a higher cost, and services are typically provided in the City of Elko, which is more than 100 miles away from West Wendover.

**Response to corrections made by Craig Neeley, AQUA Engineering to the water utility section of the report.**

Craig Neeley provided a number of factual corrections to the section of the draft annexation report on water utilities. Mr. Neeley's comments were duly incorporated.

**Response to question raised at Joint City Council Meeting, July 29, 2002:  
What will happen to the Wendover Post Office?**

The US Postal Service (USPS) has taken no official position on the annexation issue. However, West Wendover and Wendover are in separate zip codes and the USPS typically maintains one office per zip code. At this time, it is not anticipated that the Wendover Post Office would close due to annexation.

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## ANNEXATION – AIRPORT/TRANSPORTATION STUDY

The Airport Study of Annexation consists of five components. Component (1) is Historic, component (2) is Industrial Development of Airport Property, component (3) is Analyzing the Current and Past Financial Status of the Wendover Airport, component (4) is Analyzing the Conveyance of the Wendover Airport from Tooele County to the City of West Wendover and component (5) is the Benefits and Detriments in regards to the Conveyance.

### SUMMARY

The existing facilities of the Wendover Airport undoubtedly have great potential. However, to date, adequate funding through public or private sources has not been available to move the facility towards this full potential. In reviewing the history of the facility, the current business climate in the Wendover area and the future potential of the airport, we must look outside of the airport's direct facilities (runways, taxiways, flight-line, fixed based operations, etc) and instead focus our attention to the existing properties in and adjacent to those direct airport facilities. In order for the "airport" to move forward to its true potential as a regional, national and world-wide facility, focus needs to be placed on growing the population of the community through increased public and private investment which in turn will create a favorable climate for new businesses and create new employment opportunities resulting in increased families who will provide increased growth through spending. This increase in commerce activity will eventually lead to increased usage of the direct airport facilities including establishment of charter air service, scheduled commercial air service and other air cargo operations.

When Wendover Field was deeded to the City of Wendover in 1977 (*Exhibit A*), the federal government realized that there was not a substantial existing base of aviation users to justify the operation and capital needs of the facility. Thus, the deed for the facility also included over 60 acres of property north of the flight line that was to be used for industrial development. Through leases on this industrial property, a sustainable revenue source would be provided to the airport, ensuring its continued operation as a public facility and in essence through its development, it would provide "fuel to the airport engine", which would drive growth and the long-term increased use of the facilities.

In review of this goal for development, first established by the federal government, the airport study is broken into four separate areas:

1. A review of the Historical Component of the property and the potential it provides to the community by increasing tourism and the length of stay of the tourist in the community.
2. A review of the Industrial Development Component and the infrastructure needed on the airport industrial property, which is vital to the establishment and promotion of the property to its intended use for transportation/warehousing and other industrial uses.
3. The current and past financial condition of the airport.
4. Identifying the requirements that need to be met financially and by Interlocal Agreement for the Wendover Airport to be transferred under annexation to the City of West Wendover, Nevada.

Note: In preparation of this study, any costs associated with elements of environmental contamination at the Wendover Airport such as former Underground Storage Tanks (UST's) or other elements associated with a clean-up program under the Federal Superfund Program were not considered. Included herein as *Exhibit AH* is the Follow-On Site Inspection Final Report, Wendover Air Force Auxiliary Field, 200 Area POL, Wendover, Utah, prepared by Forsgren Associates/Brown and Caldwell on behalf of the U.S. Army Corps of Engineers Sacramento District, completed December 2001.

### HISTORIC

The Wendover Airport was placed on the National Register of Historic Places in the early 1970's. As such, the facility underwent a complete historical study by the Federal Government, documenting the remaining

facilities of the former air base, providing documentation on its historical significance and ensuring that the facility would receive due care and protection through guidelines established by the federal government's Historic Preservation Act of 1966 as Amended and through guidelines established and adopted by any future stewards of the facilities. In 1992 -1993, the City of Wendover signed a Programmatic Agreement with the Federal Aviation Administration and adopted the Wendover Airport Historic Properties Management (*Exhibits D, E*) to solidify Wendover Fields historic significance and as well, in 1996 the City of Wendover commissioned the Feasibility Study for the Wendover Airfield Museum in the Enola Gay Hangar (*Exhibit W*).

Wendover Field, as it was formerly known, provides an unparalleled view of our nation's past and its efforts to defend liberty against the Axis Powers (Germany, Italy and Japan) during World War II. There is no other place in our nation where an individual can walk or drive through a former World War II Air Base and be able to see and experience, despite the absence of many buildings or the dis-repair of others, what it was like to live, work and even die during this important turning point in our nation's history. Wendover Field is the last remaining facility in such condition and to lose it to the elements of time would be a detriment not only to the community of Wendover but also to the United States and the world. As such, the Historic portion of this study focuses on saving and relocating many of the existing structures to an area where they can be maintained, displayed and used for the foreseeable future as part of what has been coined a "living museum", where a person can truly experience through all the senses of touch, smell and sight a truly unique and important aspect of our past. If you can take a moment, think about over the last decade how many film productions have been produced which focus on such turning points in our nation as that of World War II or our more distant past such as the Civil War and our fight for independence from England. These types of films educate and stir the spirit of people, but they can only be seen. Wendover Field has the ability to allow old generations to re-live that past and new generations to experience it first hand.

This study proposes three phases for the protection and sustainability of the Historic component of the Wendover Airport. Portions of the three phases include rehabilitating many structures in their current locations, relocating and rehabilitating structures to a new location and as well, the demolition/disposal of many structures completely, in an effort to facilitate the second component of the Airport Study, the Industrial Development of Properties. Under the 1991 Wendover Airport Master Plan (*Exhibit V*) several of the identified buildings were shown for removal. However, due to the goal of the Historic component, some buildings are shown to remain in order to provide for a "complete" facility for the visitor to experience.

#### Phase 1

1. Rehabilitate the Enola Gay Hangar (*Figure 1*).

FIGURE 1



Enola Gay Hangar - Present



Enola Gay Hangar Future – as Wendover Field Museum

2. Relocate and restore 16 structures on foundations. These include: (1) Heating Facility Building, (1) Base Mortuary, (2) Hospital Dormitories, (2) Dispensary Buildings, (1) Officer's Quarters, (1) Exchange Sales Store, (1) Airmen's Dining Hall, (6) Small Airmen's Dormitories and (1) Mess Hall. (*Figure 2*)

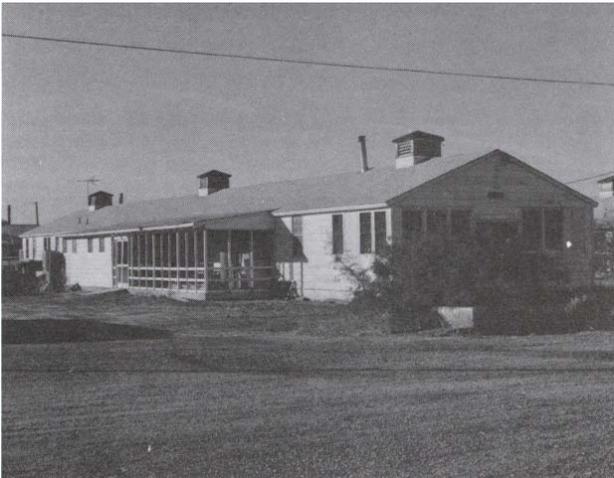
FIGURE 2



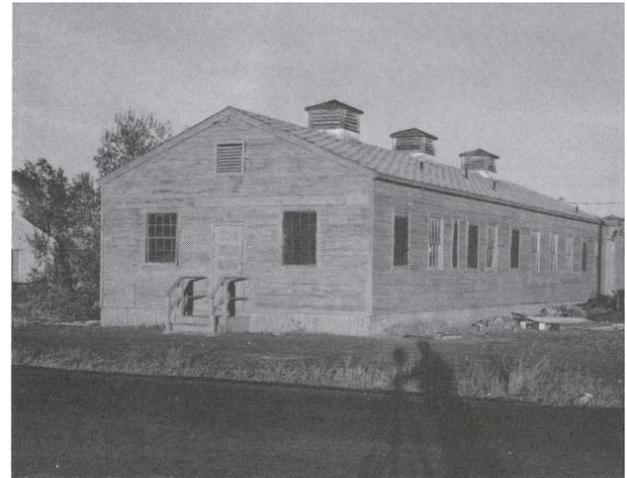
(1) Heating Facility Building



(1) Base Mortuary



(2) Hospital Dormitories



(2) Dispensary Buildings

FIGURE 2 - Continued



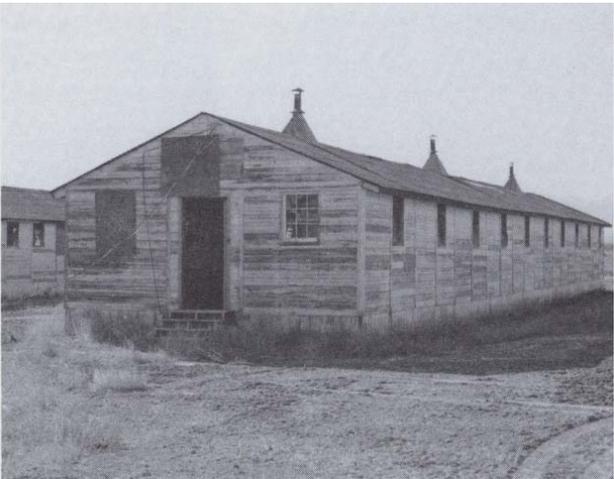
(1) Officers Quarters



(1) Exchange Sales Store



(1) Airmen's Dining Hall



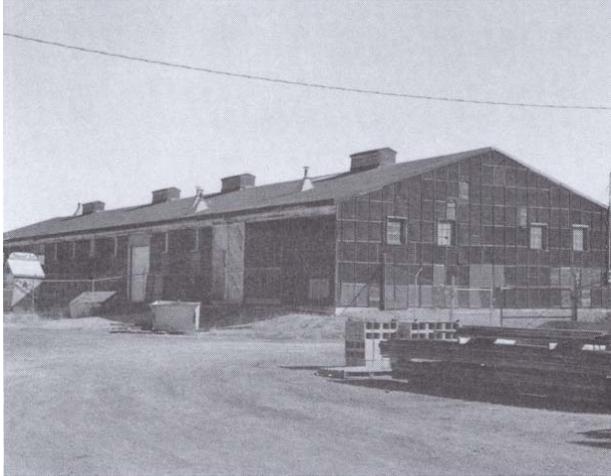
(6) Small Airmen's Dormitories



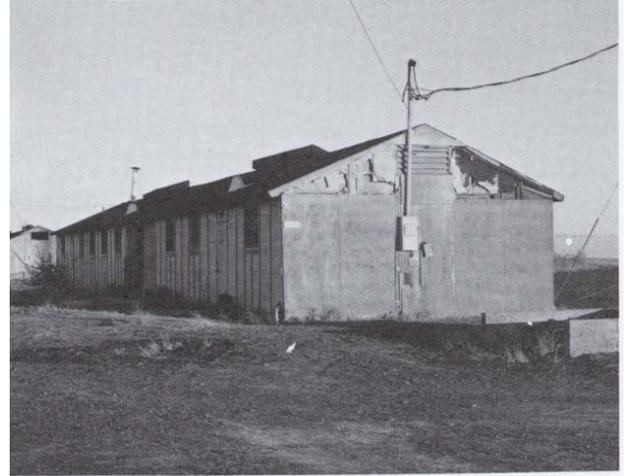
(1) Mess Hall

3. Restore 4 structures (**Figure 3**) in place. These include: (2) Warehouse Buildings and (2) Administration Buildings.

FIGURE 3



(2) Warehouse Buildings



(2) Administration Buildings

4. Demolish and Dispose of 29 structures (**Figure 4**). These include: (1) Warehouse Building, (8) Large Airmen's Dormitories, (3) Dispensary Buildings, (16) Small Airmen's Dormitories, and (1) Commissary Building.

FIGURE 4



(1) Warehouse Building

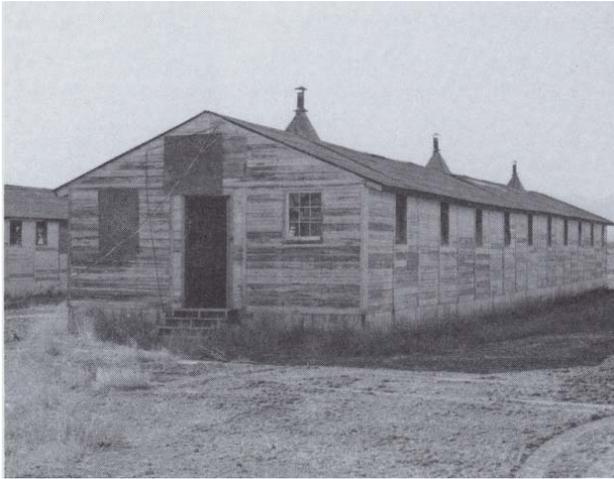


(8) Large Airmen's Dormitories

FIGURE 4 - Continued



(3) Dispensary Buildings



(16) Small Airmen's Dormitories



(1) Commissary Building

5. Disposal of 26 Structure Foundations (*Figure 5*).

FIGURE 5



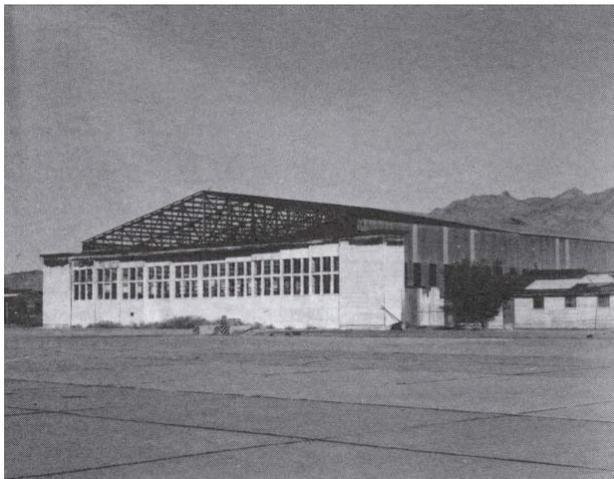
(26) Structure Foundations

6. Importation of 2,500 cubic yards of common fill to facilitate the relocation of other structures.
7. Importation of 2,653 cubic yards of structural fill to facilitate the relocation of other structures.

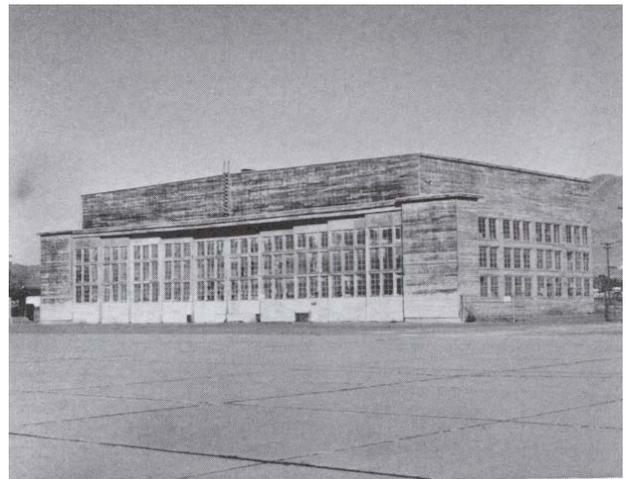
Phase 2

1. Restore 4 structures in place (*Figure 6*). These include: (1) Maintenance Hangar, (1) Squadron Hangar, (1) Officers Service Club and (1) Control Tower.

FIGURE 6



(1) Maintenance Hangar



(1) Squadron Hangar

FIGURE 6 - Continued



(1) Officers Service Club



(1) Control Tower

2. Demolish and Dispose of 3 structures (*Figure 7*). These include: (1) Navigational Aids Shop, (1) Armament Inspection & Adjustment Building and (1) Alert Building.

FIGURE 7



(1) Navigational Aids Shop



(1) Armament Inspection & Adjustment Building

FIGURE 7 - Continued



(1) Alert Building

3. Disposal of 14 structure foundations (*Figure 8*).

FIGURE 8



(14) Structure Foundations

4. General clean-up of 3 acres of property (*Figure 9*).

FIGURE 9



Clean-up Site 1



Clean-up Site 2



Clean-up Site 3



Clean-up Site 4



Clean-up Site 5



Clean-up Site 6

FIGURE 9 - Continued



Clean-up Site 7

5. Importation of 2,000 cubic yards of common fill.

Phase 3

1. Demolish and Dispose of 1 structure: (1) Power Plant (*Figure 10*).

FIGURE 10



(1) Power Plant Building and Foundation

2. Disposal of 1 structure foundation (*Figure 10*).

*Figure 11* shows a map layout of the Historic Component and *Figure 12* provides for a cost breakdown of all phases of this component.

FIGURE 11



FIGURE 12

CITY OF WEST WENDOVER Construction Unit Costs for Budgetary Estimating Annexation - Airport Study - Historic Component 16-Mar-02		PHASE 1		PHASE 2		PHASE 3		Structures Phase 1	Structures Phase 2	Structures Phase 3
DESCRIPTION										
<b>HISTORIC &amp; CLEAN-UP REMOVAL/RELOCATION</b>										
1 Removal/Relocation Structures <7,500 sq ft	SQ.FT.	\$9.50	39,721	\$377,350	39,721	\$377,350	0	\$0	0	\$0
1 Removal/Relocation Structures >7,500 sq ft	SQ.FT.	\$10.25	9,585	\$98,246	9,585	\$98,246	0	\$0	0	\$0
Installation concrete flooring	SQ.FT.	\$5.05	49,306	\$248,995	49,306	\$248,995	0	\$0	0	\$0
Installation concrete flooring	SQ.FT.	\$3.75	5,180	\$19,425	5,180	\$19,425	0	\$0	0	\$0
Demolition/Disposal Structures <7,500 sq.ft.	SQ.FT.	\$3.98	79,827	\$317,711	69,737	\$277,553	3,620	\$14,408	6,470	\$25,751
Demolition/Disposal Structures >7,500 sq.ft.	SQ.FT.	\$3.95	9,042	\$35,716	0	\$0	9,042	\$35,716	0	\$0
Demolition/Disposal concrete foundation <7,500 sq.ft.	SQ.FT.	\$6.38	114,921	\$733,196	71,851	\$458,409	36,600	\$233,508	6,470	\$41,279
Demolition/Disposal concrete foundation >7,500 sq.ft.	SQ.FT.	\$6.31	176,227	\$1,111,992	38,385	\$242,209	137,842	\$869,783	0	\$0
General Clean Up	ACRE	\$1,500.00	3	\$4,500	0	\$0	3	\$4,500	0	\$0
Import & Place - Common Fill	CU. YD.	\$5.00	4,500	\$22,500	2,500	\$12,500	2,000	\$10,000	0	\$0
Import & Place - Structural Fill	CU. YD.	\$20.00	2,653	\$53,060	2,653	\$53,060	0	\$0	0	\$0
			TOTAL	\$3,022,692		\$1,787,748		\$1,167,915		\$67,029
<b>RENOVATION/REHABILITATION</b>										
2 Renovate & Rehabilitate Enola Gay Hangar	SQ.FT.	\$128.83	47,328	\$6,097,266	47,328	\$6,097,266	0	\$0	0	\$0
3 Renovate & Rehabilitate Buildings <7,500 sq.ft.	SQ.FT.	\$14.61	42,805	\$625,381	42,661	\$623,277	144	\$2,104	0	\$0
3 Renovate & Rehabilitate Buildings >7,500 sq.ft.<15,000 sq.ft.	SQ.FT.	\$18.33	28,785	\$527,629	28,785	\$527,629	0	\$0	0	\$0
3 Renovate & Rehabilitate Buildings >15,000 sq.ft.	SQ.FT.	\$32.50	51,209	\$1,664,293	0	\$0	51,209	\$1,664,293	0	\$0
			TOTAL	\$8,914,569		\$7,248,173		\$1,666,396		\$0
			SUB TOTAL	\$11,937,261		\$9,035,921		\$2,834,311		\$67,029
Contingencies (8%) - does not include Enola Gay Hangar Engineering (5%) - does not include Enola Gay Hangar				\$467,200		\$235,092		\$226,745		\$5,362
				\$140,865		\$146,933		\$141,716		\$3,351
			TOTAL	\$12,696,460		\$9,417,946		\$3,202,771		\$75,743
w/out Enola Gay Hangar				\$6,589,194		\$3,320,679		\$3,202,771		\$75,743
<b>WOOD-FRAMED STRUCTURES</b>										
AREA (SF)	DEMO. COST	DISP. COST	TOTAL COST	COST/SF						
800	\$2,160	\$1,082	\$3,242	\$4.05						
1000	\$2,700	\$1,330	\$4,030	\$4.03						
1200	\$3,240	\$1,577	\$4,817	\$4.01						
2000	\$5,400	\$2,553	\$7,953	\$3.98						
<b>CONCRETE SLABS</b>										
AREA (SF)	DEMO. COST	DISP. COST	TOTAL COST	COST/SF						
800	\$5,200.00	\$990.00	\$6,190.00	\$7.74						
1000	\$6,480.00	\$1,237.50	\$7,717.50	\$7.72						
1200	\$7,740.00	\$1,485.00	\$9,225.00	\$7.69						
2000	\$12,760.00	\$2,475.00	\$15,235.00	\$7.62						
<b>NEW &amp; RENOVATION/REHABILITATION STRUCTURES</b>										
DESCRIPTION										
New 20,000 sq. ft. metal hangar										\$72.50
New economy 2,400 sq. ft. building/wood										\$48.70
New average 15,000 sq. ft. warehouse										\$61.10
*RSMMeans										
Rehab buildings<7,500 sq ft 30% of new										\$14.61
Rehab buildings <15,000 sqft>7,500 sqft. 30% of new										\$18.33
Rehab hangar >15,000 sf/ft 44% of new										\$32.50

FIGURE 12

## WENDOVER FIELD MUSEUM BUDGET

When reviewing the plans for the development of the Wendover Field Museum, there is an obvious need to analyze the potential revenues that will be generated providing a means by which to repay loans whether public or private that may be part of the overall financial package for the project. A budget has been provided (**Figure 13**) covering the development of the Wendover Field Museum and associated costs of the Historic Components Phase One through Phase Three.

### Parameters for Projected Revenues Historic Museum (not including state and federal grants):

1. 12,000 vehicles pass through Wendover on Interstate 80 (east and west bound) per day (**Exhibit Y**).
2. State of Nevada equates 1.8 persons per vehicle.
3. Interstate traffic capture rate for Wendover on whole 25%.
4. Probable capture rate of interstate traffic for Historic Museum 1.3%.
5. Probable average entry ticket price - \$4.00 per person years 1-5/\$5.00 per person years 6-10
6. Probable expenditures in gift shop – 75% of entrants at \$8.00 per person years 1-5/\$9.00 per person years 6-10

Visitors year (1):

12,000 vehicles (x) 1.3% (x) 1.8 person per vehicle = 280 persons per day

Income by visitors year (1):

Admission: 280 (x) \$4.00 = \$1,120 per day or \$403,200 per year

Gift Shop: 280 (x) 75% (x) \$8.00 = \$1,680 per day or \$604,800 per year

Visitors year (5):

280 with 5% growth years 1-5 = 340 persons per day

Income by visitors year (5):

Admission: 340 (x) \$4.00 = \$1,360 per day or \$489,600 per year

Gift Shop: 340 (x) 75% (x) \$8.00 = \$2,040 per day or \$734,400 per year

Visitors year (10):

340 with 4% growth years 6-10 = 413 persons per day

Income by visitors year (10):

Admission: 413 (x) \$5.00 = \$2,065 per day or \$743,400 per year

Gift Shop: 413 (x) 75% (x) \$9.00 = \$2,787 per day or \$1,003,590 per year

\*Based on being open 360 days per year.

Development Loan Payments for \$13,000,000.00 Loan:

\$811,903 per year (Amortization Schedule **Exhibit Z**)

FIGURE 13

WENDOVER AIRFIELD MUSEUM FACILITY

SUMMARY BUDGET PROJECTION  
March 16, 2002

REVENUES	Year 1		Year 2		Year 3		Year 4		Year 5		5 YEAR TOTALS
	Visits/Day	Income/Yr	Visits/Day	Income/Yr	Visits/Day	Income/Yr	Visits/Day	Income/Yr	Visits/Day	Income/Yr	
<b>Activity</b>											
Admission (\$4/Person)	280	\$ 403,200.00	294	\$ 423,360.00	309	\$ 444,960.00	324	\$ 466,560.00	340	\$ 489,600.00	\$ 2,227,680.00
Gift Shop (\$8/Person)	210	\$ 604,800.00	221	\$ 635,040.00	232	\$ 667,440.00	243	\$ 699,840.00	255	\$ 734,400.00	\$ 3,341,520.00
Special Leases		\$ -		\$ -		\$ 15,000.00		\$ 25,000.00		\$ 40,000.00	\$ 80,000.00
(Media/Entertainment)											
Motion Pictures/TV											
Loans		\$ 13,000,000.00		\$ -		\$ -		\$ -		\$ -	\$ 13,000,000.00
Federal Funding/Grants		\$ 3,200.00		\$ 3,200.00		\$ 5,000.00		\$ 7,500.00		\$ 12,000.00	\$ 30,900.00
State Funding/Grants		\$ 20,000.00		\$ 20,000.00		\$ 25,000.00		\$ 25,000.00		\$ 30,000.00	\$ 120,000.00
Foundation Funding/Donations		\$ 5,250.00		\$ 10,500.00		\$ 10,500.00		\$ 10,500.00		\$ 10,500.00	\$ 47,250.00
Wendover Trust Fund		\$ 6,000.00		\$ 6,000.00		\$ 6,000.00		\$ 6,000.00		\$ 6,000.00	\$ 30,000.00
<b>REVENUE TOTALS</b>		\$ 14,042,450.00		\$ 1,098,100.00		\$ 1,173,900.00		\$ 1,240,400.00		\$ 1,322,500.00	\$ 18,877,350.00
<b>EXPENDITURES</b>											
Salaries & Wages	3	\$71,520	3	\$73,666	3	\$77,349	4	\$103,509	4	\$107,132	\$433,190
Group Insurance		\$19,440		\$20,023		\$21,024		\$28,135		\$29,120	\$117,742
FICA Contribution		\$1,040		\$1,071		\$1,125		\$1,505		\$1,558	\$6,299
Retirement Contribution		\$13,400		\$13,802		\$14,492		\$19,394		\$20,072	\$81,160
Workers Compensation		\$2,060		\$2,122		\$2,228		\$2,981		\$3,086	\$12,477
Medical & Drug Exams		\$100		\$0		\$0		\$0		\$0	\$150
Items for Resale		\$11,000		\$11,330		\$12,463		\$13,709		\$14,189	\$62,691
Utilities		\$28,000		\$28,980		\$29,994		\$31,044		\$32,131	\$150,149
Garbage Disposal		\$1,200		\$1,242		\$1,285		\$1,330		\$1,377	\$6,435
Repair & Maint. Facilities		\$15,000		\$15,525		\$16,068		\$16,631		\$17,213	\$80,437
Repair & Maint. Equipment		\$6,000		\$6,210		\$6,427		\$6,652		\$6,885	\$32,175
Miscellaneous Expenses		\$1,000		\$1,035		\$1,071		\$1,109		\$1,148	\$5,362
Communications/Telephone		\$2,500		\$2,588		\$2,678		\$2,772		\$2,869	\$13,406
Promotions/Advertising		\$18,000		\$18,630		\$19,282		\$19,957		\$20,655	\$96,524
Membership & Dues		\$1,000		\$1,035		\$1,071		\$1,109		\$1,148	\$5,362
Travel/Training		\$2,000		\$2,070		\$2,142		\$2,217		\$2,295	\$10,725
Office Supplies		\$2,000		\$2,070		\$2,142		\$2,217		\$2,295	\$10,725
Uniforms		\$1,500		\$1,553		\$1,607		\$1,663		\$1,721	\$8,044
Special Supplies		\$5,000		\$5,175		\$5,356		\$5,544		\$5,738	\$26,812
Books/Computer Programs		\$2,000		\$2,070		\$2,142		\$2,217		\$2,295	\$10,725
Furniture & Fixtures		\$35,000		\$40,000		\$20,000		\$30,000		\$15,000	\$140,000
Equipment		\$65,000		\$50,000		\$30,000		\$15,000		\$15,000	\$175,000
Grant Expenses		\$8,000		\$8,280		\$8,570		\$8,870		\$9,180	\$42,900
Restoration Loan Payments		\$811,903		\$811,903		\$811,903		\$811,903		\$811,903	\$4,059,515
Capital Expenditures		\$12,620,717		\$75,743		\$0		\$0		\$0	\$12,696,460
Depreciation - Strt Line(40/ys)		\$0		\$325,000.0		\$325,000.0		\$325,000.0		\$325,000.0	\$1,300,000
<b>EXPENDITURE TOTALS</b>		\$13,744,380		\$1,521,122		\$1,415,422		\$1,454,519		\$1,449,009	\$19,584,466
<b>PROFIT/(LOSS) TOTALS</b>		\$ 298,070.00		\$ (423,021.80)		\$ (241,522.16)		\$ (214,119.34)		\$ (126,509.16)	\$ (707,102.45)

FIGURE 13 - Continued

WENDOVER AIRFIELD MUSEUM FACILITY

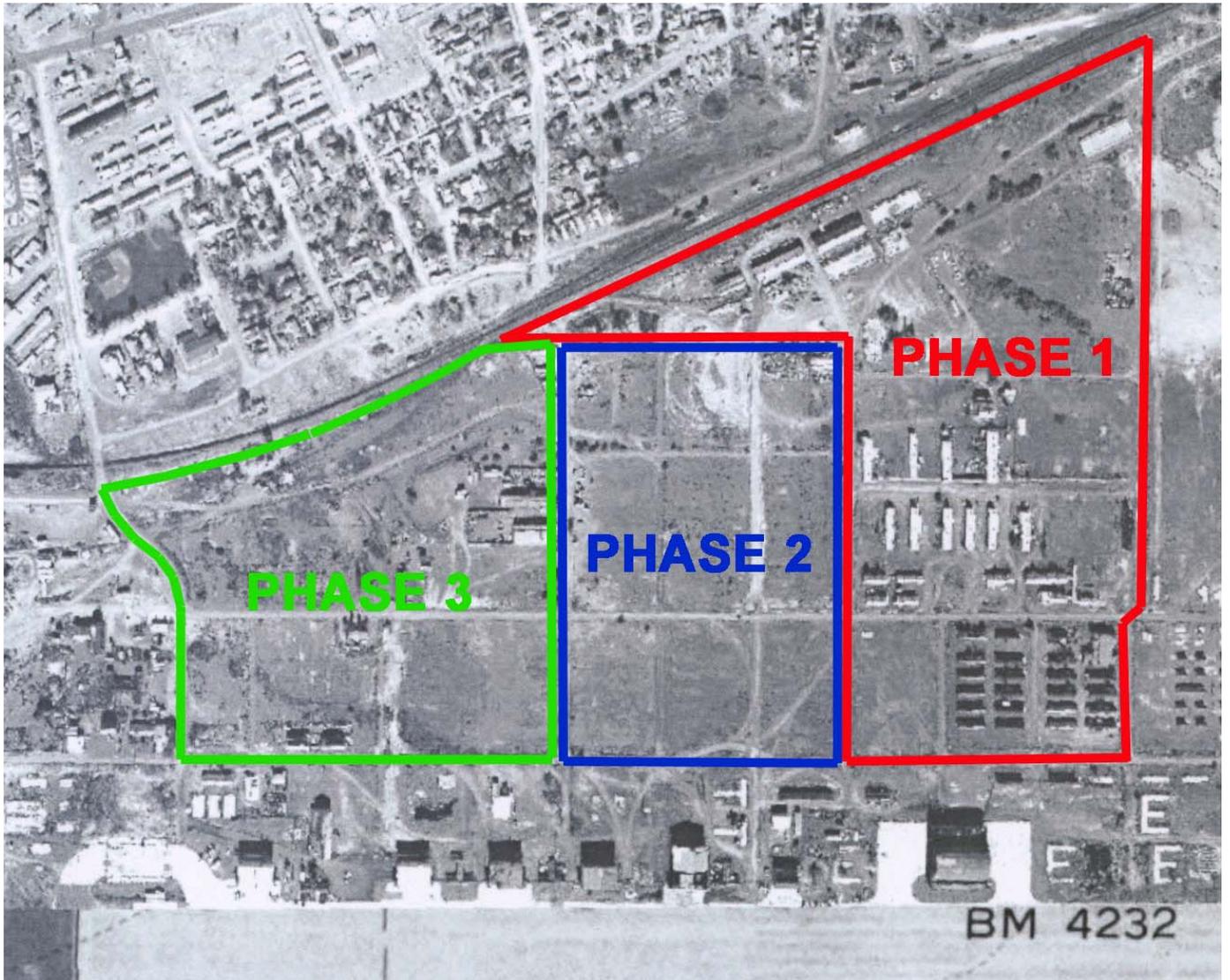
SUMMARY BUDGET PROJECTION  
March 16, 2002

REVENUES	*Year 6		Year 7		Year 8		Year 9		**Year 10		10 YEAR TOTALS
	Visits/Day	Income/Yr									
<b>Activity</b>											
Admission (\$5/Person)	353	\$ 635,400.00	368	\$ 662,400.00	382	\$ 687,600.00	398	\$ 716,400.00	413	\$ 743,400.00	\$ 5,672,880.00
Gift Shop (\$9/Person)	265	\$ 857,790.00	276	\$ 894,240.00	287	\$ 928,260.00	299	\$ 967,140.00	310	\$ 1,003,590.00	\$ 7,992,540.00
Special Leases		\$ 65,000.00		\$ 55,000.00		\$ 65,000.00		\$ 67,000.00		\$ 50,000.00	\$ 382,000.00
(Media/Entertainment Motion Pictures/TV)											
Loans		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -
Federal Funding/Grants		\$ 12,000.00		\$ 2,000.00		\$ 5,000.00		\$ 7,500.00		\$ 2,000.00	\$ 59,400.00
State Funding/Grants		\$ 2,000.00		\$ -		\$ -		\$ 5,000.00		\$ 8,000.00	\$ 135,000.00
Foundation Funding/Donations		\$ 12,500.00		\$ 15,000.00		\$ 15,000.00		\$ 15,000.00		\$ 15,000.00	\$ 119,750.00
Wendover Trust Fund		\$ 9,000.00		\$ 9,000.00		\$ 12,000.00		\$ 12,000.00		\$ 15,000.00	\$ 87,000.00
<b>REVENUE TOTALS</b>		\$ 1,593,690.00		\$ 1,637,640.00		\$ 1,712,860.00		\$ 1,790,040.00		\$ 1,836,990.00	\$ 25,854,880.00
<b>EXPENDITURES</b>											
Salaries & Wages	5	\$160,698	5	\$168,733	5	\$177,170	5	\$186,028	5	\$195,330	\$1,160,451
Group Insurance		\$43,680		\$45,864		\$48,157		\$50,565		\$53,093	\$315,421
FICA Contribution		\$2,337		\$2,454		\$2,576		\$2,705		\$2,840	\$16,874
Retirement Contribution		\$30,108		\$31,614		\$33,195		\$34,854		\$36,597	\$217,420
Workers Compensation		\$4,629		\$4,860		\$5,103		\$5,358		\$5,626	\$33,424
Medical & Drug Exams		\$100		\$0		\$0		\$0		\$0	\$150
Items for Resale		\$14,615		\$15,053		\$16,559		\$18,214		\$18,852	\$131,370
Utilities		\$33,095		\$34,087		\$35,280		\$36,515		\$37,793	\$293,825
Garbage Disposal		\$1,418		\$1,461		\$1,512		\$1,565		\$1,620	\$12,593
Repair & Maint. Facilities		\$10,000		\$15,000		\$12,000		\$15,000		\$10,000	\$132,437
Repair & Maint. Equipment		\$7,092		\$7,304		\$7,560		\$7,825		\$8,099	\$62,963
Miscellaneous Expenses		\$1,182		\$1,217		\$1,260		\$1,304		\$1,350	\$10,494
Communications/Telephone		\$2,955		\$3,044		\$3,150		\$3,260		\$3,374	\$26,234
Promotions/Advertising		\$15,000		\$18,000		\$15,000		\$20,000		\$20,000	\$169,524
Membership & Dues		\$1,182		\$1,217		\$1,260		\$1,304		\$1,350	\$10,494
Travel/Training		\$5,000		\$5,150		\$4,000		\$6,000		\$6,210	\$32,085
Office Supplies		\$2,364		\$2,435		\$2,520		\$2,608		\$2,700	\$20,988
Uniforms		\$1,773		\$1,826		\$1,890		\$1,956		\$2,025	\$15,741
Special Supplies		\$5,910		\$6,087		\$6,300		\$6,521		\$6,749	\$52,469
Books/Computer Programs		\$1,500		\$1,500		\$4,000		\$3,500		\$5,000	\$24,725
Furniture & Fixtures		\$5,000		\$5,000		\$8,000		\$6,000		\$15,000	\$174,000
Equipment		\$5,000		\$5,000		\$12,000		\$5,000		\$15,000	\$212,000
Grant Expenses		\$6,000		\$5,000		\$6,000		\$12,000		\$15,000	\$80,900
Restoration Loan Payments		\$811,903		\$811,903		\$811,903		\$811,903		\$811,903	\$7,307,127
Capital Expenditures		\$0		\$0		\$0		\$0		\$0	\$12,696,460
Depreciation - Sirt Line(40/yr)		\$325,000.00		\$325,000.00		\$325,000.00		\$325,000.00		\$325,000.00	\$2,925,000
<b>EXPENDITURE TOTALS</b>		\$1,497,540		\$1,518,810		\$1,541,395		\$1,564,987		\$1,600,510	\$27,307,707
<b>PROFIT/(LOSS) TOTALS</b>		\$ 96,150.44		\$ 118,830.31		\$ 171,465.00		\$ 225,053.46		\$ 236,480.38	\$ 140,877.13
*Break-Even, Profit/Loss Year No. 6											
** Operation Becomes Debt Free Year No. 10											

## INDUSTRIAL DEVELOPMENT

The second component of the Airport Study is Industrial Development of available property. After completion of the Historic Component, property is made available for infrastructure upgrade and for further and more intense development. The Industrial Component of the study focuses on the property located between the Western Pacific Railroad and the flight line of the Wendover Airport. The Industrial Development Component has been broken into 3 phases (*Figure 14*):

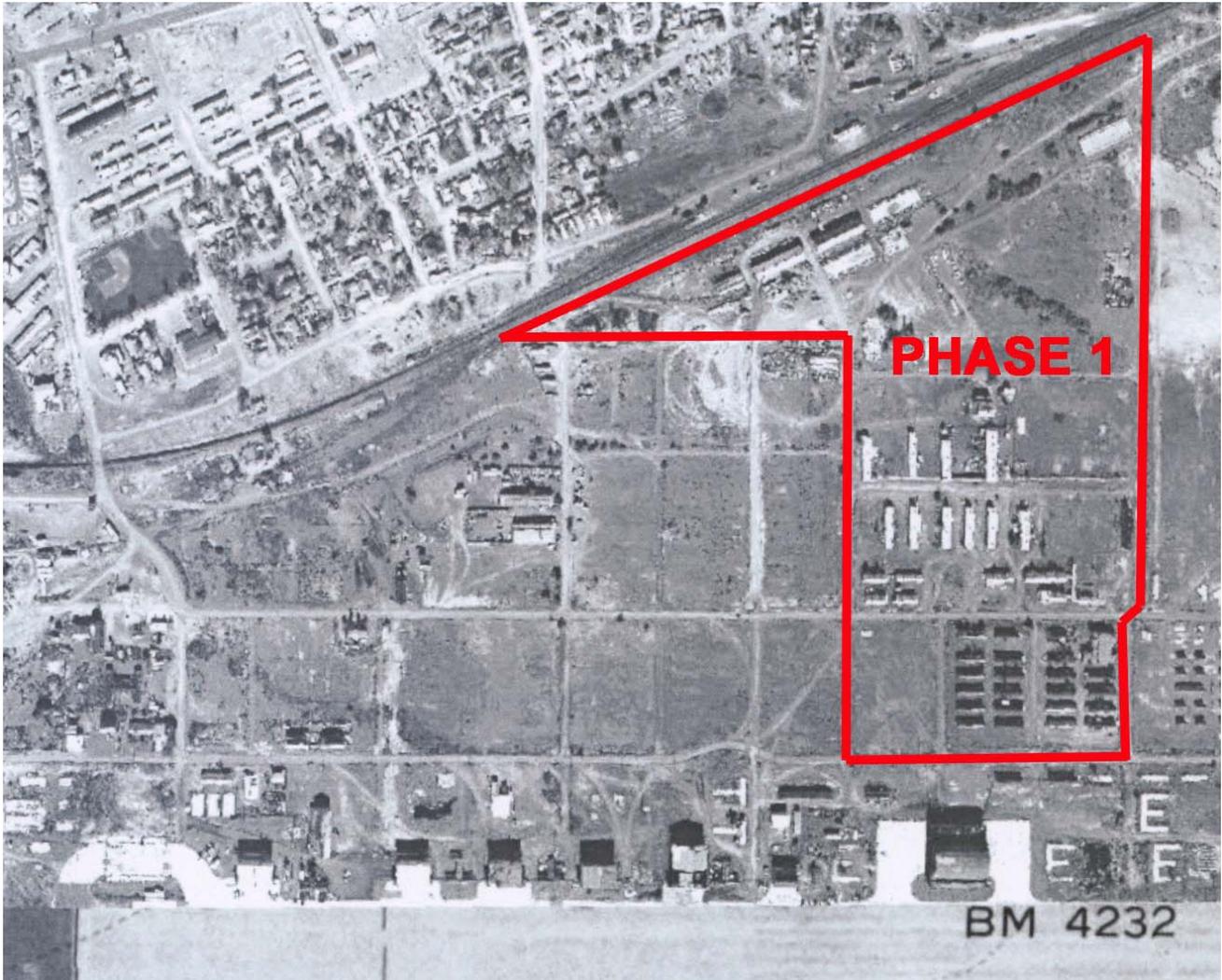
FIGURE 14



## PHASE 1

Phase One's focus is on the some 60 plus acres of property directly owned by the Wendover Airport between the flight line and the Western Pacific Railroad (*Figure 15*). This phase lays out the most intense infrastructure development providing the necessary services for the development of industry including warehousing and transportation. The infrastructure development includes streets, water lines, sewer lines, storm drainage and the like.

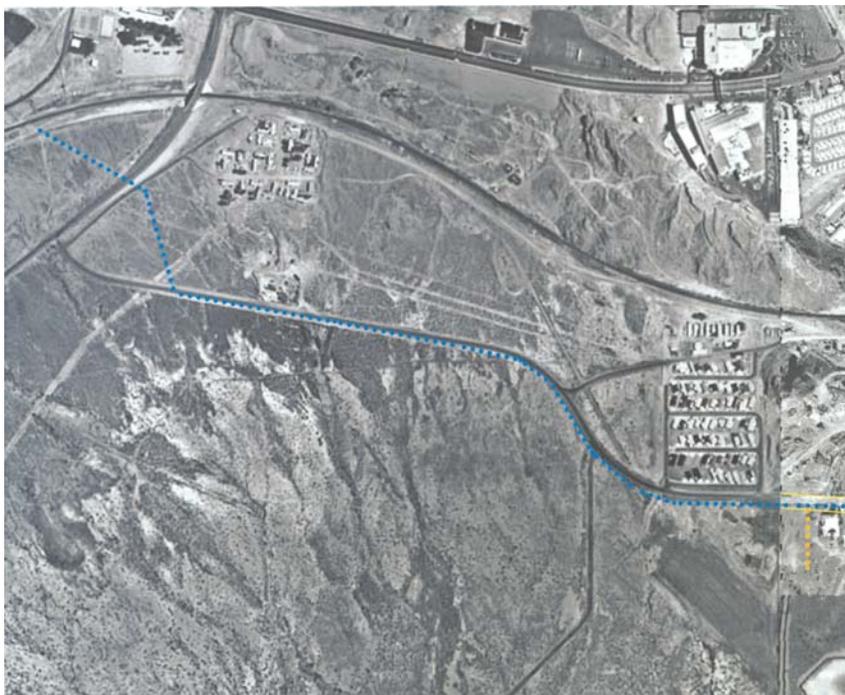
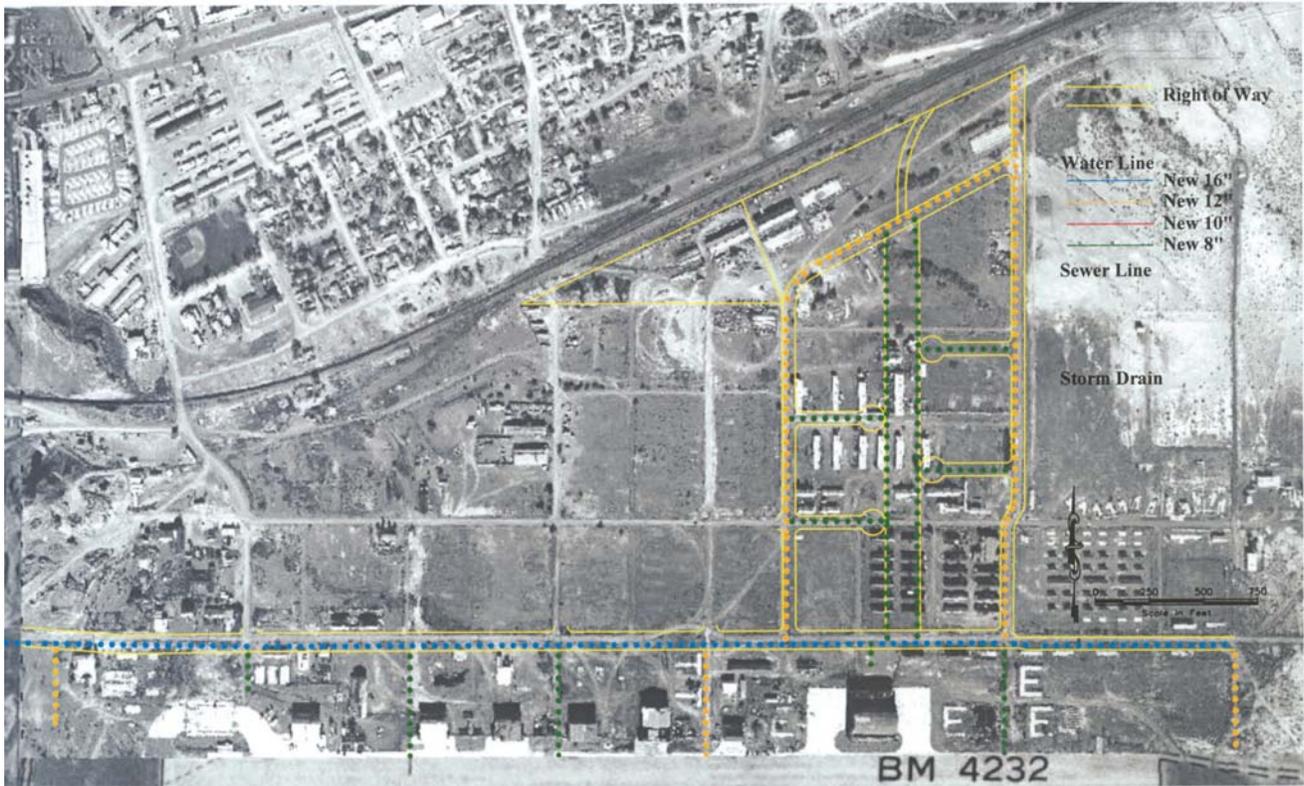
FIGURE 15



Phase 1 Construction:

1. Water service (**Figure 16**) is provided through the installation of over 25,000 feet of new water line. The existing service is in some instances well over 60 years old and is not capable for providing the necessary flows or reliance for industrial development.

FIGURE 16



- Sanitary Sewer Service (*Figure 17*) is upgraded with over 15,000 feet of new sewer line of various sizes. The existing system, as with the water, is very old and has outlasted its useful life. As well, the old system has a very irregular design (*Figure 18*) and is not constructed in such a way as to prove useful to the new industrial development layout.

FIGURE 17

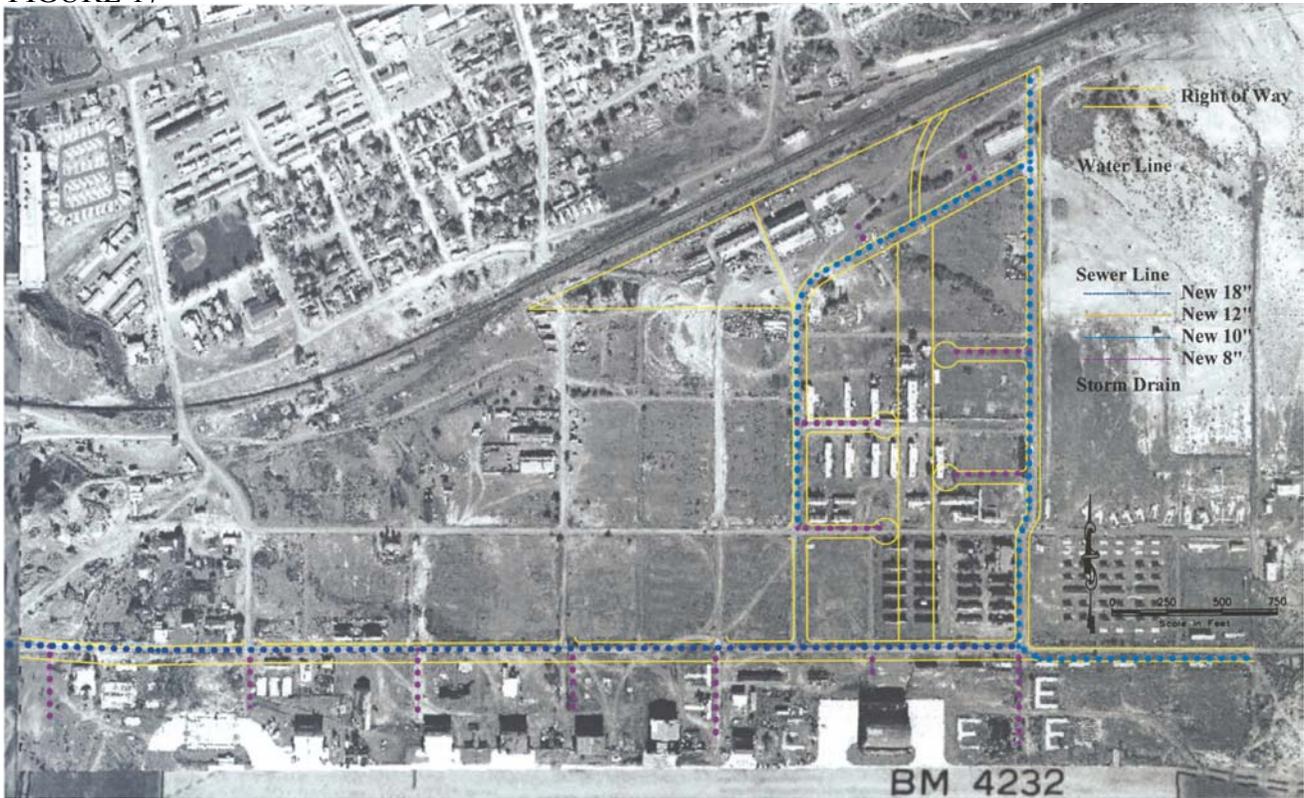
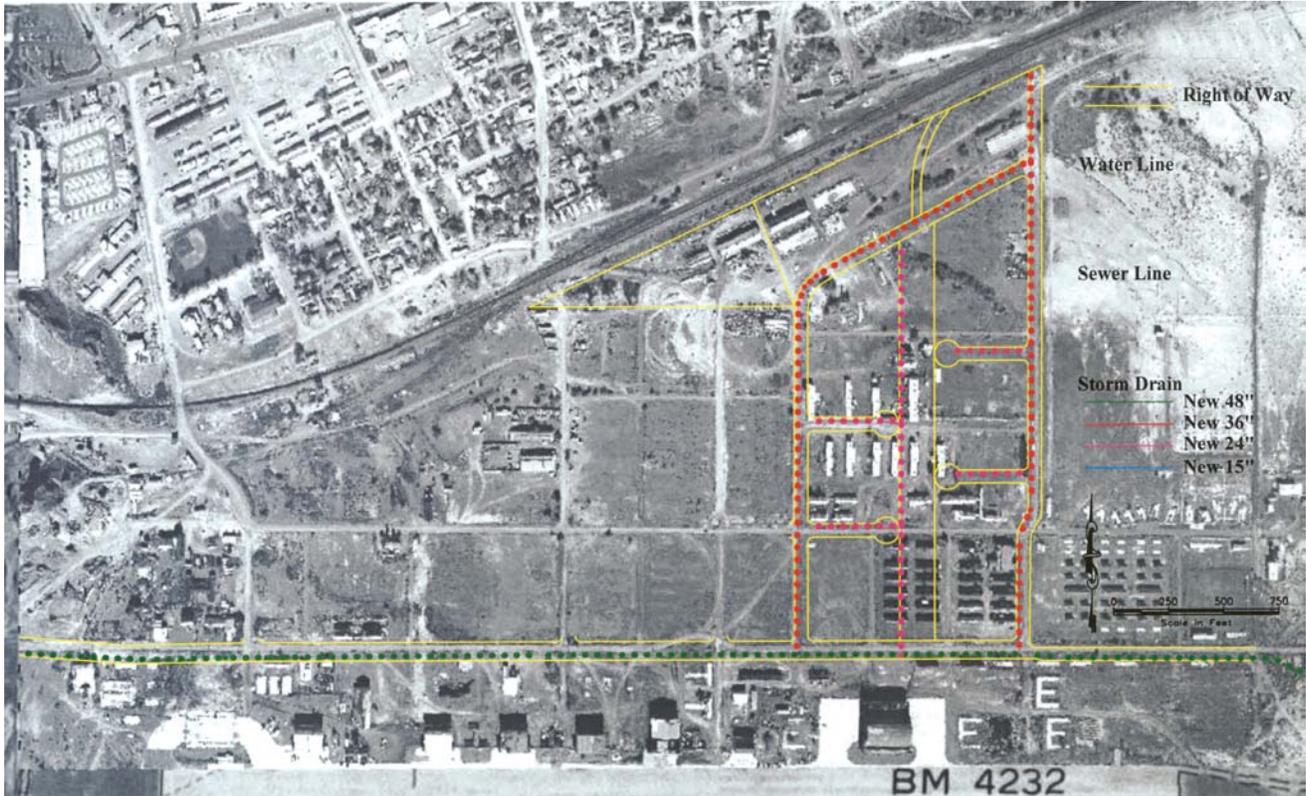


FIGURE 18



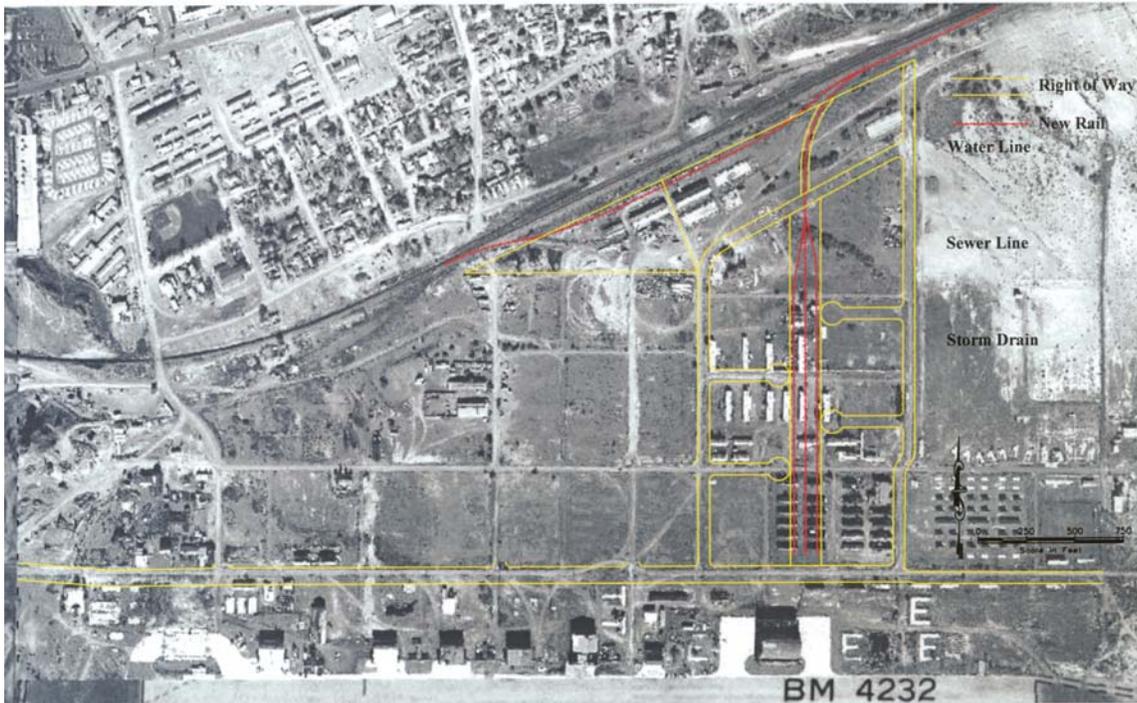
3. Storm Drainage improvements (**Figure 19**) consist of nearly 15,000 feet of new pipe. Within the property, storm drainage protection is non-existent as the original design of the former air base relied on surface drainage, sheet flow and ground absorption. With the proposed industrial development and related structures, streets and parking areas, storm water protection will be a very vital component of the infrastructure upgrades.

FIGURE 19



4. Street/Surface improvements (**Figure 20**) consist of roughly 12,000 feet of new streets including sidewalk, curb/gutter, and striping. Over 4,000 feet of the improvements are designed for arterial streets and 8,000 feet for collector streets in this phase, providing for adequate traffic flows generated by this type of industrial development. As well this design would provide adequate access for the majority of vehicles associated with industrial uses, which would be well over 45,000 pounds gross vehicle weight (GVW) and approximately 60 feet in length. The main arterial street being Airport Way, providing for the flows that will eventually be generated through the industrial development to its north and subsequent traffic increases brought on by the increase in aeronautical uses to its south side. Airport Way would consist of two lanes in each direction, adequate shoulder area, bicycle lanes, striping, curb/gutter, six foot sidewalk and a center island providing lighting and vegetation to promote visual cues and increase the aesthetics of the industrial area. The collector street design would be one lane in each direction with adequate shoulder area, bicycle lanes, curb/gutter and four foot sidewalks.

FIGURE 20



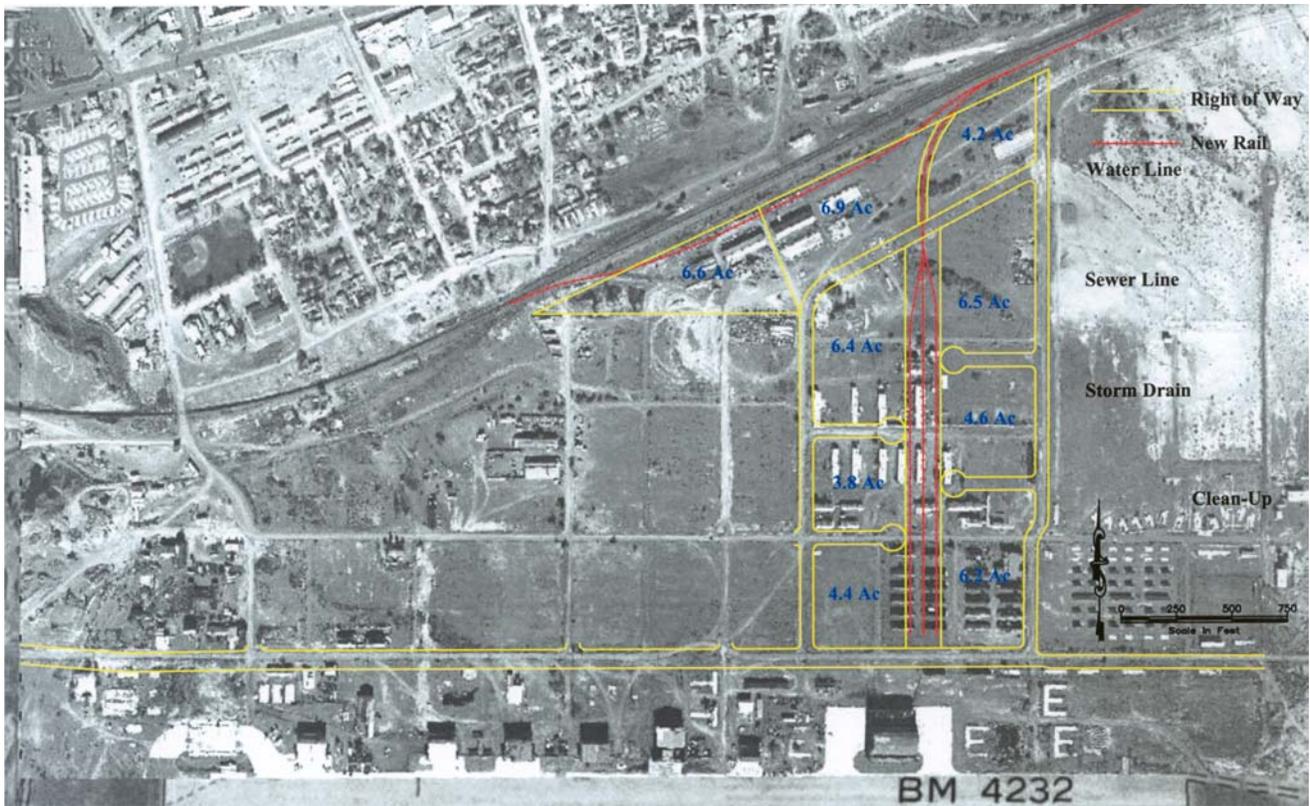
5. Rail improvements (*Figure 20*) consist of approximately 9,500 feet of rail spur with 2 main switches to the Western Pacific main line and 3 secondary spur switches. In order for the identified property to truly be viable for development, it must be able to accommodate the ever-increasing needs of businesses to have rail access.
6. Clean-up of approximately two acres of property (*Figure 21*).

FIGURE 21



7. The property of Phase One is divided into 9 lots for development ranging from 3.8 acres to 6.9 acres in size, providing adequate coverage for various business types in the industrial, warehouse and transportation industries for construction of facilities ranging from 60,000 to over 130,000 square feet in size (*Figure 22*).

FIGURE 22



8. All public infrastructure improvements would be designed and constructed per the City of West Wendover Standards and Specifications for Public Works Construction (*Exhibit AA*).

*Figure 23* provides the associated cost breakdown for Phase 1.

FIGURE 23

CITY OF WEST WENDOVER Construction Unit Costs for Budgetary Estimating Industrial Park Phase 1 16-Mar-02		PHASE 1		PHASE 2		PHASE 3		TOTAL	
DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	
<b>EARTHWORK</b>									
Stripping	ACRE	\$1,000.00	0	\$0	0	\$0	0	\$0	\$0
Excavation - Common	CU YD.	\$5.00	0	\$0	0	\$0	0	\$0	\$0
Excavation - Rock	CU YD.	\$35.00	0	\$0	0	\$0	0	\$0	\$0
Recompact	CU YD.	\$2.00	0	\$0	0	\$0	0	\$0	\$0
Import and Place - Common Fill	CU YD.	\$10.50	0	\$0	0	\$0	0	\$0	\$0
Import and Place - Structural Fill	CU YD.	\$20.00	0	\$0	0	\$0	0	\$0	\$0
Reseeding	ACRE	\$2,400.00	0	\$0	0	\$0	0	\$0	\$0
Clean-up	ACRE	\$1,500.00	2	\$3,000	0	\$0	0	\$0	\$3,000
TOTAL				\$3,000		\$3,000		\$0	\$0
<b>SURFACE IMPROVEMENTS</b>									
Saw Cut Asphalt	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	
Existing Concrete Removal (12 Yard Load)	L.F.	\$150	0	\$0	0	\$0	0	\$0	\$0
Construct 24" Curb and Gutter	EACH	\$350.00	0	\$0	0	\$0	0	\$0	\$0
Construct 4' Sidewalk	L.F.	\$17.00	25,330	\$430,610	0	\$0	0	\$0	\$430,610
Construct 6' Sidewalk	L.F.	\$12.00	16,194	\$194,328	0	\$0	0	\$0	\$194,328
Install 3" Asphalt & 8" Untreated Base Course	SQ. FT.	\$16.50	9,136	\$150,744	0	\$0	0	\$0	\$150,744
Construct 4" Waterway	EA	\$2.00	708,416	\$1,416,832	0	\$0	0	\$0	\$1,416,832
Stripping	EACH	\$2,000.00	0	\$0	0	\$0	0	\$0	\$0
TOTAL			47,131	\$28,279	0	\$0	0	\$0	\$28,279
<b>CULINARY WATER</b>									
Furnish & Install 8" Water Main	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	
Furnish & Install 10" Water Main	L.F.	\$20.00	7,663	\$153,260	0	\$0	0	\$0	\$153,260
Furnish & Install 12" Water Main	L.F.	\$22.00	0	\$0	0	\$0	0	\$0	\$0
Furnish & Install 14" Water Main	L.F.	\$25.00	6,897	\$172,425	0	\$0	0	\$0	\$172,425
Furnish & Install 16" Water Main	L.F.	\$29.50	0	\$0	0	\$0	0	\$0	\$0
Furnish & Install 18" Water Main	L.F.	\$35.00	11,046	\$386,610	0	\$0	0	\$0	\$386,610
Furnish & Install 20" Water Main	L.F.	\$41.00	0	\$0	0	\$0	0	\$0	\$0
Furnish & Install 24" Water Main	L.F.	\$47.00	0	\$0	0	\$0	0	\$0	\$0
Difficult Excavation (Rock-full depth)	L.F.	\$54.00	0	\$0	0	\$0	0	\$0	\$0
Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$25.00	0	\$0	0	\$0	0	\$0	\$0
Trench Asphalt Patch	L.F.	\$6.50	0	\$0	0	\$0	0	\$0	\$0
TOTAL			0	\$0	0	\$0	0	\$0	\$0
<i>Note: Pipe unit cost includes excavation, backfill, valves, fittings, hydrants</i>									
<b>SANITARY SEWER</b>									
Furnish & Install 8" Sewer Line	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	
Furnish & Install 10" Sewer Line	L.F.	\$19.00	4,179	\$79,401	0	\$0	0	\$0	\$79,401
Furnish & Install 12" Sewer Line	L.F.	\$20.50	6,543	\$134,132	0	\$0	0	\$0	\$134,132
Furnish & Install 18" Sewer Line	L.F.	\$23.50	0	\$0	0	\$0	0	\$0	\$0
Difficult Excavation (Rock-full depth)	L.F.	\$32.00	5,216	\$166,912	0	\$0	0	\$0	\$166,912
Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$35.00	0	\$0	0	\$0	0	\$0	\$0
Trench Asphalt Patch	L.F.	\$9.00	0	\$0	0	\$0	0	\$0	\$0
TOTAL			0	\$0	0	\$0	0	\$0	\$0
<i>Note: Pipe unit cost includes excavation, backfill, manholes</i>									
<b>TOTAL</b>									
				\$380,445		\$380,445		\$0	\$0



## PHASE 2

The focus of Phase Two is to provide for the development and needed infrastructure for the properties immediately west of Phase One (*Figure 24*). These properties are currently held in private ownership but, could either be purchased and brought into the inventory of the Wendover Airport or perhaps a development district could be implemented providing the public entity with a return on the investment for the infrastructure provided. Though the current zoning provided for by the City of Wendover shows commercial and residential development in this area (*Figure 25*), it would be wise to consider a zone change to provide for continued industry development with the access provided for in the improvements under Phase One and as well, the easily identifiable opportunity (which are not provided for in this study) to add additional rail spurs to service this property.

FIGURE 24

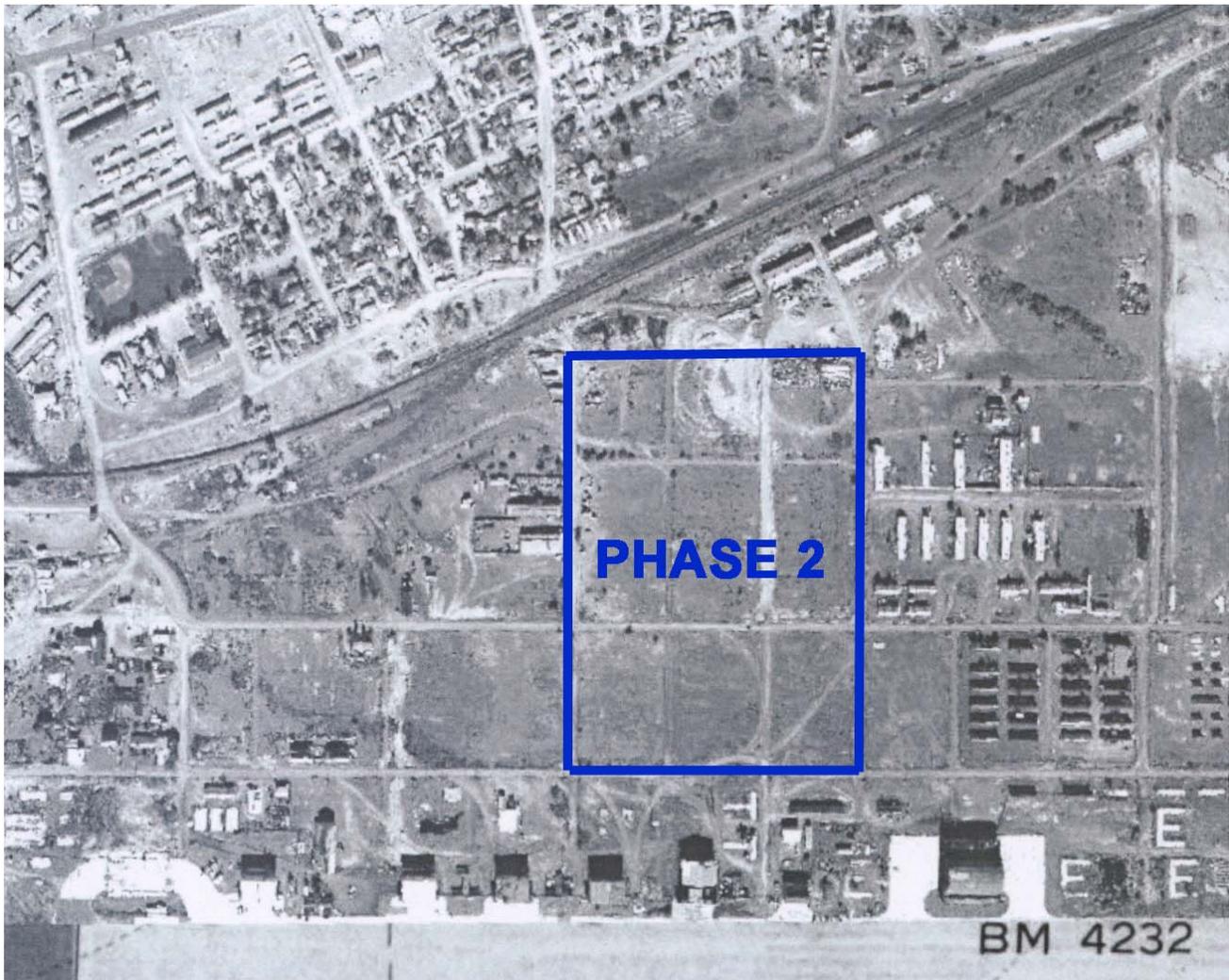
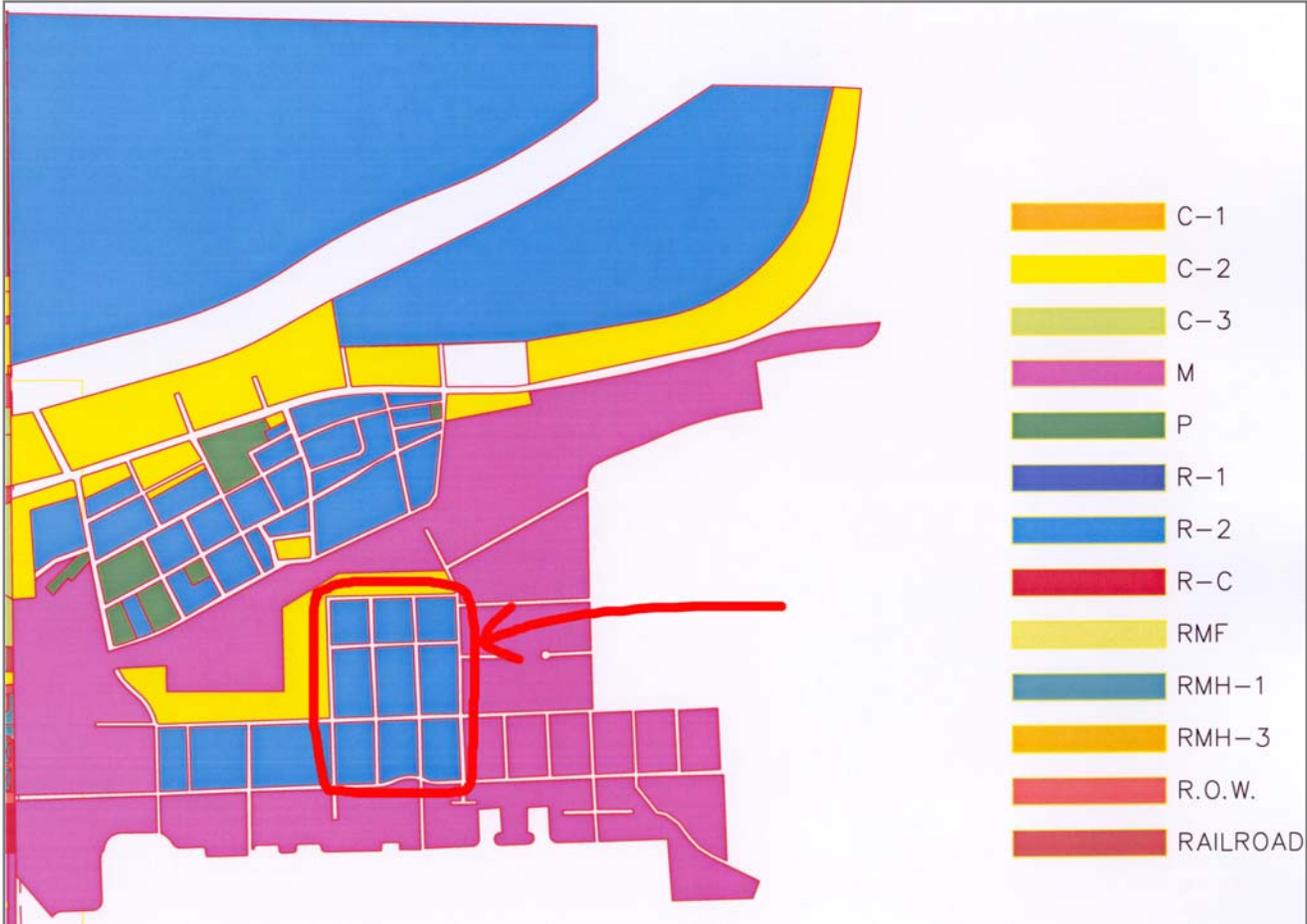


FIGURE 25



Phase 2 Construction:

1. Water Service upgrades (**Figure 26**) consists of over 11,000 feet of new water line in various sizes to accommodate the indicated usage for property under an industrial development scenario. Again, many of the lines in this area are over 6 decades old and would not be capable of supporting increases in demand over any period of time. This new infrastructure also includes an upgrade to the existing water line, which runs parallel to the anchorage apron. As with other lines, this system will need to be upgraded to support the eventual increase in use of airport facilities and operations.
2. Over 5,000 feet of new Sanitary Sewer Service (**Figure 27**) would be installed providing for adequate recovery and flow rates for the identified uses. In some instances, linkage would be provided between more recent line installations and the new lines. With the layout provided all generated flows could be directed west to the West Wendover Treatment Facility for reclamation. Today, those flows vary between 90 and 95 percent.
3. As with Phase One, Storm Drainage (**Figure 28**) is a start from scratch scenario with regard to this property. As with the earlier phase, the previous development on this property relied heavily on surface absorption for storm drainage protection. With the addition of new pavement surfaces and eventual structures, nearly 18,000 feet of new storm drainage will need to be provided. This addition also includes nearly 9,000 feet of new storm drainage lines that would be added to the flight line portion of the property, which today has no storm drainage system other than sheet flow across the ramp area, which can be an impediment to aeronautical uses.

FIGURE 26



FIGURE 27



FIGURE 28



4. Street/Surface improvements in Phase Two (*Figure 29*) consist of approximately 5,500 feet of newly designed collector streets providing adequate service to the properties for development linking them with the arterial street constructed in Phase One; Airport Way. These collector streets would include one lane in each direction, adequate shoulders, bicycle lanes, curb/gutter, sidewalk and striping.
5. The property of Phase Two is divided into 5 lots between 3.2 acres and 7.1 acres in size (*Figure 30*). This configuration would allow facility developments between 30,000 to over 130,000 square feet in size.
6. All public infrastructure improvements would be designed and constructed per the City of West Wendover Standards and Specifications for Public Works Construction (*Exhibit AA*).

*Figure 31* shows the cost breakdown for Phase 2.

FIGURE 29

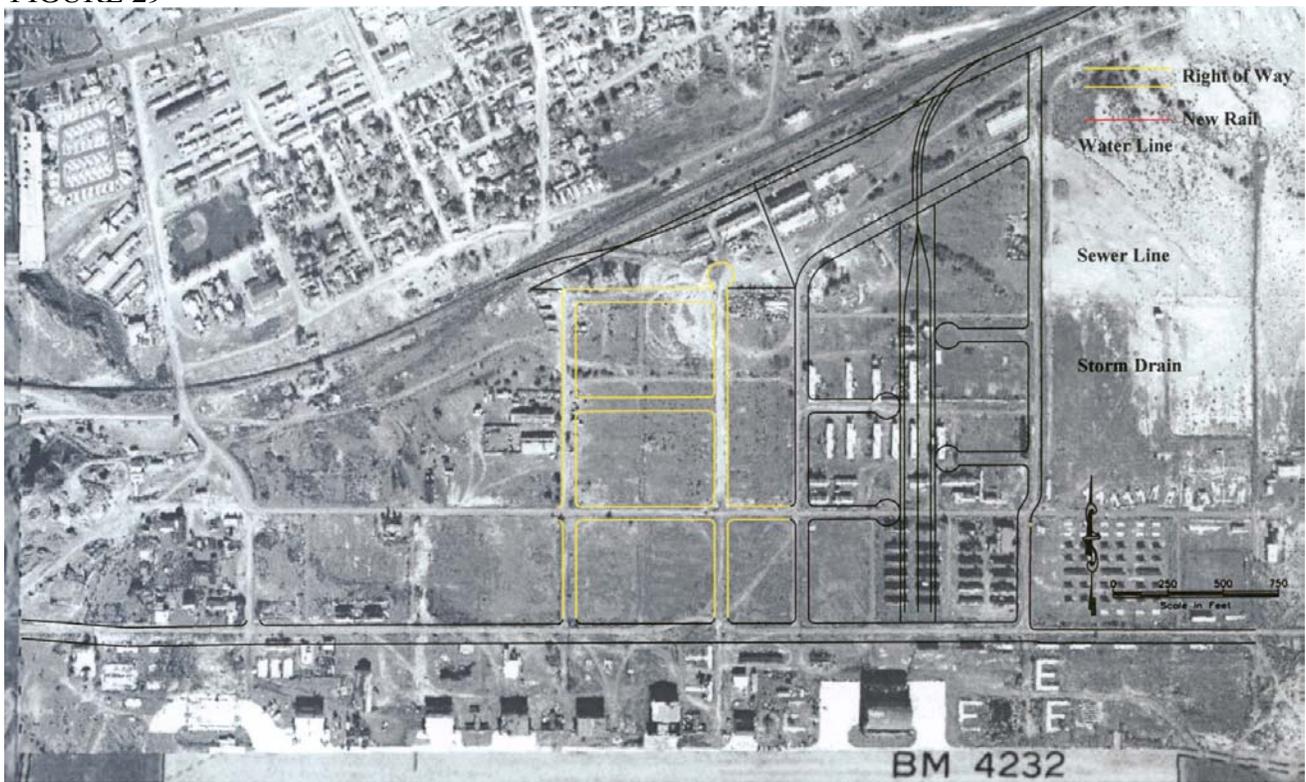


FIGURE 30



FIGURE 31

CITY OF WEST WENDOVER		Construction Unit Costs for Budgetary Estimating		Industrial Park Phase 2		16-Mar-02															
EARTHWORK	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	PHASE 1		PHASE 2		PHASE 3		COST	COST	COST	COST	COST	COST	COST	COST	COST	
						QUANTITY	COST	QUANTITY	COST	QUANTITY	COST										
	Stripping	ACRE	\$1,000.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Excavation - Common	CU. YD.	\$5.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Excavation - Rock	CU. YD.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Recompact	CU. YD.	\$2.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Import and Place - Common Fill	CU. YD.	\$10.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Import and Place - Structural Fill	CU. YD.	\$20.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Reseeding	ACRE	\$2,400.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Clean-up	ACRE	\$1,500.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	<b>TOTAL</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
	<b>SURFACE IMPROVEMENTS</b>																				
	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
	Saw Cut Asphalt	L.F.	\$1.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Existing Concrete Removal (12 Yard Load)	EACH	\$350.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Construct 24" Curb and Gutter	L.F.	\$17.00	11,206	\$190,502	11,206	\$190,502	0	\$0	11,206	\$190,502	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Construct 4" Sidewalk	L.F.	\$12.00	11,206	\$134,472	11,206	\$134,472	0	\$0	11,206	\$134,472	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Construct 6" Sidewalk	L.F.	\$16.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Install 3" Asphalt & 8" Untreated Base Course	SQ. FT.	\$2.00	268,944	\$537,888	268,944	\$537,888	0	\$0	268,944	\$537,888	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Construct 4" Waterway	EACH	\$2,000.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Striping	L.F.	\$0.60	16,809	\$10,085	16,809	\$10,085	0	\$0	16,809	\$10,085	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	<b>TOTAL</b>			<b>0</b>	<b>\$872,947</b>	<b>0</b>	<b>\$872,947</b>	<b>0</b>	<b>\$0</b>	<b>16,809</b>	<b>\$10,085</b>	<b>0</b>	<b>\$0</b>								
	<b>CULINARY WATER</b>																				
	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
	Furnish & Install 8" Water Main	L.F.	\$20.00	497	\$9,940	497	\$9,940	0	\$0	497	\$9,940	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 10" Water Main	L.F.	\$22.00	1,378	\$30,316	1,378	\$30,316	0	\$0	1,378	\$30,316	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 12" Water Main	L.F.	\$25.00	9,436	\$235,900	9,436	\$235,900	0	\$0	9,436	\$235,900	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 14" Water Main	L.F.	\$29.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 16" Water Main	L.F.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 18" Water Main	L.F.	\$41.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 20" Water Main	L.F.	\$47.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 24" Water Main	L.F.	\$54.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Difficult Excavation (Rock-full depth)	L.F.	\$25.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$6.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Trench Asphalt Patch	L.F.	\$7.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	<i>Note: Pipe unit cost includes excavation, backfill, valves, fittings, hydrants</i>			<b>0</b>	<b>\$276,156</b>	<b>0</b>	<b>\$276,156</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
	<b>SANITARY SEWER</b>																				
	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
	Furnish & Install 8" Sewer Line	L.F.	\$19.00	3,980	\$75,620	3,980	\$75,620	0	\$0	3,980	\$75,620	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 10" Sewer Line	L.F.	\$20.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 12" Sewer Line	L.F.	\$23.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 18" Sewer Line	L.F.	\$32.00	1,522	\$48,704	1,522	\$48,704	0	\$0	1,522	\$48,704	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Difficult Excavation (Rock-full depth)	L.F.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$9.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	Trench Asphalt Patch	L.F.	\$8.50	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
	<i>Note: Pipe unit cost includes excavation, backfill, manholes</i>			<b>0</b>	<b>\$124,324</b>	<b>0</b>	<b>\$124,324</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>



### PHASE 3

The focus of Phase Three (**Figure 32**) of the Industrial Component is to provide for an improved link of transportation and services between all phases of the Industrial Component and the transportation linkage to Wendover Boulevard, U.S. Highway 93A and Interstate 80, which demand will be ever-increasing as the industrial park and airport experience continued increases in development under the previous two phases of development. As well, Phase Three provides for the continued upgrade of water and sewer service to the most northwesterly properties associated with the airport as well as providing storm drain protection and continuity of that storm drainage on 100 East Street from Wendover Boulevard south. These properties are currently held in private ownership but as with Phase Two, they could either be purchased and brought into the inventory of the Wendover Airport or a development district could be implemented providing the public entity with a return on its investment for the infrastructure provided. Though the current zoning provided for by the City of Wendover shows commercial and residential development in this area (Figure 34), it would be prudent to consider a zone change to provide for continued industry development with the access provided for in the improvements under Phase One and Phase Two and, as well, the easily identifiable opportunities to add additional rail spurs to service this property. At the time of the approval of this Airport Study, the Annexation Committee (City Council of West Wendover, Nevada and City Council of Wendover, Utah) elected to give priority to Phase One and Phase Two of the Industrial Component leaving Phase Three as a future option.

FIGURE 32

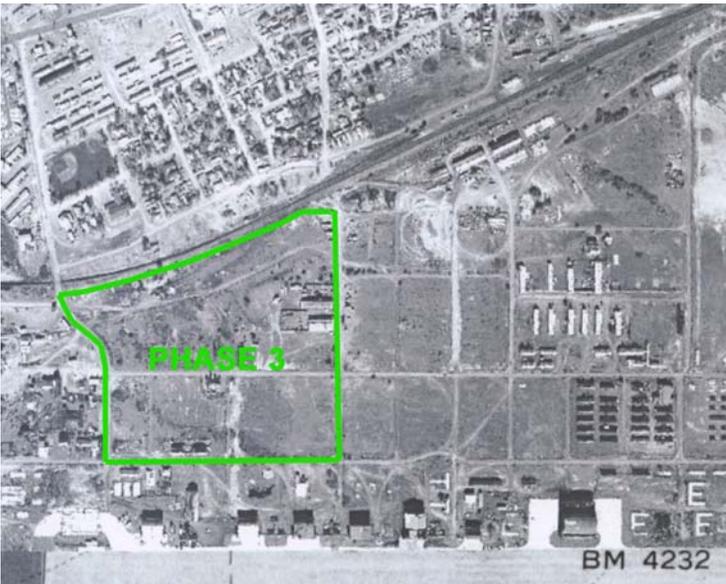
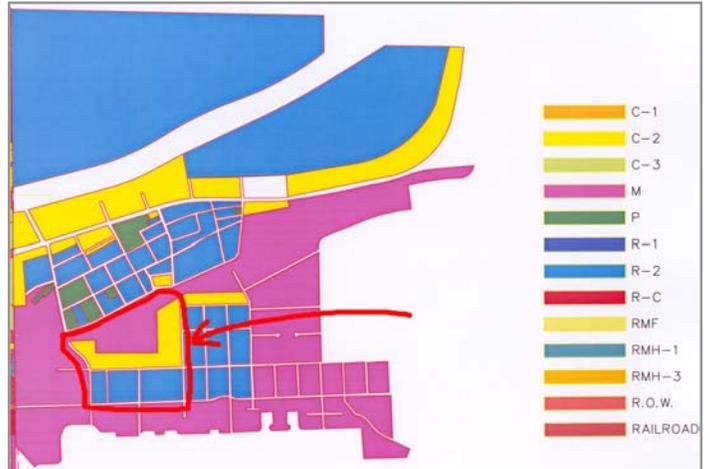


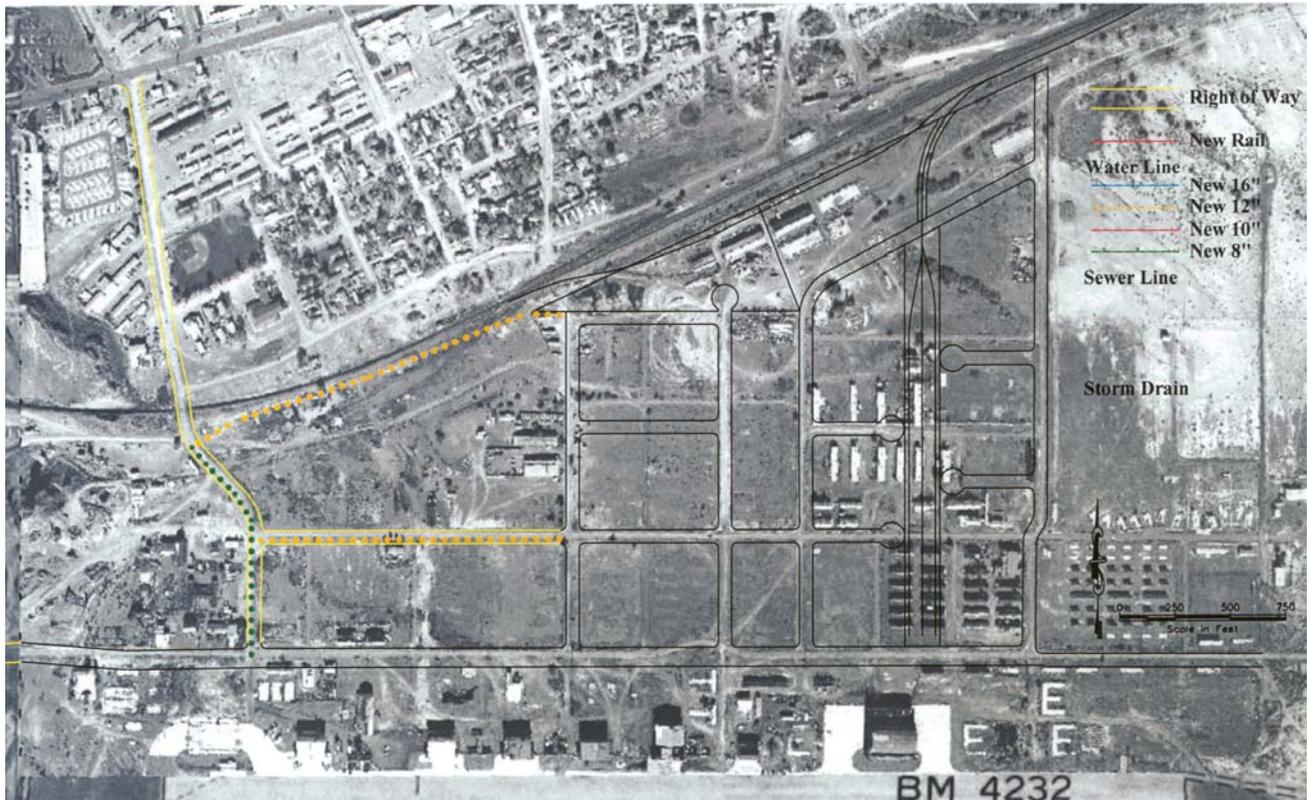
FIGURE 32



Phase 3 Construction:

1. Water Service upgrades in Phase Three (**Figure 34**) consist of approximately 4,000 feet of new water line in various sizes to service the properties associated with this phase. As with previous phases, water services in this area are more than 60 years old and will require replacement to meet the needs of future development.

FIGURE 34



2. Sanitary Sewer upgrades for Phase Three (**Figure 35**) consist of approximately 2,000 feet of new sewer line, providing an upgrade to the existing infrastructure needed for future development. As with previous phases this upgrade would provide for connection to a system that flows westerly to the West Wendover Treatment Facility.
3. Storm Drainage improvements (**Figure 36**) include the addition of over 8,000 feet of new storm drain line, providing for complete storm drainage protection for this phase including the through flow of drainage from Wendover Boulevard south on 100 East Street.
4. Street/Surface improvements (**Figure 37**) include the upgrade of approximately 4,800 feet of arterial street linking the improvements of Airport Way in Phase One and providing immediate access to U.S. Highway 93A south and Interstate 80 both east and west bound. The improvements also include an upgrade of over 4,000 feet of collector street, providing adequate and improved access to the Wendover Airport and Industrial Park by way of Wendover Boulevard and 100 East Street as well as a collector street upgrade linking Phase Three to the northern portions of Phase Two. The arterial street upgrade would include two lanes each direction as well as a center island for vegetation and lighting, appropriate shoulders, bicycle lanes, curb/gutter, six-foot sidewalks and striping. The collector streets would include one lane each direction, appropriate shoulders, bicycle lanes, curb/gutter, four-foot sidewalks and striping.

FIGURE 35

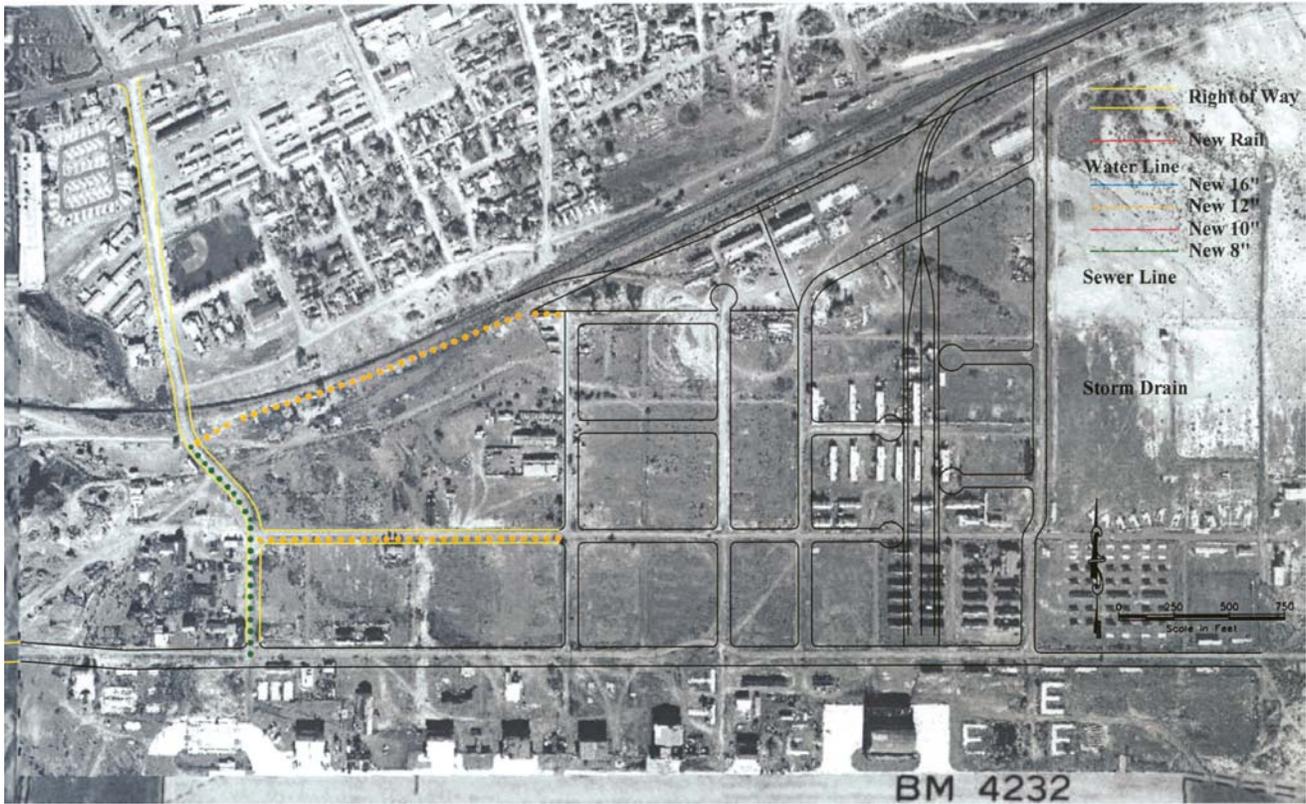


FIGURE 36

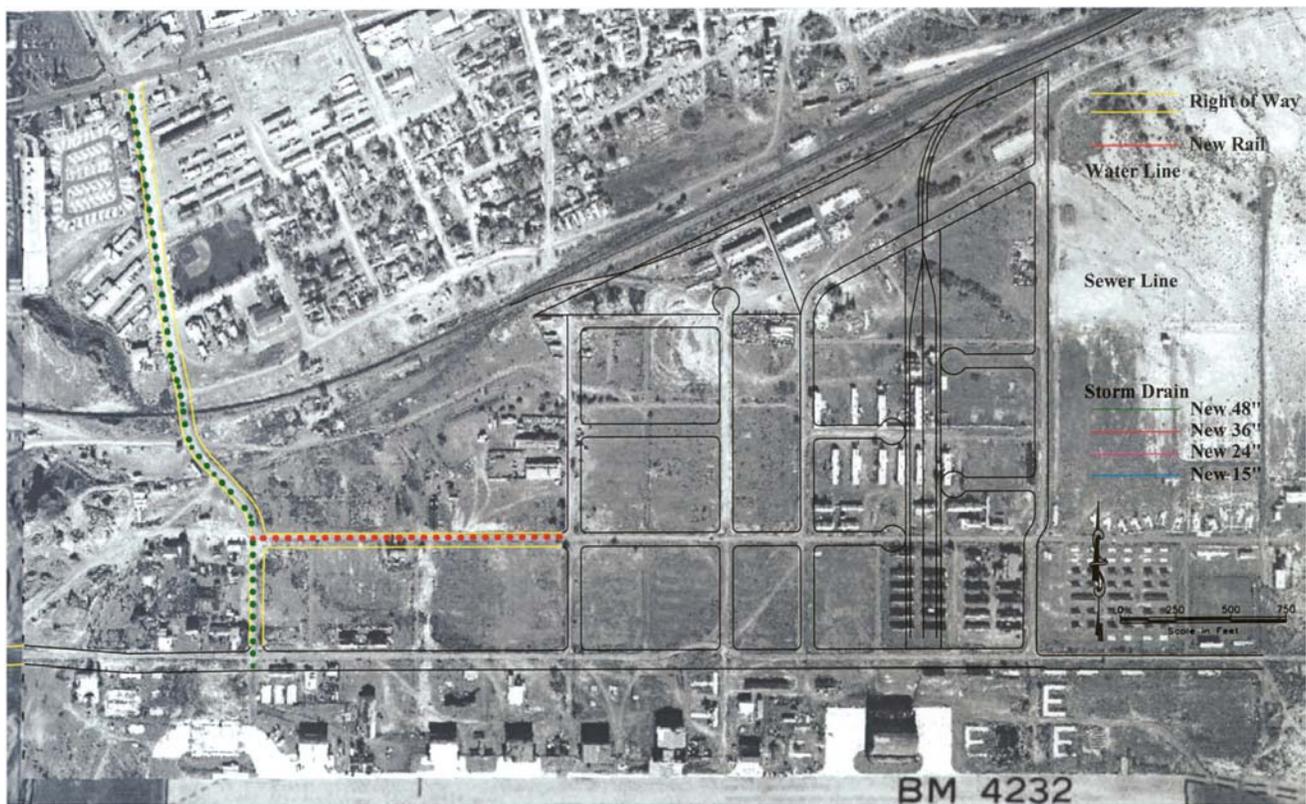
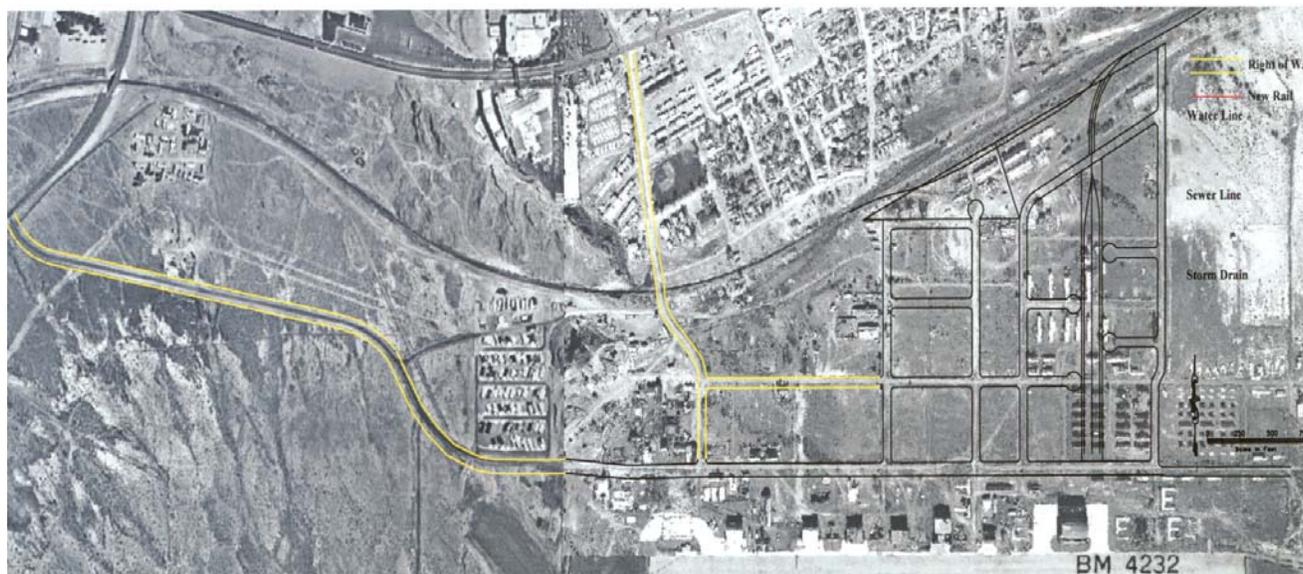


FIGURE 36 - Continued



FIGURE 37



5. All public infrastructure improvements would be designed and constructed per the City of West Wendover Standards and Specifications for Public Works Construction (*Exhibit AA*).
6. The properties of Phase Three are privately owned and no specific development requirements are suggested except for the consideration of appropriate zoning being established in consideration of surrounding uses.

*Figure 38* provides the cost breakdown for Phase 3.

FIGURE 38

CITY OF WEST WENDOVER		Construction Unit Costs for Budgetary Estimating		Industrial Park Phase 3		16-Mar-02															
EARTHWORK	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	PHASE 1		PHASE 2		PHASE 3		COST									
						QUANTITY	COST	QUANTITY	COST	QUANTITY	COST										
	Stripping	ACRE	\$1,000.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Excavation - Common	CU. YD.	\$5.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Excavation - Rock	CU. YD.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Recompact	CU. YD.	\$2.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Import and Place - Common Fill	CU. YD.	\$10.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Import and Place - Structural Fill	CU. YD.	\$20.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Reseeding	ACRE	\$2,400.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Clean-up	ACRE	\$1,500.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
				TOTAL	\$0		\$0		\$0		\$0	\$0									
<b>SURFACE IMPROVEMENTS</b>																					
	DESCRIPTION	UNIT	UNIT PRICE																		
	Saw Cut Asphalt	L.F.	\$1.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Existing Concrete Removal (12 Yard Load)	EACH	\$350.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Construct 24" Curb and Gutter	L.F.	\$17.00	17,894	\$304,198	17,894	\$304,198	0	\$0	17,894	\$304,198	\$304,198									
	Construct 4' Sidewalk	L.F.	\$12.00	8,250	\$99,000	8,250	\$99,000	0	\$0	8,250	\$99,000	\$99,000									
	Construct 6' Sidewalk	L.F.	\$16.50	9,644	\$159,126	9,644	\$159,126	0	\$0	9,644	\$159,126	\$159,126									
	Install 3" Asphalt & 8" Untreated Base Course	SQ. FT.	\$2.00	535,540	\$1,071,080	535,540	\$1,071,080	0	\$0	535,540	\$1,071,080	\$1,071,080									
	Construct 4' Waterway	EACH	\$2,000.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Striping	L.F.	\$0.60	36,485	\$21,891	36,485	\$21,891	0	\$0	36,485	\$21,891	\$21,891									
				TOTAL	\$1,655,295		\$1,655,295		\$0		\$0	\$1,655,295									
<b>CULINARY WATER</b>																					
	DESCRIPTION	UNIT	UNIT PRICE																		
	Furnish & Install 8" Water Main	L.F.	\$20.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 10" Water Main	L.F.	\$22.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 12" Water Main	L.F.	\$25.00	3,267	\$81,675	3,267	\$81,675	0	\$0	3,267	\$81,675	\$81,675									
	Furnish & Install 14" Water Main	L.F.	\$29.50	1,073	\$31,654	1,073	\$31,654	0	\$0	1,073	\$31,654	\$31,654									
	Furnish & Install 16" Water Main	L.F.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 18" Water Main	L.F.	\$41.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 20" Water Main	L.F.	\$47.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 24" Water Main	L.F.	\$54.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Difficult Excavation (Rock-full depth)	L.F.	\$25.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$6.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Trench Asphalt Patch	L.F.	\$7.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
				TOTAL	\$113,329		\$113,329		\$0		\$0	\$113,329									
<i>Note: Pipe unit cost includes excavation, backfill, valves, fittings, hydrants</i>																					
<b>SANITARY SEWER</b>																					
	DESCRIPTION	UNIT	UNIT PRICE																		
	Furnish & Install 8" Sewer Line	L.F.	\$19.00	2,392	\$45,448	2,392	\$45,448	0	\$0	2,392	\$45,448	\$45,448									
	Furnish & Install 10" Sewer Line	L.F.	\$20.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 12" Sewer Line	L.F.	\$23.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Furnish & Install 18" Sewer Line	L.F.	\$32.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Difficult Excavation (Rock-full depth)	L.F.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$9.00	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
	Trench Asphalt Patch	L.F.	\$8.50	0	\$0	0	\$0	0	\$0	0	\$0	\$0									
				TOTAL	\$45,448		\$45,448		\$0		\$0	\$45,448									
<i>Note: Pipe unit cost includes excavation, backfill, manholes</i>																					



Figure 39 shows a map of the entire project layout for Phase One through Phase Three and Figure 40 the total cost breakdown for all phases. As stated earlier Phases One and Two have been given priority and Phase Three has been identified as a future option.

FIGURE 39

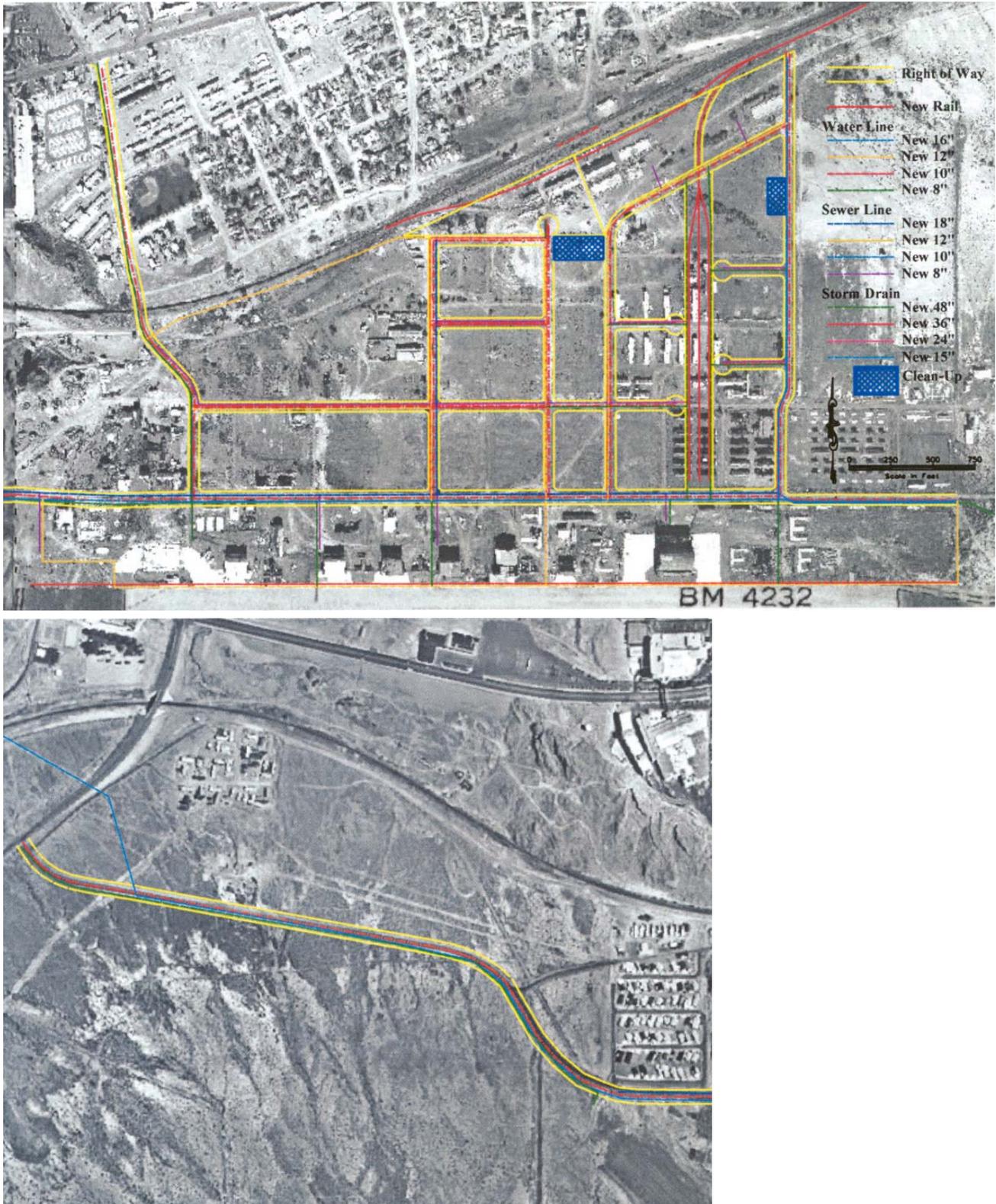


FIGURE 40

CITY OF WEST WENDOVER Construction Unit Costs for Budgetary Estimating Industrial Park Phase 1-3 16-Mar-02											
EARTHWORK	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	COST	PHASE 1		PHASE 2		PHASE 3	
						QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
	Stripping	ACRE	\$1,000.00	0	\$0	0	\$0	0	\$0	0	\$0
	Excavation - Common	CU. YD.	\$5.00	0	\$0	0	\$0	0	\$0	0	\$0
	Excavation - Rock	CU. YD.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0
	Recompact	CU. YD.	\$2.00	0	\$0	0	\$0	0	\$0	0	\$0
	Import and Place - Common Fill	CU. YD.	\$10.50	0	\$0	0	\$0	0	\$0	0	\$0
	Import and Place - Structural Fill	CU. YD.	\$20.00	0	\$0	0	\$0	0	\$0	0	\$0
	Reseeding	ACRE	\$2,400.00	0	\$0	0	\$0	0	\$0	0	\$0
	Clean-up	ACRE	\$1,500.00	2	\$3,000	2	\$3,000	0	\$0	0	\$0
	<b>TOTAL</b>				\$3,000		\$3,000		\$0		\$0
<b>SURFACE IMPROVEMENTS</b>											
	Saw Cut Asphalt	L.F.	\$1.50	0	\$0	0	\$0	0	\$0	0	\$0
	Existing Concrete Removal (12 Yard Load)	EACH	\$350.00	0	\$0	0	\$0	0	\$0	0	\$0
	Construct 24" Curb and Gutter	L.F.	\$17.00	54,430	\$925,310	25,330	\$430,610	11,206	\$190,502	17,894	\$304,198
	Construct 4" Sidewalk	L.F.	\$12.00	35,650	\$427,800	16,194	\$194,328	11,206	\$134,472	8,250	\$99,000
	Construct 6" Sidewalk	L.F.	\$16.50	18,780	\$309,870	9,136	\$150,744	0	\$0	9,644	\$159,126
	Install 3" Asphalt & 8" Untreated Base Course	SQ. FT.	\$2.00	1,512,900	\$3,025,800	708,416	\$1,416,832	268,944	\$537,888	535,540	\$1,071,080
	Construct 4" Waterway	EACH	\$2,000.00	0	\$0	0	\$0	0	\$0	0	\$0
	Striping	L.F.	\$0.60	100,425	\$60,255	47,131	\$28,279	16,809	\$10,085	36,485	\$21,891
	<b>TOTAL</b>				\$4,749,035		\$2,220,793		\$872,947		\$1,555,295
<b>CULINARY WATER</b>											
	Furnish & Install 8" Water Main	L.F.	\$20.00	8,160	\$163,200	7,663	\$153,260	497	\$9,940	0	\$0
	Furnish & Install 10" Water Main	L.F.	\$22.00	1,378	\$30,316	0	\$0	1,378	\$30,316	0	\$0
	Furnish & Install 12" Water Main	L.F.	\$25.00	19,600	\$490,000	6,897	\$172,425	9,436	\$235,900	3,267	\$81,675
	Furnish & Install 14" Water Main	L.F.	\$29.50	1,073	\$31,654	0	\$0	0	\$0	1,073	\$31,654
	Furnish & Install 16" Water Main	L.F.	\$35.00	11,046	\$386,610	11,046	\$386,610	0	\$0	0	\$0
	Furnish & Install 18" Water Main	L.F.	\$41.00	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 20" Water Main	L.F.	\$47.00	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 24" Water Main	L.F.	\$54.00	0	\$0	0	\$0	0	\$0	0	\$0
	Difficult Excavation (Rock-full depth)	L.F.	\$25.00	0	\$0	0	\$0	0	\$0	0	\$0
	Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$6.50	0	\$0	0	\$0	0	\$0	0	\$0
	Trench Asphalt Patch	L.F.	\$7.50	0	\$0	0	\$0	0	\$0	0	\$0
	<b>TOTAL</b>				\$1,101,780		\$712,295		\$276,156		\$113,329
<b>SANITARY SEWER</b>											
	Furnish & Install 8" Sewer Line	L.F.	\$19.00	10,551	\$200,469	4,179	\$79,401	3,980	\$75,620	2,392	\$45,448
	Furnish & Install 10" Sewer Line	L.F.	\$20.50	6,543	\$134,132	6,543	\$134,132	0	\$0	0	\$0
	Furnish & Install 12" Sewer Line	L.F.	\$23.50	0	\$0	0	\$0	0	\$0	0	\$0
	Furnish & Install 18" Sewer Line	L.F.	\$32.00	6,738	\$215,616	5,216	\$166,912	1,522	\$48,704	0	\$0
	Difficult Excavation (Rock-full depth)	L.F.	\$35.00	0	\$0	0	\$0	0	\$0	0	\$0
	Select Backfill Above Pipe Zone (Traffic Areas)	L.F.	\$9.00	0	\$0	0	\$0	0	\$0	0	\$0
	Trench Asphalt Patch	L.F.	\$8.50	0	\$0	0	\$0	0	\$0	0	\$0
	<b>TOTAL</b>				\$550,217		\$380,445		\$124,324		\$45,448



## INDUSTRIAL DEVELOPMENT BUDGET

When reviewing the plans for the development of the Airport Industrial Park, there is an obvious need to analyze the potential revenues that will be generated providing a means by which to repay loans whether public or private that may be part of the overall financial package for the project. A budget has been provided (**Figure 41**) covering the development of the 60 plus acres of airport industrial property in Phase One.

### Parameters for Projected Revenues of Industrial Park - Phase 1.

1. 49.6 acres of industrial property available for lease with the completion of Phase 1.
2. Value of developed property established by land appraisals completed by Hallhaus Appraising (**Exhibit AB**) completed in 2001 for manufacturing based properties. Value - \$50,136.79 per acre or \$1.15 per square foot.
3. Average regional metro lease rates for turnkey industrial marketed developments as warehousing (**Exhibit AC**):
  - a. Salt Lake City, Utah - \$4.20 sq.ft./year
  - b. Denver, Colorado - \$4.93 sq.ft./year
  - c. Phoenix, Arizona - \$4.83 sq.ft./year
  - d. Sacramento, California - \$3.70 sq.ft./year
4. Average regional capitalization rates for land leases on industrial marketed property – 10.02% (**Exhibit AD**).
5. Average minimum lease term for industrial marketed property – 55 years (**Exhibit AC**).
6. Average regional vacancy rates (**Exhibit AC**):
  - a. Salt Lake City, Utah - 8.33%
  - b. Denver, Colorado - 8.10%
  - c. Phoenix, Arizona - 10.70%
  - d. Sacramento, California 9.30%

Appraised value of land:

\$50,136.79 per acre or \$1.15 per square foot

Return rate on land investment w/out improvements

10.02% per year = \$0.1152 per square foot per year.

Established lease rate based on return with improvements:

\$0.20 per square foot per year.

Total acreage available for development:

49.6 acres less 9.11% vacancy rate = 45.08 acres or 1,963,684 square feet

Lease revenues on available land:

1,963,684 square feet (x) \$0.20 = \$392,736.80 per year

Lease revenues on available land for minimum term of lease:

\$392,736.80 (x) 55 years = \$21,600,524.00

Development Loan Payments for \$6,500,000.00 Loan:

\$356,640 per year (Amortization Schedule **Exhibit AE**)



## FINANCIAL STATUS

The Financial Status portion of the study will cover two distinct areas:

1. Wendover Airport Status under ownership of City of Wendover
2. Wendover Airport Status under ownership of Tooele County

### CITY OF WENDOVER

We will begin with analyzing the data concerning the airport under Wendover, Utah. Wendover, Utah was deeded the airport facilities in 1977 (*Exhibit A*) and operated those facilities as a general aviation facility from 1977 to 1993. In 1993, the airport began operating as a commercial service airport with charter flights operating under a casino-charter program. In 1994 the airport moved to a primary commercial service status enplaning over 10,000 persons per year. At the peak of air service in 1995 the airport enplaned over 68,000 passengers with flights to over 100 different cities throughout the United States. As a result of the increased traffic and use of the facilities by heavier aircraft (in this case aircraft with 120,000 pound DWG weights or more), the airport undertook the construction of a new Runway 8-26, which would meet the growing demands of the traffic (Airport Layout Plan, *Exhibit X*). In April of 1997, the airport experienced an unrecoverable blow to its facility and financial plans for the future. Great American Airways (the airline operating the scheduled and charter flights) lost its operating certificate with the Federal Aviation Administration. Efforts by the casinos, airport and other entities were made to continue the service with a replacement carrier; however, due to timing and specifically a downgrade in the performance of the different equipment (from MD-87 and DC-9 aircraft to older 737-200's) and with higher summer temperatures, the results were lower passenger loads, thus a decrease in revenues and additional increases in costs leading the program sponsor (State Line/Silver Smith Casino Resorts) to end the program.

During this same period as the air carrier problems, the airport had already began the construction of the new Runway 8-26 and subsequently found itself now without any large commercial operations and no revenue stream to pay for the improvements being made. In the early spring of 1998, discussions were initiated between the City of Wendover, Utah and Tooele County, Utah with regard to the County taking over the Airport under an Interlocal Agreement. With mounting debt associated with the new runway project and the impending financial burden on the City, the City was faced with the possibility of disincorporation. In June of 1998, the City and the County reached consensus and an Interlocal Agreement was signed (*Exhibit OA*). The Agreement provided that Tooele County would assume all liabilities for the airport including construction of the new Runway 8-26, which would be completed and in return, the City of Wendover, Utah would release all control and jurisdiction of the airport to Tooele County. The Agreement also provided for a return of the Airport to the City after certain financial liabilities were met and under a specified time line.

During the City's tenure, it accomplished many important goals with regard to the development of the airport including from 1991 through 1998 over \$3,000,000 in grants, which included the development of the airport master plan, historic mitigation plan, establishment of the airport historical museum, reconstruction of Runway 12-30, ramp reconstruction, acquisition of airport rescue and fire fighting vehicles, sweeper truck acquisition as well as many other projects.

Documentation on operating revenues and expenditures for the Wendover Airport under the City of Wendover are limited only to 1997-98. No documentation was available for earlier periods; thus, there is no financial status beyond that which can be gleaned from City of Wendover audits and the 1997-98 budget (*Exhibit AF*).

### TOOELE COUNTY

Tooele County, Utah became the owner/operator of the Wendover Airport in June of 1998 under an Interlocal Agreement with the City of Wendover, Utah (*Exhibit OA*). Since the agreement, the County has operated the facility as a General Aviation Airport, completed the initial construction of Runway 8-26 (8,000' x 150') with accompanying taxiway, and completed a ramp overlay as well as completing other

important projects for the facility. Since 1997, there has been no large scheduled or charter flights into the Wendover Airport. Tooele County has received nearly \$7,000,000 in grants from the Federal Aviation Administration, United States Department of Agriculture, Utah Aeronautics and State of Utah. These included over \$1,000,000 in entitlement funds, which were established as part of the FAA Entitlement Program during the operation of the flight program in the mid 1990's when the airport enplaned more than 10,000 passengers per year. **Exhibit AG** contains financial documents from Tooele County including audits and operating budgets from 1998 through 2001. A budget summary for the period 1998-2001 is also provided showing revenues, expenditures and operating profit/losses.

## **CONVEYANCE**

The arrangement to effectuate the transfer under the Interlocal Agreement (**Exhibit OA**) consists of the following:

*“Article XIV Conveyance of Airport Property and Assets to City. “The parties acknowledge that this agreement is entered at a time when the City is unable to complete construction of the Runway project described in Articles II and III, above. In order to facilitate completion of the project, County has agreed to utilize its resources to complete a financing package for the Runway project. The parties agree that, on the satisfaction of conditions described in this Article XIV, the real and personal property acquired by County under this agreement, including all real and personal property described herein (or any property purchased to replace such property), shall be conveyed to City. The Conditions which shall be satisfied by the City in order to effectuate said conveyance are as follows:*

- a. The primary indebtedness in the approximate amount of \$1,200,000 shall have been paid in full;*
- b. After a payment of the above described indebtedness, a period of time equal to the time to pay that indebtedness shall have elapsed, but in no event sooner than June 1, 2008;*
- c. The City pays to County the cost of all improvements and operating costs paid from non-airport County funds which have not, at the time of transfer, been reimbursed to the County fund(s) from which said costs of improvements and operating costs have been advanced;*
- d. If there is any other indebtedness associated with improvements at the airport, that the City either: (i) pay those obligations in full at the time of transfer; or (b) assume full legal responsibility for payment of any such obligations;*
- e. The City obtain the appropriate approvals from the FAA; and*
- f. The city pays all costs associated with the return of the airport and associated assets to the City.*

*If the City shall satisfy the foregoing conditions, it may at its option, require the County to convey the airport property to the City. The procedures and methods for conveyance of said property to the City shall be substantially in the same from as provided in this Agreement. In the event of a return of the Airport, the City shall endeavor in good faith, and using its best business judgment, to retain the County employees of the Airport.”*

Under the proposed annexation, in order to transfer the Airport back to the City of Wendover, Utah, the following would need to occur:

1. Documents provided by Tooele County in (**Exhibit AG**) indicate that as of December 31, 2001 the County has accumulated a loss for the years 1998 through 2001 of \$1,376,303. A payment for this loss and any future losses until such time of the transfer would need to be paid to Tooele County under Article XIV of the Interlocal Agreement to effectuate the transfer.

2. The \$1,200,000 debt to Key Bank would need to be satisfied.
3. The assumption of liability for \$800,000 in USDA loans for (a) \$500,000 Maintenance Building and (b) \$300,000 Hangar would need to occur.
4. A time no earlier than June 1, 2008 would need to elapse before transfer could take place or, earlier if Tooele County was willing to amend the Interlocal Agreement with the City of Wendover, Utah to effectuate the transfer.

**BENEFITS/DETRIMENTS**

Some changes would occur with the transfer of the Wendover Airport back to the City of Wendover, Utah and the eventual annexation of the City of Wendover, Utah and the Wendover Airport into West Wendover, Nevada. The most significant of these changes are:

1. The Airport would no longer operate under the jurisdiction of the State of Utah Aeronautics but under the State of Nevada which to date does not have a viable State Aeronautics program. Thus the City of West Wendover would be operating the facility primarily under its own and Federal guidelines and as such, without the support of a distinct aeronautics division in the State, be required to lobby and work with other airports in the State and the identified Region of the FAA on a much broader scale.
2. The Airport would no longer operate in the Mountain West Region of the Federal Aviation Administration out of Colorado but would be moved into the Western Pacific Region headquartered in California. This would mean that the Wendover Airport would be competing with a larger number of commercial and primary commercial service airport facilities such as: Los Angeles World Airports, Honolulu International Airport, Oakland International Airport, Phoenix Sky-Harbor Airport, San Francisco International Airport, San Diego International Airport, Tucson International Airport, San Jose International Airport, Las Vegas McCarran Airport, Long Beach Airport, Orange County (John Wayne Airport), Reno Cannon Airport, Sacramento International Airport, Fresno Airport, and many other commercial and primary commercial service airports for federal monies. The advantage of being in the Mountain West Region is that there are fewer commercial and primary commercial service airports to compete with resulting in more likelihood of available grant funds. Some of the airports which the Wendover Airport (if it was operating as a commercial or primary commercial service airport and remained in the Northwest Mountain Region) would compete with would include: Salt Lake City International Airport, Denver International Airport, Portland International Airport, Seattle Sea/Tac Airport, Colorado Springs Regional Airport, Boise Airport, Missoula Airport, St. George Regional Airport, Pocatello Airport, Spokane Airport and others. There should be some effort applied through the U.S. Congress to see of the potential of securing the Wendover Airport in the Northwest Mountain Region even though it would be located in Nevada.
3. For aviation fuel sales, there would be higher taxes with the Wendover Airport being in Nevada.
4. Virtually no State grant monies would be available to the Airport due to the lack of an effective State Aeronautics program.

Benefits of the Wendover Airport Under Annexation to the City of West Wendover:

1. Increased and likely better coordination for the development of properties and land uses around the Airport would be established (i.e. Air Industrial Park on former Air Force properties).
2. Increased ability to use the facility and represent it as a community-wide facility.
3. Local control of the Airport would be re-established.

4. The Airport would become more of a strategic and long-term growth asset for the community under control of the local jurisdiction.
5. Potential increases in the use and preservation of the Historic Properties would be established.
6. Industrial users would be more receptive to locating facilities in the State of Nevada.
7. Associated property values would be higher.
8. The State of Nevada and Elko County would receive a new asset to the State and County.
9. Tooele County would receive payment for the debts incurred and would receive a release of liability.
10. The local community would have increased ability to diversify its economy.
11. An increase in the City boundary would occur and the municipality would own and have direct control over a significant portion of the new lands for potential development. This would provide a stimulus for development and prevent landowners from "sitting" on property awaiting the next big boom.

Detriments of the Wendover Airport Under Annexation to the City of West Wendover:

1. Tooele County and the State of Utah would lose a large asset.
2. The Airport may experience more difficulty in receiving federal grant monies due to increased competition with a larger number of and larger capacity airports under the Western Pacific Region of the FAA versus the Northwest Mountain Region.
3. Fuel Taxes at the Airport would be higher in Nevada.
4. Property taxes would likely rise.
5. Infrastructure development would be necessary by the community.



**APPENDIX D**

Letter Dated September 20, 2004, to the Nevada Congressional Delegation



NEVADA LEGISLATURE'S  
COMMITTEE ON PUBLIC LANDS  
LEGISLATIVE BUILDING  
401 S. CARSON STREET  
CARSON CITY, NV 89701-4747



SENATOR DEAN A. RHOADS, Chairman  
ASSEMBLYMAN JOHN W. MARVEL, Vice Chairman  
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STAFF DIRECTOR: MICHAEL J. STEWART (775) 684-6825  
SR. DEPUTY LEGISLATIVE COUNSEL: J. RANDALL STEPHENSON (775) 684-6830

September 20, 2004

The Honorable Harry Reid  
United States Senate  
528 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Reid:

As you know, there has been interest in unifying the two communities of West Wendover, Nevada, and Wendover, Utah, for some years. Both communities are isolated from major population centers; Wendover, Utah, is 122 miles from Salt Lake City, approximately a two-hour drive by automobile. West Wendover is 109 miles from the county seat in Elko, Nevada. Wendover, Utah, has a population of approximately 1,500 citizens while West Wendover has about 4,800 residents. The two communities have separate school systems, municipal governments, and services such as police and fire protection. Some residents of both communities believe combining the two cities would result in better, less expensive public services and a stronger economic future for a united community.

On June 5, 2001, Utah Congressman James V. Hansen, now retired, introduced a bill in Congress, H.R. 2054. This bill provided for the consent of Congress to a compact between Utah and Nevada regarding a change in boundaries in the Wendover area. The measure passed the House but ultimately died in the Senate Judiciary Committee.

However, because of continued interest in the issues, the Nevada Legislature passed Senate Concurrent Resolution No. 20 (File No. 82, *Statutes of Nevada 2003*) during the 2003 Session. This enactment created the Legislative Committee on Public Lands' Subcommittee to Study the Feasibility and Desirability of a Change in the Boundary Line Between Nevada and Utah. The Subcommittee held its first meeting on January 9, 2004, in West Wendover. Additionally, numerous communications occurred between Subcommittee staff and officials in both Wendover, Utah; West Wendover, Nevada; Elko County, Nevada; and Tooele County, Utah. The Subcommittee held its final meeting on August 13, 2004, in West Wendover, Nevada.

Public testimony before the Subcommittee indicated support for annexation but concern over the cost to Elko County if the two communities were in fact combined. According to a review conducted by the Nevada Legislative Counsel Bureau Audit Division, annexation could cost Elko County, Nevada, approximately \$27 million between 2004 and 2020 just for assumption of debt and operating losses associated with the Wendover, Utah, airport; debt for Tooele County schools located in Wendover; and the cost of hiring additional teachers for new students currently living in Wendover, Utah. The Audit review is careful to note that these are not all the potential costs associated with annexation and that the \$27 million is based on certain stated assumptions. If the assumptions change, the amount of estimated costs would also change, potentially decreasing if Tooele County waived some or all of the debt assumption for the airport and schools.

At its final meeting, the Subcommittee adopted recommendations for consideration by the Legislative Committee on Public Lands. These recommendations were presented to, modified slightly, and then adopted by the Legislative Committee on Public Lands at its final meeting in Carson City, Nevada, on August 27, 2004.

The essence of the recommendations was to communicate to you, the other members of the Nevada Congressional Delegation, and the two affected communities the Committee's determination that a majority of the citizens in the two cities support combination through annexation of Wendover, Utah, by West Wendover, Nevada. The Committee supports this desire but with certain specific qualifications designed to recognize the unique needs of a combined community. The Committee views these conditions as fair and equitable preconditions to annexation given the extensive social welfare and infrastructure upgrades needed in Wendover, Utah. Those conditions are:

1. The United States Congress provide adequate financial assistance to cover the costs of annexation for the next fifty years, including but not limited to, restoration or removal of the dilapidated portions of the Wendover airport;
2. The Utah Legislature, Tooele County, Utah, and Wendover, Utah, agree to deliver to West Wendover, Nevada, all the physical assets of Wendover, Utah, including but not limited to, the Wendover airport and existing public facilities such as schools, free and clear of any and all debt and other encumbrances, and provide sufficient funding to renovate blighted areas of Wendover, Utah, and cover reasonably necessary costs for the social welfare needs of residents; and
3. Affected local governments present a detailed plan for annexation, mutually acceptable to elected local officials, which is also acceptable to the Nevada and Utah Legislatures and is embodied in an interstate compact that addresses, at a minimum, the following issues:

- (a) The specific acreage and areas to be annexed;
- (b) Terms and conditions for acquisition of the Wendover Airport;
- (c) Terms and conditions for acquisition of the school facilities of Wendover, Utah, and a plan for retiring existing outstanding debt on the Anna Smith Elementary School;
- (d) Consolidation and integration of police and fire services, including handling of retirement benefits for officers who previously worked in Wendover, Utah;
- (e) Resolution of litigation regarding water systems and a plan for provision of water and sewage services to the unified city, including responsibility for and payment of municipal debt for existing improvements serving Wendover, Utah;
- (f) Treatment of different graduation requirements for Nevada and Utah high school graduates;
- (g) Ability of former Utah residents of Wendover, Utah, to attend Utah post-secondary institutions without incurring nonresident fees;
- (h) Credentialing of former Utah-licensed teachers who continue to teach in Wendover schools after annexation;
- (i) Benefits, if any, for former Utah-licensed teachers who remain in Wendover schools after annexation, including pay scales and retirement credits for time worked under the Utah educational system;
- (j) Proposed handling of professional licensing for existing Utah practitioners and facilities;
- (k) Benefits, if any, for former Wendover, Utah, employees who remain city employees after annexation, including retirement credits for time worked under the Utah system;
- (l) Potential credits for fees paid on motor vehicles previously registered in Utah;
- (m) Disposition of pending matters in the court;
- (n) Integration of building codes and handling of potential nonconformance with applicable Nevada codes through grandfathering or otherwise;

The Honorable Harry Reid

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September 20, 2004

- (o) Whether gaming will be allowed in the areas formerly belonging to the State of Utah, and if so, what type of gaming will be allowed and what conditions or restrictions, if any, will apply;
- (p) Assistance, financial and otherwise, to the Elko County Assessor's Office for calculating the assessed valuation of property formerly part of Utah; and
- (q) Local officials provide quarterly reports to the Legislative Committee on Public Lands respecting progress on the foregoing items.

The Committee believes the issue of combination is primarily a local one affecting the residents of the two communities. Therefore, it is appropriate that much of the detail regarding how the process can be achieved should be addressed initially at the local level. Once consensus has been reached there, state and federal officials can take the necessary steps to finalize annexation.

The Committee will receive quarterly reports from local officials regarding progress on the foregoing points. We will keep you informed of developments and welcome any suggestions, recommendations, or guidance you have on this important issue.

Sincerely,



Dean A. Rhoads  
Nevada State Senator  
Chairman, Legislative Committee on  
Public Lands

DAR/gn:L019

cc: Senator John Ensign  
Congresswoman Shelley Berkley  
Congressman Jim Gibbons  
Congressman Jon C. Porter, Sr.  
City Council, Wendover, Utah  
City Council, West Wendover, Nevada  
Board of County Commissioners, Elko County  
Board of County Commissioners, Tooele County