

HANSFORD

ECONOMIC CONSULTING

Spring Creek Governance Study

Prepared for:

Spring Creek Association, Nevada

FINAL

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The following report was prepared by Hansford Economic Consulting LLC and Mark Foree Consulting LLC.

The analyses and findings contained within this report are based on primary data provided by Spring Creek Association, as well as additional primary and secondary sources of data as of the date of this report. While it is believed that the primary and secondary sources of information are accurate, this is not guaranteed.

Every reasonable effort has been made in order that the data contained in this study reflects the most accurate and timely information possible. No responsibility is assumed for inaccuracies in reporting by Spring Creek Association, or any other data source used in the preparation of this report. Updates to information used in this report could change or invalidate the findings contained herein.

This report was prepared for a specific use, and no other use is authorized,

A handwritten signature in dark ink, appearing to read "CHansford", written in a cursive style.

Catherine Hansford
Hansford Economic Consulting LLC

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01. Executive Summary



Purpose of the Report

The Spring Creek Association (SCA) commissioned this governance study because the community wants to understand governance options in the face of long-term financial and policy issues that could accompany potential changes in service provision. The Governance Study offers the Spring Creek community paths forward to ensure a sustainable vibrant community well beyond 2033¹.

The Spring Creek community is located in unincorporated Elko County between the communities of Elko city (the County seat) and Lamoille. Population centers within Elko County include the City of Elko, the cities of Carlin, Wells, and West Wendover, Spring Creek, and the unincorporated towns of Jackpot, Montello, and Mountain City. Spring Creek is comprised of 5,420 lots within 23.4 square miles of land.

SCA provides its residents with the following services and amenities:

- Road maintenance
- Committee on Architecture (COA), which enforces the Declaration of Reservations²
- An 18-hole golf course
- Fairway Community Center
- A Horse Palace (equestrian center with coffee/bar)
- Trap and skeet range and rifle range
- A campground (27 campsites and bathrooms)
- Schuckmann's Sports Complex and Vista Grande Park
- A marina (32-acre lake stocked with 1,000 pounds of fish annually).

The community was originally developed in the 1970's and the SCA was incorporated in 1983. The SCA owns all of the infrastructure associated with the services and amenities it provides with the exception of roads. Elko County accepted the dedication of all roads for public use, except for maintenance, in 1974³. The SCA maintains about 142 miles of paved roads, and historically (from 2014 to 2023) about 52 percent of the SCA's annual budget has been spent on road maintenance.

This report examines the feasibility of the following forms of governance permitted by Nevada's Constitution:

¹ The SCA expires in 2033.

² The Declaration of Reservations is the legal document that outlines the rules, restrictions, and obligations for property owners to ensure orderly development, defining the rights and responsibilities of property owners and homeowners, helping to maintain property values. It is more commonly known as the Covenants, Conditions, and Restrictions (CC&Rs).

³ The county provided written record that it did not accept dedicated roads for maintenance pursuant to NRS 405.193.

- General Improvement District (GID)
- Unincorporated Town
- Incorporated City

These governance forms are compared with no change (continuation of SCA providing parks and recreation services and road maintenance). In 2016, the SCA Board of Directors ranked different governance structures and, at that time, preferred to remain a homeowners association, followed by forming a GID, having a district for maintenance of roads, and lastly, an unincorporated town. This report does not include evaluation of a district for maintenance of roads, but it adds the potential for an incorporated town. *The SCA ranked best because SCA residents have a strong ability to influence and participate in the governance of the SCA. The Town was the least preferred alternative because the BOCC governs the Town, and residents can only participate in an advisory capacity.*

Key questions to answer when evaluating the different governance structures are⁴:

1. What type of authority does the community want to have in governing itself?

Incorporated cities have the highest degree of political autonomy. They are not limited by specific statute, as are counties, unincorporated towns, and GIDs, to the types of services they can provide. The Nevada Revised Statutes (NRS) provides that they can make and pass all lawful ordinances necessary to manage their affairs. An unincorporated town can have a great deal of local authority if organized with a town board form of government; however, it does not possess the same degree of autonomy as an incorporated city. A GID offers additional local authority as they are considered to be corporate, political, and quasi-municipal bodies.

2. What type of services does the community want to deliver?

Because they are not limited by specific statutes, incorporated cities have the ability to offer the broadest range of services to its citizens. Through statutes, unincorporated towns have the ability to provide several services to its residents. GIDs are limited to services they can provide. The ability to provide police, zoning, and planning is not available to GIDs.

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

Incorporated cities have the most control over local resources, as they are legal entities that aren't subordinate to the county. Town boards can exercise considerable control over resources, as can GIDs. The difference between towns and GIDs is that GIDs are separate local governments, independent of counties.

Key Findings

Key findings from the analysis presented in this study are:

⁴ Questions and answers taken from the "Legal and Economic Considerations for Incorporation of Nevada Towns", Technical Report UCED 2000/01-02, University of Nevada, Reno.

- There does not appear to be discontent with the current living situation in Spring Creek; rather, it attracts a very stable age-diversified population that is vested in maintaining its property values. The community needs to determine if it really wants greater autonomy over public services. The community of Spring Creek does not have a downtown or Main Street area; it was founded on the lure of rural living; it does not support a jobs to housing ratio that is conducive for a city; and, it does not have a mix of land uses proposed to be developed in the vacant properties surrounding it in the near future to support enhanced levels of service.
- A GID and unincorporated Town are feasible for Spring Creek; however, neither would reduce the total cost to Spring Creek residents; in fact, all the options studied increase the cost to residents. *Operations and maintenance costs increases are anticipated primarily due to increased labor costs in the financial model (salaries and benefits are greater in the public sector). Capital projects, not included in the cost analysis, would also be subject to prevailing wages if performed by a GID, Town, or City; therefore, total costs would increase greater than is demonstrated in this report.*
- Residents and business owners are the source of revenue for all the examined governance structures (with the exception of consolidated tax which is a pooled revenue source of multiple taxes that is allocated to counties and local governments within counties based on a two-tier allocation system); only the methodology for collecting the money changes by governance structure.
- An incorporation feasibility study is outside of the scope of this study, but the analysis provided for a GID or Town indicates that incorporation is economically infeasible. Spring Creek does not have the commercial and industrial base to support new revenues that would enable it to be a city. There is limited ability to raise revenue from new developments surrounding the four Spring Creek Tracts. Residential development cannot sustain a city's revenue needs because of the property tax cap and inclusion of depreciation in the calculation of property taxes limits its ability to keep growing revenues at the pace of inflation and additional staffing and facilities needed to provide for a growing population over the long-term.

Limitations, or constraints, identified with the governance alternatives include:

- Due to SCA being within 7 miles of the City of Elko border, the formation of a GID requires one of the following to proceed⁵:
 1. Unanimous approval of the Board of County Commissioners, or
 2. The City of Elko consents to the creation of the GID by resolution.

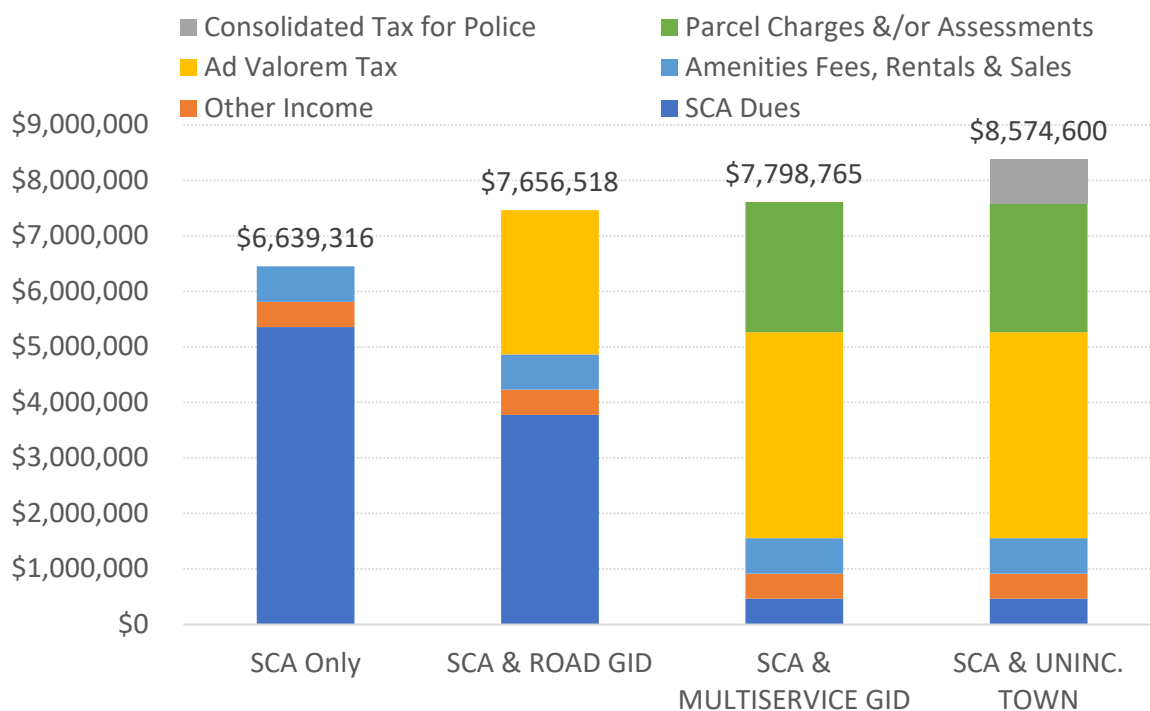
If either of the above is doubtful, Spring Creek and the County could endeavor to change or add to NRS 318, removing this requirement for a county with population less than 100,000.

⁵ NRS 318.055

- A Town must have contiguous borders, which would require the inclusion of properties between the 200 Tract and the rest of the SCA. The Town boundaries should include all surrounding properties that are part of the Spring Creek community.
- Sale or transfer of privately-owned SCA property to an existing or new public entity requires approval by a majority vote of the SCA Board.
- Sale or transfer of all or any part of the Common Recreation Facilities to the County (Town scenario) or a new city requires approval of at least seventy-five percent (75%) of the total number of votes in the SCA, which is a high threshold. This does not apply to a GID⁶.

Quantitative analysis of the cost differences to provide road maintenance and parks and recreation services to Spring Creek under the GID and Town scenarios is summarized in **Figure 1**. Note that the Town scenario includes the addition of police service (County funding would shift from Sheriff to police protection in Spring Creek).

Figure 1
Total Estimated Budget and Revenue Sources by Governance Scenario



Note: Figure assumes GID options include ad valorem tax revenue. GIDs can levy special assessments for road maintenance rather than applying ad valorem tax.

⁶ Article IV of the Articles of Incorporation of Spring Creek Association, 1983.

Report Structure

Following this Section 1 Executive Summary, **Section 2** presents potential future governance structures for the community of Spring Creek. **Section 3** provides case studies of the three governance structures considered. **Section 4** concludes the study with options for Spring Creek residents to act on.

Please note that throughout this Report the term “Spring Creek” refers to the entire community of Spring Creek, inclusive of the Vista Grande, Sunset Ridge, Marina Hills, and Palace Heights subdivisions, and the surrounding developed lands.

Appendix I provides details on General Improvement Districts specifically with regard to services that are provided, and that could be provided, in Spring Creek.

Appendix II provides supporting tables with data for the quantitative portion of the study.

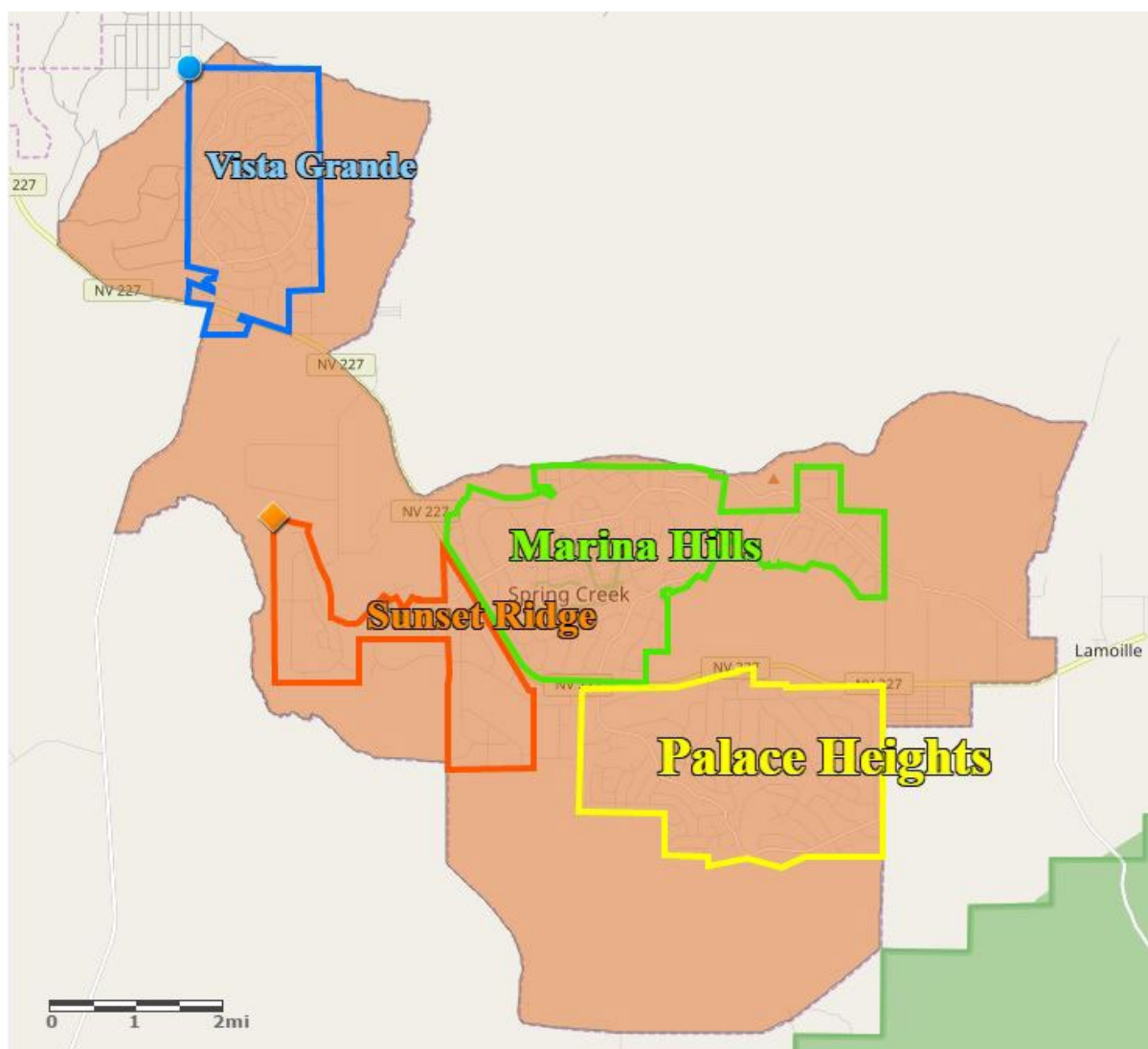
02. Governance Alternatives



This section of the report details different governance alternatives that could potentially be adopted and implemented for the community of Spring Creek.

Figure 2 shows the boundaries of the Spring Creek subdivisions plus additional properties outside of Spring Creek that are included in the Spring Creek Census Designated Place⁷. Vista Grande is also known as the 200 Tract, Marina Hills as the 100 Tract, Palace Heights as the 400 Tract, and Sunset Ridge as the 300 Tract.

Figure 2
Spring Creek Boundaries and Spring Creek US Census Designated Place



⁷ An area identified by the US Census Bureau.

Physical Assets Owned by the SCA

The SCA owns many buildings and facilities providing SCA amenities, recreation programs and special events. Physical assets owned include:

- An 18-hole golf course and driving range
- Fairway Community Center (a multi-use facility located at the Spring Creek Golf Course that houses a restaurant, bar, meeting room, large multi-purpose room, locker rooms, pro shop, outdoor deck, administrative office, and golf cart storage)
- Horse Palace (1,500-seat indoor arena, a bar, a coffee shop, outdoor lighted arena, large and small corrals, and a 30-stall barn)
- Trap and skeet range with 16 trap houses, five skeet fields, and a 15-station sporting clay course
- Rifle range with five stations for target shooting
- Campground with 27 sites and bathrooms located within 630 acres of rural terrain
- Schuckmann's Sports Complex and Vista Grande Park
- A marina encompassing a 32-acre lake with a boat dock, fishing pier, covered picnic tables, barbeques, playground, baseball area, and heated restrooms.

This report explores options if the SCA were to no longer own and manage these assets, provide recreational programming, or maintain the roads, but only provide enforcement of the Covenants, Conditions, and Restrictions (CC&R)s.

Overview of SCA Financial Operations

SCA operates with a budget of approximately \$6.6 million. Revenue sources include homeowner dues⁸, grants from Elko County for road maintenance, user fees, and miscellaneous income such as interest income. Homeowner dues fund 75% of annual expenses.

Figure 3 shows historical revenue sources from 2014 through 2023 – note that annual roads maintenance funding from the County was discontinued in 2023 (see page 21).

About 75% of expenses can be attributed to spending on functions of the SCA (Committee on Architecture (COA) which enforces the CC&Rs, roads maintenance, golf, horse palace, and all other amenities). The remaining 25% of expenses are general, paying for administrative personnel, the General Manager, the Secretary/Treasurer, and other costs not directly attributable to a service provided, such as software, insurance, and office supplies. The general costs were distributed to each of the functions of the SCA by their proportionate share of total costs in **Figure 4**. Roads maintenance consumes about 52% of the SCA's budget after distribution of general costs amongst the SCA functions. Golf is the next largest expenditure function at 23% of the SCA's budget, due largely to the cost of water which typically comprises 45% to 55% of total golf expenses.

⁸ Also commonly referred to as assessments; however, the term 'dues' is used in this report to avoid confusion with assessments that can be charged by general improvement and special improvement districts.

Figure 3
SCA Revenues by Source (2014-2023)

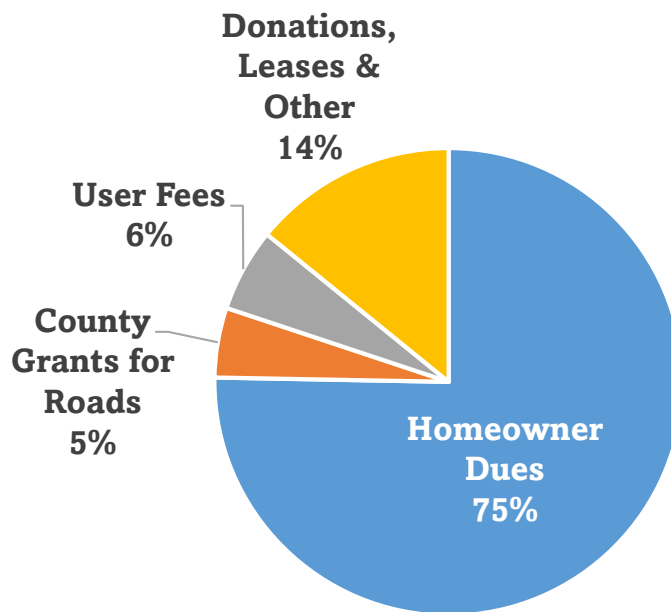


Figure 4
SCA Expenses by Function (2014-2023)

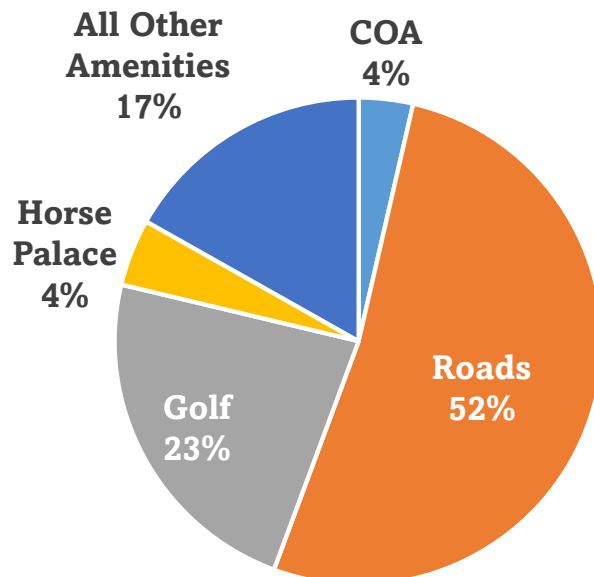


Table 1 shows financial health metrics of the SCA for 2022 and 2023. The debt ratio is low for both years which indicates the SCA can pay off its debts. The assessments reliance ratio indicates how reliant the SCA is on assessments as a source of revenue. In 2023, assessments accounted for 72 percent of SCA revenue. The self-sufficiency ratio shows that SCA revenues are greater than expenses, with a ratio of 1.10 for 2023. *The SCA is a financially sound organization.*

Table 1
Financial Health Metrics

Metric	2022	2023
Debt Ratio		
Assets	\$12,276,512	\$14,131,446
Liabilities	\$2,094,703	\$1,919,331
Debt Ratio	0.17	0.14
Assessments Reliance Ratio		
Assessments	\$4,247,077	\$4,692,875
Total Revenue	\$5,619,943	\$6,554,547
Reliance Ratio	0.76	0.72
Self-sufficiency Ratio		
Total Revenue	\$5,619,943	\$6,554,547
Total Expenses	\$5,545,956	\$5,978,161
Self-sufficiency Ratio	1.01	1.10

Source: SCA audited financials.

metrics

Potential Spring Creek Governance

Governance alternatives that exist for Spring Creek include:

1. Continue as a Homeowners Association (SCA), collaborating with Elko County on issues such as infrastructure (water and sewer, broadband and gas for example), and actively providing input on land use decisions for properties surrounding the Spring Creek tracts.
2. Create a GID either for roads only or for roads and parks/recreation services, and other new services such as cemetery, drainage, curbs and sidewalks, and streetlights.
3. Become an Unincorporated Town that assumes the road maintenance and parks/recreation services and potentially adds new services such as cemetery, drainage, curbs and sidewalks, and streetlights.
4. Incorporate if revenues can support all the public services to be provided by the city.

The 2017 governance study explored a District for Maintenance (DMR) of roads (NRS 320); however, there isn't any benefit of a DMR over the current road maintenance provision by SCA because as a quasi-governmental body the cost of service provision would increase (prevailing wages would be required and additional administrative costs would be incurred, including holding Board meetings and preparing a tax roll to submit to Elko County every year). A DMR is intended to allow rural communities without road maintenance services with a funding mechanism to keep roads in good repair. The DMR option was not evaluated in this report because Spring Creek does have an existing funding mechanism to maintain roads, and a DMR does not provide Spring Creek with any additional sources of revenue.

Another funding mechanism not evaluated in this report is a Parks, Trails and Open Space District (NRS 318A). This mechanism was not evaluated because of its limited scope. SCA residents are looking for governance structures that address more than provision of one service, including governance structures that have bearing on the community's long-term prosperity.

Potential provision of services under each of the governance structures considered is provided in **Table 2**. The list is not exhaustive of all services provided (examples include seniors services, libraries, indigent services and so forth), but those services that are most commonly thought of. The current provision of services is shown in the first column of the four governance structures in the table. There aren't any streetlights, curbs and sidewalks, drainage systems, or cemetery services currently in Spring Creek. These services could be provided by a GID, a Town, or a City.

Some services may be provided by cooperative agreement. NRS Chapter 277 allows for counties, incorporated cities, unincorporated towns, school districts, and other special districts to enter into cooperative agreements to provide governmental functions. These agreements may involve use of property, equipment or personnel. Use of cooperative agreements can make a form of governance possible that would otherwise not be due to either resources or financial constraints. For example, a new city may not have the capital necessary to build a new courtroom or hire a full-time staff; alternatively, it may be able to reach an agreement with the county to use its courtroom and staff as necessary for a fee.

An overview of the three alternative governance structures is provided following **Table 2**.

Table 2
Service Provision by Governance Structure

Function	Current Provision	Multi-service GID	Uninc. Town	Incorporated City
		NRS 318	NRS 269.500-269.625 & Elko Co. Ord. 1978-A	NRS 266 or 267
SCA Specific Services				[6]
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 [1]	SCA		Town	City
Circulation & Safety				
Streets & Snow Removal	SCA	GID	Town	City
Street Lights [2]		GID	Town	City
Curbs & Sidewalks [2]		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
Recreation & Other				
Parks and Open Space	SCA	GID	County	City
Recreation Facilities	SCA	GID	County	City
Drainage [2]		GID	County	City
Cemetery [2]		GID	County	City
Weed & Pest Control [3]	Elko Weed & Pest Dist.	Elko Weed & Pest Dist.	Elko Weed & Pest Dist.	City
Wildlife Preservation	County	County	County	County
Utilities				
Water & Sewer	Great Basin Water	Great Basin Water	Great Basin Water	Great Basin Water
Electric	NV Energy	NV Energy	NV Energy	NV Energy
Gas [4]	Southwest Gas	Southwest Gas	Southwest Gas	Southwest Gas
Internet [5]	Anthem & Other	Anthem & Other	Anthem & Other	Anthem & Other
Garbage	Waste Management	Waste Management	Waste Management	Waste Management

[1] Elko County does not have a business license program. SCA requires one, and a Town could have a program.

[2] No street lights, curbs or sidewalks in Spring Creek. No drainage system. A Spring Creek cemetery doesn't exist, but one is desired.

[3] SCA provides pest and weed control at amenities and all properties owned by SCA, as well as roadsides and greenbelts.

[4] Southwest Gas not yet available throughout Spring Creek. Propane deliveries from several companies also available.

[5] Broadband internet installation from CC Communications not yet available throughout Spring Creek.

[6] Several services could be contracted with the County, such as courts, fire protection, and sheriff policing services.

General Improvement District

General Improvement Districts are commonly used to provide public infrastructure and services in Nevada. Within Elko County there are five GIDs – West Wendover Recreation GID, Tuscarora Water GID, Starr Valley Cemetery GID, Elko Television GID, and Elko County Weed Control and Pest Abatement GID. Carson City and Esmeralda County are the only counties in Nevada without a GID.

Any one or a combination of the following services can be provided by a GID (services of greatest interest to a Spring Creek GID are bolded):

- Furnishing electric light and power
- Extermination and abatement of mosquitoes, flies, other insects, rats, and vermin
- **Furnishing facilities or services for public cemeteries**
- Furnishing facilities for swimming pools
- Furnishing facilities for television or FM radio
- **Streets and alleys; furnishing curbs, gutters and sidewalks**
- **Storm drainage or flood control**
- Sewer and/or water
- **Snow removal and streetlighting**
- Garbage collection and disposal
- **Recreational facilities**
- Fencing
- Fire protection and emergency medical services
- Energy for space heating
- Noxious weed control
- Establishing, controlling, managing and operating an area or zone for the preservation of one or more species or subspecies of wildlife that has been declared endangered or threatened.

The details of formation, powers, boundaries, revenue mechanisms, and dissolution are provided in **Appendix I**. The appendix also includes a table of GIDs in Nevada.

After adoption of the resolution or receipt of the petition the organization of the district must be initiated by the adoption of an ordinance by the Board of County Commissioners (BOCC). No initiating ordinance may be adopted by the BOCC if the proposed district includes any real property within 7 miles from the boundary of an incorporated city or unincorporated town unless all members of the BOCC unanimously vote for the organization of a district with boundaries which contravene this 7-mile limitation, or the city that is within 7 miles of the proposed district consents to creation of the GID by resolution (NRS 318.055).

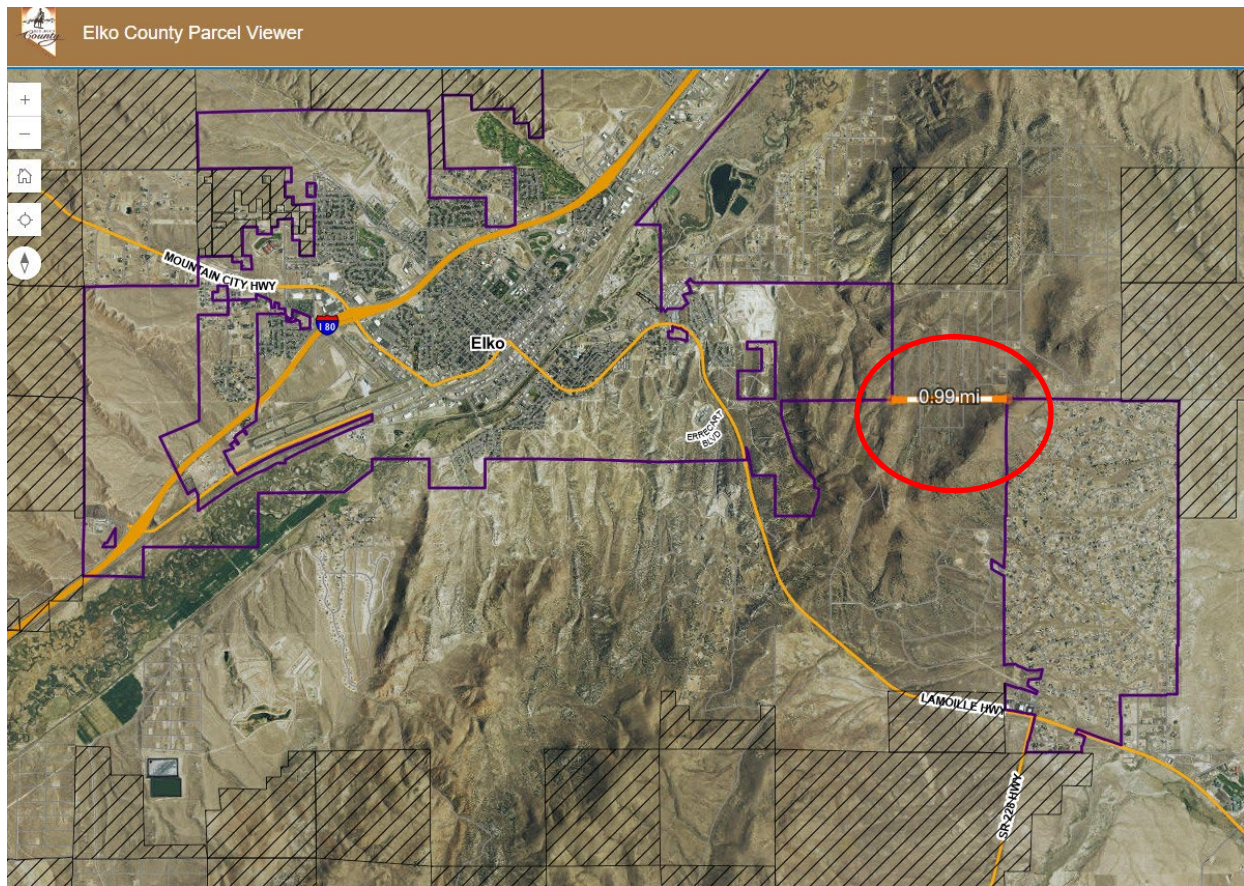
- **Vista Grande lies within 1 mile of the City of Elko boundaries (see Figure 5). If unanimous approval of the BOCC or consent by the City of Elko is doubtful, Spring Creek and the County could endeavor to change or add to NRS 318, removing this requirement for a county with population less than 100,000.**

Advantages and Disadvantages to a GID over a Town or City:

- Less legal obligations result in lower administrative costs.
- No zoning or planning authority
- No police power

A GID may be dissolved by resolution if a majority of the BOCC deem it to be in the best interests of the community (NRS 318.490).

Figure 5
Spring Creek Distance from the City of Elko



Potential GID Revenue Sources

- **Roads maintenance:** ad valorem tax and special assessments.
- **Curbs, gutters and sidewalks:** ad valorem tax and special assessments.
- **Snow removal and streetlighting:** ad valorem tax and parcel charges.
- **Recreational facilities:** ad valorem tax, parcel charges, and user fees.
- **Cemeteries:** ad valorem tax restricted to 2 cents on each dollar of assessed valuation of taxable property and parcel charges; cannot levy special assessments; cannot borrow money that would be pledged repayment by revenue bonds, special assessment bonds or other special obligations.
- **Drainage and flood control:** ad valorem tax, parcel charges, and user fees.

Unincorporated Town

The role of an unincorporated town government is as an adjunct of county government⁹. It is not a separate level of government. GIDs and incorporated towns or cities are separate governments. When an unincorporated town is created, a county can provide one or more governmental services that are in addition to the services provided to all unincorporated areas. These services are identified as “town services” and they are paid for through ad valorem taxation or user fees, new revenues collected from the town boundaries¹⁰. Services that can be provided by an unincorporated town include:

- Cemetery
- Dump stations and sites
- Fire protection
- Flood control and drainage
- Garbage collection
- Police
- Parks
- Recreation
- Sewage collection
- Streets/Roads
- Streetlights
- Swimming pools
- Television translator
- Water distribution
- Acquisition, maintenance and improvement of town property.

All these services can also be provided by a GID with the exception of police. There are three types of town governance provided for in NRS (Town Board, Town Advisory Board, and Citizens Advisory Board); however, Elko County adopted the Unincorporated Town Government Law in 1978 with Ordinance 1978-A. Because Elko County adopted Ordinance 1978-A, any new unincorporated towns with decision-making authority to expend monies collected within the town for town services must have a Town Advisory Board (TAB) as provided for in NRS 269.500 through 269.625. Additionally, the County can create Citizens Advisory Committees (CACs), which do not have decision-making authority but can advise the BOCC on town matters.

A TAB consists of three or five 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.”¹¹ The BOCC may designate one or more of the town services to be “within the power of a town advisory board to manage”. The

⁹ Unincorporated Town Governments, Bulletin No. 118, Legislative Commission of the Legislative Counsel Bureau, State of Nevada, 1973.

¹⁰ Consolidated taxes may be shifted to the unincorporated town, but no new consolidated tax is created.

¹¹ NRS 269.576 and NRS 269.577.

BOCC is obligated to "solicit the advice of the town advisory board in preparation of the tentative budget for the town affected" and "allow towns to recommend their own ordinances and codes." (NRS 269.590) The BOCC may also allow the town advisory board to "control any expenditures which are a part of a county-approved budget." (NRS 269.590) The TAB may also be given control of unappropriated money available through the county for town purposes to "be expended at [its] discretion." (NRS 269.595)¹².

A CAC must consist of not fewer than three nor more than five members. The members must be resident and qualified electors in the town. The members are appointed by the BOCC from a list of qualified persons. The informal election must be held in the geographic area represented by the CAC in November of the year of the general election. The CAC shall not expend or contract money for any purpose, and the members of the CAC shall serve without compensation. CACs perform the following functions¹³:

- Provide advice on land use, services, budget, taxes and other matters;
- Represent the views and concerns of citizens in a fair and equitable manner;
- Serve as a liaison between the citizens of the County and the BOCC; and,
- Disseminate information to the citizens on issues of concern.

In Elko County, the unincorporated towns of Jackpot, Jarbidge, and Montello have TABs. Mountain City has a CAC because the BOCC acts as the Mountain City town advisory board¹⁴. All these unincorporated towns levy ad valorem tax with the exception of Jarbidge, which additional services are supported by user fees. The City of West Wendover (a General Law City with current population of approximately 4,500) was an unincorporated town that incorporated July 1, 1991.

- The Town of Jackpot provides recreation and tourism promotion, solid waste, sewer, and water services, and capital projects
 - **Funding sources:** room tax, recreation center fees, landfill fees, water and sewer fees, and property taxes (for capital projects)
- The Town of Jarbidge provides water services
 - **Funding sources:** water fees
- The Town of Montello provides general government and fire services, water and wastewater services, and capital projects
 - **Funding sources:** property taxes (for general government and capital projects), gaming licenses, consolidated tax, water and sewer fees

¹² Excerpt from "Legal and Economic Considerations for Incorporation of Nevada Towns", Technical Report UCED 2000/01-02, University of Nevada, Reno.

¹³ Lyon County website: <https://www.lyon-county.org/868/Citizen-Advisory-Boards>

¹⁴ Elko County Code of Ordinances Section 2-1A-1.

- The Town of Mountain City provides general government, fire, and public works services, and capital projects
 - **Funding sources:** property taxes (for general government and capital projects), licenses and permits, consolidated tax, water and sewer fees

A new town in Elko County may be formed by either an initiative petition of the residents of the specified unincorporated area within the county, or by resolution of the BOCC. Both methods require that the ordinance creating the town must contain a clear designation of the boundaries, a listing of the services to be provided, and the number of members to be on the TAB (NRS 269.550, 269.560).

If the BOCC places a question on the ballot, it must be approved by majority vote of the registered voters. The question must include a statement that an affirmative vote carries with it the assent to be taxed for the service indicated in the BOCC's resolution.

The initiative petition process proceedings are described in NRS 269.540 through 269.550. Any five registered voters of the county may form the petitioners' committee; the financial effect of the initiative on local government must be posted on the county clerk's website and the petition signatures must be submitted to the county clerk for verification within 180 days of the filing of the affidavit of the petitions' committee. The petition circulated must contain the following statement:

“The undersigned declare their purpose to be the support of the concept of unincorporated town government, that they desire hereby to make provision for the supplying of one or more of the town services enumerated in NRS 269.575 and that they acknowledge the fact that the supplying of such service or services will require a special tax levy, the establishment of a user fee schedule or a combination of both (NRS 269.545).”

The petition must be signed by a number of registered voters of the area equal to 51 percent or more of the number of voters in the area who voted at the most recent general election in the county (NRS 269.540) to form the unincorporated town by resolution (NRS 269.550). If the petitioners wish to provide for submission of the matter to voters, the petition must be signed by 10 percent or more of the number of voters in the area who voted at the most recent general election, and then the BOCC may by resolution submit the matter to voters (NRS 269.555).

In addition to having the authority to levy ad valorem taxes and user fees to fund town services, an unincorporated town can receive consolidated tax revenues from the State provided the local government received any portion of the tax included in consolidated tax before July 1, 1998. For a local government created after July 1, 1998, it must provide police protection and at least 2 of the following services (1) fire protection, (2) construction, maintenance, road repair, or (3) parks and recreation. Provided these requirements are met, the new local government can make a request to the executive director of the Nevada Tax Commission to receive consolidated tax (NRS 360.740). An unincorporated town may also receive funds from the county to provide town services.

An unincorporated town operating pursuant to the provisions of the Unincorporated Town Government Law may be dissolved by resolution of the BOCC following a public hearing at which residents of the town are given an opportunity to speak. The resolution must specify the reasons for the dissolution (NRS 269.625).

Incorporated City

Incorporation is typically driven by the desire to have greater political autonomy and freedom to exercise powers for the public good in the administration of civil government. Incorporation gives a city local control of planning, zoning, and police authority. The incorporated body must have power to raise revenue to enable it to perform its public functions, otherwise it would not be able to serve its intended purpose. If city revenues cannot sustain its service responsibilities, it becomes economically infeasible, and disincorporation may occur¹⁵.

- **The critical question to answer when considering incorporation is “Will the benefits of incorporation exceed the costs”?**

There are three types of cities in Nevada:

1. General Law (NRS 266)
2. Commission Form (NRS 267)
3. Special Charter

General Law City. If the population of the city is less than 20,000 (as would be the case for Spring Creek) then the City Council can have three or five members. To form the General Law city, a majority of property owners apply to the district court. The city has a mayor-city council form of government, and NRS 266 is followed. The cities of Fallon, Fernley, Winnemucca, West Wendover, Lovelock, and Ely are examples of General Law cities.

Commission Form City. Formed under Chapter 267 of NRS, a petition by a quarter of qualified voters is submitted to the county. An election is called to elect 15 electors (must be at least 2-year residents) to write the city charter. The city charter is submitted to the public at a special election and a majority vote is required for ratification of the charter. NRS 266 is followed, but the city has its own charter. No cities formed under this statute could be found.

Special Charter City. A special charter city does not require a minimum population or an election to be passed. A charter is drafted by citizens and presented to county legislators (assemblymen and senators). The charter is put into bill form and introduced in the legislature where it may be approved or amended. Powers are conferred by the legislature on the governing personnel (mayor, council) through the charter. Examples of Special Charter cities in Nevada include Carlin, Elko, and Wells in Elko County, Caliente, Yerington, Reno, and Sparks.

Cities that have disincorporated in Nevada include Virginia City, Gold Hill, Hawthorne, and Austin. For a General Law city, disincorporation can be voluntary (by petition of a majority of legal voters residing within the city boundaries) or required if the number of electors within city

¹⁵ A disincorporated city becomes an unincorporated town subject to NRS 269.

boundaries falls below 150. An election must be held to terminate a Commission Form city. A Special Charter city cannot disincorporate without legislative consent.

NRS 266.0285 demands the following factors for consideration in determining the advisability of incorporation and feasibility of a proposed city in a county whose population is less than 100,000:

- Total population
- Land area, land uses, topography, natural boundaries and drainage basin
- Extent of area devoted to agriculture, mineral production or other uses that may not require significant improvements to the property
- Extent of commercial and industrial development
- Extent and age of residential development
- Comparative size and assessed value of subdivided land and unsubdivided land
- Current and potential issues concerning transportation
- Past expansion of population and construction
- Likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years
- Present cost, method and adequacy of regulatory controls and governmental service, including, but not limited to, water and sewer service, fire rating and protection, police protection, improvement and maintenance of streets, administrative services and recreational facilities in the area and the future need for such services and controls
- Present and projected revenues for the county and the proposed city
- The probable effect of incorporation on revenues and services in the county and local governments in adjacent areas
- The probable effect of the proposed incorporation and of any alternatives to incorporation on the social, economic and governmental structure of the affected county and adjacent areas
- The probable effect of the proposed incorporation and of any alternatives to incorporation on the availability and requirement of water and other natural resources; and
- Any determination by a governmental agency that the area is suitable for residential, commercial or industrial development, or that the area will be opened to private acquisition

If the area proposed to be incorporated is within 5 miles of an existing city (Spring Creek is), in addition to the factors listed above, the BOCC shall consider:

- The size and population of the existing city
- Growth in population and commercial and industrial development in the existing city during the past 10 years
- Any extension of the boundaries of the existing city during the past 10 years
- The probability of growth of the existing city toward the area proposed to be incorporated in the next 10 years, considering natural barriers and other factors that might influence such growth; and

- The willingness of the existing city to annex the area proposed for incorporation and to provide services to the area

The BOCC shall also consider:

- The recommendations of any commission, agency, district or member of the public who submits a written report
- Testimony from any person who testifies at a hearing; and
- Existing petitions for annexation of any part of the area

These rigorous considerations require the commission of an incorporation feasibility analysis, which is outside the scope of this study.

Revenue Generation

The main funding sources for cities are ad valorem (property) tax, consolidated tax and other intergovernmental revenues, licenses, permits and franchise fees, user fees (charges for services), enterprise funds for services that function like a private business, such as wastewater, fines/forfeitures, grants, and raising of capital funds through sale of bonds. When a county transfers responsibility for services to a city, property tax revenue equivalent to the cost of operating those services must also transfer (NRS 354.5987). Additionally, A new city can request the Nevada Tax Commission to receive consolidated tax revenues from the state government, as an unincorporated town can, if the city is created after July 1, 1998 and it provides:

- **Police protection** and at least 2 of the following services:
 - (1) fire protection, (2) construction, maintenance, road repair, or (3) parks and recreation.

Advantages to incorporation

- Increased authority to pass ordinances to provide more services to citizens.
- Greater control over local expenditures for public services (an unincorporated town's expenditures are governed by the BOCC).
- Taxes tend to be higher than for unincorporated towns because the same level of services' costs are spread amongst a smaller tax base.

Disadvantages to incorporation

- Additional legal responsibilities and administrative costs.
- Increased services require increased taxes and fees.

Governance Scenarios Financial Modeling

This study provides quantitative analysis to demonstrate the differences in costs and revenue sources between the current governance structure, a new Spring Creek GID under two scenarios: 1) only provides roads maintenance, and 2) provides roads maintenance and parks/recreation services, and a Spring Creek Unincorporated Town. To demonstrate how

service, costs, and revenues could differ under the Town scenario, police services were added. Under all scenarios, water and wastewater are assumed to be provided by Great Basin Water Company. To summarize:

- In the Roads GID scenario, the only service removed from the SCA is roads.
- In the SCA & Multiservice GID scenario, SCA retains the COA, while the GID provides for roads maintenance and parks and recreation services.
- In the Unincorporated Town scenario, the SCA retains the COA, and the Town provides roads, parks and recreation services, *and police protection*. Police protection is added in this scenario to illustrate how consolidated tax could be reassigned from the County to Spring Creek to enhance police protection in the community.

Ad Valorem Taxes

Ad valorem is Latin for “according to value.” Ad valorem taxes are property taxes based on the property’s value. The Nevada Constitution imposes a property tax limit of \$5.00 per \$100 of assessed value. NRS 361.453 further imposes a property tax limit of \$3.64 per \$100 of assessed value. The State imposes an additional \$0.02 rate, making the effective maximum \$3.66. NRS Chapter 354 offers further detail to ad valorem tax calculations, limitations, and adjustments.

Of the 17 Nevada counties (including Carson City), only 8 counties have towns with ad valorem revenue to pay for town services represented by either town boards or town advisory boards. These include Clark, Douglas, Elko, Eureka, Lander, Lincoln, Nye, and Pershing counties. There are many GIDs that use ad valorem taxes to fund services, particularly for road maintenance. Only ad valorem and special assessments can fund road maintenance costs.

SCA is located in Tax District 3 in Elko County. The 2024-2025 tax rate for District 3 is \$2.6770 per \$100 of assessed value. As calculated in **Table 3**, the difference between the District 3 tax rate and the tax cap is \$0.9830 per \$100 of assessed value. This limit is applicable to both a GID and a Town¹⁶, and the maximum level of revenue Spring Creek can generate from ad valorem taxes is estimated at \$3.715 million after allowing for tax abatements. It is important to note that for any local government in the first fiscal year of its existence, the allowed revenue from ad valorem must be established by the Nevada Tax Commission (NRS 354.5987).

¹⁶ It would also be applicable for a new city.

Table 3
Maximum Ad Valorem Tax Revenue Estimate

Item	Calculation	Amount
Total Assessed Value	a	\$443,929,882
Tax Rate per \$100 of A.V. [1]	b	\$2.6770
Max Tax Rate per \$100 of A.V. [2]	c	\$3.6600
Remaining Tax Rate	d = b-c	\$0.9830
Calculated A.V. Revenue (rounded)	e = d*a*0.01	\$4,363,000
Estimated Allowance for Tax Abatement [3]	f	14.9%
Estimated Ad Valorem Revenue	g = e*(1-f)	\$3,715,000

Source: Nevada Department of Taxation and Elko County Assessor.

max av rev

[1] Tax Rate District 3 rate fiscal year 2025.

[2] The tax cap is \$3.64 per \$100 assessed value; however, pursuant to AB1

(2023, 34th special session), 2 cents was added that is outside the property tax rate cap.

[3] Calculated as Elko County property tax net of abatement, FY2025.

Fuel Taxes

Prior to 2023, SCA qualified for fuel tax proceeds¹⁷ which amounted to \$190,000 per year, distributed to SCA by the County. In 2023, the County and SCA agreed to cease the \$190,000 pass-through of fuel tax revenues, and in exchange, the County will pay for all improvements to the parkways (Spring Creek Parkway and Palace Parkway which are classified as major collectors by the Nevada Department of Transportation).

Fuel taxes are not apportioned to GIDs, however, the County may at its discretion continue to provide grants for road improvements to Spring Creek. Since Elko County adopted the Unincorporated Town Government Law (NRS 269.535), a new town would also not be eligible to receive proceeds of fuel taxes based on NRS 365.560, but the County could continue to provide grants for road improvements to the Town of Spring Creek, formalized through an interlocal agreement.

Consolidated Tax

The taxes included in the Consolidated Tax (C-Tax) include Basic City-County Relief Tax (NRS 377), the Supplemental City-County Relief Tax (NRS 377), Real Property Transfer Tax (NRS 375), Cigarette/Tobacco Tax (NRS 370), Liquor Tax (NRS 369), and the Governmental Services Tax (NRS 371).

The distribution of consolidated tax in Elko County is shown in **Table 4**. If a Spring Creek Town or city was formed, C-Tax from the unincorporated county (\$21.8 million) could be

¹⁷ Based on Regional Transportation Commission meeting minutes from the April 4, 2012 regular session. Per a letter from the Former Elko County Manager George Boucher, SCA received a portion of fuel tax proceeds starting fiscal year 1985-86.

shifted to the new entity in the same amount as was expended on the service being shifted to the new entity.

Table 4
Current Distribution of Consolidated Tax in Elko County

Place		Population [1]		FY25 Assessed Valuation		Est. C-Tax Distribution	
Carlin	City	2,578	4.48%	\$48,912,258	1.89%	\$2,696,665	5.23%
Elko	City	21,707	37.73%	\$787,040,211	30.49%	\$19,492,897	37.79%
Wells	City	1,290	2.24%	\$46,655,745	1.81%	\$1,719,986	3.33%
West Wendover	City	4,540	7.89%	\$178,537,202	6.92%	\$3,867,132	7.50%
Jackpot	Town (County)	1,169	2.03%	\$36,896,662	1.43%	\$2,021,958	3.92%
Montello	Town (County)	65	0.11%	\$2,422,594	0.09%	\$13,055	0.03%
Mountain City	Town (County)	103	0.18%	\$2,618,008	0.10%	\$10,383	0.02%
Uninc. County	County	26,086	45.34%	\$1,478,041,230	57.26%	\$21,758,908	42.18%
Total Elko County		57,538	100.00%	\$2,581,123,910	100.00%	\$51,580,984	100.00%
Spring Creek [2]		14,967		\$443,929,882			
Spring Creek as % Uninc. County		57%		30%			
Spring Creek as % Total County		26%		17%			

Source: Local Government Finance Revenue Projections Fiscal Year 2024-25, Final March 15, 2024,
Governor's Certified Population Estimates July 1, 2023, Elko County Assessor, and HEC.

ctax

[1] Population stated by Demographer 7/1/2023.

[2] Uses the Spring Creek CDP as a proxy for Spring Creek population. The assessed value is only for the Spring Creek tracts.

A Town could provide police services to qualify for allocation of consolidated tax. As previously described, the governing body of a newly created (after July 1, 1998) local government or special district may request, by majority vote, the Nevada Tax Commission to direct the Executive Director to allocate from the C-Tax Account *if it provides police protection and at least two of the following services*: fire protection; construction, maintenance and repair of roads; or parks and recreation (NRS 360.740).

- Per NRS 360.740 8(d), police protection is defined as: employment by the local government or special district, of at least three persons, on a permanent and full-time basis, whose functions specifically include routine patrol, criminal investigations, enforcement of traffic laws, and investigation of motor vehicle crashes. Police protection is not a basic power which may be granted to a general improvement district (NRS 318.116), but a town could provide these services.

For the initial year of distribution, an amount to be allocated to the new local government or special district is established pursuant to the provisions of NRS 360.680 and 360.690. If the new local government or special district will provide a service that was provided by another local government or special district before the creation of the new local government or special district, the amount allocated to the local government or special district which previously provided the service must be decreased by the amount allocated to the new local government or special district [NRS 360.740 3(a)]. The local government may enter into an interlocal agreement with another governmental entity for the provision of the services if that local

government or special district compensates the governmental entity that provides the services in an amount equal to the value of those services [NRS 360.740 (7)]. This results in no net fiscal gain for the county, simply a transfer of C-Tax from one local government to another.

The Committee on Local Government Finance determines whether the distribution of C-Tax is appropriate and submits their recommendation to the Nevada Tax Commission. If the Committee determines the distribution is not appropriate, the decision is not subject to review by the Nevada Tax Commission.

Debt

Article IV Section 7 of the SCA Articles of Incorporation allows for the leveraging of any or all of the Association property as security for money borrowed or debts incurred.

A GID may borrow money through the issuance of the following securities: short-term notes, warrants and interim debentures; general obligation bonds; revenue bonds; special assessment bonds (NRS 318.275).

- A district's total debt may not exceed an amount equal to 50 percent of the total of the last assessed valuation of taxable property (excluding motor vehicles) situated within such district (NRS 318.277).

For any such purpose, the TAB or the BOCC, at any time or from time to time, in the name and on the behalf of the town, may issue general or special obligations (NRS 269.410).

- No town shall ever become indebted for any town improvements under the provisions of NRS 269.400 to 269.470, inclusive, or otherwise, by the issuance of such general obligation bonds and other general obligation securities (other than any notes or warrants maturing within 1 year from the respective dates of their issuance), but excluding any outstanding revenue bonds, special assessment bonds, or other special obligation securities, excluding any such outstanding general obligation notes and warrants, and excluding any outstanding indebtedness not evidenced by bonds or other securities, exceeding 25 percent of the total last assessed valuation of the taxable property within the town (NRS 269.425).
- **A municipality's ability to incur debt is not based on the value of its assets as a security; it is based on the estimated revenue stream available to repay debt.**

Estimated Budgets by Governance Structure

Key assumptions used in the financial model include:

- All estimated costs are based on the current level of service that SCA provides for amenities, roads, etc.
- Salaries and benefits (as a percentage of base pay) for local government positions tend to be higher than private jobs with similar duties at SCA. Salaries and benefits expenses used to calculate costs for a new entity are based on comparable local government entities (see

Appendix II). In the model, public sector salaries are 40 percent higher than Spring Creek salaries, and the benefits are 60 percent of base pay in the public sector, rather than 40 percent of base pay at SCA.

- HEC assumed that the County would continue to provide grants for road improvements on Spring Creek parkways under all governance structures.

The financial model compares annual costs under each governance structure with the SCA's costs of \$6.6 million. A Roads-only GID increases the total cost for the same services provided to \$7.7 million. A Multi-services GID increases the total cost for the same services provided to \$7.8 million. The Unincorporated Town scenario would have similar cost as the Multi-services GID; in **Table 5** the cost is greater because the estimated cost of police services has been added.

Table 6 shows the revenue sources assumed to fund the annual costs under each scenario. SCA dues decrease under each of the alternative governance structures, but the dues are replaced by ad valorem (property) taxes and parcel charges and/or assessments. Note that the table assumes the GID options are at least partially funded with ad valorem tax; however, a GID can be funded by other revenue sources exclusively – it does not have to be funded with ad valorem tax (see **Appendix I pages 4 and 5**).

- A Road-only GID could fund roads maintenance with additional ad valorem tax and grants. Alternatively, it could use a combination of road assessments and parcel charges.
- A Multi-services GID could fund road maintenance with additional ad valorem tax and grants, or road assessments, parcel charges and grants, and it could fund parks/recreation services with user fees and parcel charges or ad valorem tax, as well as other income (such as interest earnings, rentals, and sales).
- An unincorporated town could fund road maintenance and parks/recreation services with ad valorem tax, parcel charges, user fees, and other income (such as interest earnings, rentals and sales)¹⁸. Additionally, it could fund police services with consolidated tax shifted from Elko County if C-Tax was granted by the Nevada Tax Commission. The County could also structure town governance exclusive of the town board managing public safety services (the services would continue to be provided by Elko County Fire Protection District and Elko County Sheriff).

The cost impact of the modeled governance structures on a typical home in Spring Creek with a taxable value of \$295,000 and an assessed value of \$103,250 is shown in **Table 7** assuming a GID uses ad valorem as a revenue source.

¹⁸ As described on page 16, "supplying of such service or service will require a special tax levy, the establishment of a user fee schedule or a combination of both" (NRS 269.545).

Table 5
Estimated Costs for the Provision of Services under each Governance Structure

Cost Category	New Entity	SCA	Total
SCA Only (Current Governance)			2025 Budget
Staffing		\$2,093,344	\$2,093,344
Benefits		\$760,282	\$760,282
General		\$3,787,040	\$3,787,040
Total Estimated		\$6,640,666	\$6,640,666
Roads GID with SCA			
		GID Board of Trustees is the County Commission	
SCA Responsibilities: COA & Parks / Recreation			
GID Responsibilities: Roads			
Staffing	\$903,450	\$1,157,446	\$2,060,897
Benefits	\$542,070	\$462,979	\$1,005,049
Board of Trustees	\$30,000		\$30,000
General	\$1,317,782	\$3,244,140	\$4,561,923
Total Estimated	\$2,793,303	\$4,864,565	\$7,657,868
Multi-service GID with SCA			
		GID Board of Trustees Elected; Automonous from County	
SCA Responsibilities: COA			
GID Responsibilities: Roads & Parks / Recreation			
Staffing	\$2,277,062	\$242,698	\$2,519,759
Benefits	\$1,366,237	\$97,079	\$1,463,316
Board of Trustees	\$30,000		\$30,000
General	\$3,665,390	\$121,650	\$3,787,040
Total Estimated	\$7,338,689	\$461,427	\$7,800,115
Unincorporated Town with SCA			
		Town Board Elected; Advisory Role	
SCA Responsibilities: COA			
Town / County Responsibilities: Police, Roads & Parks / Recreation			
Staffing	\$2,544,146	\$242,698	\$2,786,843
Benefits	\$1,526,487	\$97,079	\$1,623,566
Town Board	\$30,000		\$30,000
General	\$4,013,890	\$121,650	\$4,135,540
Total Estimated	\$8,114,523	\$461,427	\$8,575,950

Source: HEC and Spring Creek Association.

gov cost

Table 6
Potential Revenue Sources for each Governance Structure

Revenue Sources	No Change		Roads GID with SCA		Multi-service GID & SCA		Unincorporated Town	
	SCA	GID	SCA	Total	GID	SCA	Town	Total
<i>Assumes no change in level of services</i>								
Annual Budget	\$6,640,666	\$2,793,303	\$4,864,565	\$7,657,868	\$7,338,689	\$461,427	\$8,114,523	\$8,575,950
Revenues								
SCA Dues	\$5,359,476		\$3,774,725	\$3,774,725		\$461,427	\$461,427	\$461,427
Roads Only Other Funding [1]	\$191,350	\$191,350		\$191,350	\$191,350		\$191,350	\$191,350
Amenities Fees, Rentals & Sales	\$636,620		\$636,620	\$636,620	\$636,620		\$636,620	\$636,620
Other Revenues	\$453,220		\$453,220	\$453,220	\$453,220		\$453,220	\$453,220
New Funding Source		\$2,601,953		\$2,601,953	\$6,057,499		\$6,833,333	\$6,833,333
Total Revenues	\$6,640,666	\$2,793,303	\$4,864,565	\$7,657,868	\$7,338,689	\$461,427	\$8,114,523	\$8,575,950
SCA Dues	\$5,359,476		\$3,774,725			\$461,427		\$461,427
Number of Lots	5,381		5,381			5,381		5,381
Monthly Lot SCA Dues	\$83.00		\$58.46			\$7.15		\$7.15
Consolidated Tax [2]							\$807,330	
Ad Valorem Tax Revenue		\$2,601,953			\$3,715,000		\$3,715,000	
Tax per \$100 of A.V.		\$0.6884			\$0.9830		\$0.9830	
Parcel/Assessment Revenue					\$2,342,499		\$2,311,003	
Number of Lots					5,381		5,381	
Parcel/Assessment Charge/Lot per Month					\$36.28		\$35.79	

Source: HEC and Spring Creek Association.

[1] County Road Grants for Parkway improvements and outside SCA Road Assessments.

[2] NRS 360.740 and NRS 354.5987 provide for a proposal to the Executive Director of the Nevada Tax Commission for a distribution of c-tax; the Executive Director provides his/her review of the request to the Committee on Local Government Finance (CLGF). If the CLGF finds the tax distribution(s) appropriate it can proceed to the Nevada Tax Commission. Ultimately, the distribution is a negotiation. The Statutes provide that if Spring Creek obtained police powers (can only do so as an uninc. town or city) the County's c-tax would be reduced by the amount currently spent on sheriff services to Spring Creek.

Table 7
Impact of Governance on Typical Home Budget

Item	Cost
Typical SF Home Taxable Value	\$295,000
Typical Home Assessed Value [1]	\$103,250
SCA 2025 Annual Dues	\$996
Roads GID with SCA	
GID Ad Valorem Tax	\$711
SCA Dues	\$702
Total	\$1,412
Multi-service GID & SCA	
GID Ad Valorem Tax	\$1,015
GID Parcel Charge	\$435
SCA Dues	\$86
Total	\$1,536
Unincorporated Town & SCA	
Ad Valorem Tax	\$1,015
Parcel Charge	\$429
SCA Dues	\$86
Total	\$1,530

Source: Elko County assessor, and HEC.

home

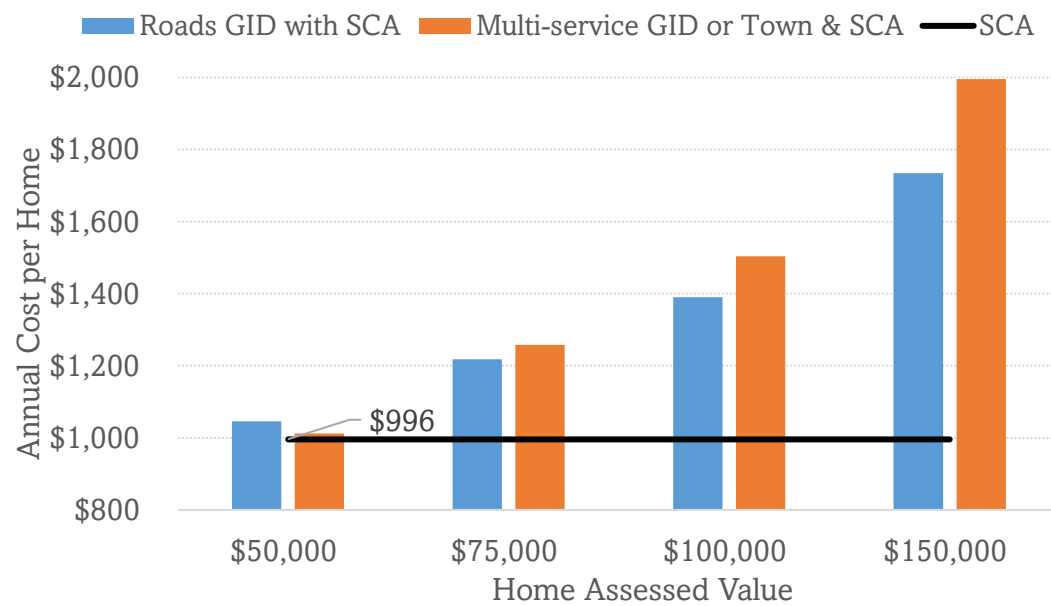
[1] 35% of taxable value.

Figure 6 shows the cost of each scenario to a property owner based on assessed valuations ranging from \$50,000 to \$150,000.

- **Under all alternative service provision scenarios, the total annual cost is greater for a homeowner in Spring Creek than if SCA continues to provide road maintenance and parks/recreation services.**
- **Homeowners with higher assessed values pay more than homeowners with lower assessed value under the GID and Town alternatives.** *Under a GID alternative, the BOT could establish special assessments to fund roads maintenance rather than use ad valorem tax. The methodology to establish special assessments by property can be, “made on a front foot, zone, area or other equitable basis, as may be determined by the governing body”¹⁹.*

¹⁹ NRS 271.045.

Figure 6
Homeowner Cost Impacts on Various Assessed Values by Governance Alternative



03. Case Studies



To understand better how the governance alternatives might be implemented, case studies are provided for each.

General Improvement Districts

GARDNERVILLE RANCHOS GID

Population: 12,200

Gardnerville Ranchos GID (GRGID) serves a community of similar size and similar character to Spring Creek. Located in Douglas County, Gardnerville Ranchos is largely a residential community, rural in character and close to the population centers of Minden and Gardnerville (which are unincorporated towns). The Gardnerville Ranchos Community Plan, drafted in 2020, states that the Gardnerville Ranchos supplies over one-third of the total housing for the Carson Valley and represents more than 25% of the County's population. Agricultural lands make up about a third of the total 6,680 acres of land within the GRGID boundaries. Five primary focus areas for the Gardnerville Ranchos were identified in the 2020 Community Plan:

1. Maintenance of their low-cost, superior quality and quantity of groundwater for existing and new development
2. Roadway maintenance, additional capacity and more efficient circulation patterns
3. Provision of passive and active recreational open space
4. Retention of the community's rural character and aesthetics (especially preservation of mountain views), and
5. Prevention of the over-development of designated receiving areas in the community.

The GRGID was formed in 1965 with basic powers for streets, curbs, gutters, sidewalks, storm drainage, sanitary sewer improvements, water improvements, street lighting, and garbage and refuse collection and disposal. Recreation and park services were added in 1967. The boundaries of the proposed GID for the new development were within 7 miles of the boundaries of the unincorporated towns of both Minden and Gardnerville when the GID was proposed. The GID was permitted to be formed under NRS 318.055 because petitions for the annexation to and inclusion of those lands within the towns were filed with the towns and they refused to annex or include the areas of land proposed for inclusion in GRGID.

The three Douglas County commissioners voted unanimously to approve creation of GRGID. GRGID is organized with four divisions for water, sewer, parks, and roads. Snow removal is contracted out. GRGID reviews all proposed housing and commercial projects desiring to locate with the District's service area. GRGID's recommendations on those proposals are forwarded to Douglas County Community Development for review.

GRGID's mission is, "The Gardnerville Ranchos General Improvement District will provide water service, sewer service, street maintenance and parks and recreation services in a manner

that will enhance the quality of life within our District.”

“The District will balance its present rural character with future urban type growth by acting as a steward to ensure that any type of growth will not harm the present rural character of the District.”²⁰

Unincorporated Towns

Laughlin and Moapa Valley, both located in Clark County, are unincorporated towns that are 25 miles or more from an incorporated city whose population is 500,000 or more. Both have an elected town advisory board composed of 5 members. Clark County bylaws and procedures for both towns provide clear purpose and function of the TABs. The purpose of the TABs is, “to assist the Board of County Commissioners in governing the unincorporated town by acting as a liaison between the residents of the town and the Board of County Commissioners and to advise the Board of County Commissioners on matters of importance to the unincorporated town and its residents.”

LAUGHLIN: AN UNINCORPORATED TOWN WITH A TAB **Population: 8,700**

Laughlin town services are accounted for in a special revenue fund of Clark County. Laughlin is the only unincorporated town reported as a nonmajor special revenue fund. Funding is primarily provided by ad valorem taxes and consolidated taxes. Laughlin town’s property tax rate is higher than Henderson and Las Vegas. Only the city of North Las Vegas has a property tax rate greater than Laughlin.

Place in Clark County	Property Tax Rate 2022-23
Las Vegas	\$0.7715
North Las Vegas	\$1.1637
Henderson	\$0.7708
Laughlin	\$0.8416
Boulder City	\$0.2600
Mesquite	\$0.5520
Moapa Valley	\$0.0200

Town services include fire protection, parks administration, and economic development. Water and sewer services are provided by Big Bend Water District and Clark County Water Reclamation District, respectively. Police service is provided by the Las Vegas Metropolitan Police Department (paid for by a portion of Laughlin Town tax revenues). Other services (i.e. road maintenance) are provided by Clark County.

In 2012, there was a push to incorporate Laughlin to gain greater local control. At the ballot, the vote was 57 percent opposed to 43 percent in favor. In 2019, Senate Bill 213, which would

²⁰ Grgid.com/mission-statement

have made Laughlin a city without consent of the voters, failed to pass through the legislature. In 2021, Senate Bill 79 was introduced to allow for an election for incorporation in 2022. The bill failed to pass through legislature.

MOAPA VALLEY: AN UNINCORPORATED TOWN WITH A TAB

Population: 6,700

Moapa Valley town has no employees and does not provide any services. The town has a miniscule property tax rate of \$0.0200 as shown in the previous table. Water and sewer services are provided by Moapa Valley Water District and Clark County Water Reclamation District, respectively and fire protection is provided by the Moapa Valley Fire District. Clark County provides all other services which are accounted for in the County General Fund. Funding is primarily provided by ad valorem taxes and Moapa Valley Town consolidated taxes (transferred to the Clark County General Fund).

Revenues and expenses for Gardnerville Ranchos GID, Laughlin, and Moapa Valley are compared in **Table 8**.

DAYTON (Not an unincorporated town but has a CAC)

Population: 15,873

Dayton has a very similar population size to Spring Creek. Dayton is represented by a Regional Advisory Board that meets the first Wednesday of every month. The CAC receives community reports regarding events throughout the County, and discusses items requested by CAC board members (for example, adding a fence between properties). The county uses the CAC to disseminate information such as surveys they want Dayton citizens to complete, provide a local forum for citizens to hear about projects from subject matter experts, or scheduled road maintenance.

Lyon County provides all services to Dayton, including a Dayton Justice Court, water and sewer utilities, and is in the planning stages of building a government complex to better serve residents and businesses in Dayton.

WARM SPRINGS (An unincorporated area that put town governance on the ballot)

Population: unknown

In 2020 a petition was submitted by a sufficient number of registered voters to place the question of creating an unincorporated town for the Warm Springs area in Washoe County on the November 2020 ballot.

Warm Springs rejected the unincorporated town ballot question with more than 80% of votes cast against the proposal.

Table 8
Comparison Towns and Gardnerville Ranchos GID Revenues and Expenses

Revenues and Expenses	Laughlin	Moapa Valley	Gardnerville Ranchos GID
Revenues			
Ad Valorem Taxes	\$3,495,172	\$38,304	\$1,116,460
Consolidated Taxes	\$11,209,203	\$1,059,423	\$1,058,969
Gaming Licenses	\$760,500	\$6,210	
Charges for Services	\$22,337		
Federal Grants			
Investment Earnings	\$74,088		\$76,047
Miscellaneous	\$81,488		
Total Revenues	\$15,642,788	\$1,103,937	\$2,251,476
Expenses			
General			
Salaries & Benefits			\$177,474
Services & Supplies			\$194,201
Total General	\$0	\$0	\$371,675
Public Works [1]			
Salaries & Benefits	\$8,813,912		\$147,438
Services & Supplies	\$803,066		\$531,887
Capital Outlay	\$62,266		\$0
Total Public Works	\$9,679,244	\$0	\$679,325
Parks & Rec.			
Salaries & Benefits	\$149,919		\$115,429
Services & Supplies	\$12,630		\$143,838
Capital Outlay			\$0
Total Parks & Rec.	\$162,549	\$0	\$259,267
Total Expenses	\$9,841,793	\$0	\$1,310,267
Transfer Out [2]	\$3,400,000	\$1,159,432	\$0
Revenues less Expenses	\$2,400,995	(\$55,495)	\$941,209

Source: Clark County and GRGID fiscal year ending 2023 audits.

town fin

[1] Laughlin public works department is for Fire Protection services.

[2] Laughlin's transfer out is for police services which are contracted with Las Vegas Metropolitan Police.

Cities

CITY OF FERNLEY

Population: 23,700

The City of Fernley is a General Law City. The city incorporated July 1, 2001. Prior to incorporation, Fernley was an unincorporated town in Lyon county with a TAB. Fernley incorporated because it was expecting rapid growth, and it wanted local autonomy of provision of services and greater control over land use and levels of service. When Fernley was incorporated it served a population of about 8,750. Growth was indeed rapid, but Fernley has suffered from lack of revenue to provide its services. The lack of revenue has been primarily because Fernley did not provide police services prior to 1997, which is when C-Tax was created. The City of Fernley contracts police services with the Lyon County Sheriff's Office. As a result, Fernley has been unable to receive any more consolidated tax than it had as a town when it incorporated. Fernley has also suffered from Statewide property tax abatements implemented in 2005 that imposed a 3% growth cap on a primary residence and an 8% growth cap on rental properties and non-residential properties at a time when property values skyrocketed.

With rapid growth, including a large new commercial/industrial area in the eastern and northern portions of the city, and the economic boom of the early 2000's, Fernley has been able to stay solvent, but it has struggled (it has even tried legal action to obtain more intergovernmental revenue), and is often cited as a reason why not to incorporate.

CITY OF WEST WENDOVER

Population: 4,500

West Wendover citizens voted to become a city in 1991 because it had a strong economic base that would support revenues necessary to provide services. The economic base started with the railroad, legalized gambling, and the construction of Wendover Field military base. Today, West Wendover's revenues are driven by recreation and tourism. The city also capitalizes on its border with Utah where casino gambling and non-medical cannabis are illegal. West Wendover has five casinos and at least one cannabis dispensary. West Wendover is the only place in Nevada that is legally in the Mountain Time Zone due to its proximity and economic ties with Utah.

Prior to incorporation, West Wendover was an unincorporated town in Elko County with a TAB.

Table 9 compares the two cities' general fund revenues and expenses. The table shows how little consolidated tax the city of Fernley receives. Fernley's primary sources of revenue are charges for services and property taxes. West Wendover has a more diverse base of revenues, and one-third of its revenues are from consolidated tax. Fernley does not provide police or fire services, which are the primary expenditures for the city of West Wendover. Fernley's greatest expenditures are for public works (streets, storm drains, transportation, and engineering). Note,

the table excludes enterprise fund services (water, sewer, and garbage) provided by the cities.

Table 9
Comparison of West Wendover and Fernley General Fund Revenues and Expenses

Revenues and Expenses	West Wendover		Fernley	
Program Revenues				
Charges for Services	\$1,621,240	14.3%	\$5,441,484	42.2%
General Revenues				
Consolidated Tax	\$3,692,488	32.6%	\$268,972	2.1%
Room Taxes	\$1,765,529	15.6%		
Property Taxes	\$2,160,847	19.1%	\$4,674,814	36.3%
Gaming Taxes	\$422,250	3.7%	\$123,638	1.0%
Franchise Taxes	\$370,263	3.3%		
Right of Way Toll	\$239,785	2.1%		
Motor Vehicle Taxes	\$110,707	1.0%	\$412,103	3.2%
Other Taxes	\$5,099	0.0%	\$175,131	1.4%
Investment Earnings	\$730,391	6.4%	\$1,391,907	10.8%
Gain on Sale of Assets	\$187,323	1.7%	\$8,721	0.1%
Miscellaneous	\$28,018	0.2%	\$383,030	3.0%
Total Revenues	\$11,333,940	100.0%	\$12,879,800	100.0%
Expenses - Governmental				
General Government	\$1,926,973	18.0%	\$3,726,081	31.4%
Judicial	\$491,593	4.6%	\$596,596	5.0%
Public Safety	\$4,263,761	39.9%		
Public Works [1]	\$598,393	5.6%	\$5,019,752	42.2%
Community Development	\$960,464	9.0%	\$1,090,177	9.2%
Health & Sanitation	\$294,256	2.8%	\$313,134	2.6%
Culture & Recreation	\$1,819,023	17.0%	\$1,138,845	9.6%
Interest on Debt	\$341,627	3.2%		
Total Expenses	\$10,696,090	100.0%	\$11,884,585	100.0%
Revenues less Expenses	\$637,850		\$995,215	
Operating Grants	\$280,964		\$1,625,729	
Capital Grants	\$2,339,878		\$11,807,236	
Net Revenues	\$3,258,692		\$14,428,180	

Sources: West Wendover and Fernley 2024 Annual Comprehensive Financial Reports.

[1] West Wendover public works provides street maintenance and infrastructure snow removal, storm drainage and waterways, city fleet, and city-owned properties maintenance and janitorial work.

[1] Fernley public works include streets, traffic signals, storm drains, transportation, and engineering.

PAHRUMP (Not a City but conducted a feasibility analysis to become a City)
Population: 45,200

Pahrump studied incorporation in 2008. Pahrump is an unincorporated town in Nye County with a Town Board (not the same as a TAB). These are what the feasibility analysis determined as the pros and cons of incorporation.

Pros

- Municipal decisions made by city council, not by county commissioners
- Greater local control over level and type of services (such as staffing level and priorities), including police, planning and public works
- Land use and development control
- Determine priority for use of capital funds and allocation of revenues to services
- Has access to, and can compete for, federal funding
- Reduces a layer of government by combining the TAB and County Commission into an elected City Council

Cons

- A city requires additional staff to fill a city clerk position, and likely other unidentified administrative positions
- Becomes financially responsible for many services currently handled by the County
- Increase in the combined property tax rate

The Town of Pahrump already provided fire and emergency rescue services. For police services, the City could contract with the County for Sheriff's services or establish its own police force. Pahrump was investigating becoming a Special Charter City. The feasibility analysis revealed that the total tax rate would increase as a result of becoming a city because the costs for services would be spread amongst a smaller tax base. Pahrump did not incorporate.

04. Conclusion



This section provides some observations drawn from the research, quantitative analysis, and case studies of GIDs, unincorporated towns, cities, and various governance structures in Nevada.

A comparison of the governance structure of communities with similar sized populations to Spring Creek is shown in **Table 10**. The table demonstrates a variety of governance structures in Nevada, but no other communities of similar size that have homeowner associations provide what are typically governmental services (roads maintenance and parks/recreation). Of those communities with the most similarly sized population to Spring Creek, Spanish Springs and Dayton both are fully governed by the counties in which they are located; Boulder City has a city-county structure, and Gardnerville Ranchos has a GID-county structure.

- Research on potential governance structures for Spring Creek shows that a GID and Unincorporated Town are feasible for Spring Creek; however, both options increase costs of services to the community. *Operations and maintenance costs increases are anticipated primarily due to increased labor costs in the financial model (salaries and benefits are greater in the public sector). Capital projects, not included in the cost analysis, would also be subject to prevailing wages if performed by a GID, Town, or City; therefore, total costs would increase greater than is demonstrated in this report. **The community needs to weigh whether the benefits of governmental service provision outweigh the increased costs.***
- There does not appear to be discontent with the current living situation in Spring Creek; rather, it attracts a very stable age-diversified population that is vested in ensuring economic prosperity and maintaining its property values. **The community needs to determine if it really wants greater autonomy over public services.**
- Although a feasibility analysis has not been conducted for incorporation, there are indications that a city would be difficult to prove financially sustainable, and it would struggle to create its identity:
 - The community of Spring Creek does not have a downtown or Main Street area; this makes identification of the city difficult.
 - It does not support a jobs to housing ratio that is conducive for a city.
 - It does not have a mix of land uses proposed to be developed in the vacant properties surrounding it in the near future that can provide ad valorem tax revenue to support enhanced levels of service.
 - A city is located less than five miles from Spring Creek.

If the community wants to examine becoming a city, it needs to commission an incorporation feasibility analysis.

- The SCA will continue to exist for enforcement of the CC&Rs, and it can conduct other

functions, such as organization of community events, regardless of whether the governance structure is altered.

- The SCA Articles of Incorporation appear to have been written in anticipation that the community may form a GID in the future because it is mentioned in two places that Common Recreation Facilities can be transferred to a GID without vote of the SCA members and that a GID can assume all or part of the responsibilities of the SCA, including, but not limited to, management and care of the roads and Common Recreation Facilities.
- The GID and Unincorporated Town options provide an avenue for Spring Creek to add services such as drainage, curbs, sidewalks, streetlights, and cemeteries that are currently not provided in Spring Creek²¹. These could be funded by new ad valorem tax, special assessments, parcel charges, and user fees. A GID also is eligible to receive several Federal and State funding sources that SCA cannot qualify for. **The community should ask itself if it wants additional services and is willing to pay for them.**
- The case studies highlight the difficulty in raising sufficient revenues to become a city without consolidated tax (Fernley), the unwillingness of citizens to pay for additional services (failure of Warm Springs unincorporated town initiative), and general lack of support for an additional layer of government (failure to incorporate Laughlin and Pahrump). **Becoming a town or city requires considerable effort and money, and the citizens and businesses must be willing to pay.**
- Residents and business owners are the source of revenue for all the examined governance structures (with the exception of consolidated tax which is a pooled revenue source of multiple taxes that is allocated to counties and local governments within counties based on a two-tier allocation system); only the methodology for collecting the money changes by governance structure. **The community needs to understand that the collection of revenue under each governance structure affects the cost to different households. Under the current provision of services by SCA all homes pay the same. Under an Unincorporated Town, and likely a GID structure, homes with greater value will pay more than homes of lesser value.**

The three key questions for Spring Creek to answer are:

- 1. What type of authority does the community want to have in governing itself?**
- 2. What type of services does the community want to deliver?**
- 3. What type of control over local resources does the community want?**

²¹ See Appendix I. A GID can also form Special Improvement Districts and Neighborhood Improvement Districts that can fund the construction and beautification of such assets, as well as provide perpetual funding for local transportation (micro transit for example).

Table 10
Governance Comparison of Communities >6,500 but less than 24,000 Population

Location	Population	Governance Structure [1]	County Services	City / GID / Town / HOA Services	Name of Governing Bodies
Fernley city [2]	23,631	City, County	Police, jail	Land use, roads, water, sewer, garbage, municipal court, cemetery	City of Fernley, Lyon County
Sun Valley	22,697	GID, County	Land use, roads, fire, police, jail, garbage	water, sewer, garbage (power not exercised), recreation & parks	Sun Valley GID, Washoe County
Mesquite city	21,232	City, County	Jail	Land use, garbage, sewer, animal shelter, fire protection, recreation & parks, streets/drainage, wastewater treatment, police, cemetery, airport, court, emergency medical services	City of Mesquite, Clark County
Elko city	20,173	City, County	Courts, jail	Land use, animal control/shelter, fire protection, landfill, recreation and parks, police, streets, airport, water, sewer and wastewater treatment	City of Elko, Elko County
Spanish Springs	17,504	County	Land use, roads, fire, police, animal control, parks and recreation, court, jail, human services, library	[3]	Washoe County
Dayton	15,873	County	Land use, roads, fire, police, animal control, parks and recreation, court, jail, human services, library, water, sewer, wastewater treatment	[3]	Lyon County
Spring Creek	14,967	HOA, County	Police, fire, jail, land use, ambulance, courts, library, transit	Roads, parks and recreation	Spring Creek Association, Elko County
Boulder City	14,558	City, County	Jail	Airport, animal control, fire protection, police, land use, recreation & parks, court, sewer and wastewater treatment, water distribution, flood control, streets, electricity	Boulder City, Clark County
Gardnerville Ranchos	12,161	GID, County	Land use, fire, police, animal control, courts, jail, human services, library	Water system, sewer system, streets, storm drain system, streetlights, maintenance of open spaces, parks and recreation	Gardnerville Ranchos GID, Douglas County
Cold Springs	11,223	County	Land use, roads, fire, police, animal control, parks and recreation, courts, jail, human services, library	[3]	Washoe County
Fallon city	9,169	City, County	Jail	Land use, water, sewer, wastewater treatment, garbage, roads, police, animal control, municipal court, recreation	City of Fallon, Churchill County
Incline Village	8,960	GID, County	Land use, roads, fire, police, animal control, parks and recreation, courts, jail, human services, library	Water, sewer, garbage, recreation	Incline Village GID, Washoe County
Laughlin	8,643	Uninc. Town, County	Water, sewer, roads, street lights, traffic lights, police, fire, animal control, courts, jail, human services, recreation	Fire protection, parks administration, economic development	Laughlin Town, Clark County
Winnemucca city	8,313	City, County	Land use, courts, jail	Water, sewer, streets, cemetery, recreation, police, fire, animal control	City of Winnemucca, Humboldt County
Moapa Valley	6,699	Uninc. Town, County	Water, sewer, roads, street lights, traffic lights, police, fire, animal control, courts, jail, human services, recreation	Advisory board only - no services provided by town revenues	Moapa Valley Town, Clark County

Source: 2023 American Community Survey, U.S. Census, and jurisdiction websites.

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[1] Excludes water utilities unless provided by listed agency. [2] Fernley is the only city to have been created since the consolidated tax has been in place. It only receives the amount it had as an unincorporated town in 2001 because it does not provide police protection services.

[3] HOAs provide some services such as streetlighting, drainage, fencing, walking paths, and landscaping.

APPENDIX I

GENERAL IMPROVEMENT DISTRICTS

General Improvement District (GID) - NRS 318

Legal Autonomy and Accountability. GIDs are authorized by the Nevada Legislature as codified in the Nevada Revised Statutes (NRS) Chapter 318. A GID is a separate legal entity (with eminent domain power and right to own and sell real property) - a governmental subdivision of the State of Nevada, a body corporate and politic and a quasi-municipal corporation (NRS 318.075).

As a separate legal entity, a GID may also form Special Improvement Districts and Neighborhood Improvement Districts pursuant to NRS 271.

What are these? See page 7.

The Elko County Board of County Commissioners (BOCC) must be the initial Board of Trustees (BOT); after it has established the accounting practices, auditing practices, a budget, and management standards, the BOCC shall appoint five people to serve as the first BOT until the next qualifying election date when elected officers shall fill the seats. The BOT must meet regularly at least once each year.

Roads and Roads-Related Facilities Maintenance. Basic powers of a GID include the ability to furnish streets and alleys (NRS 318.120) and remove snow from them (NRS 318.145); furnish curbs, gutters, and sidewalks (NRS 318.125), furnish sidewalks (NRS 318.130), and furnish facilities for lighting streets (NRS 318.141). Specifically, for roads, the following facilities activities are authorized:

Grading and re-grading, surfacing and re-surfacing of streets, alleys and public highways, gravel, oiling, macadamizing, paving, crosswalks, driveway inlets, curb cuts, curbs, sidewalks, gutters, valley gutters, catch basins, culverts, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, artificial lights and lighting equipment, grade separators, traffic separators, traffic-control equipment, off-street parking facilities and structures, parkways, canals and other water type streets, and to construct, reconstruct, replace or extend sidewalks. Facilities for lighting public streets, ways and places may be acquired, constructed, reconstructed, improved, extended, or bettered.

And, the GID can operate, maintain and repair the district's improvements (projects), including, without limitation, the maintenance and repair of dedicated streets and alleys and the removal of snow therefrom, and all facilities of the district relating to any basic power which the district is authorized to exercise (NRS 318.145 and 318.175). A project or improvement means any structure, facility, undertaking or system which a GID is authorized by its basic powers established at formation to acquire, improve, equip, maintain or operate.

Recreational Facilities. The GID may acquire, construct, reconstruct, improve, extend and better lands, works, systems and facilities for recreation. If the proposed recreational facilities are situated within 7 miles from the boundary of an incorporated city or unincorporated town, and if the county in which the proposed recreational facilities are situated has adopted a recreation plan pursuant to NRS 278.010 to 278.630, inclusive, the authority to acquire, construct, reconstruct,

improve, extend and better lands, works, systems and facilities for recreation may be exercised only in conformity with such plan.

Recreational facilities may include, without limitation: exposition buildings, museums, skating rinks, other type rinks, fieldhouses, sports arenas, bowling alleys, swimming pools, stadiums, golf courses, tennis courts, squash courts, other courts, ball fields, other athletic fields, tracks, playgrounds, bowling greens, ball parks, public parks, promenades, beaches, marinas, levees, piers, docks, wharves, boat basins, boathouses, harborages, anchorages, gymnasiums, appurtenant shower, locker and other bathhouse facilities, amusement halls, dance halls, concert halls, theaters, auditoriums, aviaries, aquariums, zoological gardens, biological gardens and vivariums (or any combination thereof).

Public Cemeteries. The GID has the power to:

1. Maintain a cemetery for the use of all inhabitants of the district, and for that purpose shall be capable of holding title to property in trust for the district.
2. Levy annually, except for the payment of any outstanding general obligation bonds of the district, a general (ad valorem) property tax of not exceeding 2 mills on each dollar of assessed valuation of taxable property, for purposes pertaining to the basic purpose stated in this section.
3. Levy annually such a tax fully sufficient to pay the principal of, interest on and any prior redemption premium due in connection with any outstanding general obligation bonds pertaining to the basic purpose stated in NRS 318.119.
4. The district shall not have the power in connection with the basic power stated in this section to:
 - (a) Levy special assessments; or
 - (b) Borrow money which loan is evidenced by the issuance of any revenue bonds, special assessment bonds or other special obligations of the district.

Storm Drainage or Flood Control. The GID may construct, reconstruct, replace or extend storm sewer and other drainage or flood control facilities and improvements necessary and incidental thereto within the district, including, but not limited to, the laying of pipes and the erection of catch basins, drains and necessary inlets and outlets.

Boundaries. A GID may consist of noncontiguous tracts or parcels of property (NRS 318.055). Parcels can be annexed into the GID.

Formation Steps. The formation of a GID would be by Property Owner Petition or by Provisional Order, following four steps. Note however that no initiating ordinance may be adopted by the BOCC if the proposed district includes any real property within 7 miles from the boundary of an incorporated city or unincorporated town unless:

- (a) **All members of the BOCC unanimously vote for the organization of a district with boundaries which contravene this 7-mile limitation;**
- (b) A petition for annexation to or inclusion within the incorporated city or unincorporated town of that property has first been filed with the governing body of the incorporated city or unincorporated town pursuant to law and the governing body thereof has refused to annex or include that property and has entered the fact of that refusal in its minutes;

- (c) No part of the area within the district is eligible for inclusion in a petition for such an annexation;
- (d) **The governing body of the incorporated city or the town board of the unincorporated town, by resolution, consents to the formation of the district;** or
- (e) That property is within 7 miles of an unincorporated town with a town advisory board or citizens' advisory council but is not within 7 miles of an incorporated city or unincorporated town with a town board.

STEP 1. A resolution of intention adopted by the BOCC.

STEP 2. An "initiating" ordinance adopted by the BOCC, which must include:

- a) The name of the proposed district.
- b) A statement of the basic power or powers for which the district is to be created.
- c) A statement that the ordinance creating the district will be based on the BOCC finding that public convenience and necessity require creation of the district, that creation of the district is economically sound and feasible, that the Service Plan includes all required elements per NRS 308.030 (see below) and that it does not contravene reasons to disapprove a Service Plan per NRS 08.060 (see below).
- d) Description of the boundaries of the district such that a property owner can determine whether their property is within the district.
- e) The place and time for the public hearing on creating the district.

Service Plan required elements (NRS 308.030) include:

- A financial survey and a preliminary engineering or architectural survey showing how the proposed services are to be provided and financed;
- A map of the proposed district boundaries, an estimate of the population and assessed valuation of the proposed GID;
- Description of the facilities to be constructed, the standards of such construction, the services to be provided by the district, an estimate of costs, including the cost of acquiring land, engineering services, legal services, proposed indebtedness, including proposed maximum interest rates and any discounts, any other proposed bonds and any other securities to be issued, their type or character, annual operation and maintenance expenses, and other major expenses related to the formation and operation of the district.

The Service Plan must be approved by the BOCC. The BOCC may disapprove the Service Plan (NRS 308.060) upon satisfactory evidence that:

- There is insufficient existing and projected need for organized service in the area to be serviced by the proposed district;
- **The existing service in the area to be served by the proposed district is adequate for present and projected needs;**

- Adequate service is, or will be, available to the area through municipal annexation by other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;
- The proposed special district is incapable of providing economic and sufficient service to the area within its proposed boundaries;
- The area to be included in the proposed district does not have or will not have the financial ability to discharge the proposed indebtedness, other securities, or other obligations to be incurred on a reasonable basis;
- The facility and service standards of the proposed district are incompatible with the facility and service standards of adjacent municipalities and special districts;
- Or the proposed district is being formed for the primary purpose of financing the cost of developing private property.

STEP 3. Organizational Hearing. The County Clerk must mail written notice to all property owners within the proposed GID. The notice must include details of the purpose of the proposed GID, and information on the time and place of the organizational hearing. If at or before the hearing a protest is filed and signed by a majority of property owners, then the GID shall not be formed (NRS 318.065).

STEP 4. The BOCC will adopt an ordinance determining whether or not the GID is created (NRS 318.070). Barring the initiation of any legal action opposing the district within 30 days of adopting an ordinance creating the GID, the ordinance finally and conclusively establishes the organization of the GID.

Revenue Sources and Collection. A GID can levy ad valorem taxes, special assessments, rates, tolls and charges. The BOT must have affirmative vote of at least two-thirds of its members to levy proposed charges and special assessments.

Ad Valorem Taxes

To levy and collect ad valorem taxes, the BOT shall determine, in each year, the amount of money necessary to be raised by taxation, taking into consideration other sources of revenue of the district, and shall fix a rate of levy which, when levied upon every dollar of assessed valuation of taxable property within the district, and together with other revenues, will raise the amount required by the district annually to supply money for paying:

- (a) The expenses of organization and the costs of operating and maintaining the works and equipment of the district; and
- (b) The costs of acquiring the works and equipment of the district and, when due, all interest on and principal of general obligation bonds and other general obligations of the district.

Ad valorem tax revenue may be limited by the tax cap within the County. The GID could increase funding with an ad valorem property tax override for 30 years with voter approval.

In the event of accruing defaults or deficiencies, an additional levy may be made as provided in NRS 318.235. The BOT shall identify separately the rate of tax which is levied pursuant to paragraph (a) and the rate which is levied pursuant to paragraph (b) and shall make such information available to the public upon request. The BOT shall not continue to levy a rate of tax pursuant to paragraph (b) after the cost to the district of acquiring the particular work or equipment for which the rate was levied has been recovered in full.

The BOT shall certify to the BOCC, at the same time as fixed by law for certifying thereto tax levies of incorporated cities, the rate so fixed with directions that at the time and in the manner required by law for levying taxes for county purposes such BOCC shall levy such tax upon the assessed valuation of all taxable property within the GID, in addition to such other taxes as may be levied by such BOCC at the rate so fixed and determined.

The GID can establish charges for snow removal and lighting and standby service charges/ minimum charges/ charges for the availability of service for any services or facilities authorized to be furnished by the GID (NRS 318.197); however, **a GID cannot charge rates, rolls or charges other than special assessments for streets, curbs, gutters, and sidewalks (NRS 318.197).** Special assessments may be charged to lands and premises abutting the street or alley improved or proposed to be improved, and any other lands that may be specially benefited by the improvement upon affirmative vote of at least two-thirds of the board. Unless a school district consents to assessment, all property owned and used by a school district is exempt (NRS 318.350).

NRS 118A.140 “Premises” defined. “Premises” means a dwelling unit and the structure of which it is a part, facilities, furniture, utilities and appurtenances therein and grounds, areas and facilities held out for the use of tenants.

NRS 118C.040 “Commercial premises” defined. “Commercial premises” means any real property other than premises as defined in NRS 118A.140.

The BOT has the authority to create payment programs and discounted rates and assessments for customers that qualify under certain parameters such as a disability, age, or income limit.

GID invoices may be sent to property owners monthly or bimonthly. Alternatively, the GID can by resolution elect to have charges placed on the tax roll with Elko County’s general taxes. If charges and special assessments are collected with property taxes, the GID must file a written report each year containing a description of each parcel of real property and amount of the charges and special assessments, and a public hearing must be held. If a majority of the property owners affected protest the manner of collection, the charges must be collected separately from the tax roll.

Method of Apportionment. Methods of apportionment must be determined for both charges and special assessments.

- (1) **Charges.** The GID could set charges for snow removal and lighting, and other costs (such as general management costs) that are not associated with provision of streets, curbs, gutters, and sidewalks. There is no methodology prescribed in Chapter 318 for apportioning costs among users and potential users. The BOCC would have to approve a method of apportionment by

resolution adopting the charges. These would be parcel charges.

- (2) **Special Assessments.** The only guidance provided by NRS 318.350 for determining special assessment amounts is that costs may be allocated among land and premises abutting the improvement, and other lands as in the opinion of the BOT that may be specially benefited by the improvement. Other sections of the Nevada Revised Statutes provide some guidance. Chapter 271 also allows for the collection of special assessments.

NRS 271.208 “Special benefit” defined. “Special benefit” means the increase in the market value of a tract that is directly attributable to a project for which an assessment is made as determined by the local government that made the assessment. The term may include incidental costs of the project as determined by the local government. The market value change does not have to be quantified. In addition, NRS 271.045 states that assessments shall be made on a front foot, zone, area or other equitable basis, as may be determined by the governing body.

Road systems function as a public utility comparable to municipal water and sewer systems. Those utilities are funded by charging users based on how much they use the systems, and roads funding can be approached in a similar way. Properties that cause more traffic by the nature of their use are responsible for a greater portion of the wear and tear on roads infrastructure and might reasonably be expected to make larger contributions towards maintenance expenses. One common basis for such a fee is an estimated number of trips attributable to each property type using the procedures found in the Trip Generation manual published by the Institute of Transportation Engineers; however, fees may also be based on lineal front footage, parcel size, and other characteristics.

Authority to Issue Debt Securities. Debt limit is set at 50% of the total of the last assessed valuation of taxable property (excluding motor vehicles) situated within the GID. The limitation excludes special assessment bonds (NRS 318.277) that may be issued for GID roads projects (or for Special Improvement Districts or Neighborhood Improvement Districts created by the GID) and revenue bonds, which are special obligations, not debts.

Short-term notes, warrants and interim debentures may be issued upon affirmative vote of four of the BOT members (NRS 318.280); in addition, the sale of revenue bonds does not require an election. Money may be borrowed from State and Federal government.

Removal / Dissolution. A GID can be dissolved by ordinance of the BOCC with a majority of “ayes”. In event of dissolution, all property of the GID would be transferred to the County and funds would be transferred to the General Fund of the County.

Local Improvements Special Districts

Local improvements special districts provide a funding mechanism for discrete projects that may be deemed necessary by the local government, by property owners, or by developers to pay for public improvements. Two types of improvement districts may be formed:

- (1) A Special Improvement District (SID).
- (2) A Neighborhood Improvement District (NID).

A SID can pay for transportation facilities (NRS 271.237), and the costs to maintain, operate, improve and repair the transit project in perpetuity (NRS 271.369). A SID can finance the acquisition or construction of many types of improvements (sewer, water, energy, drainage for example) and more than one type of improvement in one SID.

A NID can pay for beautification and improvement of the public portions of any area, outdoor lighting and heating, and decorations. Furthermore, a NID can pay for beautification of any street, including median strips, water distribution and irrigation systems, retaining walls, shrubbery, fountains, waterfalls, information booths, signs and so forth (inconclusive list).

Table I-1 (page 1)[illegible]

Table I-1 (page 2)

Entity	County	Popln.	Roads	Water	Wastewater	Sewer	Power	Sidewalks	Streetslighting	Pool	Recreation	TV	Drainage	EMS	Fire	Garbage	Cemetery	Vector	Weed	Control	Conservation
Topaz Ranch Estates GID	Douglas	2,100	Roads	Water									Drainage								
Eureka Television	Eureka	1,995										TV				Garbage					
Zephyr Cove GID	Douglas	1,875	Roads	Water									Drainage								
Palomino Valley GID	Washoe	1,550	Roads		originally formed with sewer, drainage and recreation basic powers	Sewer		Sidewalks	Streetslighting												
Tahoe Douglas Sewer Imp. GID	Douglas	1,500			Wastewater																
Stagescoach GID	Lyon	1,479		Water																	
Verdi Television	Washoe	1,415																			
Round Hill GID	Douglas	1,200	Roads	Water	Wastewater								Drainage								
McGill/Ruth Sewer-Water GID	White Pine	1,200		Water	Wastewater																
Oliver Park GID	Douglas	1,177	Roads			Sewer							Drainage								Conservation
SE Lincoln County Habitat Cons. Plan	Lincoln	1,130																			
Beatty Water and Sanitation	Nye	1,100		Water	Wastewater																
Kyle Canyon Water	Clark	1,040		Water																	
Beatty GID	Nye	1,010									Recreation										
Diamond Valley Rodent Control	Eureka	935																			
Diamond Valley Weed Control	Eureka	935																			
Alamo Sewer/Water	Lincoln	900		Water																	
Tahoe-Reno Industrial GID	Storey	900		Water	Wastewater																
Virginia Divide Sewer	Storey	855				Sewer															
Quinn River Television	Humboldt	805																			
Alamo Power #3	Lincoln	744										TV									
Zephyr Heights GID	Humboldt	513	Roads	Water	Wastewater								Drainage								
McDermitt Sanitation	Douglas	455				Sewer		Sidewalks					Drainage								
Maria Bay GID	Douglas	400	Roads																		
Lander Co. Sewer Imp. Dist. #2	Lander	350		Water	Wastewater																
Grandview Terrace GID	Washoe	328		Water																	
Elk Point Sanitation	Douglas	325		Water																	
Golconda Water	Humboldt	300		Water																	
Cave Rock Estates GID	Douglas	275	Roads	Water		Sewer		Sidewalks	Streetslighting				Drainage			Garbage					
Walker Lake GID	Mineral	266		Water																	
Orovada Community Services	Humboldt	200									Recreation										
Orovada Rodent Control	Humboldt	200																			
Orovada Water GID	Humboldt	200		Water																	
Lakeridge GID	Douglas	183	Roads	Water		Sewer		Sidewalks	Streetslighting							Garbage					
Gerlach GID	Washoe	180		Water																	
Zephyr Knolls GID	Douglas	170	Roads										Drainage								
Sierra Estates GID	Douglas	160		Water																	
Lovelock Valley Weed	Douglas	125																			
Paradise Valley Sewer	Pershing	125																			
Paradise Weed Control	Humboldt	109			Wastewater																Weed
Willowcreek GID	Humboldt	109																			Weed
Devil's Gate GID	Lyon	100			Wastewater																
Baker Water/Sewer GID	Eureka	95		Water																	
Tuscarora Water	White Pine	85			Wastewater																
Logan Creek GID	Elko	72		Water																	
Denio Television	Douglas	60		Water																	
Skyland GID	Humboldt	47										TV	Drainage			Garbage					
Mason Valley Mosquito Abatement	Douglas	40	Roads	Water		Sewer		Sidewalks	Streetslighting												
Walker River Weed	Lyon	n.a																			
Smoky Valley Television	Nye	n.a										TV									Weed

APPENDIX II

QUANTITATIVE ANALYSIS SUPPORT TABLES

Table II-1
Spring Creek Historical Revenue

Revenues	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General										
Homeowner Dues	\$3,089,360	\$3,166,420	\$3,224,400	\$3,353,642	\$3,677,461	\$3,806,790	\$3,941,438	\$3,881,172	\$4,247,077	\$4,692,875
Other	\$377,592	\$439,489	\$524,001	\$493,917	\$538,304	\$571,264	\$415,922	\$490,793	\$494,569	\$446,113
Total General Revenue	\$3,466,952	\$3,605,909	\$3,748,401	\$3,847,559	\$4,215,765	\$4,378,054	\$4,357,360	\$4,371,965	\$4,741,646	\$5,138,988
Function										
Roads	\$194,145	\$190,332	\$190,000	\$190,000	\$190,000	\$190,000	\$192,245	\$190,000	\$190,000	\$665,767
Golf Course	\$257,180	\$249,900	\$229,334	\$223,167	\$332,607	\$353,383	\$438,849	\$580,348	\$571,853	\$588,914
Horse Palace	\$66,175	\$64,433	\$75,118	\$48,820	\$42,782	\$32,330	\$26,456	\$29,597	\$33,439	\$50,801
Trap & Skeet	\$5,042	\$5,713	\$4,322	25254	\$7,356	\$4,887	\$3,877	\$4,772	\$4,630	\$4,595
Buildings & Grounds	\$24,647	\$25,418	\$37,423	\$53,210	\$78,324	\$44,718	\$65,152	\$113,580	\$78,375	\$105,482
Total by Function	\$547,189	\$535,796	\$536,197	\$540,451	\$651,069	\$625,318	\$726,579	\$918,297	\$878,297	\$1,415,559
Total Revenues	\$4,014,141	\$4,141,705	\$4,284,598	\$4,388,010	\$4,866,834	\$5,003,372	\$5,083,939	\$5,290,262	\$5,619,943	\$6,554,547

hist rev

Table II-2
Operating Fund Expenses by Function

Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General										
COA portion of Gen. (est)	\$732,824	\$774,376	\$904,045	\$1,036,741	\$1,252,084	\$564,106	\$1,343,400	\$445,740	\$449,323	\$1,447,189
	\$64,581	\$63,077	\$67,458	\$78,765	\$89,071	\$95,673	\$97,995	\$100,034	\$110,919	\$119,563
Roads	\$1,511,303	\$1,386,592	\$1,577,203	\$1,821,591	\$1,699,440	\$190,000	\$1,793,166	\$190,000	\$190,000	\$2,486,820
Amenities										
Golf	\$520,801	\$462,358	\$335,774	\$465,220	\$677,813	\$353,383	\$871,957	\$524,875	\$490,987	\$995,319
Horse Palace	\$121,192	\$122,618	\$165,733	\$142,450	\$130,444	\$32,330	\$122,055	\$29,252	\$30,259	\$201,559
Trap & Skeet	\$6,878	\$7,960	\$6,823	\$8,735	\$5,721	\$4,887	\$7,291	\$4,772	\$4,630	\$10,326
Buildings & Facilities [1]	\$336,041	\$399,923	\$383,308	\$463,534	\$688,042	\$44,718	\$739,133	\$113,580	\$78,375	\$836,948
Subtotal Amenities	\$984,912	\$992,859	\$891,638	\$1,079,939	\$1,502,020	\$435,318	\$1,740,436	\$672,479	\$604,251	\$2,044,152
Total Expenses	\$3,229,039	\$3,153,827	\$3,372,886	\$3,938,271	\$4,453,544	\$1,189,424	\$4,877,002	\$1,308,219	\$1,243,574	\$5,978,161

Source: Spring Creek Association and HEC.

[1] Includes the marina, sports complex & Vista Grande park, rifle range and campground.

Table II-3
Labor Related Expenses

Labor Expense	Calendar Year			3-Year Total	Share of Total
	2021	2022	2023		
Labor Costs Only					
General	\$550,951	\$536,162	\$537,795	\$1,624,908	26%
COA (est.)	\$90,207	\$94,928	\$101,660	\$286,795	5%
Roads	\$534,633	\$678,919	\$763,416	\$1,976,968	31%
Golf	\$260,697	\$288,978	\$375,131	\$924,806	15%
Horse Palace	\$49,372	\$49,110	\$54,281	\$152,763	2%
Trap & Skeet	\$0	\$0	\$0	\$0	0%
Buildings & Facilities	\$508,702	\$450,841	\$415,504	\$1,375,047	22%
Total Labor	\$1,994,562	\$2,098,938	\$2,247,787	\$6,341,287	100%

Source: HEC and Spring Creek Association.

labor

[1] Includes the marina, sports complex & Vista Grande park, rifle range and campground.

Table II-4
Summary of Net Operating Income

Income & Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income					OPERATING FUND ONLY					
Homeowner Dues	\$3,089,360	\$3,166,420	\$3,224,400	\$3,353,642	\$3,677,461	\$3,806,790	\$3,941,438	\$3,881,172	\$4,247,077	\$4,692,875
County Grant for Roads	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	\$665,767
Donations	\$0	\$0	\$0	\$0	\$40,594	\$0	\$37,931	\$43,231	\$6,306	\$37,500
Lease Income	\$0	\$0	\$0	\$0	\$0	\$0	\$62,998	\$100,847	\$129,203	\$107,673
User Fees [1]	\$225,420	\$226,003	\$207,053	\$211,431	\$247,304	\$261,092	\$312,325	\$385,558	\$371,024	\$384,367
All Other	\$509,361	\$559,282	\$663,314	\$632,937	\$711,475	\$745,490	\$539,247	\$689,454	\$676,333	\$666,365
Total Income	\$4,014,141	\$4,141,705	\$4,284,767	\$4,388,010	\$4,866,834	\$5,003,372	\$5,083,939	\$5,290,262	\$5,619,943	\$6,554,547
Expenses										
Labor	\$1,245,000	\$1,230,677	\$1,259,872	\$1,479,564	\$1,735,531	\$1,811,346	\$1,903,291	\$1,994,562	\$2,098,938	\$2,247,787
Repairs and Maintenance	\$789,275	\$717,566	\$987,147	\$1,089,198	\$999,306	\$1,226,986	\$1,096,231	\$1,057,263	\$1,214,112	\$1,425,014
Other Op. Expenses	\$1,194,764	\$1,205,584	\$1,125,867	\$1,369,509	\$1,718,707	\$1,745,304	\$1,900,222	\$1,949,851	\$2,232,906	\$2,305,360
Total Expenses	\$3,229,039	\$3,153,827	\$3,372,886	\$3,938,271	\$4,453,544	\$4,783,636	\$4,899,744	\$5,001,676	\$5,545,956	\$5,978,161
Net Operating Income	\$785,102	\$987,878	\$911,881	\$449,739	\$413,290	\$219,736	\$184,195	\$288,586	\$73,987	\$576,386
sum op inc										

Source: Spring Creek Association and HEC.

[1] User fees include green fees, cart rental, golf pass, horse palace pass, player user fees, campground and parks fees.

Table II-5
Net Operating Income by Function

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General										
Revenue	\$3,466,952	\$3,605,909	\$3,748,401	\$3,847,559	\$4,215,765	\$4,378,054	\$4,357,360	\$4,371,965	\$4,741,646	\$5,138,988
Expense	\$732,824	\$774,376	\$904,045	\$1,036,741	\$1,252,084	\$564,106	\$1,343,400	\$445,740	\$449,323	\$1,447,189
Net General	\$2,734,128	\$2,831,533	\$2,844,356	\$2,810,818	\$2,963,681	\$3,813,948	\$3,013,960	\$3,926,225	\$4,292,323	\$3,691,799
Roads										
Revenue	\$194,145	\$190,332	\$190,000	\$190,000	\$190,000	\$190,000	\$192,245	\$190,000	\$190,000	\$665,767
Expense	\$1,511,303	\$1,386,592	\$1,577,203	\$1,821,591	\$1,699,440	\$190,000	\$1,793,166	\$190,000	\$190,000	\$2,486,820
Net Roads	(\$1,317,158)	(\$1,196,260)	(\$1,387,203)	(\$1,631,591)	(\$1,509,440)	\$0	(\$1,600,921)	\$0	\$0	(\$1,821,053)
Golf Course										
Revenue	\$257,180	\$249,900	\$229,334	\$223,167	\$332,607	\$353,383	\$438,849	\$580,348	\$571,853	\$588,914
Expense	\$520,801	\$462,358	\$335,774	\$465,220	\$677,813	\$353,383	\$871,957	\$524,875	\$490,987	\$995,319
Net Golf Course	(\$263,621)	(\$212,458)	(\$106,440)	(\$242,053)	(\$345,206)	\$0	(\$433,108)	\$55,473	\$80,866	(\$406,405)
Horse Palace										
Revenue	\$66,175	\$64,433	\$75,118	\$48,820	\$42,782	\$32,330	\$26,456	\$29,597	\$33,439	\$50,801
Expense	\$121,192	\$122,618	\$165,733	\$142,450	\$130,444	\$32,330	\$122,055	\$29,252	\$30,259	\$201,559
Net Horse Palace	(\$55,017)	(\$58,185)	(\$90,615)	(\$93,630)	(\$87,662)	\$0	(\$95,599)	\$345	\$3,180	(\$150,758)
Trap & Skeet										
Revenue	\$5,042	\$5,713	\$4,322	\$25,254	\$7,356	\$4,887	\$3,877	\$4,772	\$4,630	\$4,595
Expense	\$6,878	\$7,960	\$6,823	\$8,735	\$5,721	\$4,887	\$7,291	\$4,772	\$4,630	\$10,326
Net Trap & Skeet	(\$1,836)	(\$2,247)	(\$2,501)	\$16,519	\$1,635	\$0	(\$3,414)	\$0	\$0	(\$5,731)
Buildings & Grounds										
Revenue	\$24,647	\$25,418	\$37,423	\$53,210	\$78,324	\$44,718	\$65,152	\$113,580	\$78,375	\$105,482
Expense	\$336,041	\$399,923	\$383,308	\$463,534	\$688,042	\$44,718	\$739,133	\$113,580	\$78,375	\$836,948
Net Buildings & Grounds	(\$311,394)	(\$374,505)	(\$345,885)	(\$410,324)	(\$609,718)	\$0	(\$673,981)	\$0	\$0	(\$731,466)
Total Operating Revenue	\$4,014,141	\$4,141,705	\$4,284,598	\$4,388,010	\$4,866,834	\$5,003,372	\$5,083,939	\$5,290,262	\$5,619,943	\$6,554,547
Total Operating Expense	\$3,229,039	\$3,153,827	\$3,372,886	\$3,938,271	\$4,453,544	\$1,189,424	\$4,877,002	\$1,308,219	\$1,243,574	\$5,978,161
Total Net Income	\$785,102	\$987,878	\$911,712	\$449,739	\$413,290	\$3,813,948	\$206,937	\$3,982,043	\$4,376,369	\$576,386

func inc

Table II-6
Spring Creek 2023 Road Costs

Expenses	Calendar Year 2023
Labor Related Expenses	\$763,416
General Expenses	
Tools and Supplies	\$67,051
Salt	\$50,634
Property Damage Repair	\$332
Road Supplies (signs, etc)	\$8,475
Gasoline	\$15,708
Health & Safety	\$4,396
Vehicle Maintenance	\$176,247
Sanitation Service	\$2,788
Diesel	\$110,153
Lubrication Supplies	\$17,392
Tools/Equipment	\$13,257
Sand & Gravel-Roads	\$65,342
Weed Abatement	\$22,604
Supply Material	\$7,334
Hot Mix	\$25,274
Building Maintenance	\$1,165
Cell Phone Billing	\$1,845
Water-Sewer Utility	\$580
Power - Utility	\$14,233
Mobile Radios	\$4,860
Propane	\$8,130
Vehicle License	\$13,377
Paving/Sealing/Chipping	\$559,412
Property Insurance	\$52,600
Elko County Grant Project	\$480,214
Total General Expenses	\$1,723,405
Spring Creek Road Function Expenses	\$2,486,821

Source: HEC and Spring Creek Association.

road exp

Table II-7
Spring Creek Dues Delinquency Rates

Year	Rate
2010	3.69%
2011	3.06%
2012	2.80%
2013	3.46%
2014	4.41%
2015	4.02%
2016	4.46%
2017	3.73%
2018	3.62%
2019	3.23%
2020	3.55%
2021	3.06%
2022	3.43%
2023	3.48%

Source: Spring Creek Association.

delinq

Table II-8
Historical Cash and Cash Equivalents

Fund	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash and Cash Equivalents										
Operating	\$1,178,896	\$1,234,550	\$1,157,406	\$937,703	\$596,517	\$634,825	\$314,451	\$416,366	\$119,169	\$365,587
--- Designated for future capital					\$21,235	\$309,171	\$498,869	\$748,977	\$871,099	\$846,949
Property	\$87,511	\$15,266	\$1,059	\$1,059	\$1,088,274	\$21,272	\$21,275	\$45,160	\$71,662	\$59,928
Replacement	\$72,903	\$45,218	\$551,105	\$38,563	\$260,880	\$1,027,132	\$508,081	\$597,039	\$214,854	\$253,644
Total Cash All Funds	\$1,339,310	\$1,295,034	\$1,709,570	\$977,325	\$1,966,906	\$1,992,400	\$1,342,676	\$1,807,542	\$1,276,784	\$1,526,108

Source: SCA Audited Financials.

audits

Table II-9
SCA 2025 Budget

Revenue & Expenses	Budget	Percentage
Revenue		
Architectural Review	\$85,000	1.3%
Golf	\$483,300	7.3%
Horse Palace	\$111,420	1.7%
Other Amenities	\$41,900	0.6%
Special Events	\$37,500	0.6%
Credit Convenience Fees	\$18,200	0.3%
HOA Assessments	\$5,359,476	80.7%
Roads (County + Assessments)	\$191,350	2.9%
Other	\$312,520	4.7%
Total Revenues	\$6,640,666	100.0%
Expenses		
Personnel & Benefits	\$2,853,626	43.0%
Amenities, Bldgs & Grounds	\$312,600	4.7%
Roads	\$376,600	5.7%
Special Events	\$36,600	0.6%
Property Insurance	\$709,560	10.7%
Utilities	\$615,320	9.3%
Credit Card Fees	\$32,100	0.5%
Professional Services	\$116,600	1.8%
Legal	\$254,400	3.8%
Business, Office & Vehicles	\$1,333,260	20.1%
Total Expenses	\$6,640,666	100.0%

Source: SCA.

Table II-10
Comparison of Paved Road Expenditures per Mile

All figures for fiscal year 2023 unless otherwise noted

Roads	Gardnerville		Comparison Cities			
	Spring Creek	Ranchos	Elko (2024)	Fernley (2024)	Mesquite	Winnemucca
Total Expenses	\$2,486,821	\$679,325	\$2,662,508	\$4,682,752	\$903,174	\$709,202
Total Paved Miles	142	45	100	135	76	62
Expenses per Mile	\$17,477	\$15,096	\$26,625	\$34,661	\$11,884	\$11,439
Population	14,967	12,161	20,624	23,631	21,314	8,391
Lineal Paved Feet per Person	50	20	26	30	19	39
Geographic Area (square miles)	58.8	14.7	17.6	122.1	32.4	9.4

Source: Spring Creek Association, US Census Bureau DP05, and each city.

Table II-11
Comparison of Services a GID and Unincorporated Town can provide

GID NRS 318.116 & 318.143	Unincorporated Town NRS 269.575
[1]	<i>Including, but not limited to:</i>
Cemetery	Cemetery
Dump stations, sites	Dump stations, sites
Fire protection	Fire protection
Flood control, drainage	Flood control, drainage
Garbage collection	Garbage collection
[2]	Police
Parks	Parks
Recreation facilities	Recreation facilities
exposition buildings	exposition buildings
museums	museums
skating rinks	skating rinks
fieldhouses	fieldhouses
sports arenas	sports arenas
bowling alleys	bowling alleys
swimming pools	swimming pools
stadiums	stadiums
golf courses	golf courses
tennis & squash courts	tennis & squash courts
ball fields & athletic fields	ball fields & athletic fields
tracks	tracks
playgrounds	playgrounds
bowling greens	bowling greens
ball parks	ball parks
public parks, promenades	public parks, promenades
beaches, marinas	beaches, marinas
levees	levees
piers, docks, wharves	piers, docks, wharves
boat basins	boat basins
boathouses, harborages	boathouses, harborages
anchorage	anchorage
gymnasiums	gymnasiums
appurtenant shower	appurtenant shower
locker/bathhouse	locker/bathhouse
amusement hall	amusement hall
dance hall, concert hall, theaters	dance hall, concert hall, theaters
auditoriums	auditoriums
aviaries, aquariums	aviaries, aquariums
zoological & biological gardens	zoological & biological gardens
vivariums	vivariums
Sewage systems	Sewage systems
Streets & streetlights	Streets & streetlights
Swimming pools	Swimming pools
Television	Television translator
Water systems	Water systems
Electric light and power	Electric light and power
FM Radio facilities	FM Radio facilities
Fencing	Fencing
Emergency medical services	Emergency medical services
Exterminating insects & rats	Exterminating insects & rats
Energy for space heating	Energy for space heating
Curbs, sidewalks	Curbs, sidewalks
Control of noxious weeds	Control of noxious weeds
Wildlife preservation	Wildlife preservation

Source: Nevada Revised Statutes.

powers

[1] Recreational facilities must conform to the county recreation master plan.

[2] GIDs cannot provide police services.

Table II-12
Secured Properties Assessed Values

TRACT	Taxable Value	Assessed Value
SPRING CREEK 101	\$71,734,345	\$24,924,078
SPRING CREEK 101A	\$21,951,340	\$7,679,436
SPRING CREEK 102	\$76,292,948	\$25,552,096
SPRING CREEK 103	\$80,038,534	\$27,939,245
SPRING CREEK 104	\$15,422,758	\$5,394,411
SPRING CREEK 105	\$19,114,288	\$6,689,995
SPRING CREEK 106A	\$67,627,427	\$22,294,664
SPRING CREEK 106B	\$73,786,527	\$25,713,795
SPRING CREEK 106C	\$27,756,632	\$9,713,053
SPRING CREEK 106D	\$36,162,457	\$2,574,545
SPRING CREEK 107	\$27,283,317	\$9,542,085
SPRING CREEK 107A	\$2,252,282	\$788,299
SPRING CREEK 109	\$44,169,550	\$15,356,458
SPRING CREEK 201	\$54,578,964	\$18,985,284
SPRING CREEK 202	\$142,604,933	\$49,366,927
SPRING CREEK 301	\$42,401,210	\$12,665,750
SPRING CREEK 303	\$10,395,348	\$3,631,142
SPRING CREEK 304	\$65,631,149	\$20,646,104
SPRING CREEK 305	\$7,064,037	\$2,468,877
SPRING CREEK 401	\$149,156,307	\$52,025,657
SPRING CREEK 402	\$156,015,964	\$54,380,724
SPRING CREEK 403	\$132,135,366	\$45,597,257
TOTAL	\$1,323,575,683	\$443,929,882

Source: Elko County Assessor January 2025.

Table II-13
SCA and Municipal Salary Comparison

SCA [1]	Position Title	Comparison Public Agencies		Market		City of Elko [2]	Sun Valley		Gardnerville		Incline Village	Minden		Churchill		Palomino	Average			
		Spring Creek Assn. (SCA)	Avg. (Nevada) [2]	mid-point	Avg. (Nevada) [2]		GID	Ranchos GID	GID	Hills GID		Co. Weed & Mosquito	Valley	Overton Power	Average		Ratio			
	Position Title			mid-point		mid-point												Average		
	Accountant / Admin. Assistant	\$48,963	\$59,047	\$56,778		\$75,248						\$83,434	\$82,127				\$81,552	\$73,031	1.5	
	Admin. Clerk / Customer Service	\$45,781	\$56,778	\$63,226		\$58,448											\$52,732	\$57,710	1.3	
	Grounds Superintendent - Golf Course	\$94,203	\$116,428	\$111,192			\$57,365											\$128,127	1.4	
	Public Works Director / Eng. Supervisor	\$95,347	\$98,645	\$89,034		\$110,587						\$92,840					\$110,615	\$119,796	1.3	
	Roads Supervisor	\$88,162	\$98,296	\$91,260			\$79,759											\$99,485	1.5	
	Buildings & Grounds Supervisor	\$50,211	\$86,864	\$91,260				\$121,910										\$100,011	2.0	
	Parks Supervisor	\$48,381	\$100,954	\$91,260		\$83,663												\$95,441	2.0	
	Equipment Operator I	\$43,680										\$43,113				\$61,553	\$78,094	\$60,920	1.4	
	Equipment Operator II	\$54,766															\$70,838	\$88,722	1.6	
	Head Mechanic	\$68,557				\$62,279												\$74,955	1.1	
	Mechanic	\$57,866																		
	Mechanic / Op in Training	\$57,866																		
	Buildings Maintenance II / Service Tech.	\$46,883				\$39,646		\$42,907									\$81,668	\$68,870	1.2	
		</																		

Source: TransparentNevada.com (2022 data) and Spring Creek Association.

[1] Some positions not listed. General Manager and Treasurer are negotiated, confidential contracts. Other positions excluded due to lack of good corresponding comparisons at GIDs.

[2] Data from City of Elko Classification & Compensation Study, Non-Represented Jobs, January 2024.

salary comp

Table II-14
Comparison of Benefits Load with 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%

Source: TransparentNevada.com (2022 data) and Spring Creek Association.

Table II-15
Estimated SCA Costs with a Roads GID

Cost Category	Estimated Costs
SCA Labor Cost	
Negotiated Positions (confidential - est.)	\$291,000
Events/Admin Asst	\$48,048
Assessment Clerk	\$48,963
COA Secretary	\$51,189
Receptionist	\$45,781
COA Asst	\$17,680
GC General Manager	\$94,203
GC Superintendent	\$66,560
GC Asst Superintendent	\$38,813
Laborer	\$46,883
B&G Supervisor (estimate)	\$65,000
B&G Asst Supervisor	\$49,920
B&G Labor (estimate)	\$46,883
Parks Director	\$50,211
Parks Asst	\$48,381
Parks Asst	\$42,931
Seasonal Workers (7)	\$105,000
Subtotal Labor	\$1,157,446
Benefits (@ 40% of base pay)	\$462,979
Subtotal Labor-related Costs	\$1,620,425
Costs by Function	
Architectural Review	\$15,751
Golf	\$2,238,640
Horse Palace	\$797,563
Other Amenities	\$192,186
Subtotal General Costs	\$3,244,140
Total Estimated SCA Costs	\$4,864,565

Source: HEC and Spring Creek Association.

hoa roads

Table II-16
Estimated SCA Costs with Multi-Service GID or Town

Cost Category	Estimated Costs
SCA Labor Cost	
COA Manager (estimate)	\$80,000
Events/Admin Asst	\$48,048
COA Secretary	\$51,189
Receptionist	\$45,781
COA Asst	\$17,680
Sutotal Labor	\$242,698
Benefits (@ 40% of base pay)	\$97,079
Subtotal Labor-related Costs	\$339,777
General Costs	
Administrative / Other [1]	\$20,400
Professional Services [2]	\$85,000
Security Vehicles & Equipment [3]	\$16,250
Subtotal General Costs	\$121,650
Total Estimated SCA Costs	\$461,427

Source: HEC and Spring Creek Association.

hoa all

[1] Includes:

4 cell phones (\$150/mo/ea)	\$7,200
Office rent (\$800/mo)	\$9,600
Office equipment/supplies/software (\$300/mo)	\$3,600

[2] Includes:

Legal services	\$60,000
Auditor	\$15,000
Bookkeeper	\$10,000

[3] Includes one vehicle @ \$50,000 replaced every 8 years, and \$10,000 for gas and supplies.

Table II-17
Estimated Road GID Budget

Cost Category	Estimated Costs
SCA Labor Cost	\$640,000
Public Sector Markup	1.4
Subtotal Staffing Cost	\$903,450
Benefits (@ 60% of base pay)	\$542,070
Board of Trustees (5 @ \$6,000) [1]	\$30,000
Total Labor-related Expenses	\$1,475,520
General Expenses	\$1,317,782
Total Roads Cost as a GID	\$2,793,303
Operations Director	\$96,000
Asst Operations Director	\$56,000
Roads Supervisor	\$69,000
Equipment Operator	\$55,000
Equipment Operator	\$49,000
Equipment Operator	\$44,000
Equipment Operator	\$48,000
Equipment Operator	\$42,000
Head Mechanic	\$69,000
Mechanic	\$58,000
Seasonal Workers (3)	\$54,000
Subtotal Base Pay	\$640,000
Tools and Supplies	\$71,074
Salt	\$53,672
Property Damage Repair	\$352
Road Supplies (signs, etc)	\$8,984
Gasoline	\$16,651
Health & Safety	\$4,660
Vehicle Maintenance	\$186,822
Sanitation Service	\$2,955
Diesel	\$116,762
Lubrication Supplies	\$18,436
Tools/Equipment	\$14,052
Sand & Gravel-Roads	\$69,263
Weed Abatement	\$23,960
Supply Material	\$7,774
Hot Mix	\$26,790
Building Maintenance	\$1,235
Cell Phone Billing	\$1,955
Water-Sewer Utility	\$615
Power - Utility	\$15,087
Mobile Radios	\$5,152
Propane	\$8,618
Vehicle License	\$14,180
Paving/Sealing/Chipping	\$592,976
Property Insurance	\$55,756
Total General Expenses	\$1,317,782

Source: HEC and Spring Creek Association.

gid roads

[1] Set by Statute at \$6,000 per year, NRS 318.085. A GID furnishing sanitary sewer, water, and garbage can pay trustees up to \$9,000 / year.

Table II-18
Estimated Multi-Service GID Budget

Cost Category	Estimated Costs
SCA Labor Cost	\$1,441,786
Public Sector Markup	1.4
Subtotal Staffing Cost	\$2,035,284
General Manager	\$146,062
Controller	\$95,716
Total Staffing Cost	\$2,277,062
Benefits (@ 60% of base pay)	\$1,366,237
Board of Trustees (5 @ \$6,000) [1]	\$30,000
Total Labor-related Expenses	\$3,431,520
General Expenses	\$3,665,390
Total Cost as a GID	\$7,096,910
Administrative Assistant	\$48,963
Receptionist	\$45,781
GC General Manager	\$94,203
GC Superintendent	\$66,560
GC Asst Superintendent	\$38,813
Operations Director	\$95,347
Asst Operations Director	\$55,390
Roads Supervisor	\$68,162
Equipment Operator	\$54,766
Equipment Operator	\$48,048
Equipment Operator	\$43,680
Equipment Operator	\$47,840
Equipment Operator	\$41,600
Head Mechanic	\$68,557
Mechanic	\$57,866
Laborer	\$46,883
B&G Supervisor (estimate)	\$65,000
B&G Asst Supervisor	\$49,920
B&G Labor (estimate)	\$46,883
Parks Director	\$50,211
Parks Asst	\$48,381
Parks Asst	\$42,931
Seasonal Workers (12 @ \$18/hr)	\$216,000
Subtotal Base Pay	\$1,441,786
General Costs [2]	\$3,665,390

Source: HEC and Spring Creek Association.

all gid

[1] Set by Statute.

[2] Costs same as SCA FY25 budget minus SCA general costs.

Table II-19
Estimated Unincorporated Town Budget

Cost Category	Estimated Costs
SCA Labor Cost	\$1,441,786
Public Sector Markup	1.4
Subtotal Staffing Cost	\$2,035,284
Deputy Town Clerk [1]	\$146,062
Chief of Police (\$250/mo) [2]	\$3,000
Peace Officers (4) (\$225/mo/ea) [2]	\$10,800
Police Officers / Sheriffs (4) [3]	\$349,000
Total Staffing Cost	\$2,544,146
Benefits (@ 60% of base pay)	\$1,526,487
Town Advisory Board (5 @ \$6,000) [1]	\$30,000
Total Labor-related Expenses	\$4,100,633
General Expenses	\$4,013,890
Total Cost as a Town	\$8,114,523
Administrative Assistant	\$48,963
Receptionist	\$45,781
GC General Manager	\$94,203
GC Superintendent	\$66,560
GC Asst Superintendent	\$38,813
Operations Director	\$95,347
Asst Operations Director	\$55,390
Roads Supervisor	\$68,162
Equipment Operator	\$54,766
Equipment Operator	\$48,048
Equipment Operator	\$43,680
Equipment Operator	\$47,840
Equipment Operator	\$41,600
Head Mechanic	\$68,557
Mechanic	\$57,866
Laborer	\$46,883
B&G Supervisor (estimate)	\$65,000
B&G Asst Supervisor	\$49,920
B&G Labor (estimate)	\$46,883
Parks Director	\$50,211
Parks Asst	\$48,381
Parks Asst	\$42,931
Seasonal Workers (12 @ \$18/hr)	\$216,000
Subtotal SCA Labor	\$1,441,786
General Costs [5]	
Current SCA General Costs	\$3,787,040
Admin. & Overhead Costs for Police [6]	\$226,850
Total General Costs	\$4,013,890

Source: HEC and Spring Creek Association.

town

[1] Financial duties provided by the County Treasurer.

[2] Set by NRS 269.235.

[3] 2016 labor agreement between the County of Elko and the Elko County Deputy Sheriff's Association, Step 6 inflated 30% to 2025 dollars.

[4] HEC estimate. Set by County ordinance.

[5] Costs estimated the same as current HOA costs.

[6] Estimated at 65% of the total labor cost.

Table II-20
Analysis of Occupied Lots by Tract

Tract	# of lots	Built On	Vacant	Share Built
			[1]	
100	2,004	1,845	159	92.1%
200	1,467	1,464	3	99.8%
300	402	366	36	91.0%
400	1,508	1,379	129	91.4%
Total	5,381	5,054	327	93.9%

Source: Spring Creek Association December 2024.

lots

[1] Denotes undeveloped lot.