

December
2019

FIVE-YEAR REVENUE AND EXPENDITURE PROJECTIONS

--

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT

PREPARED BY:

EKAY | ECONOMIC CONSULTANTS

550 WEST PLUMB LANE, B459

RENO, NV 89509

(775) 232-7203

WWW.EKAYCONSULTANTS.COM

TABLE OF CONTENTS

INTRODUCTION.....	1
I. REVENUE PROJECTIONS.....	3
Table 1. TMFPD General Fund Revenues.....	3
Property Tax Revenue.....	3
Growth in Existing Assessed Valuation	4
Table 2. Historical Growth in TMFPD Assessed Valuation	5
Table 3. Historical Property Tax Cap Rates for Washoe County.....	5
Growth in Additional Assessed Valuation	6
Figure 1. TMFPD Residential Construction Activity - September 2019	7
Table 4. TMFPD Residential Construction Activity, Active Projects - September 2019	8
Table 5. TMFPD Residential Construction Activity, Pending Projects - September 2019..	9
Table 6. TMFPD Residential Construction Projections - September 2019	10
Table 7. TMFPD Population Projections - September 2019	11
Table 8. TMFPD Additional Taxable Valuation Projections.....	13
Table 9. TMFPD Projected Additional Residential Property Tax Revenue.....	14
Table 10. TMFPD Historical Number of Commercial Acres, Square Footage and Taxable Value Added	15
Table 11. TMFPD Historical Number of Industrial Acres, Square Footage and Taxable Value Added	17
Table 12. TMFPD Projected Additional Commercial and Industrial Property Tax Revenue	18
Table 13. TMFPD Projected Additional Property Tax Revenue-Residential, Commercial, and Industrial.....	18
Sales Tax Revenue	19
Table 14. Washoe County Actual and Projected Population Estimates	21
Table 15. Washoe County Components of Personal Income and Per Capita Income	22
Figure 2. Comparison of Washoe County Historical Taxable Sales, CCRT Revenue, and Combined Growth Rates	23

Five-Year Revenue and Expenditure Projections-TMFPD

Table 16. Washoe County Projected Population, Per Capita Income, and Combined Growth Rates	24
Other Revenue Sources.....	25
Intergovernmental Revenue.....	25
Table 17. Washoe County Non-CCRT CTax Components	26
Table 18. Washoe County Non-Sales and Property Tax AB104 Components.....	27
Table 19. Weighted Average Growth Rates for AB104 Non-Property and Sales Tax Components.....	28
Licenses and Permits.....	29
Charges for Services.....	29
Miscellaneous	29
Table 20. TMFPD Projected General Fund Revenue.....	30
II. EXPENDITURE PROJECTIONS.....	31
Salaries and Wages.....	31
Table 21. TMFPD General Fund Salary and Wages Projections and Assumptions.....	31
Employee Benefits.....	32
Table 22. TMFPD General Fund Employee Benefits Projections and Assumptions	32
Services and Supplies.....	32
Table 23. TMFPD General Fund Services and Supplies Projections and Assumptions.....	33
Table 24. TMFPD Summary of Base General Fund Expenditure Projections	33
III. COMPARISON OF REVENUE AND EXPENDITURE PROJECTIONS.....	34
Table 25. TMFPD Comparison of Revenue and Base Expenditure Projections	34
LIMITING CONDITIONS & DISCLOSURES	35

INTRODUCTION

Ekay Economic Consultants, Inc. (EEC), in partnership with the Center for Regional Studies at the University of Nevada, Reno, was retained by the Truckee Meadows Fire Protection District (TMFPD) to provide a projection of the District's revenues and expenditures over a five-year period. This revenue and expenditure report is divided into three sections:

- Section 1-Revenue Projections-estimates revenues from all major sources for the TMFPD General Fund over a five-year period starting in 2020. This includes property tax, intergovernmental, licenses and permits, charges for services, and miscellaneous sources.
- Section 2-Expenditure Projections-estimates General Fund base expenditures for the district. This includes costs associated with existing levels of salaries and wages, benefits, and services and supplies. The analysis does not assume any costs associated with additional staffing, changes in services and supplies purchases, and additional capital expenditures.
- Section 3-Comparison of Revenue and Expenditure Projections-compares projected revenue and base expenditure estimates to determine the amount of funds available each year for additional operating and capital expenditure obligations.

According to the Truckee Meadows Fire Protection District Budget document for FY 2019-20, the District had six funds: General, Capital Projects, Emergency, Sick Annual Comp Benefits, Stabilization, and Worker's Compensation. This report focuses on the revenue and expenditures projections for the General Fund only. Other funds are excluded for the following reasons.

Capital Projects Fund funds purchases of equipment and services for the District. The primary source of revenue for the Fund is through transfers from the General Fund, as it is for the Sick Annual Comp Benefits Fund. As a result, by estimating the impact on the General Fund, the analysis includes considers remaining revenue available for the Capital Projects and Sick Annual Comp Benefits funds.

The Emergency Fund is funded primarily through reimbursement revenue and an existing fund balance. Reimbursement revenue fluctuates from year to year and is difficult to predict. As the fund balance for the fund continues to decline, a new reimbursement plan or alternate source of revenue may be needed for this fund. Similarly, the Stabilization Fund is funded through investment earnings, which vary from year to year, and existing fund balance. The Worker's Compensation Fund is a proprietary fund, which operates as a business and must break-even. As a result, this fund is also not included in the analysis.

Revenues and expenditures for the TMFPD will be projected over a five-year period. The analysis uses the budgeted FY 2019-2020 revenues and expenditures as the base amount to which growth rates estimated in this analysis are applied. The projections, therefore, cover the period between FY 2020-21 and FY 2024-25. A comparison of the revenues and expenditures is provided for each year to determine the amount of revenue surplus or deficit in each year of analysis.

[Remainder of Page Intentionally Left Blank]

I. REVENUE PROJECTIONS

Revenue Projections-estimates revenues from all major sources for the TMFPD General Fund over a five-year period starting in 2020. This includes property tax, Consolidated tax, licenses and permits, charges for services, and miscellaneous sources. Table 1 shows a summary of General Fund revenues for the TMFPD.

Table 1. TMFPD General Fund Revenues¹

Revenue	Actual FY 2017-18	Estimated FY 2018-19	Budget FY 2019-20	FY 2019-20 % Of Total
Property Tax				
General	\$ 17,481,770	\$ 18,620,088	\$ 19,748,845	64.2%
AB104	249,589	236,506	246,855	0.8%
Sales Tax				
CTax	\$ 6,790,656	\$ 6,937,478	\$ 7,370,323	24.0%
AB104	1,315,765	506,228	506,228	1.6%
Intergovernmental				
Remainder CTax	\$ 1,555,940	\$ 1,660,489	\$ 1,764,090	5.7%
Remainder AB104	167,956	65,024	92,558	0.3%
Interlocal agreement	535,165	585,000	585,000	1.9%
Other	-	2,014	-	0.0%
Licenses and Permits				
Licenses and Permits	\$ 1,625	\$ 1,050	\$ 1,000	0.0%
Charges for Services				
Charges for Services	\$ 22,993	\$ 10,470	\$ 68,000	0.2%
Miscellaneous				
Miscellaneous	\$ 462,968	\$ 442,688	\$ 369,473	1.2%
TOTAL	\$ 28,584,427	\$ 29,067,035	\$ 30,752,372	100.0%

PROPERTY TAX REVENUE

TMFPD receives the majority of its revenue from property (ad valorem) taxes. In fiscal year (FY) 2019-20, property tax revenue is expected to account for 64.2% of total General Fund revenue.² This includes revenue from the General Fund rate of \$0.5400 per \$100 of assessed value, plus a portion of the Local Government Tax Act (AB104) rate of \$0.0272 per \$100 of assessed value.

¹ TMFPD Budget document, FY 2019-20.

² TMFPD Budget document, FY 2019-20.

Property taxes in Nevada are based on depreciated replacement value of buildings and market value of land. This constitutes the taxable value. Assessed value is estimated at 35% of taxable value and above tax rates are applied to the assessed value. Taxable value growth in the TMFP District is generated through two sources. First, existing assessed values increase/decline with the changes in the market. Property tax revenue growth on existing properties is capped (abated) at 3% per year for residential properties used as primary residences and 8% for non-primary residential properties and all commercial/industrial properties.

Second, assessed valuation in the District can increase with improvement of existing parcels. This can be accomplished by switching land uses from lower to higher usages, such as changing vacant land designation to residential or commercial designation, and/or construction of new or improvement of existing buildings. This report considers both sources of revenue growth for its revenue projections.

Growth in Existing Assessed Valuation

According to the budget documents for the Truckee Meadows Fire Protection District, assessed valuation of properties for the District in fiscal year (FY) 2019-20 was \$4,322,729,578. Given the property tax rate of \$0.54 per \$100 of assessed valuation, the District's property tax revenue would be estimated at \$23,342,740. However, the District has \$3,593,895 in abated revenue in FY 2019-20, resulting in a budgeted property tax revenue for the District of \$19,748,845. The District also receives a portion of the District's collection of revenue from the AB104 property rate of \$0.0272 per \$100 of assessed value. This revenue is estimated at \$246,855 in FY 2019-20. These amounts are the base from which property tax revenue from existing properties is estimated over the five-year period.

An analysis of matching parcels within TMFPD shows changes in assessed values for these parcels for economic reasons, rather than changes to parcel characteristics.³ The analysis shows assessed land values in TMFPD increased by an average of 11% per year. Excluding

³ Marching parcels analysis is based on 2019 QuickInfo (2019, 2018, and 2017) and 2016 QuickInfo (2016, 2015, and 2014) files from Washoe County Assessor's Office. Analysis includes all parcels within the TMFPD, excluding all parcels with no assessed data during any of the analysis years and/or parcels that experienced changes in APN, land acreage, building square footage, land use, or year build data across analysis years.

any changes to land uses, improvement values increased by an average of 2.7% per year, due to market forces only. Total assessed values (land and improvements) increased by 5.5% per year. This is shown in Table 2.

Table 2. Historical Growth in TMFPD Assessed Valuation⁴

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Growth Rate
\$Millions							
Land	\$ 2,610.6	\$ 2,899.4	\$ 3,257.6	\$ 3,455.5	\$ 3,740.9	\$ 4,394.6	
% Change		11.1%	12.4%	6.1%	8.3%	17.5%	11.0%
Improv.	6,008.0	6,475.6	6,666.2	6,683.8	6,720.1	6,867.6	
% Change		7.8%	2.9%	0.3%	0.5%	2.2%	2.7%
Total	\$8,618.6	\$ 9,375.0	\$9,923.8	\$10,139.3	\$10,461.0	\$11,262.3	
% Change		8.8%	5.9%	2.2%	3.2%	7.7%	5.5%

However, as discussed above, while assessed values growth is not limited, revenue generated by these values is capped at 3% and 8%. Table 3 shows the allowed property cap rates for Washoe County. This includes owner occupied and below market rate rental properties, revenues from which can increase up to 3% per year (“residential cap”), and rental and commercial properties, revenues from which can increase up to 8% per year (“general cap”). The table shows that over the past five years, residential cap increased by an average of 2.4% per year, with rates increasing by 3% for the past two years. General cap rates increased by an average of 3% over the five-year period, with 4.2% and 4.8% growth in the past two years.

Table 3. Historical Property Tax Cap Rates for Washoe County⁵

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average Rate
Residential Cap	3.0%	0.2%	2.6%	3.0%	3.0%	2.4%
General Cap	3.2%	0.2%	2.6%	4.2%	4.8%	3.0%

According to data for the TMFPD from the Washoe County Assessor’s Office, total assessed valuation of the District was \$4.4 billion in FY 2019-20. Of this, \$2.7 billion (60.9%) was made up of properties under the residential cap rate. Using this ratio, weighted average historical cap rate (combining residential and general caps) over the past five years is estimated at 2.6%. Combined growth rate in FY 2018-19 is estimated at 3.5% and 3.7% in FY 2019-20.

⁴ Data from Washoe County Assessor’s Office, analysis by EEC.

⁵ Nevada Department of Taxation, Local Government Finance, Property Tax Rates for Nevada Local Governments.

While there has been much discussion of a potential recession starting in 2020 or thereafter. The impact of this recession on housing prices and housing demand in the region is not expected to be significant given the demand for housing generated by employment growth. Nevada Department of Employment, Training, and Rehabilitation (DETR) is projecting over 56,000 new employees in the Reno-Sparks MSA (includes Washoe and Storey counties), a growth of 24.7% between 2016 and 2026.⁶

Also, lack of industrial and other developable land in Washoe County is expected to continue to increase land values as development continues to occur. Finally, Marshall and Swift data, which is used to estimate improvement values in Nevada lags at least two years, which indicates high construction costs will occur for at least two years after the start of the recession.

As a result, the analysis assumes a 3.5% annual property tax growth for the first two years of analysis projections (FY 2020-21 and FY 2021-22) before reducing this growth amount to 3% for the remaining three years of projections. This is greater than the five-year average cap rates for the region, which were low due to the region's recovery from the Great Recession, but conservatively lower than the average growth rates for the past two years.

Growth in Additional Assessed Valuation

New residential and commercial construction within the boundaries of the TMFPD will generate additional revenue for the District. This section discusses projections for future development in the District and resulting property tax revenue. Information in this section was collected through cooperation with the Center for Regional Studies at the University of Nevada, Reno and data from the Washoe County Assessor's Office website.

Residential Development

Figure 1 shows a map of existing residential developments within the TMFPD boundaries in various stages of construction and approval. Tables 4 and 5 show details for each residential project shown in Figure 1.

⁶ Nevada Department of Employment, Training, and Rehabilitation, Industry Employment Projections.

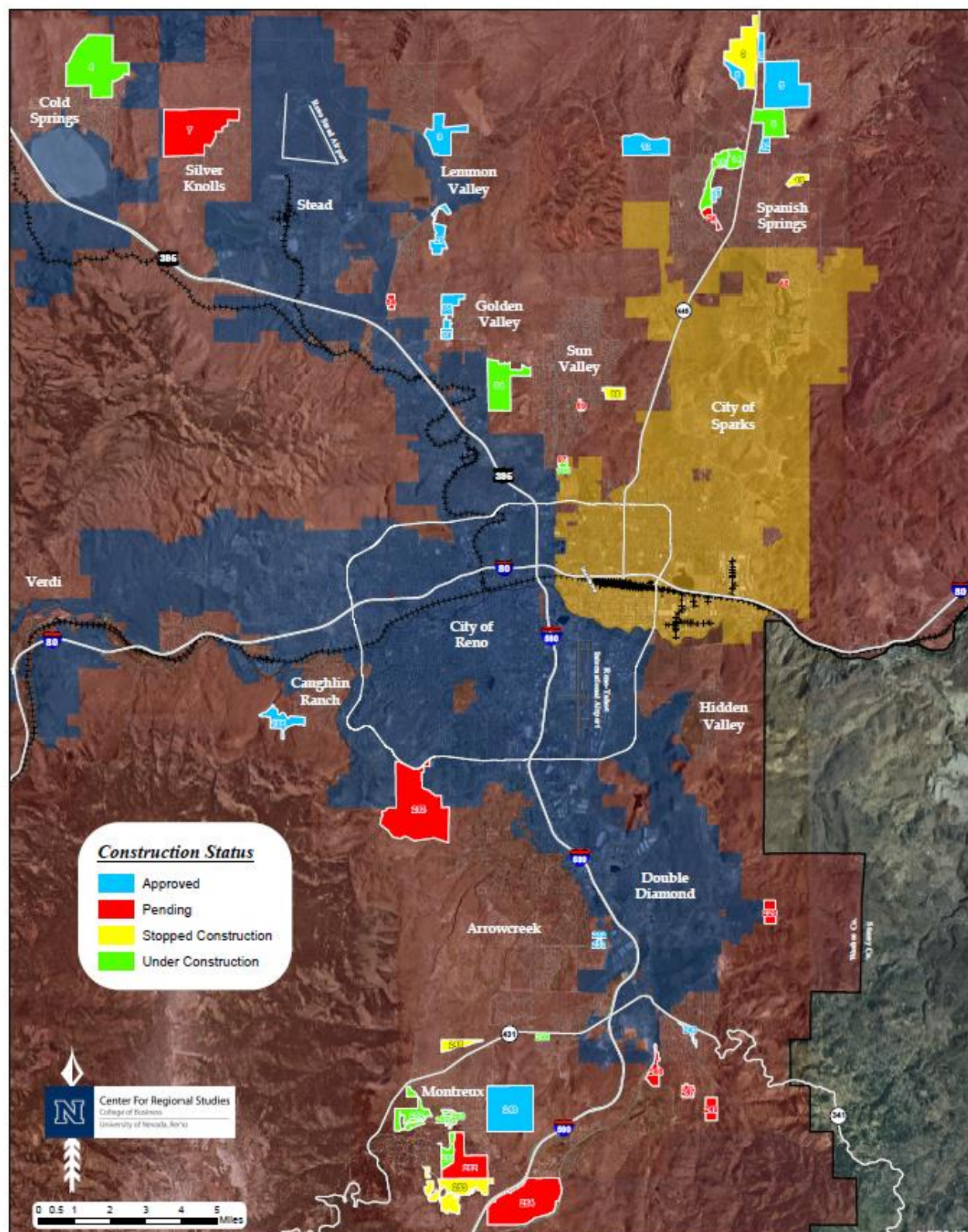
Figure 1. TMFPD Residential Construction Activity - September 2019⁷⁷ Center for Regional Studies, University of Nevada, Reno.

Table 4. TMFPD Residential Construction Activity, Active Projects - September 2019⁸

Map #	Project Name	Developer/Owner	Location	Project Status	# of Units Approved on Tentative Maps	# of Tentative Units Recorded on Final Maps	# of Completed Units Sold & Recorded, or Leased	Total Remaining "Approved/Unsold" Units	Constructed Units Ready for Sale (Standing Inventory)	Avg Sale Price of New Homes (3Q-19)	No. of New Sales (3Q-19)	# of Finished / Partially Finished Lots			
100	Falcon Ridge	Desert Wind Homes	NEC Sun Valley & El Rancho	Under Construction	142	142	2	140	18	\$330,290	2	122			
233	401 Zolezzi Ln	DR Horton	401 Zolezzi Ln	Approved	46	46	-	46	-	\$0	0	46			
SINGLE-FAMILY ATTACHED					Approved Single-Family, Attached Subtotal:			188	188	2	186	18		2	168
3	Pebble Creek	Pebble Creek II INC	1.4 miles N of Calle de Plata	Stopped Construction	344	343	342	2	1	\$710,983	2	-			
4	Woodland Village	Woodland Village North LLC	N of Reno Park @ Crystal Canyn	Under Construction	2,028	1,818	1,741	287	47	\$345,211	16	30			
5	Harris Ranch	Spanish Springs Associates	Pyramid Hwy/Alamosa Dr	Approved	610	-	-	610	-	\$0	0	-			
6	Pebble Creek Estates	Artisan Mystic Mountain LLC	End of Pebble Creek Dr	Approved	83	28	-	83	-	\$0	0	25			
8	Shadow Ridge	Ryder Homes	1/2 Mi N of Calle dela Plata	Under Construction	390	329	268	122	16	\$547,155	10	45			
9	Prado Ranch North	North Valleys Investment Group	Lemmon & Chickadee Drives	Approved	490	-	-	490	-	\$0	0	-			
12	Sugarloaf Ranch Estates	Sugarloaf Peak, LLC	Pyramid Hwy/Calle de la Plata	Approved	119	-	-	119	-	\$0	0	-			
13	Broken Hill Subdivision	Barker Coleman Communities	NE of Eagle Canyon and Airport	Approved	170	5	-	170	-	\$0	0	5			
14	Eagle Canyon 4 Unit 3	Lennar Homes	Pyramid Hwy/Calle de la Plata	Under Construction	194	193	77	117	10	\$448,227	7	106			
15	Autumn Trails	PHD Construction	Terminus of Hayfield Dr	Stopped Construction	43	43	43	-	2	\$877,130	2	-			
16	Eagle Canyon Ranch	Silverado Homes	Ruddy Way (Eagle Canyon)	Under Construction	452	225	135	317	18	\$434,282	17	72			
18	Pyramid Ranch Annex	Nevada Finish LLC	Sand Dune Dr & Dromedary Rd	Approved	61	29	-	61	-	\$0	0	29			
29	Lemmon Valley Heights	JDS Group LLC	Lemmon Dr & Deodar Way SEC	Approved	206	-	-	206	-	\$0	0	-			
65	Golden Mesa North	Moonlight Hills Estates LLC	Estates Rd & Indian Ln	Approved	115	-	-	115	-	\$0	0	-			
74	Golden Mesa South	Moonlight Hills Estates LLC	Estates Rd & Indian Ln	Approved	32	-	-	32	-	\$0	0	-			
84	Ladera Ranch	DR Horton	082-473-06	Under Construction	356	105	20	336	26	\$402,534	9	59			
86	Sun Mesa	Landstar Companies, LLC	Terminus of Sun Mesa Dr	Stopped Construction	207	104	104	103	-	\$0	0	-			
195	Ridges @ Hunter Creek	Ridges Development Inc.	terminus of Woodchuck	Approved	53	-	-	53	-	\$0	0	-			
232	Autumn Wood Phase 2	DR Horton	Jeppson Lane	Approved	16	16	-	16	-	\$0	0	16			
243	Bailey Creek Estates	TL Bridle Gate LP	Geiger Grade/Shadow Hills Dr	Approved	56	56	-	56	-	\$0	0	56			
244	Colina Rosa	DR Horton	Mt Rose Hwy & Edmonton Dr	Under Construction	94	93	33	61	11	\$499,008	15	49			
245	Monte Vista	TL Management Inc	N or Callahan/Mt Rose HWY	Stopped Construction	24	23	23	1	-	\$1,280,497	3	-			
248	Ascente	Symbio Development, LLC	Terminus of Fawn Ln	Approved	225	-	-	225	-	\$0	0	-			
250	Montreux - custom	Chalet Development LLC	Montreux Country Club	Under Construction	248	241	237	11	-	\$1,401,403	2	4			
251	The Chalets	Parc Foret Inc	Montreux Country Club	Under Construction	129	129	53	76	7	\$1,603,990	3	69			
253	St James Village	St James Village Inc.	Joy Lake Rd	Stopped Construction	462	225	218	244	1	\$0	0	6			
SINGLE-FAMILY DETACHED					Approved Single-Family, Detached Subtotal:			7,207	4,005	3,294	3,913	139		86	571
Grand Total of Approved Units:					7,395	4,193	3,296	4,099	157		88	739			

Green = Under Construction; Black = Stopped Construction; Blue = Approved

1. # of Units Approved on tentative maps represents total approved units for the project. The actual number may change due to lot size changes at the final map stage.
2. # of Tentative Units on final maps represents the number of units in approved subdivision "phases" that have obtained the necessary permits to begin construction. The final map units are a subset of the tentative map units. The difference between "approved" and "recorded" units is the number of units remaining to be released in future phases of the development.
3. Sold single-family units have transferred from the original builder to a private owner, according the county assessor records.
4. Remaining "approved-unsold" units are the difference between the total tentative map units and the units that have closed escrow.
5. Standing inventory units are partially or fully constructed homes still owned by the original builder. This number may include model homes.
6. Average sale price of new homes shows the average transaction price during the reported quarter for homes within that particular subdivision.
7. Finished/partially finished lots are vacant lots owned by the developer that are part of the final map inventory. These may include utilities.

⁸ Center for Regional Studies, University of Nevada, Reno.

Table 5. TMFPD Residential Construction Activity, Pending Projects - September 2019⁹

					<i>Proposed Units</i>	<i>Type</i>
7	Silver Hills	Lifestyle Homes	Red Rock/Silver Knolls	Pending	1,872	SF
24	Upland Estates	Spanish Springs Associates	Neighborhood Way	Pending	129	SF
48	7434 Baldwin Circle	Armstrong Family Trust	7434 Baldwin Circle	Pending	28	SF
54	Lemmon Drive Estates	Lakes at Lemmon Valley, LLC	Lemmon Dr & Military Rd SEC	Pending	98	SF
89	Valle Vista	Landbank Development	SEC Lupin/4th	Pending	75	SF
97	Falcon Ridge North	Desert Wind Homes	NEC Sun Valley & El Rancho	Pending	52	SF-ATT
213	Evans Creek	Evans Creek LLC	S McCarran/Manzanita Ln	Pending	1,875	SF
226	West View Estates East	Six Development, Inc.	East of McCauley Ranch Blvd	Pending	8	SF
246	Steamboat Meadows	Teton Development Corp	Old Hwy 395 & Rhodes Rd	Pending	250	SF
247	Pleasant Valley Estates	Pleasant Valley Estates LLC	Rocky Vista Rd	Pending	58	SF
249	Estates at Marango Spri	Harry Fry	Marango Road	Pending	50	SF
252	Terrasante	Gateway/Ladera Montreux	end of Callahan Ranch Rd	Pending	210	SF
254	Sierra Reflections	World Properties Inc	Pagni Ln/US395	Pending	938	SF
PENDING PROJECTS					Total Units Pending Approval:	5,643

Table 4 shows there are over 4,000 residential units approved and not yet sold units within the TMFPD boundaries. Of these, 157 units have been constructed, with the remaining units yet to be built. This includes 186 approved-unsold single-family attached units and 3,913 single-family detached units. There are also 5,643 residential units within the TMFPD boundaries in various stages on planning, but not yet approved and constructing.

Based on this information and historical construction and home sales trends in the region, Center for Regional Studies projected the number of units built and sold and the resulting population increases for the region. This is shown in Table 6. The table shows over 3,000 units are expected to be added during the 10-year period shown in the analysis, with approximately 1,900 units added between 2020 and 2025 (shown in calendar years).

Table 7 shows the same information but with population projections based on residential unit projections shown in Table 6. The table shows approximately 5,368 new residents are expected to be added within TMFPD boundaries between calendar years 2020 and 2025, with an average of 2.8 persons per residential unit. Information in Table 7 is not relevant to the property tax calculation, but will be used in estimating TMFPD future costs associated with new area residents.

⁹ Center for Regional Studies, University of Nevada, Reno.

Table 6. TMFPD Residential Construction Projections - September 2019¹⁰

Index	Project Name	Unit Type	Un-absorbed Units 9/19	Estimated Annual Absorption	Occ-Rate	House-hold Size	Balance Year 1: 2019	Year 2: 2020	Year 3: 2021	Year 4: 2022	Year 5: 2023	Year 6: 2024	Year 7: 2025	Year 8: 2026	Year 9: 2027	Year 10: 2028
<i>Under Construction, Stopped Construction, Approved, Pending Approval</i>							<i>Estimated Annual Number of Units Absorbed by Project:</i>									
3	Pebble Creek	SF	2	15.00	0.94	3.07	2	-	-	-	-	-	-	-	-	-
4	Woodland Village	SF	287	54.00	0.95	3.07	14	54	54	54	54	54	4	-	-	-
5	Harris Ranch	SF	610	10.00	0.96	3.11		10	10	10	10	10	10	10	10	10
6	Pebble Creek Estates	SF	83	10.00	0.94	3.07		10	10	10	10	10	10	10	10	3
7	Silver Hills	SF	1,872	10.00	0.96	2.90				10	10	10	10	10	10	10
8	Shadow Ridge	SF	122	48.00	0.96	3.11	12	48	48	14	-	-	-	-	-	-
9	Prado Ranch North	SF	490	10.00	0.98	2.78		10	10	10	10	10	10	10	10	10
12	Sugarloaf Ranch Estates	SF	119	10.00	0.96	3.11		10	10	10	10	10	10	10	10	10
13	Broken Hill Subdivision	SF	170	10.00	0.94	3.07		10	10	10	10	10	10	10	10	10
14	Eagle Canyon 4 Unit 3	SF	117	34.00	0.94	3.07	9	34	34	34	7	-	-	-	-	-
15	Autumn Trails	SF	0	10.00	0.99	2.59	-	-	-	-	-	-	-	-	-	-
16	Eagle Canyon Ranch	SF	317	74.00	0.94	3.07	19	74	74	74	74	3	-	-	-	-
18	Pyramid Ranch Annex	SF	61	10.00	0.94	3.07		10	10	10	10	10	10	1	-	-
24	Upland Estates	SF	129	10.00	0.94	3.07				10	10	10	10	10	10	10
29	Lemmon Valley Heights	SF	206	10.00	0.98	2.78		10	10	10	10	10	10	10	10	10
48	7434 Baldwin Circle	SF	28	10.00	0.99	2.68				10	10	8	-	-	-	-
54	Lemmon Drive Estates	SF	98	10.00	0.98	2.78				10	10	10	10	10	10	10
65	Golden Mesa North	SF	115	10.00	0.98	2.78		10	10	10	10	10	10	10	10	10
74	Golden Mesa South	SF	32	10.00	0.98	2.78		10	10	10	2	-	-	-	-	-
84	Ladera Ranch	SF	336	20.00	0.97	2.96	5	20	20	20	20	20	20	20	20	20
86	Sun Mesa	SF	103	10.00	0.93	3.13		10	10	10	10	10	10	10	10	10
89	Valle Vista	SF	75	10.00	0.96	3.16				10	10	10	10	10	10	10
97	Falcon Ridge North	SF-ATT	52	36.00	1.00	3.16				36	16	-	-	-	-	-
100	Falcon Ridge	SF-ATT	140	36.00	1.00	3.16	9	36	36	36	23	-	-	-	-	-
195	Ridges @ Hunter Creek	SF	53	4.00	0.98	2.42		4	4	4	4	4	4	4	4	4
213	Evans Creek	SF	1,875	10.00	0.94	2.40				10	10	10	10	10	10	10
226	West View Estates East	SF	8	10.00	0.93	2.75				8	-	-	-	-	-	-
232	Autumn Wood Phase 2	SF	16	10.00	0.94	2.69		10	6	-	-	-	-	-	-	-
233	401 Zolezzi Ln	SF-ATT	46	20.00	1.00	2.69		20	20	6	-	-	-	-	-	-
243	Bailey Creek Estates	SF	56	10.00	0.98	2.40				10	10	10	10	10	6	-
244	Colina Rosa	SF	61	32.00	0.97	2.60	8	32	21	-	-	-	-	-	-	-
245	Monte Vista	SF	1	10.00	0.99	2.40	1	-	-	-	-	-	-	-	-	-
246	Steamboat Meadows	SF	250	10.00	0.98	2.40				10	10	10	10	10	10	10
247	Pleasant Valley Estates	SF	58	10.00	0.98	2.40				10	10	10	10	10	8	-
248	Ascente	SF	225	10.00	0.99	2.60		10	10	10	10	10	10	10	10	10
249	Estates at Marango Springs	SF	50	4.00	0.98	2.40				4	4	4	4	4	4	4
250	Montreux - custom	SF	11	3.00	0.99	2.60	1	3	3	3	1	-	-	-	-	-
251	The Chalets	SF	76	5.00	0.99	2.60	1	5	5	5	5	5	5	5	5	5
252	Terrasante	SF	210	10.00	0.99	2.60				10	10	10	10	10	10	10
253	St James Village	SF	244	2.00	0.99	2.60		2	2	2	2	2	2	2	2	2
254	Sierra Reflections	SF	938	10.00	0.99	2.60				10	10	10	10	10	10	10
MARKET AREA TOTALS:			9,742				80	452	437	520	422	300	239	226	219	198
			2018 Housing Units (Assessor):	22,340												
			Projected Housing Units (Accumulative):	22,420	22,872	23,309	23,829	24,250	24,550	24,788	25,014	25,233	25,431			

1. "Unabsorbed Units" are total number of units in approved and pending projects, less the number of units that have closed escrow as of the report date.
2. "Estimated Annual Absorption" (EAA) is derived from historical average absorption rate (sales) of single-family projects based on County Assessor records. For subdivisions with active sales, EAA equals the most recent four quarters of sales activity for that particular project. For approved and pending projects, EAA is derived by looking at the project type and location and applying a comparable, known value from a similar type subdivision.
3. Occupancy Rates and Average Household Sizes as reported by the 2017 American Community Survey (US Census Bureau) at the Census tract level, by type of housing unit.

¹⁰ Center for Regional Studies, University of Nevada, Reno.

4. Absorption assumptions: Approved projects (with tentative maps, but no final maps) and Stopped Construction projects are not estimated to begin building and selling before 2020. All Pending projects are assumed to begin building no earlier than 2022, which may or may not reflect the builder's timeframe after final approval.

Table 7. TMFPD Population Projections - September 2019¹¹

Index	Project Name	Unit Type	Un-absorbed Units 9/19	Estimated Annual Absorption	Occ-Rate	House-hold Size	Balance Year 1: 2019	Year 2: 2020	Year 3: 2021	Year 4: 2022	Year 5: 2023	Year 6: 2024	Year 7: 2025	Year 8: 2026	Year 9: 2027	Year 10: 2028
<i>Under Construction, Stopped Construction, Approved, Pending Approval</i>							<i>Estimated Annual Population Increase by Project:</i>									
3	Pebble Creek	SF	2	15.00	0.94	3.07	6	-	-	-	-	-	-	-	-	-
4	Woodland Village	SF	287	54.00	0.95	3.07	39	157	157	157	157	157	10	-	-	-
5	Harris Ranch	SF	610	10.00	0.96	3.11	-	30	30	30	30	30	30	30	30	30
6	Pebble Creek Estates	SF	83	10.00	0.94	3.07	-	29	29	29	29	29	29	29	29	9
7	Silver Hills	SF	1,872	10.00	0.96	2.90	-	-	-	28	28	28	28	28	28	28
8	Shadow Ridge	SF	122	48.00	0.96	3.11	36	143	143	42	-	-	-	-	-	-
9	Prado Ranch North	SF	490	10.00	0.98	2.78	-	27	27	27	27	27	27	27	27	27
12	Sugarloaf Ranch Estates	SF	119	10.00	0.96	3.11	-	30	30	30	30	30	30	30	30	30
13	Broken Hill Subdivision	SF	170	10.00	0.94	3.07	-	29	29	29	29	29	29	29	29	29
14	Eagle Canyon 4 Unit 3	SF	117	34.00	0.94	3.07	25	98	98	98	19	-	-	-	-	-
15	Autumn Trails	SF	0	10.00	0.99	2.59	-	-	-	-	-	-	-	-	-	-
16	Eagle Canyon Ranch	SF	317	74.00	0.94	3.07	53	213	213	213	213	7	-	-	-	-
18	Pyramid Ranch Annex	SF	61	10.00	0.94	3.07	-	29	29	29	29	29	29	3	-	-
24	Upland Estates	SF	129	10.00	0.94	3.07	-	-	-	29	29	29	29	29	29	29
29	Lemmon Valley Heights	SF	206	10.00	0.98	2.78	-	27	27	27	27	27	27	27	27	27
48	7434 Baldwin Circle	SF	28	10.00	0.99	2.68	-	-	-	26	26	21	-	-	-	-
54	Lemmon Drive Estates	SF	98	10.00	0.98	2.78	-	-	-	27	27	27	27	27	27	27
65	Golden Mesa North	SF	115	10.00	0.98	2.78	-	27	27	27	27	27	27	27	27	27
74	Golden Mesa South	SF	32	10.00	0.98	2.78	-	27	27	27	5	-	-	-	-	-
84	Ladera Ranch	SF	336	20.00	0.97	2.96	14	57	57	57	57	57	57	57	57	57
86	Sun Mesa	SF	103	10.00	0.93	3.13	-	29	29	29	29	29	29	29	29	29
89	Valle Vista	SF	75	10.00	0.96	3.16	-	-	-	30	30	30	30	30	30	30
97	Falcon Ridge North	SF-ATT	52	36.00	1.00	3.16	-	-	-	114	51	-	-	-	-	-
100	Falcon Ridge	SF-ATT	140	36.00	1.00	3.16	28	114	114	114	73	-	-	-	-	-
195	Ridges @ Hunter Creek	SF	53	4.00	0.98	2.42	-	9	9	9	9	9	9	9	9	9
213	Evans Creek	SF	1,875	10.00	0.94	2.40	-	-	-	23	23	23	23	23	23	23
226	West View Estates East	SF	8	10.00	0.93	2.75	-	-	-	20	-	-	-	-	-	-
232	Autumn Wood Phase 2	SF	16	10.00	0.94	2.69	-	25	15	-	-	-	-	-	-	-
233	401 Zolezzi Ln	SF-ATT	46	20.00	1.00	2.69	-	54	54	16	-	-	-	-	-	-
243	Bailey Creek Estates	SF	56	10.00	0.98	2.40	-	-	-	23	23	23	23	23	14	-
244	Colina Rosa	SF	61	32.00	0.97	2.60	20	80	53	-	-	-	-	-	-	-
245	Monte Vista	SF	1	10.00	0.99	2.40	2	-	-	-	-	-	-	-	-	-
246	Steamboat Meadows	SF	250	10.00	0.98	2.40	-	-	-	23	23	23	23	23	23	23
247	Pleasant Valley Estates	SF	58	10.00	0.98	2.40	-	-	-	23	23	23	23	23	19	-
248	Ascente	SF	225	10.00	0.99	2.60	-	26	26	26	26	26	26	26	26	26
249	Estates at Marango Springs	SF	50	4.00	0.98	2.40	-	-	-	9	9	9	9	9	9	9
250	Montreux - custom	SF	11	3.00	0.99	2.60	2	8	8	8	3	-	-	-	-	-
251	The Chalets	SF	76	5.00	0.99	2.60	3	13	13	13	13	13	13	13	13	13
252	Terrasante	SF	210	10.00	0.99	2.60	-	-	-	26	26	26	26	26	26	26
253	St James Village	SF	244	2.00	0.99	2.60	-	5	5	5	5	5	5	5	5	5
254	Sierra Reflections	SF	938	10.00	0.99	2.60	-	-	-	26	26	26	26	26	26	26
MARKET AREA TOTALS:			9,742				229	1,287	1,249	1,471	1,183	821	645	609	592	539
2018 Population Estimate (ESRI):							75,824									
Projected Population (Accumulative):							76,053	77,340	78,590	80,060	81,243	82,063	82,709	83,318	83,910	84,449

Information in Table 6 is provided on a calendar year basis and is adjusted to correspond to the fiscal year basis used throughout this analysis. This is done by taking an average of

¹¹ Center for Regional Studies, University of Nevada, Reno.

the projections for the two years constituting the fiscal year. For example, for FY 2020-2021, average of projections for 2020 and 2021 are included. Due to the work in progress and the time it takes to assess and add a project to the Washoe County Assessor records, the analysis assumes taxable values for the units constructed in one year are added in the following year.

Taxable value for each project in FY 2019-20 dollars was estimated using land and improvement values for existing residential units constructed and sold in each project or values for similar developments in close proximity to the project per information available on the Washoe County Assessor's website and location information for each project provided by the Center for Regional Studies.

Using the adjusted residential unit projections, along with taxable land and building values for projects, the analysis estimates additional taxable value added to the TMFPD by each project, by year in FY 2019-20 dollars. These estimates are inflated at 3% per year, on the conservative assumption that all new residential units will be owner-occupied units and therefore, subject to the 3% tax cap. The analysis in the previous section shows that this maximum tax cap is expected to be met over the five-year analysis period. These estimates are shown in Table 8.

Table 8 shows that an additional \$770.1 million in additional residential taxable value is expected to be added to the Truckee Meadows Fire Protection District through FY 2024-2025. This is approximately 5.3% of the \$12.6 billion in taxable valuation for the TMFPD in FY 2019-20, inflated to FY 2024-2025 levels.¹²

Using the FY 2019-20 General Fund property tax rate of \$0.54 and AB 104 rate of \$0.0272, and taxable valuation shown in Table 8, the analysis estimates property tax revenue generated by the proposed residential development in TMFPD over the analysis period. This is shown in Table 9. The analysis assumes the tax rate will remain constant over the analysis period. The table shows additional revenues are estimated at \$56,000 in FY 2020-21 to \$1.5 million in FY 2024-25.

¹² "Local Government Finance Property Tax Rates for Nevada Local Governments, Fiscal Year 2019-20." Nevada Department of Taxation.

Table 8. TMFPD Additional Taxable Valuation Projections¹³

Ind- ex	Project Name	Unit Type	Un- absorbed Units	Taxable Land Value	Improve- nt Value	Total Taxable Value	FY 2019- 2020	FY 2020- 2021	FY 2021- 2022	FY 2022- 2023	FY 2023- 2024	FY 2024- 2025	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
							Estimated Annual Number of Units						Estimated Additional Taxable Value (Added at 1-Year Lag Time)				
3	Pebble Creek	SF	2	\$ 114,232	\$ 550,893	\$ 665,125	2	-	-	-	-	-	\$ 1,370,157	\$ -	\$ -	\$ -	\$ -
4	Woodland Village	SF	287	\$ 53,963	\$ 184,911	\$ 238,874	14	54	54	54	54	29	3,321,541	13,684,751	14,095,293	14,518,152	14,953,697
5	Harris Ranch	SF	610	\$ 92,222	\$ 356,791	\$ 449,013		10	10	10	10	10	-	4,763,579	4,906,486	5,053,680	5,205,291
6	Pebble Creek Estates	SF	83	\$ 114,232	\$ 550,893	\$ 665,125		10	10	10	10	10	-	7,056,308	7,267,997	7,486,037	7,710,618
7	Silver Hills	SF	1,872	\$ 59,350	\$ 173,794	\$ 233,144		-	5	10	10	10	-	-	1,273,813	2,624,054	2,702,776
8	Shadow Ridge	SF	122	\$ 92,852	\$ 357,660	\$ 450,512	12	48	31	7	-	-	5,568,329	22,941,517	15,260,888	3,549,387	-
9	Prado Ranch North	SF	490	\$ 46,379	\$ 85,246	\$ 131,625		10	10	10	10	10	-	1,396,412	1,438,304	1,481,453	1,525,897
12	Sugarloaf Ranch Estates	SF	119	\$ 85,398	\$ 283,359	\$ 368,757		10	10	10	10	10	-	3,912,142	4,029,506	4,150,391	4,274,903
13	Broken Hill Subdivision	SF	170	\$ 77,500	\$ 295,158	\$ 372,658		10	10	10	10	10	-	3,953,524	4,072,129	4,194,293	4,320,122
14	Eagle Canyon 4 Unit 3	SF	117	\$ 73,470	\$ 245,541	\$ 319,012	9	34	34	20	3	-	2,792,946	11,506,937	11,852,145	7,270,768	1,201,921
16	Eagle Canyon Ranch	SF	317	\$ 73,470	\$ 245,541	\$ 319,012	19	74	74	74	38	1	6,078,764	25,044,509	25,795,844	26,569,720	14,145,683
18	Pyramid Ranch Annex	SF	61	\$ 60,890	\$ 183,901	\$ 244,791		10	10	10	10	10	-	2,596,990	2,674,900	2,755,147	2,837,801
24	Upland Estates	SF	129	\$ 70,385	\$ 214,851	\$ 285,236		-	5	10	10	10	-	-	1,558,424	3,210,353	3,306,664
29	Lemmon Valley Heights	SF	206	\$ 46,379	\$ 85,246	\$ 131,625		10	10	10	10	10	-	1,396,412	1,438,304	1,481,453	1,525,897
48	7434 Baldwin Circle	SF	28	\$ 64,193	\$ 204,492	\$ 268,685		-	5	10	9	4	-	-	1,467,998	3,024,076	2,803,319
54	Lemmon Drive Estates	SF	98	\$ 66,804	\$ 228,295	\$ 295,099		-	5	10	10	10	-	-	1,612,312	3,321,362	3,421,003
65	Golden Mesa North	SF	115	\$ 65,324	\$ 204,712	\$ 270,035		10	10	10	10	10	-	2,864,806	2,950,750	3,039,273	3,130,451
74	Golden Mesa South	SF	32	\$ 65,324	\$ 204,712	\$ 270,035		10	10	6	1	-	-	2,864,806	2,950,750	1,823,564	313,045
84	Ladera Ranch	SF	336	\$ 76,269	\$ 310,266	\$ 386,535	5	20	20	20	20	20	1,990,655	8,201,500	8,447,545	8,700,971	8,962,000
86	Sun Mesa	SF	103	\$ 51,543	\$ 180,512	\$ 232,055		10	10	10	10	10	-	2,461,867	2,535,723	2,611,795	2,690,148
89	Valle Vista	SF	75	\$ 58,687	\$ 90,114	\$ 148,801		-	5	10	10	10	-	-	812,993	1,674,765	1,725,008
97	Falcon Ridge North	SF-ATT	52	\$ 43,200	\$ 180,012	\$ 223,212		-	18	26	8	-	-	-	4,390,366	6,531,889	2,070,106
100	Falcon Ridge	SF-ATT	140	\$ 43,200	\$ 180,012	\$ 223,212	9	36	36	30	12	-	2,069,171	8,524,983	8,780,732	7,411,182	2,975,778
195	Ridges @ Hunter Creek	SF	53	\$ 240,047	\$ 1,428,045	\$ 1,668,091		4	4	4	4	4	-	7,078,713	7,291,074	7,509,807	7,735,101
213	Evans Creek	SF	1,875	\$ 118,168	\$ 397,770	\$ 515,938		-	5	10	10	10	-	-	2,818,894	5,806,922	5,981,130
226	West View Estates East	SF	8	\$ 106,259	\$ 345,424	\$ 451,683		-	4	4	-	-	-	-	1,974,267	2,033,495	-
232	Autumn Wood Phase 2	SF	16	\$ 59,596	\$ 197,375	\$ 256,971		8	3	-	-	-	-	2,180,968	842,399	-	-
233	401 Zolezzi Ln	SF-ATT	46	\$ 57,786	\$ 200,010	\$ 257,796		20	13	3	-	-	-	5,469,905	3,662,102	870,453	-
243	Bailey Creek Estates	SF	56	\$ 81,964	\$ 258,702	\$ 340,666		-	5	10	10	10	-	-	1,861,275	3,834,227	3,949,253
244	Colina Rosa	SF	61	\$ 61,825	\$ 261,131	\$ 322,956	8	27	11	-	-	-	2,661,157	9,079,537	3,705,479	-	-
245	Monte Vista	SF	1	\$ 200,127	\$ 608,425	\$ 808,553	1	-	-	-	-	-	832,809	-	-	-	-
246	Steamboat Meadows	SF	250	\$ 46,813	\$ 106,446	\$ 153,258		-	5	10	10	10	-	-	837,348	1,724,938	1,776,686
247	Pleasant Valley Estates	SF	58	\$ 111,406	\$ 436,281	\$ 547,687		-	5	10	10	10	-	-	2,992,362	6,164,265	6,349,193
248	Ascente	SF	225	\$ 164,514	\$ 649,535	\$ 814,049		10	10	10	10	10	-	8,636,247	8,895,334	9,162,194	9,437,060
249	Estates at Marango Springs	SF	50	\$ 111,406	\$ 436,281	\$ 547,687		-	2	4	4	4	-	-	1,196,945	2,465,706	2,539,677
250	Montreux - custom	SF	11	\$ 333,575	\$ 1,281,676	\$ 1,615,251	1	3	3	2	1	-	1,247,781	5,140,859	5,295,085	3,863,206	1,170,324
251	The Chalets	SF	76	\$ 204,875	\$ 885,600	\$ 1,090,475	1	5	5	5	5	5	1,403,987	5,784,427	5,957,959	6,136,698	6,320,799
252	Terrasante	SF	210	\$ 161,906	\$ 857,480	\$ 1,019,386		-	5	10	10	10	-	-	5,569,552	11,473,278	11,817,476
253	St James Village	SF	244	\$ 161,906	\$ 857,480	\$ 1,019,386		2	2	2	2	2	-	2,162,933	2,227,821	2,294,656	2,363,495
254	Sierra Reflections	SF	938	\$ 147,000	\$ 339,680	\$ 486,680		-	5	10	10	10	-	-	2,659,043	5,477,629	5,641,957
MARKET AREA TOTALS:			9,742				80	445	479	471	361	269	\$ 29,337,299	\$ 168,704,628	\$ 187,400,142	\$ 191,301,239	\$ 156,884,280
Estimated Growth Rate													3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative Taxable Value													\$ 29,337,299	\$ 198,922,046	\$ 392,289,849	\$ 595,359,783	\$ 770,104,857

¹³ Taxable valuation from Washoe County Assessor's Website, analysis by EEC.

Table 9. TMFPD Projected Additional Residential Property Tax Revenue

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Est. Cumulative Taxable Value	\$29,337,299	\$198,922,046	\$392,289,849	\$595,359,783	\$770,104,857
Est. Cumulative Assessed Value	\$10,268,055	\$ 69,622,716	\$137,301,447	\$208,375,924	\$269,536,700
GF Property Tax Rate	\$ 0.5400	\$ 0.5400	\$ 0.5400	\$ 0.5400	\$ 0.5400
AB 104 Property Tax Rate ¹⁴	\$ 0.0272	\$ 0.0272	\$ 0.0272	\$ 0.0272	\$ 0.0272
Est. Property Tax Revenue	\$ 55,593	\$ 376,947	\$ 743,370	\$ 1,128,177	\$ 1,459,311

It should be noted the analysis is based on the assumption that existing planned, approved or under construction projects are completed as projected. The analysis does not include impacts of any unplanned projects. This is on the assumption that it is unlikely that a new, unknown project will be approved and begin construction over the five-year analysis period due to the amount of time it currently takes to plan, gain approval, and begin construction in the region.

Commercial and Industrial Development

Unlike residential development, there are no significant commercial projects planned within TMFPD. Washoe County Assessor's Office data shows there are 128 parcels within TMFPD totaling 3,916 acres of vacant land with the land use code of 140-Vacant, Commercial. Of these, 3,492 acres, 89.2% of total, are owned by various non-private entities, including United States, Truckee Meadows Water Authority, Regional Transportation Commission, Union Pacific Railroad Company, Pyramid Lake Paiute Tribe, and Washoe County. Though commercial construction can occur on this land, it will take additional steps for development, including transferring the land to a private party. As a result, only 424 acres in the TMFPD are available for immediately development.

In addition, TMFPD currently has 2,711 acres of land, across 107 parcels, with a land use designation of 150-Vacant, Industrial. Of these, 168 acres (6.2%) are owned by non-private entities, including Union Pacific Railroad Company, United States, State of Nevada, Washoe

¹⁴ TMFPD receives 5.3% of revenue collected from this rate. Source: Three-year average (FY 2016-17 to FY 2018-19) from Local Gov't Tax Act Distribution, Nevada Department of Taxation.

County. This leaves over 2,500 acres of land in private hands and ready for industrial development.

Table 10 shows the historical number of commercially developed acres, building square feet and resulting taxable values added to TMFPD between 2014 and partial year 2019, as well as total values for the District. Commercial space is defined using Washoe County Assessor's Land Use (LU) designations described below:

- 400-General Commercial: retail, mixed, parking, school
- 410-Offices, professional and business, banks, etc.
- 420-Casino or hotel casino
- 440-Resort commercial: ski, golf, sports, etc.

Table 10. TMFPD Historical Number of Commercial Acres, Square Footage and Taxable Value Added¹⁵

Land Use	Before 2014	2014	2015	2016	2017	2018	2019	District Total
Building Square Feet								
400-General Commercial	3,442,004	40,960	-	409,116	26,734	85,845	5,512	4,010,171
410-Offices	97,678	-	-	-	-	-	-	97,678
420-Casino or hotel casino	39,031	-	-	-	-	-	-	39,031
440-Resort commercial	190,102	-	-	-	-	20,800	-	210,902
Total	3,768,815	40,960	-	409,116	26,734	106,645	5,512	4,357,782
Acres								
400-General Commercial	2,545.1	3.6	-	20.4	5.6	12.3	2.2	2,589.1
410-Offices	118.4	-	-	-	-	-	-	118.4
420-Casino or hotel casino	16.8	-	-	-	-	-	-	16.8
440-Resort commercial	5,014.0	-	-	-	-	9.9	-	5,023.9
Total	7,694.3	3.6	-	20.4	5.6	22.1	2.2	7,748.3
Taxable Land Value								
400-General Commercial	\$ 97,336,869	\$ 1,877,616	\$ -	\$ 2,003,029	\$ 2,333,937	\$ 2,347,862	\$ 615,842	\$ 106,515,155
410-Offices	3,910,329	-	-	-	-	-	-	3,910,329
420-Casino or hotel casino	2,954,943	-	-	-	-	-	-	2,954,943
440-Resort commercial	12,910,827	-	-	-	-	315,520	-	13,226,347
Total	\$ 117,112,968	\$ 1,877,616	\$ -	\$ 2,003,029	\$ 2,333,937	\$ 2,663,382	\$ 615,842	\$ 126,606,774
Taxable Building								
400-General Commercial	\$ 397,640,191	\$ 4,020,783	\$ -	\$ 15,006,530	\$ 6,176,376	\$ 5,093,695	\$ 157,280	\$ 428,094,855
410-Offices	11,549,099	-	-	-	-	-	-	11,549,099
420-Casino or hotel casino	9,348,216	-	-	-	-	-	-	9,348,216
440-Resort commercial	28,160,008	-	-	-	-	448,434	-	28,608,442
Total	\$ 446,697,514	\$ 4,020,783	\$ -	\$ 15,006,530	\$ 6,176,376	\$ 5,542,129	\$ 157,280	\$ 477,600,612

The table shows no office or casino/hotel space has been added to TMFPD since 2014. No commercial space was added in 2015. The Resort Commercial space added in 2018 was a horse arena. A total of 589,000 square feet of commercial space was added between 2014 and 2019, over 53.9 acres. In all, an average of 98,161 square feet and 9.0 acres of

¹⁵ Taxable valuation from Washoe County Assessor's Website, analysis by EEC.

commercial space has been added to TMFPD per year between 2014-2019 (2019 data through October 2019). These relatively low construction numbers are consistent with the rest of the region, where commercial space has been slow to recover from the recession partially due to the strong construction levels prior to the recession which resulted in a high vacancy rates in the region.

Adjusted for depreciation, all commercial improvements in TMFPD are valued at \$684.0 million in FY 2019-20 with a total of 4.4 million square feet of space. This results in an average taxable value of improvements of \$157 per square foot of building. Developed commercial land in the TMFPD is valued at \$126.6 million with 7,700 acres. This results in an average taxable value of land of \$16,340.

Table 11 shows the historical number of industrially developed acres, building square feet and resulting taxable values added to TMFPD between 2014 and partial year 2019, as well as total values for the District. Industrial space is defined using Washoe County Assessor's Land Use (LU) designations described below:

- 500-General industrial: light industrial, trucking, warehouses
- 510-Commercial Industrial: retail or office with Indus
- 520-Concrete or Block plant, mills, railroad yard, tank farm, etc.

The table shows no commercial industrial or plant space has been added to TMFPD since 2014. No industrial space was added to TMFPD in 2016. A total of 2.1 million square feet of industrial space was added between 2014 and 2019, over 610 acres. In all, an average of 346,906 square feet and 101.5 acres of industrial space has been added to TMFPD per year between 2014-2019 (2019 data through October 2019).

These higher levels of growth for industrial space are also consistent with the region, as demand for industrial space continues to grow. Growth in industrial space in the unincorporated areas of Washoe County is expected to increase as Cities of Reno and Sparks' supply of industrial land is developed. The increase in historical growth levels is difficult to determine, especially given the recent announcements of large industrial

centers planned in Lyon County, where construction and land costs are lower than in Washoe County.

Adjusted for depreciation, all industrial improvements in TMFPD are valued at \$396.3 million in FY 2019-20 with a total of 4.2 million square feet of space. This results in an average taxable value of improvements of \$93 per square foot of building. Developed industrial land in the TMFPD is valued at \$82.3 million with 2,700 acres. This results in an average taxable value of land of \$30,324.

Table 11. TMFPD Historical Number of Industrial Acres, Square Footage and Taxable Value Added¹⁶

Description	Before 2014	2014	2015	2016	2017	2018	2019	District Total
Building Square Feet								
500-General Industrial	1,925,623	620,636	19,500	-	540,372	84,947	815,978	4,007,056
510-Commercial Industrial	138,125	-	-	-	-	-	-	138,125
520-Plants, mills, etc.	94,400	-	-	-	-	-	-	94,400
Total	2,158,148	620,636	19,500	-	540,372	84,947	815,978	4,239,581
Acres								
500-General Industrial	1,448.3	68.5	345.2	-	117.4	11.8	66.2	2,057.4
510-Commercial Industrial	633.3	-	-	-	-	-	-	633.3
520-Plants, mills, etc.	22.9	-	-	-	-	-	-	22.9
Total	2,104.5	68.5	345.2	-	117.4	11.8	66.2	2,713.6
Taxable Land Value								
500-General Industrial	\$ 34,577,684	\$ 6,103,845	\$ 20,375,230	\$ -	\$ 9,286,537	\$ 1,986,161	\$ 5,658,955	\$ 77,988,412
510-Commercial Industrial	2,285,366	-	-	-	-	-	-	2,285,366
520-Plants, mills, etc.	2,012,182	-	-	-	-	-	-	2,012,182
Total	\$38,875,232	\$ 6,103,845	\$ 20,375,230	\$ -	\$ 9,286,537	\$1,986,161	\$5,658,955	\$ 82,285,960
Taxable Improvement Value								
500-General Industrial	\$ 81,242,928	\$ 26,954,414	\$ 190,832,134	\$ -	\$ 36,133,510	\$ 4,617,288	\$ 885,884	\$ 340,666,158
510-Commercial Industrial	6,144,708	-	-	-	-	-	-	6,144,708
520-Plants, mills, etc.	2,538,547	-	-	-	-	-	-	2,538,547
Total	\$89,926,183	\$26,954,414	\$190,832,134	\$ -	\$36,133,510	\$4,617,288	\$ 885,884	\$349,349,413

The average square feet and acres added to TMFPD since 2014, along with the average value of land and improvements, is used to estimate additional taxable values added by projected commercial and industrial development in TMFPD. These estimates, along with resulting property tax revenue are summarized in Table 12. These values are inflated using the inflation factors discussed in the previous section (ranging from 3.5% to 3.0% per year).

Table 12 shows that an additional \$298.8 million in additional commercial and industrial taxable value is expected to be added to the Truckee Meadows Fire Protection District

¹⁶ Taxable valuation from Washoe County Assessor's Website, analysis by EEC.

through FY 2024-2025. This is approximately 2.4% of the \$12.6 billion in taxable valuation for the TMFPD in FY 2019-20, inflated to FY 2024-2025 levels.¹⁷

Table 12. TMFPD Projected Additional Commercial and Industrial Property Tax Revenue

	Ave. Sq. Ft.	Improv. Value /Sq.Ft.	Acres	Land Value /Acre	Total Taxable Value
Annual Commercial Base (FY 2019-20)	98,161	\$ 157	9.0	\$ 16,340	\$ 15,553,862
Annual Industrial Base (FY 2019-20)	346,906	\$ 93	102	\$ 30,324	\$ 35,503,733
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Growth Rate	3.50%	3.50%	3.00%	3.00%	3.00%
Est. Cumulative Taxable Value	\$ 52,844,611	\$ 109,388,345	\$ 169,004,993	\$ 232,100,191	\$ 298,828,996
Est. Cumulative Assessed Value	\$ 18,495,614	\$ 38,285,921	\$ 59,151,748	\$ 81,235,067	\$ 104,590,148
GF Property Tax Rate	\$ 0.5400	\$ 0.5400	\$ 0.5400	\$ 0.5400	\$ 0.5400
AB 104 Property Tax Rate	\$ 0.0272	\$ 0.0272	\$ 0.0272	\$ 0.0272	\$ 0.0272
Est. Property Tax Revenue	\$ 100,143	\$ 207,296	\$ 320,272	\$ 439,840	\$ 566,295

Using the FY 2019-20 General Fund property tax rate of \$0.54 and AB 104 rate of \$0.0272,¹⁸ and taxable valuation shown in Table 12, the analysis estimates property tax revenue generated by the proposed commercial and industrial development in TMFPD over the analysis period. The analysis assumes the tax rate will remain constant over the analysis period. The table shows additional revenues are estimated at \$100,000 in FY 2020-21 to \$566,000 in FY 2024-25.

Table 13. TMFPD Projected Additional Property Tax Revenue-Residential, Commercial, and Industrial

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Est. Residential Revenue	\$ 55,593	\$ 376,947	\$ 743,370	\$ 1,128,177	\$ 1,459,311
Est. Comm./Ind. Revenue	100,143	207,296	320,272	439,840	566,295
Est. Existing Revenue GF	20,440,055	21,155,456	21,790,120	22,443,824	23,117,138
Est. Existing Revenue AB104	<u>255,495</u>	<u>264,437</u>	<u>272,370</u>	<u>280,541</u>	<u>288,958</u>
Total Estimated Revenue	\$20,851,285	\$22,004,137	\$23,126,133	\$24,292,383	\$25,431,701
% Change	4.3%	5.5%	5.1%	5.0%	4.7%

¹⁷ "Local Government Finance Property Tax Rates for Nevada Local Governments, Fiscal Year 2019-20." Nevada Department of Taxation.

¹⁸ TMFPD receives 5.3% of revenue collected from this rate. Source: Three-year average (FY 2016-17 to FY 2018-19) from Local Gov't Tax Act Distribution, Nevada Department of Taxation.

Property tax revenue for the District increased by 4.2% between FY 2016-17 and FY 2017-18 (actual), 6.5% in FY 2018-19 (estimated) and is expected to increase by 6.1% in FY 2019-20 (budgeted).¹⁹ This is the total growth in revenue associated with growth in existing and new assessed valuation. Table 13 shows total District property tax revenue, including growth in existing and projected additional taxable values, is expected to increase by 4.3% to 5.5%, in line with the growth rates over the past few years.

SALES TAX REVENUE

The second largest source of revenue for TMFPD is intergovernmental revenue, made up primarily of Consolidated (CTax) and Local Government Act (AB104) taxes. The majority of revenue for these taxes is generated by sales tax (SCCRT, BCCRT,²⁰ and AB104) rates. Intergovernmental revenue made up 33.5% of General Fund revenue for TMFPD, sales taxes made up 25.6% of this revenue.²¹ Sales tax revenue is collected from all taxable sales made in Washoe County and distributed to TMFPD and other jurisdiction based on pre-determined percentages.

Similar to property tax revenue, future sales tax revenue for the TMFPD will be impacted by growth in existing sales due to economic growth in the region, as well as additional revenue generated by new residents in the County. Unlike property tax revenue, sales tax revenue for TMFPD is impacted by changes throughout the County, not only within District boundaries. Sales taxes are distributed to various jurisdictions, including TMFPD, regardless of the expenditure location, as long as expenditures are made within Washoe County.

As mentioned above, growth in taxable spending in the region is a combination of the increase in the number of persons living in the region (population growth) and growth in their income. This is on the assumption that more people in the region will result in more spending, and higher income levels, even with no changes in population, will also result in

¹⁹ TMFPD Budget, FY 2019-20.

²⁰ Supplemental City-County Relief Tax (SCCRT), Basic City-County Relief Tax (BCCRT). The combination of the two rates is referred to a CCRT rates.

²¹ TMFPD Budget document, FY 2019-20.

higher spending. As a result, future growth rates of taxable sales in Washoe County are estimated using a combination of expected population and income growth for the County.

Spending in the region is also impacted by purchases by area businesses and visitors to the region. Projected business spending is represented by growth in wages, population, and employment. Impacts of visitors to the area are disregarded as visitor counts have remained relatively flat and no timely and reliable visitor expenditure data is available.

Washoe County is a large population center, providing access to shopping, entertainment, and food and beverage choices not available in surrounding rural communities. As a result, Washoe County taxable sales are also impacted by this import of shoppers from rural communities. The analysis is conservative in not estimating impacts on County taxable sales of population and income growth in surrounding rural populations who conduct much of their shopping in Washoe county.

Population projections for Washoe County are provided by the Nevada State Demographer and are summarized in Table 14. The table shows population is expected to grow by 2.1% to 1.2% per year between 2019 and 2025. This population growth is expected to generate new spending in the County at similar growth levels.

The second component of spending growth is growth in income in existing County residents. Income is typically made up of two sources, employment and non-employment income. Employment income is made up of wages, bonuses, self-employment, and other work-related income. Non-employment income includes investment, rent, retirement, and subsidized income.

Table 14. Washoe County Actual and Projected Population Estimates²²

Year	Population	% Change
Actual		
2000	333,566	
2001	353,271	5.9%
2002	359,423	1.7%
2003	373,233	3.8%
2004	383,453	2.7%
2005	396,844	3.5%
2006	409,085	3.1%
2007	418,061	2.2%
2008	423,833	1.4%
2009	416,632	-1.7%
2010	417,379	0.2%
2011	421,593	1.0%
2012	427,704	1.4%
2013	432,324	1.1%
2014	436,797	1.0%
2015	441,946	1.2%
2016	448,316	1.4%
2017	451,923	0.8%
2018	460,237	1.8%
Projected		
2019	469,963	2.1%
2020	479,336	2.0%
2021	488,344	1.9%
2022	496,955	1.8%
2023	504,992	1.6%
2024	512,264	1.4%
2025	518,651	1.2%

Table 15 shows historical personal income for Washoe County residents, along with resulting per capita income. The table includes wage income for employees in Washoe and Storey counties (Reno-Sparks MSA). Storey County wages are included as a large portion of Storey County employees (62.8% in 2017)²³ reside in Washoe County and will make the majority of their purchases in the County.

²² NV State Demographer, NV Department of Taxation. Actual population from "Population Estimates of Nevada's Counties, Cities and Towns 2000 to 2018 Estimates" and population projections from "Nevada County Population Projections 2019 to 2038."

²³ Home Destination Report - Where Workers Live Who are Employed in the Selection Area - by Counties, Storey County, OnTheMap, US Census Bureau.

Table 15. Washoe County Components of Personal Income and Per Capita Income²⁴

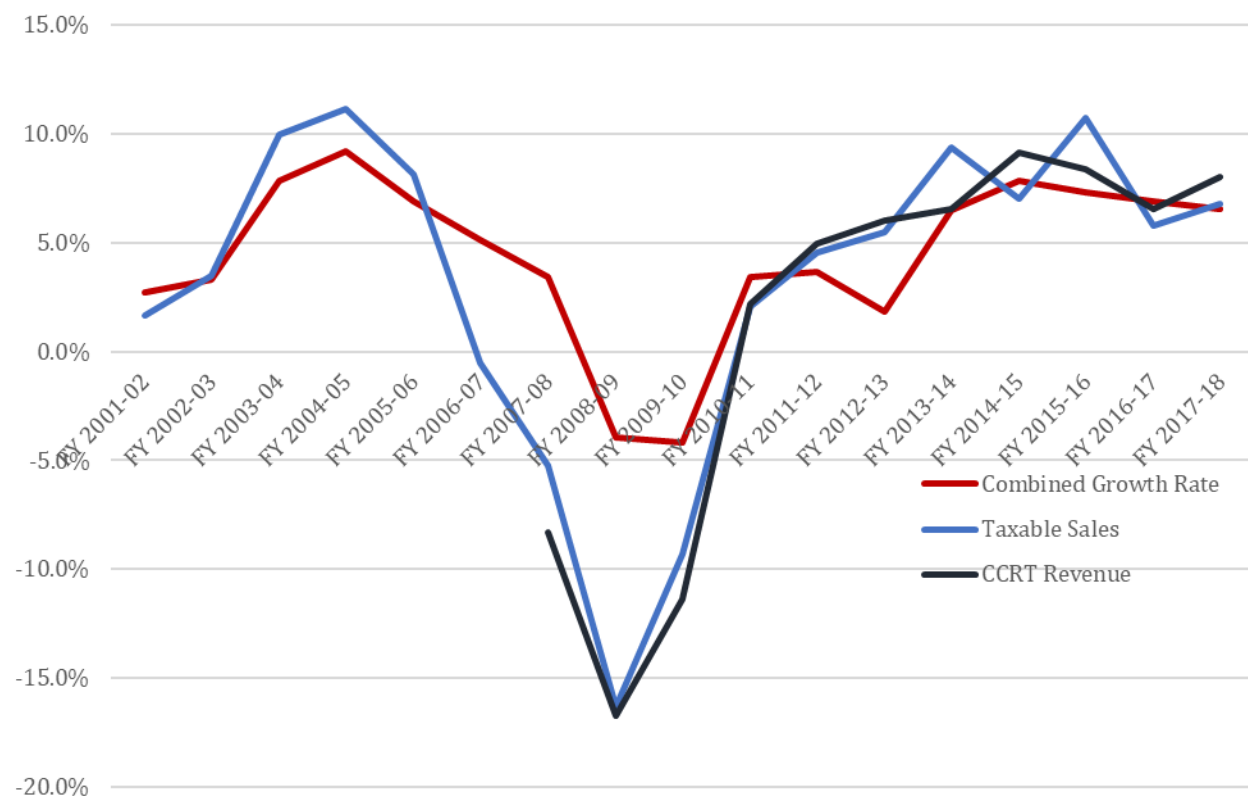
Fiscal Year	Wage Income (million)	% Change	Non-Wage Income (million)	% Change	Total Income (million)	% Change	Population	Per Capita Income	% Change
2007-08	\$ 9,144	2.35%	\$ 7,028	4.89%	\$ 16,171	3.44%	418,061	\$38,682	1.22%
2008-09	\$ 8,472	-7.35%	\$ 7,048	0.29%	\$ 15,520	-4.03%	423,833	\$36,618	-5.34%
2009-10	\$ 7,924	-6.47%	\$ 6,953	-1.35%	\$ 14,876	-4.15%	416,632	\$35,707	-2.49%
2010-11	\$ 7,983	0.75%	\$ 7,402	6.45%	\$ 15,384	3.41%	417,379	\$36,859	3.23%
2011-12	\$ 8,132	1.87%	\$ 7,822	5.67%	\$ 15,954	3.70%	421,593	\$37,841	2.66%
2012-13	\$ 8,260	1.57%	\$ 7,986	2.11%	\$ 16,246	1.83%	427,704	\$37,985	0.38%
2013-14	\$ 8,693	5.24%	\$ 8,619	7.92%	\$ 17,312	6.56%	432,324	\$40,043	5.42%
2014-15	\$ 9,166	5.44%	\$ 9,519	10.45%	\$ 18,685	7.94%	436,797	\$42,778	6.83%
2015-16	\$ 9,826	7.20%	\$ 10,242	7.59%	\$ 20,068	7.40%	441,946	\$45,408	6.15%
2016-17	\$10,714	9.03%	\$ 10,759	5.04%	\$ 21,472	7.00%	448,316	\$47,896	5.48%
2017-18	\$11,637	8.61%	\$ 11,253	4.60%	\$ 22,890	6.60%	451,923	\$50,650	5.75%
2018-19	\$12,395	6.51%	NA	NA	NA	NA	460,237	NA	NA

Table 15 shows personal income data for all of the County, with growth rates impacted by both population and income growth. Population growth projections are available for Washoe County from the Nevada State Demographer as discussed above. As a result, to determine historical growth in income due to economic (non-population) conditions only, data in Table 15 is adjusted to per-capita basis, along with the resulting growth rates.

Figure 2 shows a comparison of Washoe County taxable sales, CCRT revenue (combination of SCCRT and BCCRT rates), and combined growth rate. The combined growth rate for Washoe County is the sum of historical population growth rates (Table 14) and per capita income rates (Table 15).

The figure shows a close relationship between Washoe County taxable sales and related CCRT revenue (data available starting FY 2007-08 only). This is consistent with CCRT revenue being estimated based on taxable sales, with some adjustments for guaranteed counties and shifts in statewide portions attributed to the County. The figure also shows a relatively close relationship between the combined growth rate estimated by our analysis and taxable sales and CCRT in the County.

²⁴ Wage income from Nevada Department of Employment, Training, and Rehabilitation, QCEW, Reno-Sparks MSA. Non-wage income includes dividends, interest, and rent and personal current transfer receipts, CAINC4 Personal Income and Employment by Major Component, Bureau of Economic Analysis, Washoe County.

Figure 2. Comparison of Washoe County Historical Taxable Sales, CCRT Revenue, and Combined Growth Rates²⁵

This indicates that in the past, the combined rate methodology would have predicted taxable sales and CCRT revenue in Washoe County relatively closely. In fact, over the latest five years for which data is available (FY 2012-13 to FY 2017-18), taxable sales in the County increased by 33.9%, CCRT revenue by 36.1%, with population increasing by 4.5% and income by 26.5%, for a total of 31.0% for the combined rate. The combined rate would have slightly underestimated sales tax revenue in Washoe County.

Projected future income growth rate is based on the historical growth rate. Over the five-years (FY 2012-13 to FY 2017-18), taxable sales in Washoe County grew by an average of 7.9% per year. CCRT revenue grew by a slightly lower rate of 7.7% per year. In FY 2018-19, taxable sales increased by a much lower rate of 3.5% and CCRT revenue, by 1.9%. However, in the first two months of FY 2019-20, taxable sales in the County increased by 5.0% and CCRT revenue, by 7.1% compared to the same period last year. This indicates

²⁵ Taxable sales from Combined Sales & Use Statistical Report, Nevada Department of Taxation. CCRT revenue from Consolidated Tax Distribution, Nevada Department of Taxation.

that sales revenue growth is showing robust growth in FY 2019-20 despite a lower than average increase in FY 2018-19.

Per capita income shown in Table 15 increased by an average of 5.9% per year over the latest five-year period, with the annual growth rate declining slightly in FY 2016-17 from FY 2015-16 levels and FY 2017-18 levels remaining below the FY 2015-16 growth rate despite a small increase. County wages, for which data is available in FY 2018-19, increased by 6.5%, slightly lower than the average growth of 7.1% per year over the previous five-year period. This does indicate a slow-down in the region, though growth in wages, population, and per capita income is expected to continue over the five-year projection period.

The slow-down in taxable sales and CCRT growth in the area in FY 2018-19 and expectations of an overall economic slow-down, give more weight to the lower recent sales tax-related growth rates. As a result, the analysis conservatively assumes a combined growth rate of 4.99% in FY 2020-21 (2.0% growth in population and 3.0% per capita income growth), declining to 4.44% in FY 2024-25. This is summarized in Table 16.

Table 16. Washoe County Projected Population, Per Capita Income, and Combined Growth Rates

Source	Growth Factors				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Population	2.0%	1.9%	1.8%	1.6%	1.4%
Per Capita Income	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>
Total	4.99%	4.88%	4.76%	4.62%	4.44%

It should be noted that population growth in the region will change CTax distribution to receiving entities, including TMFPD, as this distribution is determined by population and assessed valuation growth in each entity). The analysis does not consider this change in distribution on the assumption that growth will occur in all three major jurisdictions (City of Reno, City of Sparks, and Washoe County) and therefore, this distribution shift will be insignificant, and the actual shift is difficult to determine.

OTHER REVENUE SOURCES

In addition to sales and property tax revenue, TMFPD receives revenues from the remainder of intergovernmental (7.9% of budgeted FY 2019-20 revenue excluding sales tax revenue), licenses and permits (0.003%), charges for services (0.2%), and miscellaneous (1.2%).

Intergovernmental Revenue

Intergovernmental revenues include the remainder of Consolidated Tax and AB104 revenue, interlocal agreement and other revenue. The analysis assumes no change to the interlocal agreement revenue, as future changes in these agreements are difficult to forecast. Other revenue, in the amount of \$2,000 is not a significant source of revenue and is, therefore excluded.

Remainder of Consolidated Tax

In addition to sales tax (CCRT) sources, CTax includes cigarette, liquor, Real Property Transfer Tax (RPTT), and Governmental Services Tax (GST). Table 17 provides a historical summary of Washoe County revenue from each non-CCRT source. The table shows cigarette revenue in the County fluctuated, with an average decline of 0.9% per year over the last five years. This may be due to changes in consumer preferences for cigarette smoking. Cigarette revenue for the first two month of FY 2019-20 (July and August) declined by 4.2% compared to the first two months of FY 2018-19.

Liquor revenues showed some annual declines, through the average growth for this source increased by an average of 1.2% over the past five years. Liquor revenues increased by 10.3% in July and August (FY 2019-20) compared to the first two months of the previous year (FY 2018-19).

RPTT revenue, which is collected on the transfer of real property, has grown dramatically over the last few years, driven primarily by the residential growth in the region. Even the 9% decline in FY 2018-19 is not significant as it was compared to FY 2017-18, the second highest level of RPTT growth during the period shown. Despite this decline, FY 2018-19

revenues remained higher than FY 2016-17 revenues, indicating growth in this revenue sector continues. Some of the decline is due to lack of inventory available for sale. Over the past five years, RPTT revenue increased by an average of 12.5% per year. In the first two months of FY 2019-20, RPTT revenue increased by 2.3% over the previous year.

Table 17. Washoe County Non-CCRT CTax Components²⁶

Year	Cigarette		Liquor		RPTT		GST		Total	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2009-10	\$1,888,790		\$492,092		\$2,767,401		\$21,060,469		\$26,208,752	
2010-11	1,818,179	-3.7%	509,642	3.6%	2,933,688	6.0%	19,873,234	-5.6%	25,134,743	-4.1%
2011-12	1,748,991	-3.8%	535,033	5.0%	2,657,797	-9.4%	19,219,614	-3.3%	24,161,435	-3.9%
2012-13	1,765,822	1.0%	525,764	-1.7%	3,402,264	28.0%	19,377,267	0.8%	25,071,116	3.8%
2013-14	1,689,964	-4.3%	559,273	6.4%	3,949,713	16.1%	21,168,129	9.2%	27,367,079	9.2%
2014-15	1,945,892	15.1%	561,808	0.5%	4,727,554	19.7%	23,605,752	11.5%	30,841,006	12.7%
2015-16	1,305,540	-32.9%	590,588	5.1%	5,562,232	17.7%	25,974,401	10.0%	33,432,762	8.4%
2016-17	1,552,465	18.9%	580,790	-1.7%	6,267,868	12.7%	27,915,714	7.5%	36,316,836	8.6%
2017-18	1,364,177	-12.1%	579,486	-0.2%	7,608,338	21.4%	30,987,344	11.0%	40,539,345	11.6%
2018-19	1,452,572	6.5%	592,206	2.2%	6,921,864	-9.0%	34,178,513	10.3%	43,145,155	6.4%
Latest 5-Year Average		-0.9%		1.2%		12.5%		10.1%		9.6%

GST revenue, collected on the value of vehicles registered in Washoe County, has grown strongly since the recession, as population and wages in the region increase, resulting in more and, presumably, more expensive vehicles. GST revenue growth averaged 10.1% per year over the past five years. Revenue increased by 6.8% in the first two months of FY 2019-20, compared to the previous year.

Overall, non-CCRT revenue increased by 9.6% per year over the past five years. In the first two months of FY 2019-20, revenue increased by 5.6% compared to the previous year. This is similar to CCRT revenue, in that strong growth experienced in the region post-recession is showing signs of slowing, but remaining at high levels. Because the non-CCRT revenue is also impacted by population and income growth in the area, and because it appears to show a similar growth trends to CCRT revenue, the analysis assumes the same level of growth for these revenues as shown for CCRT revenue in Table 16, showing a slightly declining trend expected for population and wage growth in the region. This is conservative because real estate growth in the area is expected to remain strong over the

²⁶ "Consolidated Tax Distribution," Nevada Department of Taxation.

five-year projection period, driving RPTT revenue, which made up about 16% of non-CCRT revenue in FY 2018-19.

Remainder of Local Government Tax Act (AB104)

In addition to property and sales tax revenue (estimated separately above), AB104 also includes gaming tax, Motor Vehicle Privilege Tax (MVPT), RPTT, and interest. The historical growth in each component is shown in Table 18. The table shows significant inconsistencies in gaming tax, MVPT, and interest revenue. Gaming revenue fluctuated over time due to a billing error which resulted in lower collections between fiscal years 2009 and 2015. Since then, gaming revenues include actual revenue plus a portion of the underpaid revenue. This results in an inaccurate growth trend for this revenue source. Gaming tax revenue collected in the first three months of AB104 collection in FY 2019-2020 (September-November) increased by 8.5% over the first three months of the previous year, indicating some stabilization in the revenue collection. However, given the partial year results and decline in FY 2018-19, the analysis conservatively assumes no growth in this revenue source over the analysis period.

Table 18. Washoe County Non-Sales and Property Tax AB104 Components²⁷

Year	Gaming Tax		MVPT		RPTT		Interest		Total	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
2009-10	\$217,711		\$ 7		\$503,164		\$13,076		\$733,958	
2010-11	216,456	-1%	226	2977.0%	533,398	6.0%	4,907	-62.5%	754,986	2.9%
2011-12	137,953	-36%	230	2.0%	483,236	-9.4%	3,328	-32.2%	624,747	-17.3%
2012-13	89,651	-35%	52	-77.6%	618,593	28.0%	3,625	8.9%	711,921	14.0%
2013-14	49,313	-45%	115	121.9%	718,121	16.1%	4,313	19.0%	771,862	8.4%
2014-15	31,260	-37%	57	-50.0%	940,648	31.0%	4,159	-3.6%	976,125	26.5%
2015-16	388,602	1143%	-	-100.0%	930,220	-1.1%	5,714	37.4%	1,324,535	35.7%
2016-17	1,898,514	389%	64	100.0%	1,139,612	22.5%	12,293	115.1%	3,050,483	130.3%
2017-18	1,219,398	-36%	65	1.5%	1,383,334	21.4%	21,713	76.6%	2,624,510	-14.0%
2018-19	1,188,356	-3%	71,079	109472.0%	1,258,521	-9.0%	32,714	50.7%	2,550,669	-2.8%
5-Year Average		291%		21884.7%		13.0%		55.3%		35.1%

While the Department of Taxation still refers to this revenue source as MVPT, it has actually been renamed GST, the same source as the GST collected for CTax, with an

²⁷ "Local Gov't Tax Act Distribution," Nevada Department of Taxation.

additional rate collected under AB104. This revenue source shows significant fluctuations, with some discussion of phasing out. As a result, the analysis also assumes no growth for this revenue source over the analysis period.

RPTT revenue is collected in the same way it is collected under CTax, but with an additional rate dedicated to AB104 uses. Table 18 shows overall growth rates for this source are similar to those shown in Table 17 for CTax, with some annual differences due to the timing in the collection and reporting of this tax. As a result, the analysis assumes, similar to CTax, this revenue will be impacted by population and income growth in the area and is inflated using rates shown in Table 16.

Table 18 shows Interest revenue fluctuates from year to year, driven by the investment amount available for this source. While the recent pattern appears to be positive, there appears to be no strong trend for the growth in this revenue source. Additionally, interest revenue made up only 1.3% of non-property and sales tax AB104 revenue, making this revenue source insignificant. As a result, the analysis conservatively assumes no growth in this revenue source over the analysis period.

Based on the above discussion, the weighted average growth rates for the AB104 non-property and sales tax components are shown in Table 19.

Table 19. Weighted Average Growth Rates for AB104 Non-Property and Sales Tax Components

Source	% of Total (FY 2018- 19)	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024- 25
Gaming	46.6%	0.0%	0.0%	0.0%	0.0%	0.0%
MVPT	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
RPTT	49.3%	5.0%	4.9%	4.8%	4.6%	4.4%
Interest	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Weighted Average Rate		2.46%	2.41%	2.35%	2.28%	2.19%

Interlocal Agreement, Fire Suppression

In addition to CTax and AB104 revenue, Intergovernmental revenue for the TMFPD includes revenue from a fire suppression interlocal agreement. According to the TMFPD,

interlocal agreement revenue varies by year, not showing a significant growth trend. As a result, the analysis is conservative in assuming no change to the FY 2019-20 revenue levels over the analysis period.

Licenses and Permits

TMFPD's licenses and permits revenue includes the gaming component of the AB104 revenue and revenue from Other sources. Gaming revenue is included in the AB104 calculations shown in the previous section, and are, therefore excluded from the calculations in this section. Other revenues show no specific pattern of growth and are an insignificant portion of TMFPD's General Fund revenue. As a result, the analysis assumes no growth rates for revenue source over the analysis period.

Charges for Services

TMFPD's Charges for Services revenue includes payments from services to other agencies. This revenue source shows annual fluctuations, with little consistency in historical trends. This revenue source was expected to make up only 0.2% of General Fund revenues in FY 2019-20, an insignificant portion. As a result, the analysis assumes no growth rate for this source over the analysis period.

Miscellaneous

TMFPD Miscellaneous revenue includes investment earnings, reimbursements, and other sources. Similar to other revenues, the three sources show no consistent growth trend, fluctuating year to year. As a result, the analysis assumes no growth for this revenue component over the analysis period.

Based on the above discussion, revenue projections for the TMFPD General Fund over a five-year period are summarized in Table 20. The table shows revenues over the next five years are expected to grow by 4.4% to 5.1% per year. This is lower than the 5.8% revenue increase budgeted for FY 2019-2020.

Table 20. TMFPD Projected General Fund Revenue

Revenue	Base Year	Projections				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Property Tax						
General Rate-Existing	\$ 19,748,845	\$ 20,440,055	\$ 21,155,456	\$ 21,790,120	\$ 22,443,824	\$ 23,117,138
AB104 Rate-Existing	246,855	255,495	264,437	272,370	280,541	288,958
General and AB 104-New	-	155,736	584,243	1,063,642	1,568,018	2,025,605
Total Property Tax	\$ 19,995,700	\$ 20,851,285	\$ 22,004,137	\$ 23,126,133	\$ 24,292,383	\$ 25,431,701
Sales Tax						
CTax Rate	\$ 7,370,323	\$ 7,738,427	\$ 8,116,006	\$ 8,502,596	\$ 8,895,182	\$ 9,290,130
AB104 Rate	506,228	531,511	557,445	583,998	610,962	638,089
Total Sales Tax	\$ 7,876,551	\$ 8,269,938	\$ 8,673,451	\$ 9,086,594	\$ 9,506,144	\$ 9,928,219
Intergovernmental						
Remainder CTax	\$ 1,764,090	\$ 1,852,196	\$ 1,942,570	\$ 2,035,100	\$ 2,129,066	\$ 2,223,597
Remainder AB104	92,558	94,839	97,122	99,405	101,669	103,897
Interlocal agreement	585,000	585,000	585,000	585,000	585,000	585,000
Total Intergovernmental	\$ 2,441,648	\$ 2,532,035	\$ 2,624,692	\$ 2,719,505	\$ 2,815,735	\$ 2,912,493
Licenses and Permits						
Licenses and Permits	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Total Licenses/Permits	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Charges for Services						
Charges for Services	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
Total Charges for Services	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
Miscellaneous						
Miscellaneous	\$ 369,473	\$ 369,473	\$ 369,473	\$ 369,473	\$ 369,473	\$ 369,473
Total Miscellaneous	\$ 369,473	\$ 369,473	\$ 369,473	\$ 369,473	\$ 369,473	\$ 369,473
TOTAL	\$ 30,752,372	\$ 32,091,731	\$ 33,740,752	\$ 35,370,704	\$ 37,052,735	\$ 38,710,887
% Change		4.4%	5.1%	4.8%	4.8%	4.5%

[Remainder of Page Intentionally Left Blank]

II. EXPENDITURE PROJECTIONS

This section estimates General Fund expenditures for the district, including salaries and wages, benefits, and services and supplies. This is a base analysis assuming increases in existing cost levels due to inflation, wage increases, and other growth. No changes in staffing levels, purchases of services and supplies, and capital outlay are assumed. The purpose of this expenditure analysis is to determine the revenue remaining after base expenditures for TMFPD to plan additional staffing increases, capital outlay, and other purchases. Remaining revenue (ending fund balance) for TMFPD is estimated in Section 3.

Salaries and Wages

Truckee Meadows Fire Protection District representatives provided actual salary and wages expenditures in FY 2018-19, as well as information about historical and expected future changes in these expenditures. Table 21 shows projected salary and wages costs for FY 2019-20 to FY 2024-25. The table also shows assumptions behind these projections.

Table 21. TMFPD General Fund Salary and Wages Projections and Assumptions

Source	FY2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
Base Salaries	\$ 11,521,638	\$ 11,867,287	\$ 12,223,306	\$ 12,590,005	\$ 12,967,705	\$ 13,356,737	\$ 13,757,439
Incentive Longevity	369,313	443,176	456,471	470,165	484,270	498,798	513,762
Overtime	2,553,367	2,629,968	2,708,867	2,790,133	2,873,837	2,960,053	3,048,854
Uniform Allowance	193,500	193,500	193,500	193,500	193,500	193,500	193,500
Call Back	18,222	18,769	19,332	19,912	20,509	21,125	21,758
Vacation Denied-Payoff	-	-	-	-	-	-	-
Field Training Officer	2,553	2,630	2,709	2,790	2,874	2,960	3,049
Comp Time	116,207	119,693	123,284	126,982	130,792	134,716	138,757
Certification Pay	439,420	579,420	596,803	614,707	633,148	652,143	671,707
Salaries and Wages	\$ 15,214,222	\$ 15,854,444	\$ 16,324,273	\$ 16,808,196	\$ 17,306,637	\$ 17,820,031	\$ 18,348,827

Assumptions:

- Base Salaries-2.5% Salary increases plus some steps=3%
- Incentive Longevity-20% increase in FY 2019-20, future will trend with Salaries
- Overtime -trend with Salaries
- Uniform Allowance-assume stays unchanged, based on new employees
- Call Back-trend with Salaries
- Vacation Denied-Payoff-minimal cost
- Field Training Officer-trend with Salaries
- Comp Time-trend with Salaries
- Certification Pay-add \$140,000 in FY 2019-20, future trend with Salaries

Base salaries are expected to increase by 3% per year given 2.5% contractual cost increases, plus step increases for longevity. The majority of other expenditure sources

increase in line with salaries, or 3% per year. Incentive longevity and certification pay costs are expected to increase by a larger amount (shown in Assumptions) in FY 2019-20, and by 3% thereafter. Uniform allowance costs are not expected to increase as no additional staff are assumed and vacation denied payoff costs are not expected to be significant.

Employee Benefits

Truckee Meadows Fire Protection District representatives provided actual employee benefits expenditures in FY 2018-19, as well as information about historical and expected future changes in these expenditures. Table 22 shows projected benefits costs for FY 2019-20 to FY 2024-25. The table also shows assumptions behind these projections.

Table 22. TMFPD General Fund Employee Benefits Projections and Assumptions

Source	FY2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
Group Insurance	\$ 1,526,366	\$ 1,628,809	\$ 1,698,034	\$ 1,842,366	\$ 1,998,968	\$ 2,168,880	\$ 2,353,235
Employer HSA Contributions	244,134	260,520	271,592	294,677	319,725	346,901	376,388
OPEB Contribution	480,169	700,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retirement	4,815,485	5,667,955	5,886,881	6,058,538	6,235,344	6,417,455	6,605,029
Medicare April 1986	211,372	217,714	224,245	230,972	237,902	245,039	252,390
Workmens Compensation Ins.	681,751	766,969	862,841	970,696	1,092,033	1,228,537	1,382,104
Unempl. Compensation Ins.	150	150	150	150	150	150	150
Benefit Adjustment	167,000	200,400	200,400	200,400	200,400	200,400	200,400
Employee Benefits	\$ 8,126,428	\$ 9,442,517	\$ 10,144,142	\$ 10,597,799	\$ 11,084,521	\$ 11,607,362	\$ 12,169,695

Assumptions:

- Group Insurance/Employer HSA Contributions -health benefits are provided on calendar year, 15% increase from 2018 to 2019, flat for 2020, future from 7-10% (assume 8.5%)
- OPEB Contribution-approximately \$700,000 budgeted for 2020, grow to \$1.0 million in the future
- Retirement-FY 2019-20 will see about a 2% increase in proportion to Salaries and Wages less OT and Uniform
- Medicare April 1986-proportion to Salaries
- Workmen Compensation Ins.-10-15% increases (assume 12.5%)
- Unemployment Compensation Ins.-minimal
- Benefit Adjustment-20% increase in 2020, then stay flat

Services and Supplies

Truckee Meadows Fire Protection District representatives provided actual services and supplies expenditures in FY 2018-19, as well as information about historical and expected future changes in these expenditures. Table 23 shows projected services and supplies costs for FY 2019-20 to FY 2024-25. The table also shows assumptions behind these

projections. Inflation costs are based on the three-year average Consumer Price Index changes (2017 to 2019) of 2.96% per year.²⁸

Table 23. TMFPD General Fund Services and Supplies Projections and Assumptions

Source	FY2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
Professional Services	\$ 443,367	\$ 382,346	\$ 393,649	\$ 405,287	\$ 417,268	\$ 429,604	\$ 442,304
Group Ins. Premiums - Retiree	332,392	354,701	369,775	401,206	435,309	472,310	512,456
Other	4,050,364	4,170,105	4,293,385	4,420,309	4,550,986	4,685,526	4,824,043
Services and Supplies	\$ 4,826,124	\$ 4,907,151	\$ 5,056,809	\$ 5,226,802	\$ 5,403,563	\$ 5,587,439	\$ 5,778,803

Assumptions:

- Professional Services-\$72,000 special contract in FY 2018-19 omitted from trend, trend based on inflation
- Group Insurance Premiums – Retiree-same assumption as Group Insurance (Employee Benefits)
- Other - trend based on inflation

Based on the above discussion, base expenditure projections for the TMFPD General Fund over a five-year period are summarized in Table 24. The table shows base expenditures are expected to grow by 3.5% to 4.4% per year. This is consistent with the 4.1% expenditure increase budgeted for FY 2019-2020.

Table 24. TMFPD Summary of Base General Fund Expenditure Projections

Revenue	Base Year	Projections				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Salaries and Wages	\$ 15,854,444	\$ 16,324,273	\$ 16,808,196	\$ 17,306,637	\$ 17,820,031	\$ 18,348,827
Employee Benefits	9,442,517	10,144,142	10,597,799	11,084,521	11,607,362	12,169,695
Services and Supplies	4,907,151	5,056,809	5,226,802	5,403,563	5,587,439	5,778,803
Total	\$ 30,204,112	\$ 31,525,223	\$ 32,632,797	\$ 33,794,720	\$ 35,014,832	\$ 36,297,325
% Change		4.4%	3.5%	3.6%	3.6%	3.7%

²⁸ 2019 data is available through November 2019. As a result, annual CPI changes are estimated for year-to-date to November 2017, 2018, and 2019. CPI for All Urban Consumers (CPI-U), All items in West urban, all urban consumers, not seasonally adjusted, Bureau of Labor Statistics.

III. COMPARISON OF REVENUE AND EXPENDITURE PROJECTIONS

This section compares projected revenue and revenue estimates to determine whether expected revenues are sufficient to meet future operating and capital expenditure obligations. Table 25 shows this comparison and the resulting ending fund balance for the TMFPD over the projection period. Beginning fund balance for base year FY 2019-20 is the ending fund balance for the Estimated FY 2018-19 shown in TMFPD Budget FY 2019-20.

Table 25. TMFPD Comparison of Revenue and Base Expenditure Projections

Revenue	Base Year	Projections				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Begin. Fund Balance	\$ 7,205,215	\$ 7,753,475	\$ 8,319,983	\$ 9,427,938	\$ 11,003,922	\$ 13,041,826
Revenue						
Property Tax	\$ 19,995,700	\$ 20,851,285	\$ 22,004,137	\$ 23,126,133	\$ 24,292,383	\$ 25,431,701
Sales Tax	7,876,551	8,269,938	8,673,451	9,086,594	9,506,144	9,928,219
Intergovernmental	2,441,648	2,532,035	2,624,692	2,719,505	2,815,735	2,912,493
Licenses and Permits	1,000	1,000	1,000	1,000	1,000	1,000
Charges for Services	68,000	68,000	68,000	68,000	68,000	68,000
Miscellaneous	369,473	369,473	369,473	369,473	369,473	369,473
Total Revenue	\$ 30,752,372	\$ 32,091,731	\$ 33,740,752	\$ 35,370,704	\$ 37,052,735	\$ 38,710,887
Base Expenditures						
Salaries and Wages	\$ 15,854,444	\$ 16,324,273	\$ 16,808,196	\$ 17,306,637	\$ 17,820,031	\$ 18,348,827
Employee Benefits	9,442,517	10,144,142	10,597,799	11,084,521	11,607,362	12,169,695
Services and Supplies	4,907,151	5,056,809	5,226,802	5,403,563	5,587,439	5,778,803
Total Expenditures	\$ 30,204,112	\$ 31,525,223	\$ 32,632,797	\$ 33,794,720	\$ 35,014,832	\$ 36,297,325
Difference	548,260	566,508	1,107,955	1,575,984	2,037,904	2,413,562
Ending Fund Balance	\$ 7,753,475	\$ 8,319,983	\$ 9,427,938	\$ 11,003,922	\$ 13,041,826	\$ 15,455,387

LIMITING CONDITIONS & DISCLOSURES

In the preparation of this report, EEC asserts:

- The report is to be used in its entirety, and no part is to be used without the whole.
- In preparing this report, EEC relied on information provided by other individuals or found in previously existing records and/or documents. This information is assumed to be reliable. However, no warranty, either expressed or implied, is given by EEC for the accuracy of such information and EEC assumes no responsibility for information relied upon later found to have been inaccurate.
- EEC may amend this report in the event additional documents and/or other material discovered subsequent to the submission of this report and pertinent to the report and/or the conclusions contained herein are made available.
- EEC assumes no responsibility for economic, physical, or demographic factors, which may affect or alter the opinions of this report if said economic, physical or demographic factors were not present or known as of the date of this report.
- Possession of this report, or a copy of this report, does not carry with it the right of publication. Without the consent of EEC, this report may not be used for any purpose by any person other than the party for whom this report was prepared.