



TECHNICAL MEMORANDUM

Date: November 29, 2018

To: Daphne Hooper
City Manager, City of Fernley

From: Frederick Steinmann
Assistant Research Professor
University Center for Economic Research

Cc: Colleen Unterbrink, City of Fernley
Tim Thompson, City of Fernley
Doug Thornley, Holland & Hart
Marty Johnson, JNA Consulting Group, Inc.

RE: Taxing Entity Revenue Share Estimates
City of Fernley Redevelopment Study Area
Review of Lyon County Memo RE: City of Fernley Redevelopment District
From October 29, 2018

This University Center for Economic Development technical memorandum has been prepared in response to a request from the Lyon County School District Board of Trustees during the Board's October 23, 2018 meeting. This technical memorandum also presents an overview of issues raised regarding the City of Fernley's current redevelopment study in a Lyon County memo prepared by Jeff Page, Lyon County Manager, and dated October 29, 2018.

The projected incremental property tax revenues presented in this technical memorandum is an *opportunity cost* in that they may only materialize if the proposed Redevelopment Agency is successful in attracting new investment into the proposed Redevelopment District. Without successful redevelopment and revitalization of the proposed Redevelopment District, the possible future incremental property tax revenues collected from the proposed Redevelopment District that would have been allocated to the City of Fernley, Lyon County, the Lyon County School District for Operations, and the State of Nevada over the initial 30-year period of redevelopment would continue to significantly lag in-terms of year-after-year growth relative to property tax revenues collected from the entire city.

In this regard, the reallocated incremental property tax revenues estimated in this technical memorandum are an opportunity cost and *do not* represent an actual reduction in the current level of property tax revenues paid to the City of Fernley, Lyon County, the Lyon County School District for Operations, or the State of Nevada. The City, the County, the School District for Operations, and the State will only forgo increases in future levels of possible incremental property tax revenue if the proposed Redevelopment District is

successfully revitalized; a future that can only be realized if the projected incremental property tax revenues are reinvested back into the proposed Redevelopment District on a recurring and annual basis. Barring an actual decline which results in the total assessed value of the proposed Redevelopment District being lower than the current total assessed value of the existing Redevelopment Study area, the City, the County, the School District for Operations and the State of Nevada will not lose any existing property tax revenues that are currently being collected from the proposed Redevelopment District.

As identified within the draft *City of Fernley Redevelopment Agency, Redevelopment Plan for Redevelopment Project Area No. 1 – City of Fernley, Nevada*, the City of Fernley has chosen the use of redevelopment, as a local government economic development tool allowed under Nevada state law, as its approach to mitigating and eliminating the negative impacts that physical, economic, and social blight are currently having on the lives of individuals who own property and live and work within the proposed Redevelopment District. It is only through the use of redevelopment that the City of Fernley can employ specific economic development tools and strategies needed in order to mitigate and eliminate the various negative impacts of physical, economic, and social blight that have been documented within the existing Redevelopment Study area. Like other redevelopment agencies located throughout Nevada, these tools can be employed in partnership with other public entities including the City of Fernley, Lyon County, the Lyon County School District and the State of Nevada in order to achieve the goal shared by each of these jurisdictions of creating an environment of investment where an environment of disinvestment has reigned. By working collaboratively, the City, the County, the School District and the State can successfully improve the lives of people working and living throughout the proposed Redevelopment District by creating opportunities for general upward mobility through the successful mitigation and elimination of the physical, economic, and social blight that currently exists throughout the existing Redevelopment Study area.

Throughout the proposed Redevelopment District, the documented existence of open storage, exposed equipment, open activity, abandoned vehicles, odors and fumes, dust, litter and debris, weeds and overgrown vegetation continue to depress property values throughout the proposed District. The documentation of vandalism, graffiti, noise, unimproved earth, inadequate screening, standing water and poor drainage, hazardous materials, and faulty and inadequate site layout each represents a clear and present threat to the health and human safety of people who live in Fernley and Lyon County and have children who attend schools administered by the Lyon County School District. Existing incompatible land uses and clear evidence of residential overcrowding throughout the proposed Redevelopment District further threatens the public's health and human safety. Moreover, the documented existence of poor site access, little to no on-site parking, the inadequate layout and design of buildings, and the continued underutilization of parcels throughout the proposed Redevelopment District has stagnated economic growth, including job creation, throughout the proposed District.

Estimation of Taxing Entity Share of Possible Redevelopment Incremental Property Tax Revenues

Table 1 presents a breakdown of the actual combined property tax rate and its individual component rates for the City of Fernley and property subject to taxation within the proposed Redevelopment District for Fiscal Year 2018-19 according to the Nevada Department of Taxation. This table can be found on page 70 of the *City of Fernley Redevelopment Agency, Redevelopment Plan for Redevelopment Project Area No. 1 – City of Fernley, Nevada*.

The effective City of Fernley Redevelopment Agency tax rate, beginning in Fiscal Year 2019, is estimated to be 2.5200 percent (or \$2.5200 per \$100 of total assessed value above the base). This effective

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'redevelopment rate' is comprised of the Lyon County rate of 0.9287 percent (or \$0.9287 per \$100 of total assessed value), the Lyon County School District's Operating rate of 0.7500 percent (or \$0.7500 per \$100 of total assessed value), the City of Fernley's rate of 0.6713 percent (or \$0.6713 per \$100 of total assessed value), and the State of Nevada's rate of 0.1700 percent (or \$0.1700 per \$100 of total assessed value).

As part of the redevelopment plan, the Agency will carve out an effective rate of 1.1085 percent (or \$1.1085 per \$100 of total assessed value), or the combined rates for Lyon County School District School Debt (as mandated by state law, 0.5867 percent or \$0.5867 per \$100 of total assessed value), the North Lyon County Fire District (0.3018 percent or \$0.3018 per \$100 of total assessed value), and City of Fernley Pool District (0.2000 percent or \$0.2000 per \$100 of total assessed value). The amount of actual incremental property tax revenue generated from the application of these three tax rates will be distributed normally to the Lyon County School District, the North Lyon County Fire District, and the Fernley Pool District.

It is noted that these rates are the starting rates and that these rates may change over the 30-year initial term of the Redevelopment District and Redevelopment Agency. While the actual rates in any given fiscal year for any of these taxing jurisdictions may change, it is not expected that these rates will change significantly enough to alter the assessment of the Redevelopment Agency's actual incremental property tax revenues over the entire 30-year initial term of the Redevelopment District and the Redevelopment Agency beginning in Fiscal Year 2019.

Table 1 – Actual Combined Property Tax Rate and Component Rates Redevelopment Area Fiscal Year 2018-19	
Component	Rate
County	0.9287%
School Operating	0.7500%
School Debt	0.5867%
City	0.6713%
Fire District	0.3018%
Pool District	0.2000%
State	0.1700%
Total	3.6085%

For the purposes of estimating future incremental property tax revenues generated from the proposed Redevelopment District and collected by the proposed Redevelopment Agency, four separate scenarios of possible growth, using different levels of total new construction, were created. Table 2 summarizes the estimated amount of Redevelopment Agency incremental property tax revenues for each year over the initial 30-year term of the Redevelopment District and Redevelopment Agency based on the effective rate

of 2.5200 percent and the individual shares for each impacted taxing jurisdiction, including Lyon County, the Lyon County School District (Operating), the City of Fernley, and the State of Nevada for each of the four scenarios. A complete year-by-year estimation of these revenues are presented in Appendix 1 (no new construction), Appendix 2 (\$1.5 million in new construction), Appendix 3 (\$20.0 million in new construction), and Appendix 4 (\$50.0 million in new construction). It is further noted that the new construction used for Scenario 2, Scenario 3, and Scenario 4 occurs in each year over the entire 30-year initial term of the Redevelopment District and the Redevelopment Agency.

Table 2 – Estimated Incremental Property Tax Revenues in the Redevelopment Area for Each Individual Taxing Entity					
Lyon County, Lyon County School District (Operating), City of Fernley, and State of Nevada					
Scenario	Lyon County	Lyon County School District (Operating)	City of Fernley	State of Nevada	Estimated Redevelopment Agency Incremental Property Tax Revenues
Scenario 1 No New Construction	\$22,364,021.12	\$18,061,147.05	\$16,167,639.69	\$4,096,530.33	\$60,689,338.19
Scenario 2 \$1.5 Million in New Construction	\$25,294,860.50	\$20,428,088.16	\$18,286,433.75	\$4,633,386.93	\$68,642,769.34
Scenario 3 \$20.0 Million in New Construction	\$63,570,157.59	\$51,339,155.76	\$45,956,824.92	\$11,644,465.77	\$172,510,604.04
Scenario 4 \$50.0 Million in New Construction	\$128,500,454.22	\$103,776,757.60	\$92,896,936.24	\$23,538,075.06	\$348,712,223.11

It should be noted that the anticipated incremental property tax revenues collected by the Redevelopment Agency in Scenario 2, Scenario 3, and Scenario 4 for the entire 30-year initial term, estimated using the combination of property tax rates for Lyon County, the Lyon County School District (Operating), the City of Fernley, and the State of Nevada, is predicated on the ability of the Redevelopment Agency to encourage and stimulate new private sector investment and development within the Redevelopment District. Without successful revitalization and redevelopment of the Redevelopment District, incremental property tax revenues will likely remain consistent with the estimations of incremental property tax revenue presented in Scenario 1 (no new construction).

This is important as there will be no incremental property tax revenues in Scenario 1 until year 13 (Fiscal Year 2032) of the initial 30-year term of the proposed Redevelopment District and Redevelopment Agency. In other words, with no new construction, no new incremental property tax revenues will be generated from the District for approximately 12 years (nearly half) of the District’s existence. This is due to the existing property tax abatements (3.0 percent for residential properties and 4.2 percent for non-residential properties for Fiscal Year 2019), as required by state law, compounding the decline in total assessed value experienced in the proposed Redevelopment District during the Great Recession. It is not until Fiscal Year 2032 that property values within the proposed Redevelopment District will have naturally appreciated beyond the calculated base total assessed value and overcome the impacts that the existing property tax abatements are currently having in depressing appreciation in property tax revenues currently being collected from properties within the proposed Redevelopment District.

Table 3 presents a summary of the amount of property tax revenue Lyon County, the Lyon County School District (Operating), the City of Fernley, and the State of Nevada will continue to receive from the base assessed value and base property tax revenues to be set in Fiscal Year 2019.

Table 3 – Property Tax Revenues Generated from the Base Assessed Value and Estimated Base Property Tax Revenues for the Redevelopment Area Lyon County, Lyon County School District (Operating), City of Fernley, and State of Nevada		
Category	Annual	Total Over 30-Year Term
Base Property Tax Revenues (Established for Fiscal Year 2019)	\$11,385,256.08	\$341,557,682.31
Lyon County	\$4,195,828.30	\$125,874,849.03
Lyon County School District (Operating)	\$3,388,469.07	\$101,654,072.12
City of Fernley	\$3,032,905.72	\$90,987,171.48
State of Nevada	\$768,052.99	\$23,041,589.68

Regardless of the development scenario, Lyon County, the Lyon County School District (Operating), the City of Fernley, and the State of Nevada will continue to receive property tax revenues from the established base assessed value for the proposed Redevelopment District. Lyon County, the Lyon County School District, the City of Fernley, and the State of Nevada may choose to spend these revenues generated from the base on the provision of public services provided to property owners, business owners, residents and other stakeholders both within and outside the proposed Redevelopment District as each jurisdiction sees fit to do so.

Based on Fiscal Year 2019 property tax rates and total assessed value by parcel as provided by the Lyon County Treasurer’s Office, the gross amount of property tax revenue for the entire proposed Redevelopment District for Fiscal Year 2019 will be an estimated \$11,385,256.08 (this amount includes the estimation of property tax revenues collected by the Lyon County School District for Debt, the North Lyon County Fire District, and the City of Fernley Pool District). Based on this estimate of total base property tax revenues, it is estimated Lyon County will continue to receive approximately \$4.2 million in property tax revenue annually from the proposed Redevelopment District and a total of approximately \$125.9 million in property tax revenue from the proposed Redevelopment District over the entire 30-year initial term of the proposed Redevelopment District and proposed Redevelopment Agency.

The Lyon County School District (Operating) will continue to receive approximately \$3.4 million in property tax revenue annually from the proposed Redevelopment District and a total of approximately \$101.7 million in property tax revenue from the proposed Redevelopment District over the entire 30-year initial term of the District and Agency. The City of Fernley will continue to receive approximately \$3.0 million in property tax revenue annually from the proposed Redevelopment District and a total of approximately \$91.0 million in property tax revenue from the proposed Redevelopment District over the

entire 30-year initial term of the District and Agency. The State of Nevada will continue to receive an estimated \$768,052.99 in property tax revenue annually from the proposed Redevelopment District and a total of approximately \$23.0 million in property tax revenue from the proposed Redevelopment District over the entire 30-year initial term of the District and Agency.

The property tax revenues received by Lyon County, the Lyon County School District (Operating), the City of Fernley, and the State of Nevada from the base property tax revenue will continue over the entire 30-year initial term of the District and Agency. Lyon County will continue to receive the largest share of property tax revenue generated from the base assessed value of the proposed Redevelopment District over this 30-year timeframe and the second largest share of property tax revenue generated from the base assessed value will go into the State of Nevada's funding formula for the purposes of funding school operations.

It should be further noted that Lyon County may choose to spend these base property tax revenues in any part of the county, either within the City of Fernley's boundaries or in other parts of the county. The City of Fernley may choose to spend their portion of the base property tax revenue anywhere within the city's jurisdiction and the State of Nevada uses their portion of the property taxes to repay bonds that have funded projects statewide.

If established, the City of Fernley Redevelopment Agency, by statute, will generally be required to spend all incremental property tax revenue it collects from property located within the proposed Redevelopment District on redevelopment and revitalization efforts designed to encourage and support private sector investment within the District itself. If successful, the proposed Redevelopment Agency will return a much higher and robust property tax base to Lyon County, the Lyon County School District, the City of Fernley, and the State of Nevada upon termination of the Agency.

Discussion Regarding the Lyon County Memorandum from October 29, 2018

Mr. Jeff Page, Lyon County Manager, has prepared a memorandum and report to the Lyon County Board of County Commissioners dated October 29, 2018. In this memorandum and report to the Lyon County Board of County Commissioners, Mr. Page has outlined five general points of concern regarding the potential impacts the establishment of a new Redevelopment District and Redevelopment Agency in Fernley may have on the City of Fernley, including:

- Concern No. 1: *Essentially no growth on almost half of the City's property tax revenue for the next 30 years or more.*
- Concern No. 2: *The City won't be able to hire and retain quality staff due to not being able to afford increases in wages or maintaining current levels of health insurance.*
- Concern No. 3: *The City will not be able to maintain the current levels of services that the citizens are receiving as the City revenues will not be able to keep pace with inflation.*
- Concern No. 4: *New growth in the redevelopment area will require City services, but will not generate additional revenue to the City to provide these services.*

- *Concern No. 5: The majority of the City's growth will most likely take place within the redevelopment areas, so there is little or no ability for the City to grow its way into additional revenue.*

After reviewing each of these five general points of concern, the following responses have been prepared by University Center for Economic Development faculty at the request of City of Fernley staff.

It is true that the proposed City of Fernley Redevelopment Agency would, if established by the City of Fernley City Council, collect annual incremental property tax revenues from the proposed Redevelopment District. It is also true that the Redevelopment Agency's effective 'tax rate' of 2.5200 percent is comprised of the of Lyon County's rate of 0.9287 percent, the Lyon County School District's Operating rate of 0.7500 percent, the City of Fernley's rate of 0.6713 percent, and the State of Nevada's rate of 0.1700 percent. Beginning in Fiscal Year 2019 and possibly ending after 30 years in Fiscal Year 2049, Lyon County, the Lyon County School District (Operating), the City of Fernley, and the State of Nevada would not receive property tax revenue from the incremental growth in assessed value above the established base assessed values of properties located within the proposed District.

It has also been noted that the growth in total assessed value in the proposed Redevelopment District has significantly underperformed growth in total assessed value for the entire city. As outlined in Table 3.10 on page 55 of the Redevelopment Plan, between Fiscal Year 2012 and Fiscal Year 2017, the total assessed value for the proposed Redevelopment District has grown at a significantly slower rate (24.97 percent) than growth of total assessed value for the entire City of Fernley (35.46 percent) over the same Fiscal Year 2012 through Fiscal Year 2017 period. As identified within the Redevelopment Plan for the proposed Redevelopment District and for the proposed Redevelopment Agency, the proposed Redevelopment District's underperformance in growth in total assessed value coupled with the relative average age and depreciation of development of individual parcels within the proposed Redevelopment District, the City of Fernley's revenues and resources generated by the proposed District have already been hampered

Redevelopment is a tool to reverse this trend by concentrating new development and revitalization efforts in the proposed Redevelopment District. By doing so, once the proposed District's and the proposed Agency's statutorily mandated time frame terminates, the Agency will be returning a much stronger and higher property tax base to the City, the County, the School District and to the State. Each jurisdiction would receive much higher property taxes than either jurisdiction currently receives from the proposed Redevelopment District. Of course, as a long-term revitalization and economic development tool, it could take upwards of 30 years to reverse this trend and enhance the existing property tax base within the proposed Redevelopment District.

During each of the five community redevelopment workshops held during the redevelopment study process, workshop participants (consisting of property owners, business owners, residents, and other key stakeholders) noted a very strong desire to concentrate and centralize future growth and development in the existing built environment that comprises the City of Fernley's jurisdiction and, most notably, within the boundaries of the proposed Redevelopment District. This strong community desire stemmed from the larger desire to arrest the continued expansion of the City's limits into previously undeveloped open space. By incentivizing in-fill development within the boundaries of the proposed District through the use of redevelopment tools, the Agency would not only be protecting exiting undeveloped open space, but would also be reducing per capita infrastructure and service costs for the City of Fernley and Lyon County and the Lyon County School District and the State of Nevada in the long run. Higher density and clustered

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development using well tested in-fill development techniques and approaches, as outlined in the existing Redevelopment Plan, have proven far most cost effective in-terms of providing infrastructure and public services to a community's residential and business populations.

The establishment of a redevelopment district and redevelopment agency by the City of Fernley City Council will not and does not obligate the City to implementing a redevelopment plan for the proposed Redevelopment District for the entire 30-year initial term. If the City of Fernley finds that the existence of a Redevelopment District and/or Redevelopment Agency is having a negative financial impact on the City, the City Council may, as the acting legislative body, terminate the District and the Agency (precluding the existence of any debt or other obligations owed by the Agency at the time of termination). Said termination would restore the distribution of all property tax revenue generated from the proposed Redevelopment District for the City of Fernley and for all the other taxing entities including Lyon County, the Lyon County School District, and the State of Nevada. If any of the possible concerns outlined in the October 29, 2018 memorandum are realized (inability to hire and retain quality staff, not being able to maintain current levels of service, not being able to provide services to support new growth, and little to no ability to grow the City's resources), the City of Fernley City Council may sunset and terminate the District and the Agency and restore non-redevelopment property tax distributions.

If, however, the proposed Redevelopment Agency for the City of Fernley is extremely successful at revitalizing the proposed Redevelopment District, an existing cap on the amount of incremental property tax revenues any redevelopment agency in the State of Nevada may receive may be triggered, requiring a portion of incremental property tax revenues from the proposed District be paid to Lyon County, the Lyon County School District, the City of Fernley, and the State of Nevada. Nevada Revised Statute Chapter 279 Section 676 establishes a cap on the total amount of incremental property tax revenue any redevelopment agency can receive in any single fiscal year. Specifically, Nevada Revised Statute Chapter 279 Section 676 subsection 2 states:

2. Except as otherwise provided in subsection 3, in any fiscal year, the total revenue paid to a redevelopment agency must not exceed:
 - a) In a county whose population is 100,000 or more or a city whose population is 150,000 or more, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 10 percent of the total assessed valuation of the municipality.
 - b) In a county whose population is 30,000 or more but less than 100,000 or a city whose population is 25,000 or more but less than 150,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 15 percent of the total assessed valuation of the municipality.
 - c) In a county whose population is less than 30,000 or a city whose population is less than 25,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 20 percent of the total assessed valuation of the municipality.

If the revenue paid to a redevelopment agency must be limited pursuant to paragraph (a), (b) or (c) and the redevelopment agency has more than one redevelopment area, the

redevelopment agency shall determine the allocation to each area. Any revenue which would be allocated to a redevelopment agency but for the provisions of this section must be paid into the funds of the respective taxing agencies.

Any year-to-year reallocation of incremental property tax revenues from the proposed Redevelopment District may ultimately be off-set if the proposed Redevelopment Agency is able to successfully redevelop and revitalize the proposed District to the point of triggering this cap. By doing so, the City of Fernley, Lyon County, the Lyon County School District (Operating), and the State of Nevada would each start to receive incremental property tax revenues from the proposed District.

Aside from the discussion concerning the fiscal impacts the creation of a redevelopment district and redevelopment agency in the City of Fernley may have on either the City's financial position or on the financial positions of Lyon County, the Lyon County School District, and the State of Nevada, it should be noted that the primary consideration for establishing a new redevelopment district is the need to eliminate and/or mitigate physical, economic and social blight. As the table in Appendix 5 of this University Center for Economic Development technical memorandum illustrates, the blight survey of the proposed Redevelopment District, as completed by University Center for Economic Development faculty, found evidence of all but three of the blighting conditions contained in Nevada Revised Statute Chapter 279 Section 388 within the redevelopment study area.

The existence of blight within the established and current redevelopment study area represents a clear and real threat to the public's current health and safety. The existence of blight within the established and current redevelopment study area has depressed property values and overall economic activity relative to the entire jurisdiction within the proposed Redevelopment District. And, as a result of both of these conditions, the City of Fernley has already found itself paying for needed public services in response to the growing levels of physical, economic and social blight within the proposed District using resources from a depressed property tax base. Redevelopment is an economic development and revitalization tool designed to eliminate and/or mitigate the impacts of this physical, economic and social blight while, over the long-term, improving the proposed District's overall property tax base by enhancing individual property values.

If you have any questions regarding the information presented in this technical memorandum, please feel free to contact me by phone (775.784.1655) or by email (fred@unr.edu) at your convenience.

Sincerely,

Frederick Steinmann
Assistant Research Professor
University Center for Economic Development

**Appendix 1 – Estimated Incremental Property Tax Revenue
City of Fernley Redevelopment Study Area
Lyon County, Lyon County School District (Operating), City of Fernley, State of Nevada
Scenario 1, No New Construction**

Year	Total Net Property Taxes	Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Estimated Redevelopment Agency Incremental Property Tax Revenues
2019	\$7,263,574.45	-	-	-	-	-
2020	\$7,534,505.78	N/A	N/A	N/A	N/A	N/A
2021	\$7,815,542.84	N/A	N/A	N/A	N/A	N/A
2022	\$8,107,062.59	N/A	N/A	N/A	N/A	N/A
2023	\$8,409,456.03	N/A	N/A	N/A	N/A	N/A
2024	\$8,723,128.74	N/A	N/A	N/A	N/A	N/A
2025	\$9,048,501.44	N/A	N/A	N/A	N/A	N/A
2026	\$9,386,010.54	N/A	N/A	N/A	N/A	N/A
2027	\$9,736,108.74	N/A	N/A	N/A	N/A	N/A
2028	\$10,099,265.59	N/A	N/A	N/A	N/A	N/A
2029	\$10,475,968.20	N/A	N/A	N/A	N/A	N/A
2030	\$10,866,721.81	N/A	N/A	N/A	N/A	N/A
2031	\$11,272,050.54	N/A	N/A	N/A	N/A	N/A
2032	\$11,692,498.02	\$78,437.89	\$63,346.31	\$56,705.16	\$14,367.86	\$212,857.22
2033	\$12,128,628.20	\$189,780.52	\$153,266.44	\$137,198.19	\$34,763.05	\$515,008.20
2034	\$12,581,026.03	\$305,276.24	\$246,540.60	\$220,693.60	\$55,918.99	\$828,429.42
2035	\$13,050,298.30	\$425,079.95	\$343,293.88	\$307,303.39	\$77,864.03	\$1,153,541.25
2036	\$13,537,074.43	\$549,352.34	\$443,656.05	\$397,143.73	\$100,627.63	\$1,490,779.75
2037	\$14,042,007.30	\$678,260.09	\$547,761.74	\$490,335.11	\$124,240.31	\$1,840,597.25
2038	\$14,565,774.17	\$811,976.09	\$655,750.57	\$587,002.53	\$148,733.75	\$2,203,462.94
2039	\$15,109,077.55	\$950,679.71	\$767,767.38	\$687,275.64	\$174,140.79	\$2,579,863.52
2040	\$15,672,646.14	\$1,094,556.96	\$883,962.42	\$791,288.94	\$200,495.51	\$2,970,303.84
2041	\$16,257,235.85	\$1,243,800.84	\$1,004,491.54	\$899,181.94	\$227,833.26	\$3,375,307.58
2042	\$16,863,630.74	\$1,398,611.52	\$1,129,516.39	\$1,011,099.35	\$256,190.71	\$3,795,417.97
2043	\$17,492,644.17	\$1,559,196.64	\$1,259,204.66	\$1,127,191.27	\$285,605.90	\$4,231,198.47
2044	\$18,145,119.80	\$1,725,771.58	\$1,393,730.31	\$1,247,613.43	\$316,118.27	\$4,683,233.58
2045	\$18,821,932.77	\$1,898,559.76	\$1,533,273.77	\$1,372,527.33	\$347,768.75	\$5,152,129.61
2046	\$19,523,990.86	\$2,077,792.95	\$1,678,022.20	\$1,502,100.52	\$380,599.79	\$5,638,515.46
2047	\$20,252,235.72	\$2,263,711.53	\$1,828,169.74	\$1,636,506.79	\$414,655.44	\$6,143,043.49
2048	\$21,007,644.11	\$2,456,564.87	\$1,983,917.79	\$1,775,926.41	\$449,981.35	\$6,666,390.43
2049	\$21,791,229.23	\$2,656,611.65	\$2,145,475.24	\$1,920,546.39	\$486,624.93	\$7,209,258.20
		Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Redevelopment Agency
Total		\$22,364,021.12	\$18,061,147.05	\$16,167,639.69	\$4,096,530.33	\$60,689,338.19

**Appendix 2 – Estimated Incremental Property Tax Revenue
City of Fernley Redevelopment Study Area
Lyon County, Lyon County School District (Operating), City of Fernley, State of Nevada
Scenario 2, \$1.5 Million in New Construction**

Year	Total Net Property Taxes	Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Estimated Redevelopment Agency Incremental Property Tax Revenues
2019	\$7,263,574.45	-	-	-	-	-
2020	\$7,553,450.40	N/A	N/A	N/A	N/A	N/A
2021	\$7,854,138.73	N/A	N/A	N/A	N/A	N/A
2022	\$8,166,042.73	N/A	N/A	N/A	N/A	N/A
2023	\$8,489,580.75	N/A	N/A	N/A	N/A	N/A
2024	\$8,825,186.73	N/A	N/A	N/A	N/A	N/A
2025	\$9,173,310.82	N/A	N/A	N/A	N/A	N/A
2026	\$9,534,419.94	N/A	N/A	N/A	N/A	N/A
2027	\$9,908,998.43	N/A	N/A	N/A	N/A	N/A
2028	\$10,297,548.70	N/A	N/A	N/A	N/A	N/A
2029	\$10,700,591.89	N/A	N/A	N/A	N/A	N/A
2030	\$11,118,668.59	N/A	N/A	N/A	N/A	N/A
2031	\$11,552,339.56	\$42,655.88	\$34,448.82	\$30,837.25	\$7,813.49	\$115,755.43
2032	\$12,002,186.45	\$157,500.35	\$127,197.03	\$113,861.85	\$28,850.13	\$427,409.36
2033	\$12,468,812.63	\$276,628.52	\$223,404.74	\$199,983.28	\$50,671.44	\$750,687.98
2034	\$12,952,843.96	\$400,200.17	\$323,201.01	\$289,317.03	\$73,306.68	\$1,086,024.89
2035	\$13,454,929.67	\$528,381.04	\$426,719.67	\$381,982.93	\$96,786.22	\$1,433,869.86
2036	\$13,975,743.17	\$661,343.07	\$534,099.58	\$478,105.27	\$121,141.54	\$1,794,689.46
2037	\$14,515,983.01	\$799,264.57	\$645,484.76	\$577,812.97	\$146,405.31	\$2,168,967.62
2038	\$15,076,373.81	\$942,330.54	\$761,024.61	\$681,239.77	\$172,611.43	\$2,557,206.36
2039	\$15,657,667.17	\$1,090,732.88	\$880,874.10	\$788,524.40	\$199,795.03	\$2,959,926.41
2040	\$16,260,642.78	\$1,244,670.62	\$1,005,193.97	\$899,810.73	\$227,992.58	\$3,377,667.91
2041	\$16,886,109.38	\$1,404,350.25	\$1,134,150.97	\$1,015,248.05	\$257,241.90	\$3,810,991.17
2042	\$17,534,905.89	\$1,569,985.92	\$1,267,918.07	\$1,134,991.18	\$287,582.22	\$4,260,477.39
2043	\$18,207,902.50	\$1,741,799.80	\$1,406,674.68	\$1,259,200.72	\$319,054.24	\$4,726,729.44
2044	\$18,906,001.89	\$1,920,022.34	\$1,550,606.92	\$1,388,043.29	\$351,700.16	\$5,210,372.70
2045	\$19,630,140.39	\$2,104,892.58	\$1,699,907.82	\$1,521,691.68	\$385,563.77	\$5,712,055.85
2046	\$20,381,289.25	\$2,296,658.48	\$1,854,777.65	\$1,660,325.15	\$420,690.50	\$6,232,451.78
2047	\$21,160,455.96	\$2,495,577.25	\$2,015,424.12	\$1,804,129.66	\$457,127.45	\$6,772,258.48
2048	\$21,968,685.60	\$2,701,915.69	\$2,182,062.71	\$1,953,298.07	\$494,923.50	\$7,332,199.97
2049	\$22,807,062.19	\$2,915,950.55	\$2,354,916.92	\$2,108,030.47	\$534,129.34	\$7,913,027.28
		Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Redevelopment Agency
Total		\$25,294,860.50	\$20,428,088.16	\$18,286,433.75	\$4,633,386.93	\$68,642,769.34

Appendix 3 – Estimated Incremental Property Tax Revenue
City of Fernley Redevelopment Study Area
Lyon County, Lyon County School District (Operating), City of Fernley, State of Nevada
Scenario 3, \$20.0 Million in New Construction

Year	Total Net Property Taxes	Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Estimated Redevelopment Agency Incremental Property Tax Revenues
2019	\$7,263,574.45	-	-	-	-	-
2020	\$7,787,100.78	N/A	N/A	N/A	N/A	N/A
2021	\$8,330,154.64	N/A	N/A	N/A	N/A	N/A
2022	\$8,893,464.41	N/A	N/A	N/A	N/A	N/A
2023	\$9,477,785.63	N/A	N/A	N/A	N/A	N/A
2024	\$10,083,902.03	N/A	N/A	N/A	N/A	N/A
2025	\$10,712,626.58	N/A	N/A	N/A	N/A	N/A
2026	\$11,364,802.55	N/A	N/A	N/A	N/A	N/A
2027	\$12,041,304.68	\$167,487.11	\$135,262.32	\$121,081.59	\$30,679.46	\$454,510.48
2028	\$12,743,040.35	\$346,637.98	\$279,944.27	\$250,595.27	\$63,495.42	\$940,672.94
2029	\$13,470,950.75	\$532,471.18	\$430,022.86	\$384,939.81	\$97,535.43	\$1,444,969.27
2030	\$14,226,012.22	\$725,235.95	\$585,699.37	\$524,295.41	\$132,845.12	\$1,968,075.85
2031	\$15,009,237.47	\$925,190.85	\$747,182.63	\$668,848.96	\$169,471.87	\$2,510,694.31
2032	\$15,821,677.03	\$1,132,604.07	\$914,689.21	\$818,794.37	\$207,464.79	\$3,073,552.44
2033	\$16,664,420.58	\$1,347,753.81	\$1,088,443.78	\$974,332.74	\$246,874.85	\$3,657,405.17
2034	\$17,538,598.47	\$1,570,928.62	\$1,268,679.40	\$1,135,672.69	\$287,754.90	\$4,263,035.61
2035	\$18,445,383.20	\$1,802,427.86	\$1,455,637.81	\$1,303,030.62	\$330,159.78	\$4,891,256.07
2036	\$19,385,990.99	\$2,042,562.02	\$1,649,569.76	\$1,476,631.00	\$374,146.37	\$5,542,909.15
2037	\$20,361,683.45	\$2,291,653.18	\$1,850,735.38	\$1,656,706.67	\$419,773.65	\$6,218,868.89
2038	\$21,373,769.25	\$2,550,035.45	\$2,059,404.48	\$1,843,499.17	\$467,102.83	\$6,920,041.92
2039	\$22,423,605.84	\$2,818,055.37	\$2,275,856.93	\$2,037,259.03	\$516,197.39	\$7,647,368.71
2040	\$23,512,601.34	\$3,096,072.44	\$2,500,383.06	\$2,238,246.13	\$567,123.17	\$8,401,824.80
2041	\$24,642,216.37	\$3,384,459.54	\$2,733,284.01	\$2,446,730.04	\$619,948.49	\$9,184,422.09
2042	\$25,813,966.04	\$3,683,603.48	\$2,974,872.17	\$2,662,990.41	\$674,744.19	\$9,996,210.26
2043	\$27,029,421.97	\$3,993,905.49	\$3,225,471.57	\$2,887,317.29	\$731,583.77	\$10,838,278.13
2044	\$28,290,214.41	\$4,315,781.77	\$3,485,418.33	\$3,120,011.57	\$790,543.47	\$11,711,755.13
2045	\$29,598,034.41	\$4,649,664.03	\$3,755,061.10	\$3,361,385.34	\$851,702.37	\$12,617,812.83
2046	\$30,954,636.09	\$4,996,000.10	\$4,034,761.54	\$3,611,762.35	\$915,142.49	\$13,557,666.47
2047	\$32,361,839.02	\$5,355,254.50	\$4,324,894.81	\$3,871,478.42	\$980,948.92	\$14,532,576.66
2048	\$33,821,530.61	\$5,727,909.09	\$4,625,850.06	\$4,140,881.91	\$1,049,209.94	\$15,543,851.00
2049	\$35,335,668.70	\$6,114,463.70	\$4,938,030.93	\$4,420,334.14	\$1,120,017.10	\$16,592,845.87
		Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Redevelopment Agency
Total		\$63,570,157.59	\$51,339,155.76	\$45,956,824.92	\$11,644,465.77	\$172,510,604.04

Appendix 4 – Estimated Incremental Property Tax Revenue
City of Fernley Redevelopment Study Area
Lyon County, Lyon County School District (Operating), City of Fernley, State of Nevada
Scenario 4, \$50.0 Million in New Construction

Year	Total Net Property Taxes	Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Estimated Redevelopment Agency Incremental Property Tax Revenues
2019	\$7,263,574.45	-	-	-	-	-
2020	\$8,165,993.28	N/A	N/A	N/A	N/A	N/A
2021	\$9,102,072.33	N/A	N/A	N/A	N/A	N/A
2022	\$10,073,067.13	N/A	N/A	N/A	N/A	N/A
2023	\$11,080,280.03	N/A	N/A	N/A	N/A	N/A
2024	\$12,125,061.98	\$188,870.08	\$152,531.17	\$136,540.00	\$34,596.28	\$512,537.53
2025	\$13,208,814.29	\$465,548.58	\$375,976.27	\$336,559.40	\$85,276.88	\$1,263,361.13
2026	\$14,332,990.56	\$752,547.18	\$607,755.88	\$544,039.54	\$137,847.86	\$2,042,190.45
2027	\$15,499,098.61	\$1,050,250.83	\$848,180.86	\$759,258.68	\$192,379.73	\$2,850,070.11
2028	\$16,708,702.49	\$1,359,058.83	\$1,097,573.70	\$982,505.49	\$248,945.65	\$3,688,083.67
2029	\$17,963,424.59	\$1,679,385.37	\$1,356,268.89	\$1,214,079.41	\$307,621.47	\$4,557,355.14
2030	\$19,264,947.83	\$2,011,660.09	\$1,624,613.41	\$1,454,291.04	\$368,485.90	\$5,459,050.44
2031	\$20,615,017.88	\$2,356,328.65	\$1,902,967.18	\$1,703,462.56	\$431,620.58	\$6,394,378.98
2032	\$22,015,445.55	\$2,713,853.35	\$2,191,703.55	\$1,961,928.18	\$497,110.18	\$7,364,595.26
2033	\$23,468,109.17	\$3,084,713.73	\$2,491,209.78	\$2,230,034.57	\$565,042.54	\$8,371,000.62
2034	\$24,974,957.14	\$3,469,407.19	\$2,801,887.60	\$2,508,141.32	\$635,508.78	\$9,414,944.89
2035	\$26,538,010.54	\$3,868,449.73	\$3,124,153.70	\$2,796,621.46	\$708,603.41	\$10,497,828.29
2036	\$28,159,365.83	\$4,282,376.54	\$3,458,440.32	\$3,095,861.90	\$784,424.47	\$11,621,103.24
2037	\$29,841,197.68	\$4,711,742.83	\$3,805,195.84	\$3,406,264.02	\$863,073.65	\$12,786,276.34
2038	\$31,585,761.85	\$5,157,124.48	\$4,164,885.33	\$3,728,244.13	\$944,656.45	\$13,994,910.40
2039	\$33,395,398.27	\$5,619,118.87	\$4,537,991.25	\$4,062,234.10	\$1,029,282.29	\$15,248,626.51
2040	\$35,272,534.12	\$6,098,345.65	\$4,925,014.01	\$4,408,681.90	\$1,117,064.67	\$16,549,106.23
2041	\$37,219,687.15	\$6,595,447.58	\$5,326,472.73	\$4,768,052.20	\$1,208,121.33	\$17,898,093.84
2042	\$39,239,468.98	\$7,111,091.42	\$5,742,905.85	\$5,140,827.01	\$1,302,574.41	\$19,297,398.70
2043	\$41,334,588.67	\$7,645,968.77	\$6,174,871.93	\$5,527,506.33	\$1,400,550.59	\$20,748,897.62
2044	\$43,507,856.33	\$8,200,797.05	\$6,622,950.35	\$5,928,608.78	\$1,502,181.28	\$22,254,537.45
2045	\$45,762,186.87	\$8,776,320.42	\$7,087,742.09	\$6,344,672.35	\$1,607,602.79	\$23,816,337.65
2046	\$48,100,603.94	\$9,373,310.82	\$7,569,870.56	\$6,776,255.09	\$1,716,956.53	\$25,436,393.00
2047	\$50,526,243.96	\$9,992,568.96	\$8,069,982.42	\$7,223,935.88	\$1,830,389.16	\$27,116,876.41
2048	\$53,042,360.36	\$10,634,925.42	\$8,588,748.45	\$7,688,315.15	\$1,948,052.82	\$28,860,041.85
2049	\$55,652,327.91	\$11,301,241.78	\$9,126,864.46	\$8,170,015.77	\$2,070,105.35	\$30,668,227.36
		Lyon County Share	Lyon County School District Share (Operating)	City of Fernley	State of Nevada	Redevelopment Agency
Total		\$128,500,454.22	\$103,776,757.60	\$92,896,936.24	\$23,538,075.06	\$348,712,223.11

**Appendix 5 – Summary of Blighting Conditions
City of Fernley Redevelopment Study Area**

NRS 279.388.1	Entire Study Area	Historic Downtown	Industrial	West Development	Residential	East Development
(a) The existence of buildings and structures, used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which are unfit or unsafe for those purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime because of one or more of the following factors: (1) Defective design and character of physical construction. (2) Faulty arrangement of the interior and spacing of buildings. (3) Inadequate provision for ventilation, light, sanitation, open spaces and recreational facilities. (4) Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses	X	X	X			X
(b) An economic dislocation, deterioration or disuse.	X	X	X	X		
(c) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.	X	X				
(d) The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.	X	X	X	X		
(e) The existence of inadequate streets, open spaces and utilities.	X	X	X	X		
(f) The existence of lots or other areas which may be submerged.						
(g) Prevalence of depreciated values, impaired investments and social and economic maladjustment to such an extent that the capacity to pay taxes is substantially reduced and tax receipts are inadequate for the cost of public services rendered.	X	X	X	X		
(g) A growing or total lack of proper utilization of some parts of the area, resulting in a stagnant and unproductive condition of land which is potentially useful and valuable for contributing to the public health, safety and welfare.	X		X	X	X	X
(i) A loss of population and a reduction of proper use of some parts of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere						
(j) The environmental contamination of buildings or property.	X	X	X		X	
(k) The existence of an abandoned mine.						