

2016 / 2017 Federal Framework





MAYOR
Geno R. Martini

CITY COUNCIL
Donald Abbott, Ward I
Ed Lawson, Ward II
Ron Smith, Ward III
Charlene Bybee, Ward IV
Kristopher Dahir, Ward V

CITY ATTORNEY
Chet Adams

December 12, 2016

Message from the Mayor

On behalf of the people of the City of Sparks, I'd like to thank you for your continued service to our state and nation.

Challenging economic times have forced local governments such as Sparks to provide services and functions more efficiently, reduce or eliminate services, find new revenue sources, and seek alternatives to the way local government business has historically been accomplished.

Today, I can say with optimism that we are continuing to weather economic challenges. People often ask me if Sparks has recovered from the recession. I am always hesitant to respond because the answer offers conflicting views. The fact is, we continue to struggle to ensure our revenues keep up with our expenses and inflation.

Using key economic factors such as unemployment, housing starts, building permits, and sales and property tax revenue, we are nowhere close to 2007 levels. I can say confidently however, that the City's economic indicators have stabilized. Most of our financial data depicts slight increases in sales and property tax revenue. Despite ongoing fiscal challenges, the last several months have brought some stability to our local economy that we have not seen in a while.

In four key planks, this document raises awareness to the continued needs of Sparks that can be brought to fruition through federal intervention. The City of Sparks is committed to working with our leaders in Washington, D.C. to provide the resources our city needs to carry out the municipal services our residents require.

Thank you for your review and consideration of support.

A handwritten signature in black ink that reads "Geno R. Martini".

Geno R. Martini
Mayor



Left to Right: Council Member Donald Abbott, Council Member Ed Lawson, Council Member Ron Smith, Mayor Geno Martini, Council Member Charlene Bybee, Council Member Kristopher Dahir, City Manager, Stephen Driscoll

Financial Highlights (2015-16)

Three primary sources comprise approximately 93 percent of the City of Sparks' total General Fund revenue.

- 1) Property Tax revenue is expected to increase approximately 1.6 percent in FY 2017, about \$2.3 million below the peak in FY 2009.
- 2) Consolidated and Fair Share Tax revenue (primarily sales tax) is expected to increase 7.5 percent over FY 2016 estimates, down 11.7 percent, or \$3 million since it peaked in FY 2006.
- 3) Business Licenses and Permits revenue is expected to increase 2.8 percent over FY 2016 estimates, down 2.7 percent or \$0.3 million since its peak in FY 2007.

The City's General Fund ending fund balance budgeted for FY 2017 is \$3.7 million. This is \$5.9 million, or a 61 percent reduction from the \$9.6 million in FY 2007 when the economic downturn began.

Facts – City of Sparks, Nevada	
City Slogan	"It's Happening Here!"
Vision Statement	Be the city of choice for residents, businesses, and visitors
Incorporated	March 15, 1905
Area	38+ square miles within city limits
Population	93,581 (2015)
Population Density	3,761 inhabitants per square mile
Households	33,502 ... 22,598 families reside in the City
Median Household Income	\$53,481 (2014)
School District	Washoe County School District <ul style="list-style-type: none"> • 2 public high schools • 3 public middle schools • 7 public elementary schools
Assessed Values	\$2,644,465,360 for the City \$85,829,515 for Redevelopment Area #1 \$91,818,461 for Redevelopment Area #2
Residential Dwellings	1,202,597 square feet
Lane Miles	717 miles
City Sewer Pipe	349.6 miles
Home-building permits Issued	364 permits (FY 2013-14) 536 permits (FY 2014-15) 585 (FY 2015-16)
Parks	50
Police	109 sworn officers
Fire Stations	5

Plank 1: PUBLIC SAFETY

The City's top priority lies with its adopted Strategic Goal #1, "Promote the safety of our residents, businesses, and visitors."

Sparks Police Department – Based on staffing reductions during the "Great Recession," Sparks Police Department was forced to cut 13 positions. With the slow economic recovery, police staffing remains behind the pre-recession numbers. The recent growth expectations, based on regional economic development efforts (Tesla, Switch, and others) indicate the City is projected to grow faster than public safety resources can match with traditional funding sources. This applies to both sworn and civilian positions within Sparks Police Department.



Increasing community-generated calls for service are reducing the amount of "free-time" for officers to participate in traditional community-oriented policing strategies. Efforts are being made to further interact with our diverse community using traditional and non-traditional means through community events, social media and officer interactions. With recent events and ambush-style attacks on law enforcement, staffing levels are at critical numbers for both officer and community safety.

The Sparks Police Department continues to use Office of Community Oriented Policing Services and other Federal funding sources such as JAG and Bulletproof Vest Partnership to defray operating costs to invest in personnel for our department.



Sparks Fire Department - The City supports the continuation of the following programs:

- Assistance to Firefighters Grants
- Staffing for Adequate Fire and Emergency Response Grants
- Fire Prevention & Safety Grants

The Sparks Fire Department is an all-risk emergency response agency. Last year, the Department responded to 12,822 emergency calls for service.

Because of the decline in revenues over the past five years, Sparks Fire Department has relied heavily on grant opportunities to fund critical equipment and valuable programs for the community. Recently the department was awarded a 2013 Assistance to Firefighters Grant to replace its inventory

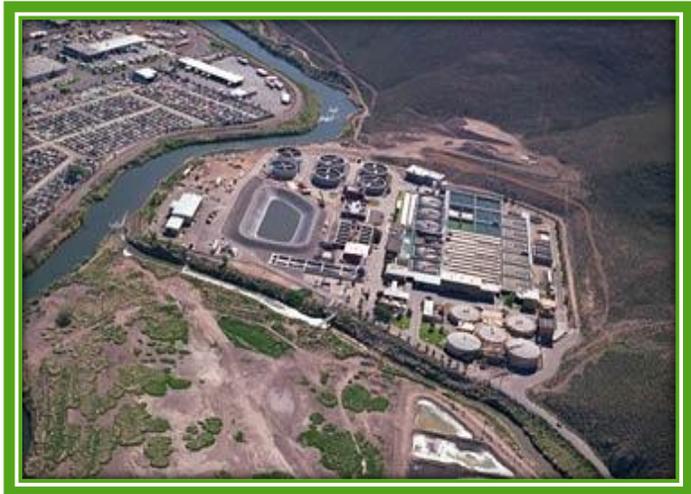
of obsolete self-contained breathing apparatus units. The Department also received fire prevention and safety grants from the Federal Emergency Management Agency, receiving awards in 2009, 2010, and 2011 to fund the successful Project SAFE (Survive a Fire Emergency) smoke detector installation program.

This program has installed 3,277 smoke alarms in 1,097 homes during the program's existence. The Department also received a 2011 Assistance to Firefighters Grant to replace inventory of obsolete radio equipment. Currently, the department has a pending application for a 2015 Assistance to Firefighter Grant for defibrillators.

Plank 2: COMMUNITY ASSETS

Truckee River Flood Control Project –

The Truckee River Flood Management Authority (TRFMA) was organized specifically to partner with the Federal Government through the Corps of Engineers to construct flood damage mitigation facilities to protect property throughout Washoe County. The construction of flood protection structures will protect approximately 2,100 acres of flood prone real estate in the central commercial and industrial area of Sparks, as well as flood prone areas within the City of Reno, including the



Reno/Tahoe International Airport and the surrounding commercial area.

The federal project, designed using 50-year protection criteria, received congressional authorization through passage of WRRDA 2014. The TRFMA Board of Directors is currently negotiating substitution of that federal plan for a more stringent 100-year design that was developed and approved by the Authority in 2013. Federal contribution will be approximately \$180 million, regardless of whether the 50-year or 100-year plan is actually constructed.



Truckee Meadows Water Reclamation Facility (TMWRF) –

TMWRF, jointly owned by the Cities of Sparks and Reno, and operated by Sparks, has provided service to residents for a half century. Sparks' five-year capital spending plan currently calls for a \$50 million investment in the aging facility, but falls short of funding required for major overhauls. Increasing federal regulatory standards and the need to implement treatment technology programs will require approximately \$30 million.

Larry D. Johnson Community Center – The next phase of the popular community center will provide essential community education, public meeting facilities, youth programming, and health and fitness facilities to one of Northern Nevada's most underserved communities. Staff is responding to grant opportunities from local foundations.



While Phase One (5,940 square feet) is primarily geared toward responding to youth-oriented interests and activities, Phase Two balances the project by providing classroom and meeting space for adults and community related activities. Program elements in this phase include flexible meeting space and classrooms. These rooms are intended to be versatile enough to support a variety of functions including art displays/exhibits and lectures. This phase of the project also sees the development of a large lobby space with a check-in counter. As a two-story volume with clerestory windows, this light filled environment is envisioned to create a dramatic entry statement with the intent to create a structure that will evoke a sense of civic pride. With access from courtyards on both the east and west, this space becomes the main circulation hub and will also serve as a gathering place for events and activities.

Phase Three of the development is the recreation component with locker rooms, gymnasium, and aerobic/meeting space. Additional toilet rooms, storage space and utility rooms are also included in this phase. Phase Three of the project accounts for 16,702 of the project total 33,659 square feet.

Total project design and costs is estimated at \$11 million.

CDBG and HOME – The Community Development Block Grant (CDBG) Program and HOME Investment Partnership (HOME) Program remains a vigorous funding component in addressing local needs of the Sparks community in the areas of public services, necessary infrastructure improvements, economic development initiatives, affordable housing demands and the increasing issues relative to ending homelessness.

CDBG – In 2015/2016 The City of Sparks received a total allocation of \$624,852 (a 5% deduction of \$36,105 less than the previous year's funding of \$660,957). The deduction of funding is a result of the national federal funding cutback in the Department of Housing and Urban Development (HUD) budget. HUD did advise jurisdictions of the forthcoming funding reduction prior to the grant awards, and before other jurisdictions realized similar funding allocation deductions.

The City of Sparks housing market remains in a steady progressive incline. Current housing market trends in the City of Sparks show a 3% rise in median sales price and a 0% rise in median rent per month. The median sales price of a home in the City of Sparks is \$272,000

and the median rent is \$1,550 versus \$290,000 median sales price and \$1,600 median rent in the City of Reno (source ref. 2016 Trulia Real Estate, Inc.).

Based on the most recent American Community Survey data (i.e. 2014) we can glean that the female head of household remains the most distressed in terms of poverty level as follows:

POVERTY RATE IN SPARKS	2011 (%)	2012 (%)	2013(%)	2014(%)
All Families	9.5	10.8	10.1	9.8
Families with Children under 18	14.6	17.0	16.2	15.9
Families with Children under 5	15.3	17.6	19.4	17.5
Families with single female-head of household and with children under 18	31.4	34.5	31.7	32.4
Families with single female-head of household and with children under 5	38.0	33.5	34.5	38.1
All People	12.9	13.4	13.1	13.2

As indicated in the above table: the single female head of household is often double, and in some cases four times more likely to find themselves in poverty conditions in the City of Sparks (source ref. 2014 ACS Selected Economic Characteristics).

Sparks utilizes CDBG funds to partner with local jurisdictions to support the Continuum of Care (a strategic planning initiative to move persons and families from homelessness to shelter), the Silver State Fair Housing Council, and the Community Assistance Center (CAC).

The City of Sparks also utilizes a portion of its CDBG funding allocation for the rehabilitation of homes owned and occupied by low-to-moderate income households. The Housing Rehabilitation Program is comprised of two elements:

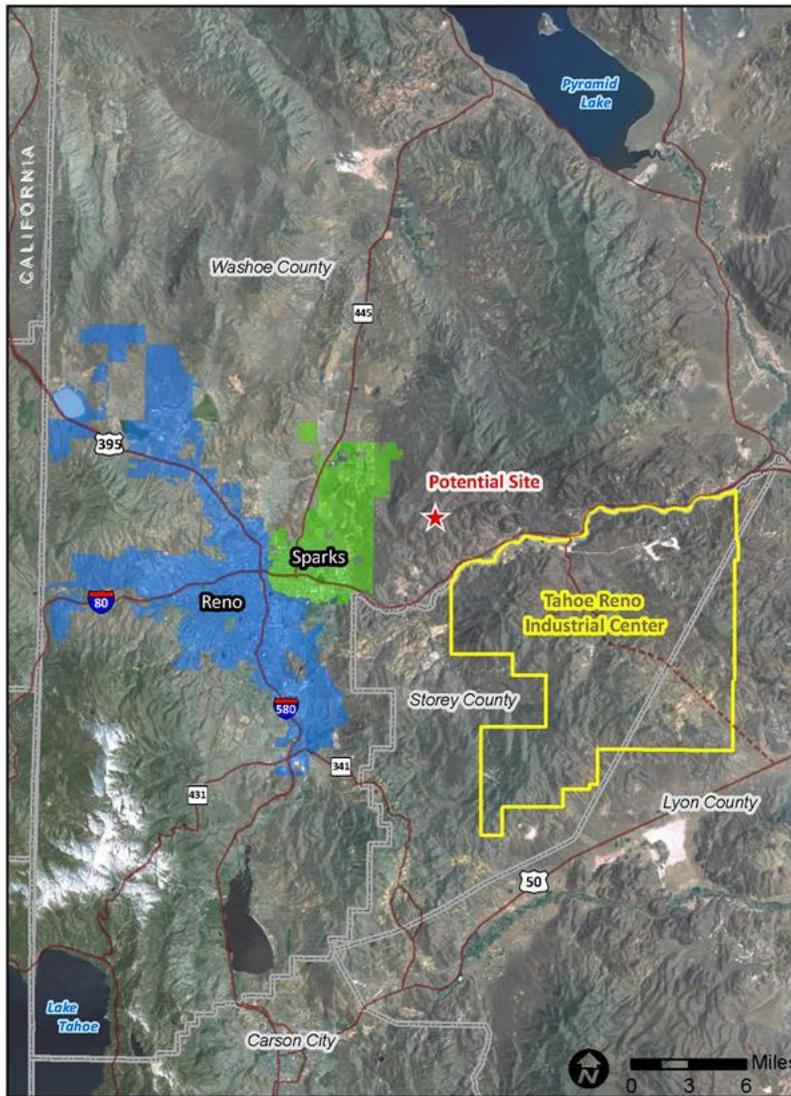
- Housing Rehabilitation Deferred Loan Program – Qualifying single-family homeowners receive zero percent interest deferred loans up to \$20,000 to perform essential repairs of their primary residence.
- Emergency Repair Grant Program – Qualifying single-family homeowners receive a one-time grant up to \$2,500 to address life safety emergencies and ADA modifications of their primary residence.

CDBG allocations for 2016/17 will allow the City to continue efforts to upgrade aging infrastructure with pedestrian improvements in low to moderate income neighborhoods. The specific boundaries of pedestrian improvements will be a continuation of the area implemented the previous year; 16th Street and F Street.

HOME – The City of Sparks is a sub-recipient of funding from the Washoe County HOME Consortium (WCHC) whereby the City of Reno is the lead agency and the City of Sparks and Washoe County are participating jurisdictions. For FY 2016/17 the WCHC will invest HOME and other leveraged funds up to \$1,390,627 for development of a new construction 40-unit affordable senior citizen rental apartment development project (Alpine Haven) on the intersection of Oddie Boulevard and Sullivan Lane in the City of Sparks.

WASHOE COUNTY LANDS BILL - The City has identified Federal land for potential disposal land and also future development in and adjacent to Sparks. The City is working closely with Washoe County to advance a Northern Nevada Public Lands bill. The bill will likely be similar to the Southern Nevada Public Land Management Act and the Pershing County Economic Development and Conservation Act. The bill is expected to focus on the designation of wilderness, mostly in rural, northern Washoe County, and identify a process to dispose of Federal land for public and private development. If the bill follows precedent, 85% of the proceeds from land sales will go to the federal government for use in Nevada; 5% will go to the State of Nevada for education; and 10% be allocated to Washoe County for general use. We are participating to develop a consensus bill for submission to the delegation mid to late 2016.

Regional Overview



MARKETPLACE FAIRNESS ACT / REMOTE TRANSACTION PARITY ACT OF 2015 – On November 12, 2013, the Sparks City Council voted to approve Resolution No. 3248 supporting the Marketplace Fairness Act, including the support in the City's federal framework and list of federal priorities. Additionally, on July 7, 2015, Mayor Martini sent a letter to Nevada's congressional delegation, supporting the Remote Transaction Parity Act of 2015, the House companion bill to the Marketplace Fairness Act.

Both acts maintain the authority to compel online and catalog retailers, no matter where they are located, to collect sales tax at the time of transaction. The measures provide a level playing field for local businesses by allowing individual states the authority to streamline their sales tax laws and collect sales taxes directly from online retailers.

According to the National League of Cities, uncollected taxes from Nevada on all remote sales in 2012 equaled \$344,923,618. Both the National and Nevada League of Cities have formally taken a position of support for the Marketplace Fairness Act. Also, a recent report from HIS Global found that Washoe County lost about \$2.7 million in 2011, \$3 million in 2012, and \$3.5 million in 2013 that could have been collected through e-commerce.

Plank 3: SUSTAINABLE ENERGY

Sparks has made tremendous strides in building renewable energy (photovoltaic) projects at several locations around the City. Sparks is committed to continuing efforts to reduce energy costs through renewable energy projects, although funding sources to construct these projects are difficult to secure because the Nevada Energy Rebate program has been limited.

For those sites with solar energy, in 2012 the City reduced its power bill by more than \$86,000, a decrease of 56 percent.



Sparks Police Department Photovoltaic Project

Photovoltaic Projects - To continue the trend in reducing energy bills for the City of Sparks, savings can be put toward more critical services such as public safety. The following City facilities have the capacity to accommodate photovoltaic systems:

- Sparks Fire Stations Two and Three
- Alf Sorensen Community Center
- Parks and Recreation Center

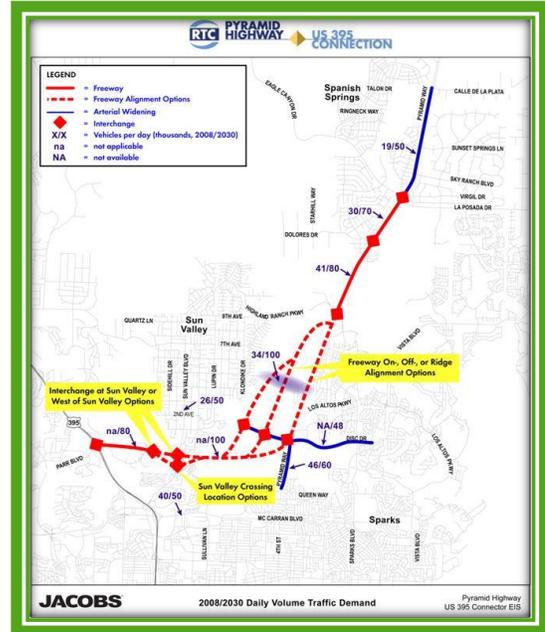
Estimated cost to construct and install is \$750,000.

Truckee Meadows Water Reclamation Facility (TMWRF) - In addition to necessary improvements noted in the Community Asset Plank, TMWRF seeks to lower energy and operational costs and to be energy self-sufficient in the future. To achieve these goals TMWRF is looking to retrofit the facility with a variety of different arrangements, estimated to cost between \$21 and \$38 million, and making the plant 45 to 98 percent energy independent. As a result, the plant could save \$1.2 to \$4.9 million a year in energy and operational costs.

Plank 4: TRANSPORTATION

Transportation – The City of Sparks supports maintaining and / or increasing federal transportation funds to support the region's Metropolitan Planning Organization (Washoe County Regional Transportation Commission) to continue to fund priority projects for Sparks.

Pyramid Highway / US 395 Connector – Development in north Sparks and Spanish Springs has experienced dramatic growth since 2000 and has overwhelmed transportation facilities. The Connector is a component of significant future improvements planned on Pyramid Highway between McCarran and La Posada Drive. The Connector is designed to alleviate pressure on north / south traffic in Sparks and improve east / west connectivity from Pyramid to US 395 and east to Vista Boulevard. Total project costs are estimated at \$700 - \$800 million. The Environmental Impact Statement (EIS) is nearing completion. The first phase could be underway in 2021.



Interstate 11 – On October 13, 2013, the Sparks City Council passed a Resolution Supporting Interstate 11 and Future North-South Extension Through the Sparks/Reno and Truckee Meadows Region. Congress recognized the importance of the US 93 Corridor between Phoenix and Las Vegas and designated it as the future Interstate 11 in the recent transportation authorization bill, *Moving Ahead for Progress in the 21st Century Act* (MAP-21).

Studies have indicated that if extended north of Las Vegas through the intermountain west to the Canadian border, the corridor has the potential to become a major multimodal route. Future alignments includes the segment between Las Vegas northward, with possible scenarios to include connectivity through Sparks/Reno.

Connecting Las Vegas to the Sparks-Reno region would support economic diversification efforts by improving linkage from northwestern Nevada to southern Nevada, as well as other major metropolitan areas between the Mexican and Canadian borders.