

Governance Study Frequently Asked Questions

General

Why is Spring Creek not an unincorporated town?

Spring Creek is governed by Elko County (County) and managed by the Spring Creek Association (SCA), a homeowners' association responsible for roads, recreation, and enforcement of the community's covenants, conditions, and restrictions (CC&Rs). Counties are not required to provide roads maintenance and recreation facilities.

What role does Elko County play in Spring Creek's economic and infrastructure development?

The County holds land use planning authority in and around Spring Creek. The County is a facilitator and partner in bringing economic development to the area. A good example is the rollout of internet broadband.

How do residents influence land use and economic development decisions currently?

Residents can empower their SCA Board and staff to take ideas and initiatives to the County BOCC.

What are the proposed responsibilities of a new local government?

This would be defined during the process of creating the new governing body. For purposes of the study, recreation and roads maintenance are the only services assumed to become the responsibility of the new governing body.

Services and Infrastructure

Who owns SCA assets?

The members of SCA own the land with administrative and amenities buildings and other assets. Sale, lease or transfer of any SCA property requires approval by a majority of the SCA Board. Transfer of ownership of SCA's recreation facilities requires a 75% approval by owners for the recreation facilities unless the facilities are transferred to a GID, in which case a vote is not required.

Who is responsible for maintaining roads in Spring Creek?

All users of Spring Creek public roads are responsible for road maintenance. SCA collects fees from lot owners both inside and outside Spring Creek that use these public roads. Elko County owns the roads and provides grant money to maintain the parkways, but residents primarily fund road maintenance through SCA dues.

If SCA goes away, will Elko County do road maintenance?

Not necessarily but in practicality it would be by creating a District for Maintenance of Roads, an unincorporated town, or a GID with the BOCC as the BOT. Under each of these options



the service will be provided by the public sector, which will increase the cost to homeowners as public wages and benefits will be paid.

If we became an unincorporated town would the quality of amenities degrade? Would the township continue spraying for crickets and plowing the roads in winter?

The town would be charged additional ad valorem tax to pay for upkeep of amenities; level of service would be determined by the town board. The town would also pay for snow removal. The town and the County Weed and Pest GID would jointly address crickets management.

Who will put on all of the events if SCA goes away?

This depends on the new governance structure. GIDs with recreation powers put on community events. The SCA will never completely dissolve because it will continue to enforce CC&Rs and business licenses. The SCA could continue to provide events, but it would have to book those events with the entity that owns the amenities.

What improvements are planned for water, sewer, gas, and broadband?

Southwest Gas is expanding service to more areas, and broadband is being rolled out throughout Spring Creek. Water and sewer services are currently a mix of private wells and septic systems, and service provision by Great Basin Water Company (GBWC), a private utility regulated by the Public Utilities Commission of Nevada (PUCN). GBWC improvement plans need to be approved by the PUCN. Water service can be expanded because GBWC owns the water rights to develop water resources. Wastewater service is limited due to lack of a regional wastewater disposal plan and the expensive of infrastructure installation to service new developments on the periphery of Spring Creek. Conversion from septic to sewer is extremely expensive and unlikely to be desired by residents.

How will essential services be managed under a town government? Will we see improvements in roads, public safety, parks, or utilities?

An unincorporated town could provide services SCA currently provides (except for the Committee on Architecture (COA) which enforces CC&Rs) and more services such as business licenses and economic development. The level of services is unlikely to change due to a change in governance structure.

How would a public sector provider address current issues, such as road quality or emergency response times?

Unless fire service, ambulance service and road maintenance departments are established under the new governance structure, those issues will continue to be addressed as they are now. As an unincorporated town, there would be no change. As a GID, local residents elected to the BOT will have the ability to change the level of service for road quality (and fire protection and ambulance services if these are powers of the GID). Similarly, as a city, local residents elected to City Council will have the ability to change the level of service for road quality and emergency service response times.



Are there any plans for improved public transportation options?

Outside the scope of this study, however, the study does note that a GID can form a Special Improvement District for transportation that can fund services (like dial-a-ride and other micro transit for regional trips) in perpetuity.

What are the long-term plans for emergency services, including fire and EMS?

Outside the scope of this study.

How will the broadband expansion affect internet availability and cost?

Outside the scope of this study.

Legal and Procedural Questions

What is the process and timeline for incorporation if the community decides to proceed?

The process is long and costly (includes an extensive incorporation feasibility study) to become a city through one of three avenues. The creation steps for each includes: (1) A General Law City requires a majority of property owners to apply to the district court, (2) A Commission Form City requires a petition by a quarter of qualified voters be submitted to the county and 15 electors write the city charter which is submitted to the public at a special election and a majority vote is required for ratification, and (3) A Special Charter City requires a citizen drafted city charter to be presented to state legislators who submit a bill that must be passed by the legislature and signed by the Governor.

What happens if the incorporation effort is unsuccessful? Can we reapply or take alternative actions? Can the other communities and County deny us?

If the first attempt is unsuccessful, another effort can be made. Laughlin has attempted to become a city three times and has been unsuccessful each time. If the Special Charter City process is selected, the legislative process would allow other entities to provide input which could include a recommendation to not approve.

Will incorporation affect how we interact with Elko County or other neighboring jurisdictions?

Incorporation provides the highest level of local control which may or may not affect interaction with Elko County or other jurisdictions.

What are the primary risks or disadvantages of becoming a city? Are there financial, administrative, or political challenges we should anticipate?

The primary risks are financial as a city government would likely result in the highest total cost to residents of all governance structures considered. Politically, all governance structures considered would need to be supported by Elko County and the City of Elko with the exception of an unincorporated town which would only need support from the County.



Could Spring Creek raise sufficient revenues to be a city?

A feasibility study would have to be conducted to answer this question. Although there is room under the statutory tax cap to raise about \$3.7 million annually, taking the full remaining tax rate could lead to erosion of revenue for other County services provided to Spring Creek. Ad valorem alone would be insufficient revenue to support a city.

How would disputes over boundaries or services with the county be resolved?

This depends on what the dispute is regarding. These would be handled on a case by case basis.

What would the governing body of Spring Creek look like as a town? Would we have a mayor, town council, or both?

An unincorporated town would have a TAB made up of 3 or 5 members who are residents and qualified voters of the town and county. Its duties are to “assist the BOCC in governing the unincorporated town by acting as liaison between the residents of the town and the BOCC” and “advise the BOCC on matters of importance to the unincorporated town and its residents.” There would not be a mayor or a town council.

How would representation be structured to ensure all areas of Spring Creek have a voice?

The TAB would be established to represent all areas of the town.

What happens if the town government cannot meet its obligations? Is there a plan for addressing financial or operational shortfalls? Who would take over if so?

Ultimately, Elko County is responsible for service provision in Spring Creek. The County would have to ensure sufficient services are in place, but it can place the cost entirely on the Spring Creek community under an unincorporated town or GID.

How will bylaws or ordinances be created, and who will oversee enforcement?

This depends on the governance structure. A city, an unincorporated town and a GID can all create rules and regulations that are created through passage of ordinances and resolutions.

Does the BOCC have ultimate oversight over the new entity?

For an unincorporated town, yes. For a city, no. A GID can be governed by the BOCC acting as the GID’s BOT or it can be governed by a BOCC-appointed BOT (five residents of the district) as the first BOT, followed by elections of the BOT members going forward.

What is the difference between Incorporated and Unincorporated?

An incorporated city has full autonomy (local decision making). Unincorporated towns are part of the county (not a separate legal body) with a local advisory board.



Is there sufficient room under Nevada’s property “tax cap” to raise revenues for a GID, Town, or City?

That depends on the services provided. A GID can be funded with assessments and parcel charges (ad valorem tax isn’t necessary).

Financial Considerations

Will taxes increase if Spring Creek’s governance structure changes?

All considered (public sector) governance options come at a higher total cost to residents. The amount of tax assessed depends on the chosen governance structure and services provided. Under the governance structures considered in the study Spring Creek could gain more control over local revenue but additional taxes will be necessary to support services.

What is the projected cost of establishing a town government? How would this compare to the current costs under SCA apples to apples?

The cost is dependent on the type of unincorporated town structure the County approves. The town could have an advisory board (TAB) which may be given control of ordinance and code creation and ability to spend money at its discretion (similar to the Town of Jackpot), or it may have a Citizens Advisory Committee (CAC) with the BOCC making all governance decisions (similar to Mountain City). The governance study makes a planning-level estimate of the cost to having a TAB. The cost is higher than current costs under SCA due to several factors, primarily public sector wages and benefits costs and cost of the Town Board.

How will potential changes in governance affect property taxes and housing affordability?

This depends on the form of governance. A GID, town or city would increase costs paid via taxes or assessments and parcel charges; SCA dues would be reduced.

Can we keep Elko County fire and sheriff in a Memorandum of Understanding and NOT pay more in taxes and still be a town or city and get those benefits?

Elko County fire protection and the Sheriff could continue to provide public safety services, just like in Jackpot. If the town or city wants to provide these services, it is possible, with approval from the Tax Commission, to shift C-Tax from the County to the town or city but it is likely that property taxes would also have to increase.

Why can’t a new government get property taxes already paid to Elko County?

The County provides services to Spring Creek that will continue to be provided if roads maintenance and recreation services transfer to the public sector. There is no evidence of the County subsidizing other towns; each town has a separate property tax rate in addition to the County rate.

What funding opportunities (grants, state funding, etc.) become available under a different governance structure?



Separate government bodies can become eligible for grants and favorable loans through government programs (Federal and State). A GID and a city would be new government bodies that could apply directly to funding programs. As an unincorporated town, Spring Creek would not be a separate government body (it would remain part of the County).

What are the expected long-term financial benefits or risks of becoming a town or city?

Total costs for residents and businesses would be significantly higher with an unincorporated town or city compared to current governance (Elko County and SCA).

Would the City of Elko's consolidated tax be reduced if Spring Creek became a town or city, and can the City of Elko protest that?

In order to get a share of C-Tax, Spring Creek town or city would have to provide police protection in addition to road maintenance and recreation services and be granted an allocation of C-Tax revenue by the Nevada Tax Commission. The amount allocated to the new town or city would be equivalent to the amount previously spent by Elko County Sheriff to provide service within the boundaries of the new town or city. The C-Tax would be shifted from the County to the new town or city. Elko City's distribution would not be affected.

Will we have to pay PERS and Prevailing wages? Currently SCA does not.

Yes, any form of local government providing roads maintenance and recreation services will require PERS and prevailing wages.

Could our money be used outside of the area if SCA were to go away by Elko County to fund projects in places like Osino or Jackpot? Currently all funds have to stay in SCA.

No. All monies belonging to a GID can only be spent within its service territory. Revenues collected in an unincorporated town must be spent in its service territory provided the services of the town align with the revenue sources.

Will we get to pay less in County taxes if SCA goes away or do we have to pay for a "town" and still pay county taxes?

The total amount paid in taxes or assessments will increase if SCA no longer owns and operates the recreation amenities or maintains the public roads.

What lessons can we learn from other communities that have recently been incorporated?

The last place to incorporate in the State was Fernley (2001), and it is the only city to have been incorporated since the creation of C-Tax in 1997; as such, it is the best incorporation example to study. Another good example is the City of West Wendover (1991). Both communities have significantly more commercial/industrial/gaming businesses than Spring Creek. Fernley has struggled financially because it's C-Tax is based on what it received as an unincorporated town prior to incorporating (Fernley contracts police services with Lyon



County); and because of tax abatement and the depreciation component of property tax revenue. Fernley is dependent on growth to generate sufficient revenues to exist as a city. West Wendover has greater diversification of revenue sources and C-Tax that supports more than police services because it incorporated before the creation of C-Tax.

Why do other towns in Elko county receive consolidated tax?

They were receiving proceeds from one of the taxes now included in the Local Government Tax Distribution account prior to July 1, 1998.

Public Engagement and Community Identity

How will the community be involved in the decision-making process?

All governance options allow for community involvement in the decision-making process. A GID requires a property owner petition and the BOCC can either approve the petition unanimously, or if passed but not unanimously, the City of Elko would need to consent since the GID is within 7 miles of the city boundary. Citizens would vote on an unincorporated town through the Elko County public process (majority in favor required). An incorporated city requires either a majority vote of property owners in favor, or a legislative action.

Will there be public meetings, surveys, or referendums to gauge support?

SCA will be developing avenues to obtain community opinions and preferences for the potential governance structures.

How can residents voice concerns or ask questions during this process?

This depends on which governance structure is being sought.

**What are the advantages of incorporating in terms of community development?
Will it lead to better zoning control, business growth, or job creation?**

Becoming a city would provide the highest amount of local control over those issues, but at a much higher cost.

How would incorporation affect Spring Creek's rural identity? What steps will be taken to preserve the community's character?

Beyond the scope of this study.

What role will residents play in shaping the town's vision and priorities?

An unincorporated town with a TAB would provide residents with more say in these things but at a higher cost.

