



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

July 13, 2018

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 (although only \$32.7M of subordinate bonds have been issued to date). 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 12, 2018 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
Adidas	8,100	Lowe's	124,076
Ann Taylor Factor Store	6,543	Lucky Nails	1,500
AT&T	4,026	Maurice's	4,405
Banana Republic	8,505	Menchie's Yogurt	1,201
Bath & Body Works	3,000	Motherhood Maternity	2,273
BJ's Restaurant	7,767	Nevada Veterans Memorial	1,756
Best Buy	30,000	Nike	12,064
Book Warehouse	5,331	Off Broadway Shoes	23,105
BonWorth	3,720	Old Navy	12,495
Buffalo Wild Wings	5,525	Olive Garden	7,441
Buckle	5,659	Osh Kosh	4,570
Burlington	40,000	Omega Frog	1,442
Cantina Los Tres Hombres	Opening soon	Pacific Dental	2,809
Carter's	4,487	Payless	7,500
Chick Fil A	4,526	Petco	12,000
Chipotle	2,160	Popeye's	2,664
Converse	3,017	Rue21	4,710
Discount Tire	6,947	Rocket Fizz	Opening Soon
Dunkin Donuts	2,149	Santa Cruz Sushi	Opening Soon
European Wax	1,353	Scheels	240,000
Express Factory	6,040	Skechers	3,040
Famous Footwear	4,803	Sportif dba Bearpaw & Co	3,568
Forever 21	23,170	Sports Clips	1,072
Freshberry	706	Style Brow	527
Fuddruckers	5,852	Taco Bell	2,556
Galaxy Theater	61,998	Target	144,100
Gamestop	1,600	The Fragrance Outlet	1,200
GAP	11,395	The Joint	1,373
GNC	1,028	TJ Maxx	24,647
Grimaldi's Pizza	3,961	Torrid	2,591
Guess? Factory	6,342	Trifecta dba O'Cleary's	23,963
Gymboree	2,532	Trusight VR	1,992
H&M	25,638	Uniform Destination	2,992
Jersey Mike's Subs	Opening soon	Vans Shoes	4,079
Jimmy Johns	1,321	Verizon	1,677
Key and Code	2,115	Volcom	2,735
Lane Bryant	5,181	Zales	1,600
LIDS	1,095	75 Locations Total Sq. Ft.	1,007,315

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