

Exhibit 6 - Fiscal Impact Analysis Letter



April 16, 2020

Mr. Blake Smith
S3 Development Company, LLC
1 East Liberty Street
Suite 444
Reno, NV 89501

Re: Update of Fiscal Impact Analysis of Proposed Quarry Development

Dear Mr. Smith:

Per your request, I updated the fiscal impact analysis of The Quarry¹ project originally conducted in December 2017 and updated previously in June 2018. The difference between the December 2017 and June 2018 reports was an additional of 84,000 square feet of streets to be constructed by the Developer and dedicated to the City of Sparks for maintenance.

There are a number of differences between the original and June 2018 reports and this recent update. Both older reports assumed 1,223 residential units constructed in seven villages over 196.50 acres. They also included 141,570 square feet of general commercial space on 13 acres of land. The analyses assumed the project will be constructed between 2018 and 2023.

This April 2020 update assumes 1,220 residential units in ten villages over 205.80 acres of land. No commercial space is assumed to be included in the project. This update assumes the project will be constructed between 2021 and 2026. The update also increases the length of roads dedicated to the City of Reno for maintenance from 1.1 million square feet included in the June 2018 report to 1.3 million square feet.

The latest update uses the original fiscal impact methodology, changing only above inputs, including update of construction schedule, removal of commercial space, change in residential units by village, and corresponding unit sales prices and taxable values. Inflation factors were also updated from 2018 levels. No changes to the original methodology were made.

¹ The project has more recently been referred to as 5 Ridges. To be consistent with the original fiscal impact studies, the project will continue to be referred to in this update report as The Quarry.

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Table 1 below shows impacts of The Quarry/5 Ridges project on the City of Sparks General Fund estimated in the original December 2017 report, June 2018 update, and most recent April 2020 update. The table shows the project's General Fund surplus, over the 20-year analysis period, was estimated at \$14.3 million in the original report, \$14.1 million in the June 2018 update, and \$20.2 million in the April 2020 update. The increase in the revenue surplus in the April 2020 report is due to changes in the residential unit mix towards larger lot units and inflation in home values due to regional real estate market growth.

Table 1. Comparison of General Fund Impacts

Year	December 2017 Report				June 2018 Update				April 2020 Update			
	Total Project Revenue	Total Project Costs	Annual Revenue Surplus	Cumulative Revenue Surplus	Total Project Revenue	Total Project Costs	Annual Revenue Surplus	Cumulative Revenue Surplus	Total Project Revenue	Total Project Costs	Annual Revenue Surplus	Cumulative Revenue Surplus
2018	\$ 54,948	\$ -	\$ 54,948	\$ 54,948	\$ 54,948	\$ -	\$ 54,948	\$ 54,948	\$ 123,546	\$ 44,128	\$ 79,418	\$ 79,418
2019	214,704	127,082	87,622	142,570	214,704	131,793	82,911	137,859	561,744	376,045	185,699	265,117
2020	657,964	471,101	186,863	329,433	657,964	475,953	182,011	319,870	1,247,273	843,709	403,565	668,681
2021	1,116,366	770,640	345,726	675,159	1,116,366	775,638	340,728	660,599	1,951,073	1,290,583	660,489	1,329,171
2022	1,599,636	1,080,582	519,054	1,194,213	1,599,636	1,085,729	513,907	1,174,505	2,443,521	1,594,968	848,553	2,177,724
2023	2,069,269	1,428,133	641,136	1,835,349	2,069,269	1,433,435	635,834	1,810,339	2,721,843	1,773,344	948,500	3,126,223
2024	2,432,609	1,714,223	718,386	2,553,735	2,432,609	1,719,684	712,925	2,523,264	2,858,791	1,866,374	992,417	4,118,640
2025	2,505,588	1,764,183	741,404	3,295,139	2,505,588	1,769,808	735,780	3,259,044	2,944,555	1,921,142	1,023,413	5,142,052
2026	2,580,755	1,815,642	765,114	4,060,253	2,580,755	1,821,435	759,320	4,018,364	3,032,891	1,977,553	1,055,339	6,197,391
2027	2,658,178	1,868,644	789,534	4,849,787	2,658,178	1,874,611	783,567	4,801,931	3,123,878	2,035,656	1,088,222	7,285,613
2028	2,737,923	1,923,236	814,687	5,664,474	2,737,923	1,929,383	808,541	5,610,471	3,217,594	2,095,502	1,122,092	8,407,705
2029	2,820,061	1,979,466	840,595	6,505,069	2,820,061	1,985,797	834,264	6,444,735	3,314,122	2,157,143	1,156,979	9,564,684
2030	2,904,663	2,037,383	867,279	7,372,348	2,904,663	2,043,904	860,759	7,305,494	3,413,546	2,220,634	1,192,912	10,757,596
2031	2,991,803	2,097,038	894,765	8,267,113	2,991,803	2,103,754	888,048	8,193,542	3,515,952	2,286,030	1,229,923	11,987,519
2032	3,081,557	2,158,482	923,075	9,190,188	3,081,557	2,165,400	916,157	9,109,699	3,621,431	2,353,387	1,268,044	13,255,562
2033	3,174,003	2,221,770	952,234	10,142,422	3,174,003	2,228,895	945,109	10,054,808	3,730,074	2,422,765	1,307,309	14,562,871
2034	3,269,224	2,286,956	982,268	11,124,690	3,269,224	2,294,295	974,929	11,029,737	3,841,976	2,494,224	1,347,752	15,910,623
2035	3,367,300	2,354,097	1,013,203	12,137,893	3,367,300	2,361,657	1,005,644	12,035,381	3,957,235	2,567,828	1,389,408	17,300,030
2036	3,468,319	2,423,253	1,045,066	13,182,959	3,468,319	2,431,039	1,037,280	13,072,661	4,075,952	2,643,639	1,432,313	18,732,344
2037	3,572,369	2,494,484	1,077,885	14,260,844	3,572,369	2,502,503	1,069,865	14,142,526	4,198,231	2,721,724	1,476,506	20,208,850
Total	\$ 47,277,239	\$ 33,016,396	\$ 14,260,844	\$ 142,608,850	\$ 47,277,239	\$ 33,134,713	\$ 14,142,526	\$ 142,608,850	\$ 57,895,230	\$ 37,686,379	\$ 20,208,850	\$ 20,208,850

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Table 2 shows the comparison of the impacts of The Quarry/5 Ridges on the City's Road Fund over the 20-year analysis period. The December 2017 report found a deficit for the Road Fund of \$11.5 million over the 20-year analysis period. Adding the 84,000 square feet of streets (June 2018 update) increased the deficit for the Fund to \$12.8 million. The April 2020 report shows a deficit of \$19.5 million due to the increase of estimated public streets from the 1.1 million square feet in the June 2018 report to 1.3 million square feet in the April 2020 report.

Table 2. Comparison of Road Fund Impacts

Year	December 2017 Report						June 2018 Update						April 2020 Update					
	Total		Annual		Cumulative		Total		Annual		Cumulative		Total Project		Annual		Cumulative	
	Project Revenue	Total Project Costs	Revenue	Surplus	Revenue	Surplus	Project Revenue	Total Project Costs	Revenue	Surplus	Revenue	Surplus	Revenue	Costs	Revenue	Surplus	Revenue	Surplus
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	522	(522)		(522)		-	784	(784)		(784)		23,066	1,221,784	(1,198,718)		(1,199,255)	
2020	31,718	819,813	(788,094)	(788,094)	(788,094)	31,718	888,285	(856,567)	(856,567)	(856,567)	(857,351)	2020	68,899	1,222,151	(1,153,252)		(2,352,507)	
2021	65,076	820,247	(755,171)	(1,543,787)	(1,543,787)	65,076	888,737	(823,661)	(823,661)	(1,681,012)	(1,681,012)	2021	121,924	1,223,732	(1,101,808)		(3,454,315)	
2022	98,507	821,873	(723,366)	(2,267,154)	(2,267,154)	98,507	890,382	(791,875)	(791,875)	(2,472,887)	(2,472,887)	2022	158,793	1,225,550	(1,066,757)		(4,521,072)	
2023	137,239	824,087	(686,848)	(2,954,002)	(2,954,002)	137,239	892,614	(755,375)	(755,375)	(3,228,261)	(3,228,261)	2023	180,661	1,227,800	(1,047,140)		(5,568,212)	
2024	176,048	825,709	(649,661)	(3,603,663)	(3,603,663)	176,048	894,255	(718,207)	(718,207)	(3,946,468)	(3,946,468)	2024	191,900	1,229,791	(1,037,890)		(6,606,102)	
2025	181,329	825,862	(644,533)	(4,248,196)	(4,248,196)	181,329	894,428	(713,098)	(713,098)	(4,659,567)	(4,659,567)	2025	197,657	1,229,983	(1,032,326)		(7,638,428)	
2026	186,769	826,019	(639,250)	(4,887,446)	(4,887,446)	186,769	894,604	(707,834)	(707,834)	(5,367,401)	(5,367,401)	2026	203,587	1,230,180	(1,026,593)		(8,665,020)	
2027	192,372	826,179	(633,806)	(5,521,252)	(5,521,252)	192,372	894,783	(702,411)	(702,411)	(6,069,812)	(6,069,812)	2027	209,695	1,230,380	(1,020,685)		(9,685,706)	
2028	198,143	826,341	(628,198)	(6,149,450)	(6,149,450)	198,143	894,967	(696,823)	(696,823)	(6,766,635)	(6,766,635)	2028	215,986	1,230,584	(1,014,599)		(10,700,304)	
2029	204,088	826,507	(622,420)	(6,771,870)	(6,771,870)	204,088	895,154	(691,066)	(691,066)	(7,457,701)	(7,457,701)	2029	222,465	1,230,793	(1,008,328)		(11,708,632)	
2030	210,210	826,677	(616,466)	(7,388,336)	(7,388,336)	210,210	895,344	(685,134)	(685,134)	(8,142,835)	(8,142,835)	2030	229,139	1,231,005	(1,001,866)		(12,710,498)	
2031	216,517	826,850	(610,333)	(7,998,669)	(7,998,669)	216,517	895,539	(679,022)	(679,022)	(8,821,857)	(8,821,857)	2031	236,013	1,231,222	(995,209)		(13,705,707)	
2032	223,012	827,026	(604,014)	(8,602,683)	(8,602,683)	223,012	895,737	(672,725)	(672,725)	(9,494,582)	(9,494,582)	2032	243,094	1,231,443	(988,350)		(14,694,056)	
2033	229,703	827,206	(597,503)	(9,200,185)	(9,200,185)	229,703	895,939	(666,237)	(666,237)	(10,160,819)	(10,160,819)	2033	250,386	1,231,669	(981,282)		(15,675,339)	
2034	236,594	827,389	(590,795)	(9,790,981)	(9,790,981)	236,594	896,146	(659,552)	(659,552)	(10,820,371)	(10,820,371)	2034	257,898	1,231,899	(974,001)		(16,649,340)	
2035	243,691	827,576	(583,884)	(10,374,865)	(10,374,865)	243,691	896,356	(652,665)	(652,665)	(11,473,036)	(11,473,036)	2035	265,635	1,232,134	(966,499)		(17,615,838)	
2036	251,002	827,767	(576,764)	(10,951,630)	(10,951,630)	251,002	896,571	(645,569)	(645,569)	(12,118,605)	(12,118,605)	2036	273,604	1,232,373	(958,769)		(18,574,607)	
2037	258,532	827,961	(569,429)	(11,521,059)	(11,521,059)	258,532	896,790	(638,258)	(638,258)	(12,756,862)	(12,756,862)	2037	281,812	1,232,617	(950,805)		(19,525,412)	
Total	\$ 3,340,551	\$14,861,610	\$(-11,521,059)			Total	\$ 3,340,551	\$16,097,414	\$(-12,756,862)			Total	\$ 3,832,215	\$ 23,357,627	\$(-19,525,412)			

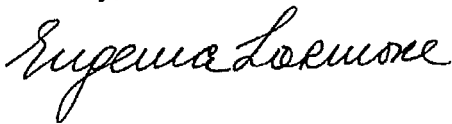
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This analysis shows that The Quarry project is still expected to have a **positive fiscal impact** on the City of Sparks, as the projected General Fund surplus is expected to exceed the estimated deficit in the Road Fund. This includes a \$1.1 million contingency amount for the City's General Fund.

Updated Appendices 1-4 and 6-9 of the April 2020 fiscal impact analysis are attached. Appendix 5, Estimated Permit and Impact Fee Revenue, of the original report has not been updated and is not included in this analysis as it is no longer required by the City of Sparks. Please see the original December 2017 report for detailed methodology, assumptions, and other information.

Please contact me with any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Eugenia Larmore".

Eugenia Larmore, PhD, MBA