

Consultant Introductions

Catherine Hansford

- More than 25 years of experience in municipal finance
- Conducted many consolidation, new special district, and economic development and funding strategies
- Completed the governance analysis for SCA in 2017

Mark Foree

- Owned a private water system near Winnemucca for many years
- Former General Manager of Truckee Meadows Water Authority
- Working with water systems throughout the state

Economic Development Strategy



Purpose of the Analysis

- Assess current economic conditions and quality of life
- Provide strategies for ensuring future prosperity of the community

The study does this by:

1. Collecting and analyzing socioeconomic data such as population, age, income, education, jobs, occupations, health, quality of life, social vulnerability, and jobs to housing
2. Considering current businesses and gaps in business offerings in Spring Creek
3. Combining the data and analysis with SWOT conducted by UNR in 2022

People, Health & Mobility

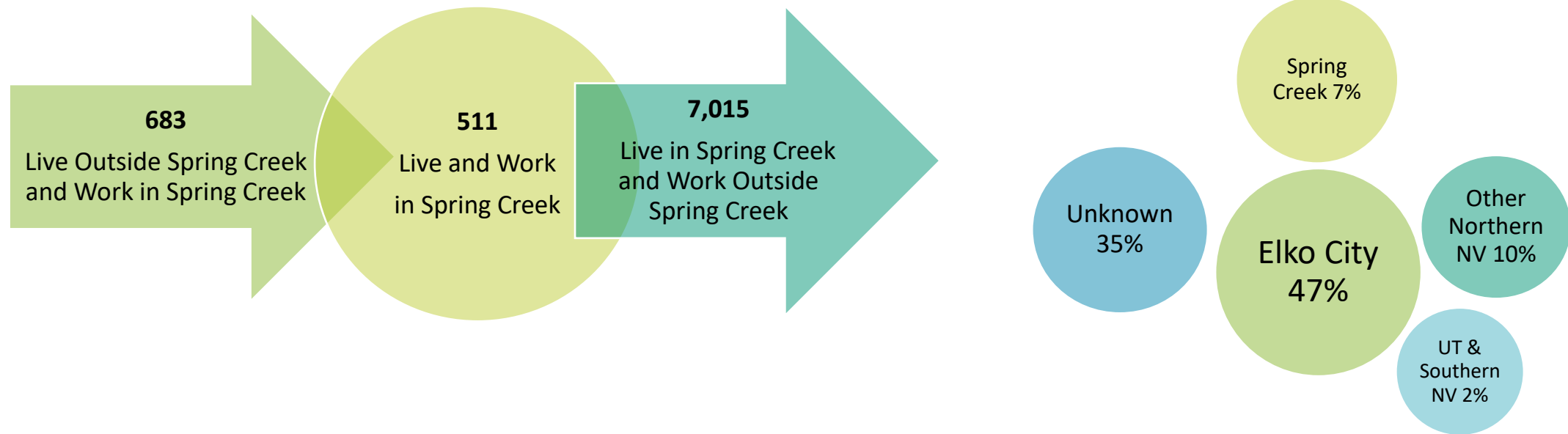
- Stable, year-round occupancy
- About 25% of the County total population is in Spring Creek
- Generally healthy population, relatively safe place to live, and low social vulnerability
- Desirable place to live with proximity to schools & essential infrastructure and civic services
- Higher educational attainment & incomes than other Elko communities
 - Income and poverty data show decrease in collective wealth since Covid-19

Housing

- One quarter of Elko County housing stock
- Most homes built between 1980 and 2010
- Highest proportion of owner-occupied units of the largest population centers in Elko County
- Very low jobs to housing ratio (much more housing than jobs)

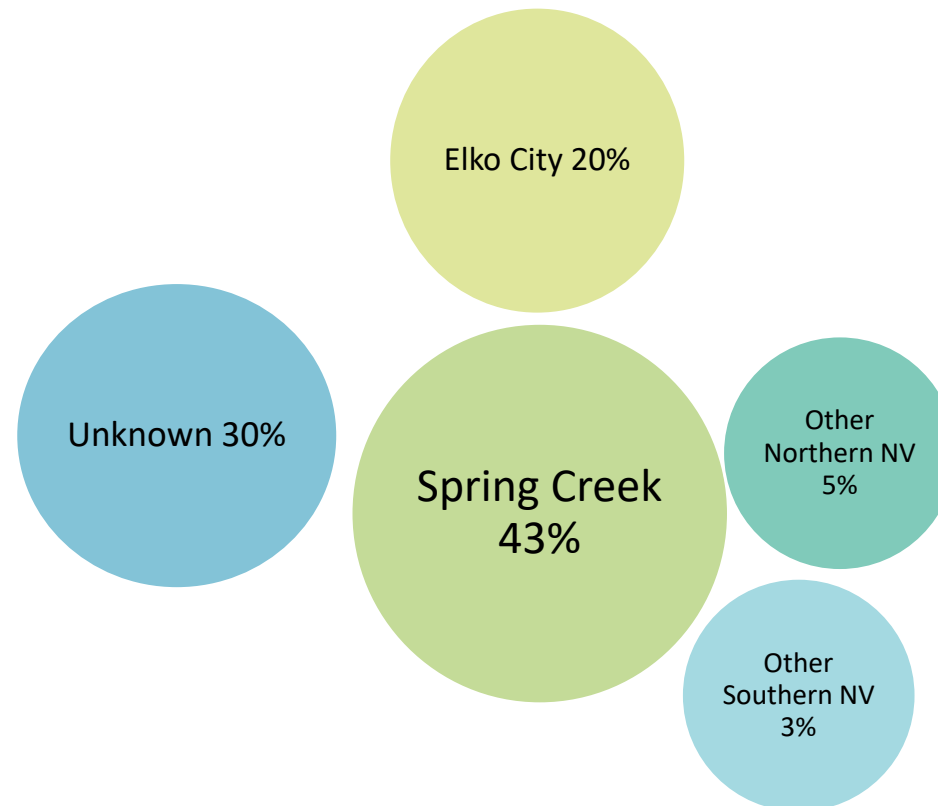
Spring Creek Workers Place of Work

“bedroom community” - about 7% of workers are employed in Spring Creek



Jobs in Spring Creek

About 1,200 jobs in Spring Creek, steadily growing, but jobs are being filled with people living outside the area



Growing and Emerging Industries

Growing	Mining & Quarrying, Utilities, Construction, Recreation
Emerging	Health Care, Accommodation, Educational Services, Manufacturing, Wholesale Trade, Finance, Professional Services
Transforming	Retail
Declining	Information Services, Real Estate, Management of Companies, Public Administration

Retail leakage analysis shows Spring Creek could support about 115,000 new square feet – retail needs to innovate in the area.

Regional wastewater infrastructure needs to be planned to support new retail and other industries in the area.

A new hotel could help support the recreation industry

Spring Creek Businesses

About 130 total, of which about 25 are civic

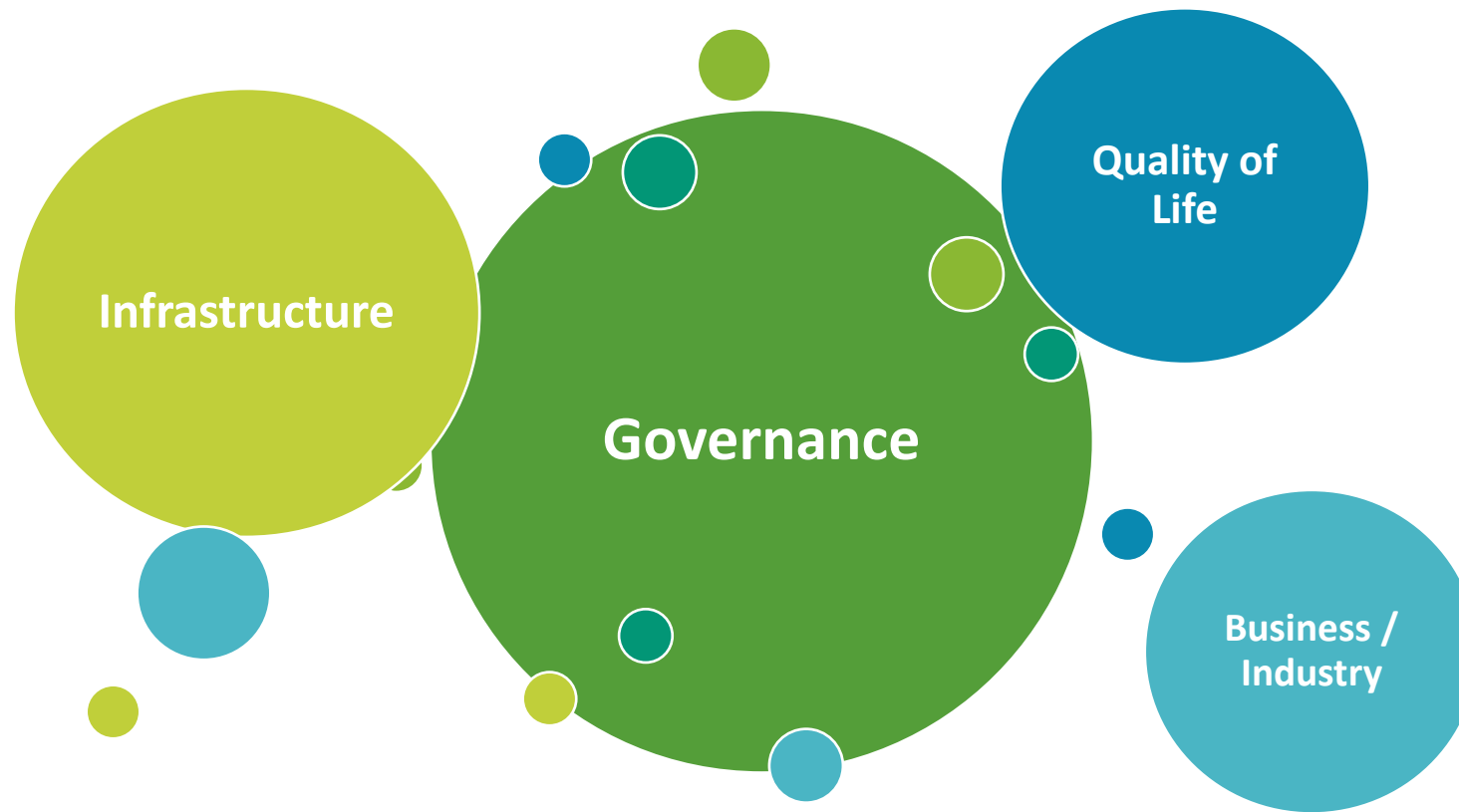
- Largest number of non-civic are professional services (taxidermy, landscaping, woodworking, event planning, fencing, travel agency, notary, florist, pest control, artists etc.)

Analysis of additional supportable commercial space found:

- Additional space for restaurants and bars not supportable with current population
- Need more space for food stores and personal services
- Need more space for retail

Strengths, Weaknesses, Opportunities & Threats

CEDS 2022 online survey – participant responses identified 4 focus areas



Governance

- **Strengths:** Nimble
- **Weaknesses:** Lack of revenue-raising authority for public services & infrastructure
- **Opportunities:** New governance structure(s)
- **Threats:** Insufficient State-level influence to support economic development initiatives

Infrastructure

- **Strengths:** Transportation network, schools & higher education
- **Weaknesses:** Deterioration of roads, transit options
- **Opportunities:** Continued investment
- **Threats:** n/a

Quality of Life

- **Strengths:** Community identity & culture, public amenities, access to outdoor recreation
- **Weaknesses:** n/a
- **Opportunities:** New governance structure(s), strengthen identity (town center etc.), market outdoor opportunities, increase capacity of history & resources for visitation
- **Threats:** Increased outdoors visitation without adequate natural resources protection

Business/Industry

- **Strengths:** n/a
- **Weaknesses:** Lack of diversity, lack of available land
- **Opportunities:** Retention and expansion efforts, diversity, collaborate, diversify
- **Threats:** n/a

Strategic Action Items

1. Keep planning prudently for what SCA can control
2. Determine the best governance structure
3. Promote a healthy lifestyle
4. Work with developers of surrounding properties, and Elko County, to develop new commercial space and promote Spring Creek as a business-friendly place
5. Promote Spring Creek as a great place to live
6. Assist Spring Creek entrepreneurs to create jobs in Spring Creek

Strategic Action Item #1

Keep planning prudently for what SCA can control

- Establish and publish desired levels of service for services provided (roads, amenities, and recreation)
- Invest in asset management plans for life-cycle needs of roads and amenities infrastructure
- Plan for better community linkage with non-vehicular movement (using open space and trails)

Strategic Action Item #2

Determine the best governance structure

- Evaluate feasible governance structure alternatives for provision of roads maintenance and recreation facilities and programs
- Understand the costs (in order of magnitude) of moving SCA service provision from the private sector to the public sector
- Using the study of governance structures and costs, poll the community to gage appetite to move these services to the public sector
- Based on the study and poll of the community, chart a pathway to the desired governance structure over the next 5 years

Strategic Action Item #3

Promote a healthy lifestyle

Health and community prosperity are linked

- Explore additional safety enhancements to promote safe passage around Spring Creek (sidewalks and lighting for example)
- Work with partners (local non-profits, the State, and other regional outdoor recreation managers) to improve access to and overall capacity of existing recreational assets
- Continue to enhance and offer new healthy living options with programs offered at recreation facilities

Strategic Action Item #4

Work to develop new commercial space and promote Spring Creek as a business-friendly place

Spring Creek would support a neighborhood-sized large retailer such as a Target but there are insufficient existing parcels large enough - vacant parcels in Spring Creek have fragmented ownership and are too small

- Create and publish a map showing remaining vacant lots and zoning to help potential developers/businesses
- Work with developers and Elko County to commit sufficient property along Highway 227 to attract a larger retailer (such as Walmart or Target)
- Work with NNRDA to increase healthcare services in Spring Creek

Strategic Action Item #5

Promote Spring Creek as a great place to live

The goal is to develop the remaining vacant residential lots

- Market to people who value a rural and active lifestyle (may require professional marketing assistance)
- Determine desirability of a central gathering place for civic activities; if favorable, create a plan to purchase properties for this purpose

Strategic Action Item #6

Assist entrepreneurs create jobs in Spring Creek

Barriers to job creation include:

- Insufficient undeveloped land
- Availability of skilled workers

SCA can support entrepreneurs by:

- Surveying local businesses to identify what makes them successful, what difficulties they encounter & work with NNRDA to craft programs to help address their difficulties
- Promote pathways to careers developed by NNRDA, Elko County School District and Great Basin College
- Staying involved in the County's planning process
 - Voice support for a new hotel to support food and accommodation, recreation and personal services industries
 - Support public transportation options, which helps provide access to affordable housing funding

Governance Study



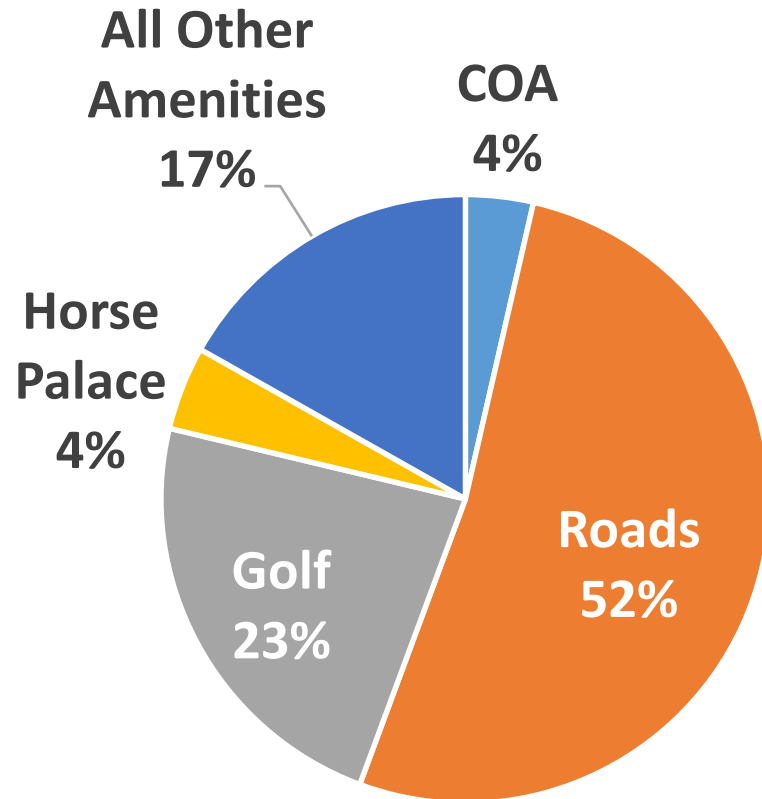
Purpose of the Analysis

- Examine alternative governance options to provide roads maintenance and recreation (and potentially other services) in and around the Spring Creek tracts
- Update to 2016 study when the SCA Board ranked remaining a homeowners association as preferred

Governance options studied in 2025:

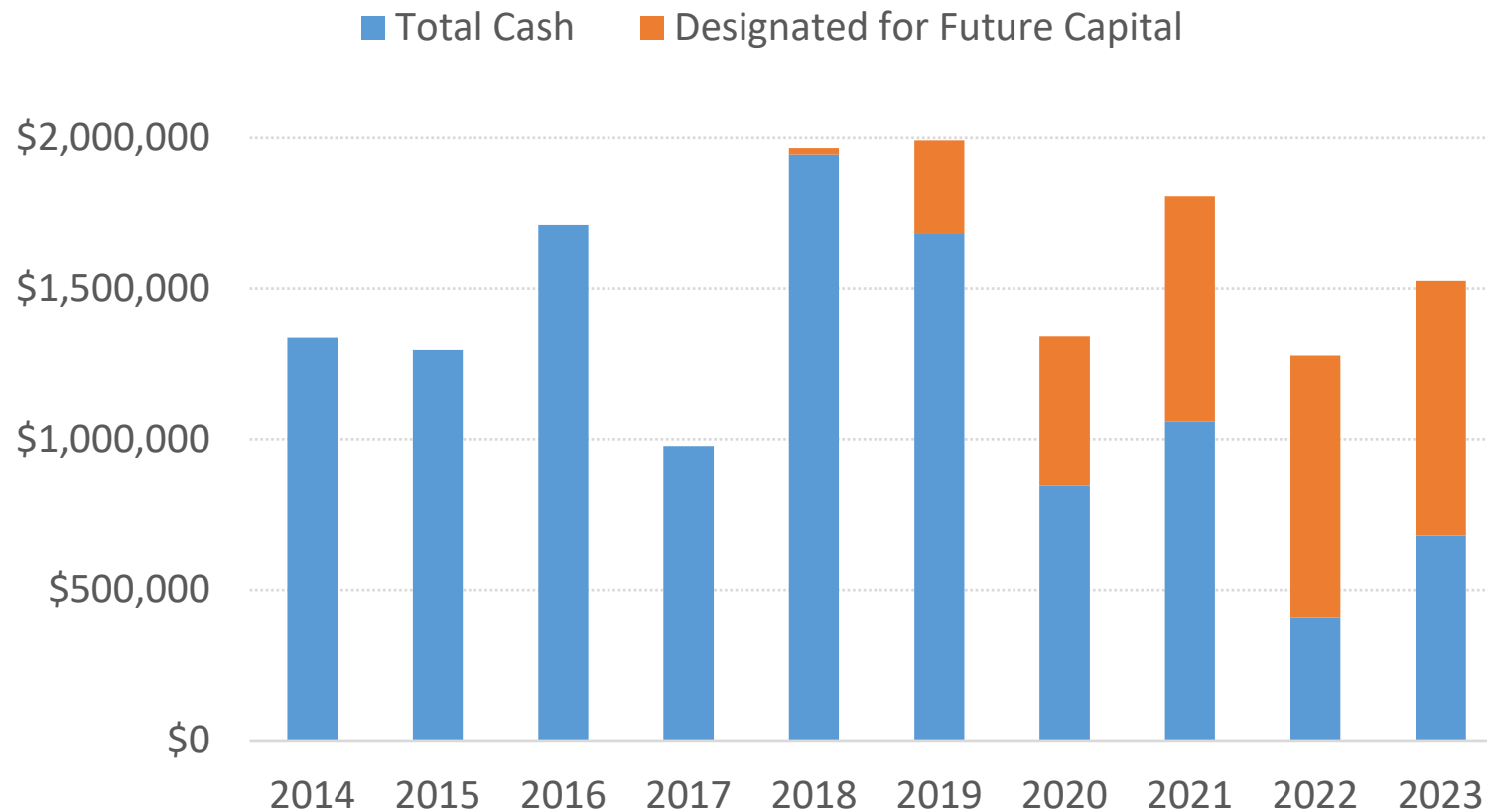
1. Unincorporated Town
2. General Improvement District
3. Incorporated City

SCA Services and Budget Resources



- SCA Budget for 2025 is \$6.64 Million
- Chart distribution shows expenses from 2014-2023
- About half of golf expense are for the cost of water

SCA Financially Healthy



- Strong cash balances (3 months of expenses)
- Planning for future capital expenditures
- Strong self-sufficiency ratio (expenses greater than revenues)
- SCA dues have remained lower than allowed for in the Declaration of Reservations (max. in 2023 was \$90.58 per month)

Assets Owned by SCA (its members)

- Buildings for administration, golf, and amenities
- Assets to provide services (such as vehicles, mowers, and specialized equipment for the golf course, horse palace and marina)
- Sale, lease or transfer of any SCA property requires majority approval by the SCA Board and transfer of recreation facilities requires 75% approval by SCA members (notarized voting process) unless transferred to a GID
- SCA does not own the roads – it provides roads maintenance & snow removal at higher level of service than from the County

Key Governance Considerations

What type of authority does the community want to govern itself?

- Uninc. Town = County governance, would have a formal advisory board
- GID = Authority is limited to decisions for services provided by the GID
- City = Greatest political autonomy determined by the citizens

What type of services does the community want to deliver?

- Uninc. Town = Same services but at higher cost, ability to add services if willing to pay with taxes
- GID = Same as for an unincorporated town, cannot include police, zoning or planning
- City = Autonomy to add services not required to be provided by a county, if willing to pay with taxes

What type of control over local resources does the community want?

- Uninc. Town = Subject to what the County allows the Town to manage
- GID = Complete independence subject to powers authorized
- City = Greatest control (can craft own charter)

Service Provision by Scenario (page 1)

Function	Current Provision	Multi-service GID	Uninc. Town	Incorporated City
SCA Specific Services				
Enforcement of CC&Rs	SCA	SCA	SCA	SCA
Land Use & Code Compliance				
Land Use	County	County	County	City
Building & Code Compliance	County	County	County	City
Business Licenses	SCA		Town	City
Recreation & Other				
Parks and Open Space	SCA	GID	County	City
Recreation Facilities	SCA	GID	County	City
Drainage		GID	County	City
Cemetery		GID	County	City
Weed & Pest Control	Weed & Pest GID	Weed & Pest GID	Weed & Pest GID	City
Wildlife Preservation	County	County	County	County

Notes: No drainage or cemetery in Spring Creek. Elko County does not have a business license program. SCA provides weed and pest control at amenities and all properties owned by SCA, as well as roadsides and greenbelts.

Service Provision by Scenario (page 2)

Function	Current Provision	Multi-service GID	Uninc. Town	Incorporated City
Circulation & Safety				
Streets & Snow Removal	SCA	GID	Town	City
Street Lights		GID	Town	City
Curbs & Sidewalks		GID	Town	City
Fire Protection	Elko Co. Fire Prot. Dist.	Elko Co. Fire Prot. Dist.	Elko Co. Fire Prot. Dist.	City
Police Protection	County	County	County	City
Ambulance	County	County	County	County
Municipal Court	County	County	County	City
Social Services	County	County	County	County
Animal Control	County	County	County	City

Note: No streetlights, curbs and sidewalks in Spring Creek.

- An incorporated city could contract several services with the County, such as courts, fire protection, and sheriff.

Summary Slide 1

- Some entity must continue to provide roads maintenance and recreation services to Spring Creek
- **A homeowners association would continue to be in place** to enforce CC&Rs, organize or facilitate community events – this protects property values and upholds collective desires of residents (such as having tidy neighborhoods)
- A public sector entity provides more formality to decision making and could add new services (such as cemetery, drainage, and sidewalks)
- Switch of service provision from private to public sector changes which body enforces rules and regulations, but residents and property owners will continue to be governed under any scenario

Steps to Creating Different Governance

GID	Unincorporated Town	Incorporated City
Resident petition	Residents petition by at least 10% of voters who voted at most recent general election	General Law – majority of property owners apply to the district court
Boundaries can be non-contiguous	Contiguous borders required	Commission Form – petition by 25% of qualified voters; election is called to elect 15 electors to write city charter, majority vote required
Unanimous vote by BOCC or passing vote by BOCC and City of Elko consents	SCA member vote – at least 75% approval to transfer assets to the Town	Special Charter – charter drafted by citizens, presented by county legislators in bill, approved by Nevada legislature
Hearing - if majority of property owners protest, GID fails	BOCC places resolution on ballot – must have majority ‘yes’	
BOCC can dissolve a GID	BOCC can dissolve a Town	Voters can dissolve a General Law or Commission Form city / Special Charter city can only be dissolved by legislature

Elko County GIDs and Towns

GIDs

- West Wendover Recreation
- Tuscarora Water
- Starr Valley Cemetery
- Weed Control & Pest Abatement

Towns

- Mountain City
 - *Citizens Advisory Committee – BOCC manages all affairs*
- Jackpot
 - *TAB – recreation & tourism, solid waste, sewer & water, capital projects*
- Jarbidge
 - *TAB – water*
- Montello
 - *TAB – general gov't, fire, sewer & water, capital projects*

Incorporated City Findings

Without conducting an incorporation feasibility analysis, this study concludes that becoming a city would be very difficult both financially & culturally:

- Spring Creek does not have a downtown / Main St. area (little identification)
- Poor jobs to housing ratio (lack of jobs to create a business community)
- A city is located less than 5 miles away
- Does not have growth potential with a mix of land uses to support enhanced levels of service – ***this is critical for financial success since the passage of C-Tax in 1997 and because of depreciation in the property tax formula***

Additionally, the steps to create a city requires considerable effort and money, and there is a high likelihood of failure (Laughlin has failed 3 times) despite having diversified and robust revenue sources

Costs of moving Service Provision from the Private Sector to Public Sector (Town or GID)

- Moving service provision to the public sector increases total costs to property owners
 - Higher personnel costs (wages and benefits)
 - Local governance (Town Advisory Board or GID Board of Trustees) costs
 - Capital costs increase due to public prevailing wages and public bidding
- If a Town, homes with greater value will pay more because most costs will be recouped with additional property taxes
- If a GID, could recoup expenses with road assessments and parcel charges only (no additional property taxes)

Revenue Sources by Governance Option

Service	Current (SCA)	Multi-service GID	Uninc. Town	Incorporated City
Committee on Architecture	SCA Dues	SCA Dues	SCA Dues	SCA Dues
Roads Maintenance	SCA Dues, Non-SCA Member Access Charges, & Grants	Property Tax, Parcel Charges, Assessments & Grants	Property Tax, Assessments & Grants	Property Tax, Fuel Tax, Supplemental Government Services Tax, Sales Tax, Diesel Tax & Grants
Recreation Amenities & Programs	SCA Dues & User Fees	Property Tax, Parcel Charges, & User Fees	Property Tax & User Fees	Property Tax & User Fees
Public Safety (police + fire)	Property Tax	Property Tax	C-Tax & Property Tax	C-Tax & Property Tax

- Revenues would shift from SCA dues to taxes if roads & recreation shift from the private to public sector.

Note: Potential and most likely revenue sources shown.

Comparison of Wages

SCA	Spring Creek Assn. (SCA)	Average of Comparisons	Average to SCA Salary Ratio
Position Title			
Assessment Clerk	\$48,963	\$73,031	1.5
Receptionist	\$45,781	\$57,710	1.3
Golf Course Gen. Mgr.	\$94,203	\$128,127	1.4
Operations Director	\$95,347	\$119,796	1.3
Roads Supervisor	\$68,162	\$99,485	1.5
Buildings & Grounds Supervisor	\$50,211	\$100,011	2.0
Parks Supervisor	\$48,381	\$95,441	2.0
Equipment Operator I	\$43,680	\$60,920	1.4
Equipment Operator II	\$54,766	\$88,722	1.6
Head Mechanic	\$68,557	\$74,955	1.1
Mechanic	\$57,866	\$68,870	1.2
Laborer	\$46,883	\$39,794	0.8
Average of Position Salary Ratio			1.4

- Comparisons include City of Elko, data from Elko's 2024 classification & compensation study, and several GIDs
- On average, 1.4x what SCA pays

Comparison of Benefits SCA and GIDs

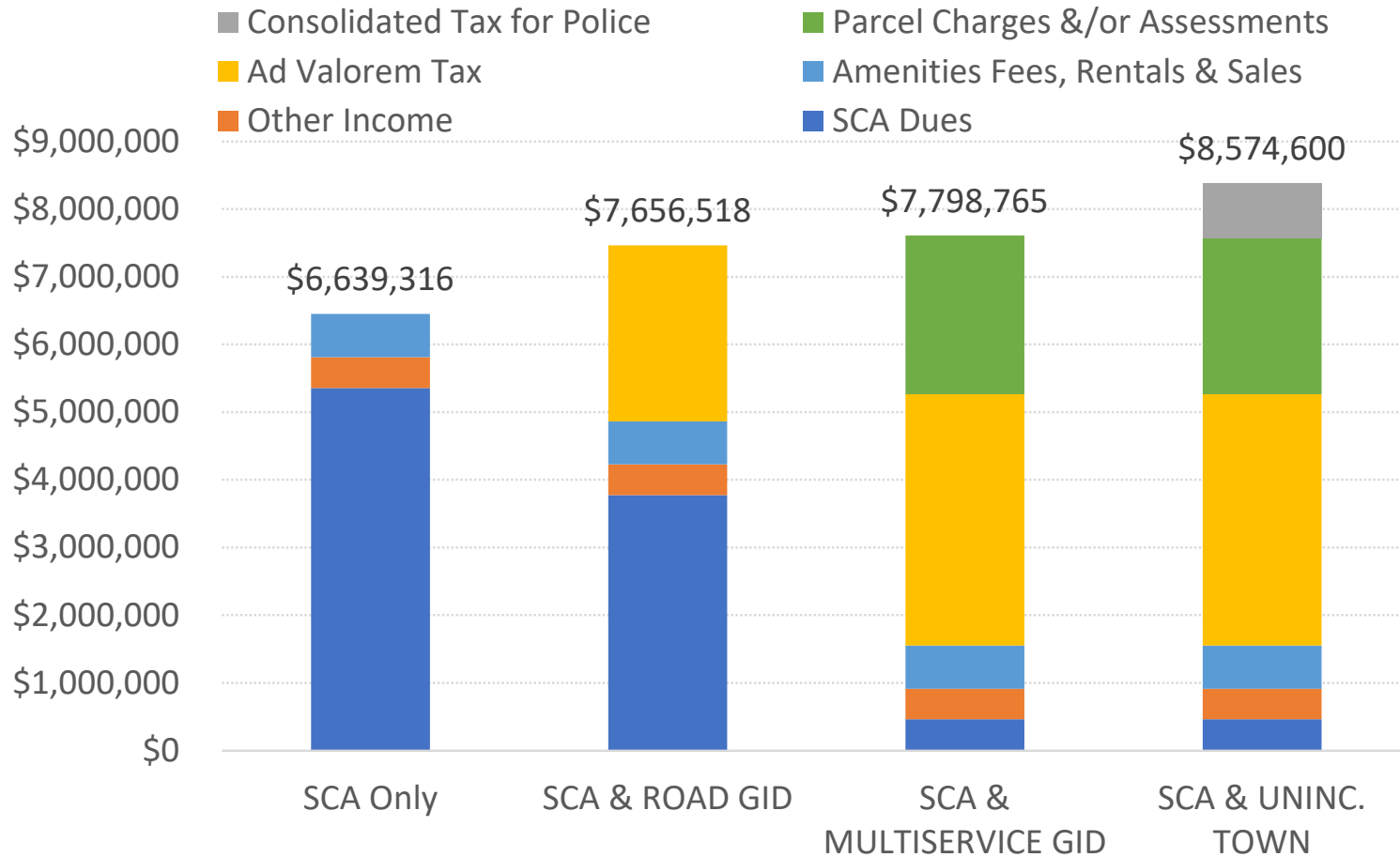
GID Name	Population Served	Services	Salaries & Wages	Benefits	Total	Benefits as % of Base Pay
Minden-Gardnerville	8,960	WW	\$985,922	\$319,020	\$1,304,942	32%
Incline Village	8,960	Recreation, Water, WW, Garbage	\$5,015,689	\$1,649,798	\$6,665,487	33%
Indian Hills	5,768	Roads, Water, WW, Sidewalks, Lighting	\$714,445	\$292,085	\$1,006,530	41%
Comparison GIDs						
Gardnerville Ranchos	12,161	Recreation, Roads, Water, WW, Drainage, Lighting	\$495,028	\$300,005	\$795,033	61%
Sun Valley	22,697	Recreation, Water, WW, Garbage	\$814,378	\$468,884	\$1,283,262	58%
Comparison GIDs			\$1,309,406	\$768,888	\$2,078,295	59%
Spring Creek	14,967	Recreation, Roads, Weed Control	\$2,093,344	\$760,282	\$2,853,626	36%

Note: Spring Creek maintains 142 mile of paved roads – far more than the comparisons

Table does not reflect total costs of services – only personnel

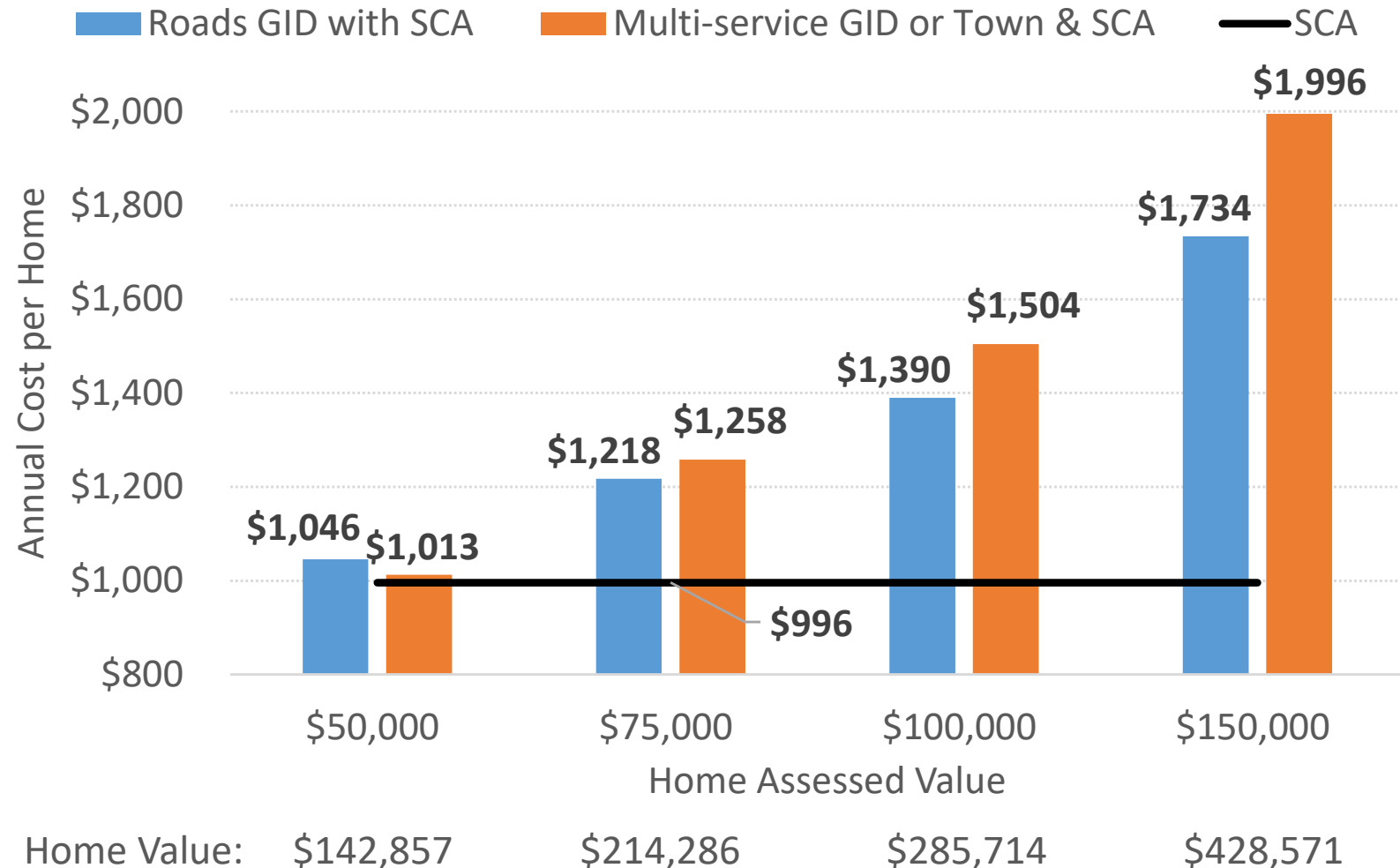
- Benefits are about 60% of base pay at comparably sized GIDs
- SCA benefits are about 36% of base pay

Estimated Budget & Revenue Sources



- Budget for an unincorporated town and a multi-service GID will be about the same. The town option is greater in the chart because police services are assumed. The town may not provide police services (like Jackpot).
- Other income includes credit card convenience fees, interest income, donations, and other revenues.
- **GID options** – ad valorem tax could be replaced with assessments & parcel charges. **A GID does not have to use ad valorem.**

Homeowner Annual Cost Impact by Scenario



- SCA \$996 per lot in 2025 regardless of value
- Cost is about double for properties valued greater than \$400,000

Graph assumes a GID raises ad valorem tax but it could cover all expenses with road assessments, parcel charges, and user fees – a GID can raise sufficient revenues without ad valorem (property tax) revenue

Summary Slide 2

- Cost to property owners increases under all the alternative governance options and is likely understated in the study due to set up costs not included in the cost comparison
- A portion of HOA dues would go away but property taxes, user fees, and potentially assessments and parcel charges would increase
- The greatest impact would be to homes with higher value as most revenue will be ad valorem (definitely under a Town option, possibly under a GID option)
- **Do the benefits of governmental service provision outweigh the increased costs?**

Benefits of Service Provision by Public Sector

(Argument / Counter Argument)

- Formal channels for residents to air grievances or affect change
 - Can do this through Spring Creek Board
- GID and City would be new government bodies that could apply directly to State and Federal funding bodies for grants and low-cost financing
 - The County can already do this on behalf of Spring Creek

Case Studies: GID

Gardnerville Ranchos GID

- Most similar in community size (25% of Douglas County population)
- Rural in character, close to a city
- Provides streets maintenance and snow removal (45 miles compared to 142 miles at Spring Creek), curbs, gutters, sidewalks, street lighting, sewer and water utilities, and garbage
- Formed in 1965
- Successful

Case Studies: Unincorporated Town

Laughlin

- TAB advisory role – town pays for fire protection, parks administration & economic development

Moapa Valley

- TAB advisory role – no town services, miniscule property tax rate & C-Tax is transferred to the County

Dayton

- CAC receives reports from the County and provides feedback

Warm Springs – NOT a Town

- Failed to garner sufficient votes in 2020 (petition made, BOCC placed question on the ballot). More than 80% of votes against.

Case Studies: City

Fernley (inc. 2001)

- Only incorporation in Nevada since C-Tax created
- C-Tax based on amount received when Fernley was a Town (doesn't provide police services)
- Struggles financially; relies on growth (property tax & charges for services) – difficulty exacerbated by property tax abatement and depreciation in assessed valuation

West Wendover (inc. 1991)

- Diverse revenue sources (property tax, C-Tax, room tax, gaming tax)

Attempts to Incorporate

Laughlin

- In 2012 there was a ballot attempt – failed 57% opposed
- In 2019, Senate Bill 213 failed to pass through legislature
- In 2021, Senate Bill 79 introduced to allow for an election for incorporation in 2022 – failed to pass through legislature

Pahrump

- In 2008 completed a feasibility analysis, did not proceed
- Key finding of the feasibility analysis was that the total tax rate would increase because the costs for services would be spread amongst a smaller tax base

Major Findings - Cost

No new sources of money under forms of government studied. Money is just collected differently under each.

- No additional state or county money is available.

All governance options *increase* the costs to Spring Creek property owners.

- Major driver is higher municipal labor and benefit costs higher than SCA.

Major Findings - Other

Other governance structures provide vehicles for addition of services.

- Property owners must be willing to pay for them.

Case studies show a variety of governance structures work in Nevada

- Dayton, Boulder City & Gardnerville Ranchos are closest in population size to Spring Creek; Dayton is a Town with no management authority (CAC), Boulder City is a city, Gardnerville Ranchos has a GID

Any further study of incorporation is not recommended based on findings of this study

Finding a Path Forward

- Whether staying a homeowners association or moving roads maintenance & recreation services to the public sector
 - All options have rules, or ordinances, to live by
 - SCA is the lowest-cost option
- The County has not shown interest in changing provision of these services from SCA
- No decisions being made at Community Workshop (April 30, 2025)
- SCA will survey the community for feedback