



Richard Combs
Director
Nevada Legislative Counsel Bureau
401 S. Carson Street,
Carson City, NV 89701-4747

August 3, 2023

RE: City of Sparks Annual TID Report

Dear Mr. Combs,

NRS 271A.105 states that each municipality must annually submit to the Director of Legislative Counsel Bureau a report on the status and financial impact of the Tourism Improvement District (TID) that has been established within the municipality. In accordance to NRS 271A.105, the City of Sparks offers the following in response to the specific requests as mentioned within the statute:

NRS 271A.105 (1) (a):

On July 23, 2007, the City of Sparks created the Tourism Improvement District No. 1 (TID) known as the Legends at Sparks Marina, which is located within the Sparks Redevelopment Agency Area No. 2. The City has contracted with RED Development to develop the Legends at Sparks Marina into one of the premier retail destinations in the region. As established by SB 306 from the 2008 Nevada legislative session, a Tourism Improvement District allows Sales Tax Anticipation Revenue (STAR) bonds to be issued that are supported by up to 75 percent of taxable sales generated within the TID. Proceeds from these bonds are used for infrastructure and land improvements for the purpose of enhancing the area as a tourism, entertainment, and retail destination of choice.

In 2008, the City authorized the issuance of two Series A Bonds. The first senior issuance was authorized at \$83.3M and the second subordinate issuance was authorized at \$36.6M. In December 2019, the City refinanced the two series A bonds at a lower interest rate. The first senior issuance was authorized at \$79.9M, the second subordinate tax exempt issuance was authorized at \$8.9M and the third subordinate issuance was authorized at \$3.8M. These bonds were used in order to finance the acquisition, improvement, equipping, operation and maintenance of real or personal property in accordance to NRS regulations, City ordinances, and applicable bond covenants. Also, reserve fund which currently stands well-funded at about \$7.9M.

These STAR bonds will be paid using 75 percent of sales taxes that are generated within the TID (less Department of Taxation collection fees and excluding optional local sales tax rates). The bond reserve fund was established to pay any shortfall of the debt service payment should sales tax receipts become insufficient to make the required payment. Draws against the bond reserve fund have been needed for past debt service payments, but has subsequently been replenished. As of July 31, 2022 the bond reserve fund stands fully replenished.

Finally, below is a list of all businesses currently operating within the TID (or scheduled to open soon as parenthetically indicated) as provided by representatives from RED Development. It is our intent to provide an updated list as part of our annual report.

| Business Name | Square Feet | Business Name | Square Feet |
|----------------------------|-------------|---------------------------------|------------------|
| AAA | 4,000 | Key and Code | 2,522 |
| Adidas | 8 100 | Kissho Sushi | 2 022 |
| All Fired Up | 2 193 | Lane Bryant | 5 181 |
| America First Credit Union | 3 179 | Legends Bay Casmo | 79,748 |
| Ann Taylor Factor Store | 6,543 | Legends Nail Spa | 1 443 |
| Art Box | 4 710 | Levi's | 3 951 |
| AT&T | 4 026 | LIDS | 1 095 |
| Axe and Throw | 1 442 | Lowe s | 124,076 |
| Banana Republic | 8 505 | Lucky Nails | 1,500 |
| Bath & Body Works | 3 423 | Maurice s | 4,405 |
| BJ's Restaurant | 7,767 | Mattress Firm | 3,000 |
| Blaze Pizza | 2 447 | Nevada Key and Code | 2,115 |
| Buffalo Wild Wings | 5 525 | Nike | 12,064 |
| Buckle | 5,659 | Oakley Vault | 2 495 |
| BurgerIM | 1,756 | Old Navy | 12,495 |
| Burrito Bandito | 2,391 | Olive Garden | 7 441 |
| Burlington | 40,000 | Pacific Dental | 2 809 |
| CaIE Oriental | 5 852 | Petco | 12 000 |
| Cantina Los Tres Hombres | 4 633 | Phoenix at Legends | 7,850 |
| Carter's | 4,570 | Popeye s | 2,664 |
| Chase Bank | 3,470 | Rach Room Shoes | 23,105 |
| Chuck Fil A | 4,526 | Reno Tea Bar | 1,496 |
| Chipotle | 2,160 | Rue21 | 4 710 |
| Claire's | 1,295 | Rocket Fizz | 1,854 |
| Converse | 3 017 | RV Country | 4 394 |
| Creative Spas | 2,524 | Scheels | 240,000 |
| Crunch Fitness | 30 000 | Sephora | 4 058 |
| Custom Ink | 1,000 | Skechers | 3,040 |
| Daily Thread | 5,331 | Spencers | 1,992 |
| Defy | 26 190 | Sports Clips | 1 072 |
| Dunkin Donuts | 2 149 | Style Brow | 1,499 |
| European Wax | 1 353 | Surf Thru Car Wash | 5,310 |
| Everbowl | 1 201 | Taco Bell | 2 556 |
| Express Factory | 6 040 | Target | 144 100 |
| Famous Footwear | 4 803 | The Fragrance Outlet | 1 200 |
| Five Below | 9 964 | The Joint | 1,373 |
| Forever 21 | 23 170 | The Niche | 3 124 |
| Freshberry | 706 | TJ Maxx | 24,647 |
| Galaxy Theater | 61 998 | Torrid | 2,591 |
| Gamestop | 1 600 | Uniform Destination | 2,992 |
| GAP | 11 395 | Vans Shoes | 4,606 |
| GNC | 1 028 | Verizon | 1 677 |
| Great Full Gardens | 4 263 | Vision Works | 3 750 |
| Grimaldi s Pizza | 3 961 | Volcom | 2,950 |
| Guess? Factory | 6,342 | Zales | 1,600 |
| Habit Buger | 3 000 | Zumiez | 2 532 |
| H&M | 25 638 | 99 Locations Total Sq Ft | 1,172 567 |
| IMBIB Custom Brews | 1,134 | | |
| IMBIB Eats & Drink | 3 863 | | |
| Jersey Mike's Subs | 1 500 | | |
| Jimmy Johns | 1 321 | | |
| Juicebox Yoga | 3 050 | | |
| Just Floor It | 3 750 | | |

NRS 271A.105 (1) (b):

In all honesty, this section of the statute is rather vague. It's really quite impossible to assess the financial impact of the TID on the provision of services by the City. Specifically mentioned in the statute is a request for a financial impact of providing police and fire services, without excluding an assessment of other City services.

In short, we have not adjusted the level of City services in response to the creation of the TID, nor for the resulting development of the Legends area within the TID. For example, we did not increase our public safety workforce in response to the development activity within the TID. I believe it's a reasonable statement to say that service responses from our public safety departments (i.e., Police and Fire) have increased in the area as a result of the increased development within the TID, but I am unable to provide records proving such a statement.

As the TID lies within the City boundaries, it is the City's responsibility to make available the necessary services that are afforded to all areas within the City's boundaries. This includes all City services such as public safety, public works, sewer service, judicial, etc. The same City services are provided City-wide; however, the corresponding growth of services directly attributable to the creation of the TID and the resulting development within the TID is not reasonably measureable.

Should you have need for further clarification or information, please do not hesitate to contact me at (775) 353-2301 or at the address listed on this letterhead.

Sincerely,



Jeff Cronk, CPA
City of Sparks
Financial Services Director