DRAFT

ECONOMIC ELEMENT

LAS VEGAS
MASTER PLAN
2020

CITY OF LAS VEGAS
ECONOMIC ELEMENT

Table of Contents

1. EXECUTIVE SUMMARY i

2. INTRODUCTION 1
   - Purpose 1
   - Enabling Legislation 1
   - Planning Context 2
   - Relationship to Master Plan 2
   - Goals, Objectives and Policies 2

3. BACKGROUND 4
   - Growth 4
   - Infrastructure Conditions 5

4. EXISTING CONDITIONS 6
   - CIP Purpose 6
   - Program Descriptions 7
   - Capital Improvement Expenditures 7
   - Capital Improvement Funding Sources 8

5. ANALYSIS 10
   - CIP Process 10
   - Five-Year CIP Plan, FY 09 – FY 13 12
   - Capital Improvement Expenditures, FY 09 – FY 13 12
   - Capital Improvement Funding Sources, FY 09 – FY 13 13
   - CIP Project Schedule, FY 09 – FY 13 14
   - Restricted Funds 15
   - Issues 19

6. IMPLEMENTATION 20
   - Recommendations 20

APPENDIX: PUBLIC PARTICIPATION

1. EXECUTIVE SUMMARY

The appropriation, allocation, and scheduling of funds for infrastructure and improvement projects is of critical importance for the continued growth and vitality of the city of Las Vegas. The prioritization of capital improvement projects establishes a hierarchy of need coordinated with the availability of funds. Sound infrastructure and public facilities are essential for the safety and convenience of residents and the provision of high quality services to residents and visitors alike. The purpose of this element is to describe revenue sources, infrastructure and improvement funding needs and provide a schedule of expenditures for the city of Las Vegas. The element also sets forth goals, policies and programs that encourage decision-makers to provide support for the maintenance and expansion of infrastructure and the continued improvements that will benefit the residents and businesses within the city of Las Vegas as well as visitors to the City.

Utilize alternative funding for future CIP projects.

- Consider issuing any and all bonds to finance future CIP projects. Bonds may assure future revenue availability for projects in years four and five of the CIP and provide financial stability throughout the duration of the Five Year CIP.
- Utilize restricted funding such as CDBG and RDA in public improvements to the maximum extent possible so as to implement improvements, increase property values and encourage private investment.

Evaluate the CIP on an annual basis.

- Assure projects that maintain public welfare and/or essential services such as police & fire services and infrastructure such as roadways, flood control and sanitary sewer systems are given the highest priority and adequately funded.
- Ensure all projects funded are already adopted as part of Master Plan elements, regional plans, corridor plans, community or special area plans.

Evaluate existing fee structure for fees assessed to services.

- Examine fees charged to determine if they adequately cover costs of services.
- Examine fees from other Clark County government agencies on an annual basis for applicability.
- Evaluate possibility of assigning fees to a broader range of services.
- Examine types of services where fees are applied from other government agencies.
- Audit existing services to determine if applying fees would be appropriate to cover labor and material costs.

Continue to develop public art and activity nodes

- Seek public/private "sponsorships" for funding public art and activity nodes.

Continue to add parks and open space to City inventory as prioritized in the Parks Element.

- Seek partnerships with developers and encourage them to donate land that the City can develop into parks, trails and open space, particularly in prioritized areas.
- Explore options to provide incentives to developers for including and developing open space in their projects.

2. INTRODUCTION

PURPOSE

The purpose of the Economic Element is twofold. First, this document is intended to fulfill the requirements of state law, as set forth in the Nevada Revised Statutes (NRS) 278.150 through 278.160, and second, to recommend strategies and actions to facilitate the implementation of the goals, objectives, and policies contained in the Las Vegas 2020 Master Plan related to the use of public money.

The Economic Development Plan must accomplish the following:

- Identify existing funding sources for 2020 Master Plan projects.
- Identify projects that require funding according to the 2020 Master Plan.
- Prepare a schedule of allocation and expenditures of public money.

ENABLING LEGISLATION

The Nevada Revised Statutes (NRS) adopted by the Nevada State Legislature in 2001, made effective in 2002 govern the subject matter of the master plan. Subsection 4 of NRS 278.150 (4) states

> *In counties whose population is 400,000 or more, the governing body of the city or county shall adopt a master plan for all of the city or county that must address each of the subjects set forth in subsection (1) of NRS 278.160.*

The subject matter of the master plan in NRS 278.160 states:

> *Except as otherwise provided in Subsection 4 of NRS 278.150 and Subsection 3 of NRS 278.170, the master plan, with the accompanying charts, drawings, diagrams, schedules and reports, may include such of the following subject matter or portions thereof as are appropriate to the city, county or region, and as may be made the basis for the physical development thereof.*

Among the elements to be included in the master plan as required by NRS is an Economic Plan, adopted by the Nevada Legislature in 1991:

> *(c) "Showing recommended schedules for the allocation and expenditure of public money in order to provide for the economical and timely execution of the various components of the plan."*

Preparation and adoption of this Economic Element fulfills the City's statutory obligation to include an economic plan in its Master Plan.

PLANNING CONTEXT

The Economic Element will replace the Economic Plan in the 1992 Las Vegas General Plan. The Economic Plan fails to address current legislation, specifically, NRS 278.150, the requirements of which pertaining to the Economic Element are shown in the Enabling Legislation section. In addition, the downturn in the Las Vegas economy requires careful planning of infrastructure and improvement projects and the allocation of necessary funds.
The Economic Element is a portion of the Master Plan, adopted in September 2000, which represents Phase I of the Master Plan project, forming the framework for the contents of Phase II: a series of elements; special area plans; and long-term land use designations, including a revised future land use map. The Economic Element is among those identified for completion during Phase II of the Master Plan project.

RELATIONSHIP TO THE LAS VEGAS 2020 MASTER PLAN

The Master Plan contains numerous goals, objectives, and policies pertaining directly and indirectly to Capital Improvement Planning. As a component of the Master Plan, the Economic Element is intended to not only satisfy NRS requirements, but also to provide a comprehensive document that will assist with the long-range planning of the future improvement projects to meet the needs of the city as it continues to grow. This element provides a baseline of detailed information that will aid in the decision making processes that determine the city's funding priorities in infrastructure and improvement projects. The Economic Element links the broad policies of the Master Plan with infrastructure and improvement programming and ultimately assists in the decision making process.

GOALS, OBJECTIVES AND POLICIES

The Master Plan outlines broad policies, while each individual element builds on those policies and provides the specific direction as to how the city should accommodate particular Economic Development issues.

The Master Plan policies are organized into seven themes that were developed at the request of the City Council by the Master Plan Steering Committee. The steering committee was lead by the City Managers Office and comprised of Department Directors and Managers. Realization of these policies requires long-term planning commitments integrated with the strategic plan and Capital Improvement Plan.

The following goals, objectives and policies from the Las Vegas 2020 Master Plan provide the policy framework and direction for this element.

Neighborhood Revitalization

GOAL 2: Mature neighborhoods will be sustained and improved through appropriate and selective high quality redevelopment and preservation.

OBJECTIVE 2.4: To ensure that the quality of existing residential neighborhoods within the City of Las Vegas is maintained and enhanced.

POLICY 2.4.7: That the City maintain and renovate its public infrastructure within existing neighborhoods as needed.

Economic Diversity

GOAL 4: The economy of the city of Las Vegas, while continuing to be strongly based on the gaming and tourism industries, will broaden to include other business sectors that can take advantage of the locational, climatic and work force advantages offered by Las Vegas.

OBJECTIVE 4.1: To improve the economic resource base within the City by diversifying the range of business opportunities.

POLICY 4.1.9: That the City continue to encourage and promote a business retention strategy with regard to the business which currently operate within the city of Las Vegas.

Fiscal Management

GOAL 6: The city of Las Vegas will link capital improvement programming and maintenance and operations programming with long range planning.

OBJECTIVE 6.1: To ensure that capital and operating expenditures are planned and scheduled in accordance with long range planning commitments.

POLICY 6.1.1: That the City monitor and coordinate capital improvement and operating/maintenance expenditures with long range planning.

POLICY 6.1.2: That the City develop and maintain an approach to fiscal management that focuses on long term life cycle solutions.

POLICY 6.1.3: That additions of expenditure items to the annual budget be approved only with the deletion of items of corresponding value from the list of prioritized expenditures.

POLICY 6.1.4: That the City establish and follow a policy to set aside funds for public art and architecture.

POLICY 6.1.5: That the City repair and maintain its infrastructure in older areas at a pace which optimizes costs and benefits.

POLICY 6.1.6: That the City, where possible, use public/private partnerships to pay for public capital improvements.

3. BACKGROUND

Growth

Since 1998, the population of the city of Las Vegas has grown from 448,244 to 599,087[1], an increase of 33.7 percent. More than 95 percent of the population increase during the ten-year span has occurred west of Decatur Blvd. Overall, the City has added 1.75 new residents every hour, around the clock between July 1998 and July 2008. To accommodate the additional residents, a new housing unit was completed, on average, every 94 minutes, around the clock during the ten-year span. Between 1998 and 2008, the density per square mile of the City's population increased from 4,138.9 persons per square mile to 4,497.7 persons per square mile. Dwelling units also increased, going from 1,658.6 per square mile to 1.769.9 per square mile.

Table1 – City of Las Vegas Population Density

Year	Population	Dwelling Units	Population per Sq. Mile	Dwelling Units per Sq. Mile	Area (Sq. Miles)
1998	448,244	179,621	4,138.9	1,658.6	108.3
2008	599,087	235,751	4,497.7	1,769.9	133.2
Difference 2008-1998	150,843	56,130	358.8	111.3	24.9

Source: City of Las Vegas Planning & Development Department

When compared to cities of similar population, Las Vegas has substantially higher population density. Even when compared with the 10 most populous cities in the United States, Las Vegas' population density ranks sixth among them, ahead of cities such as San Diego, Houston and Phoenix. Within the

[1] Southern Nevada Consensus Population Estimate, July 2008 as approved by the Southern Nevada Regional Planning Coalition Board on November 20, 2008 and reported to the city of Las Vegas City Manager on December 20, 2008

Las Vegas Valley, the city of Las Vegas is easily the most densely populated incorporated city. When Unincorporated Townships are included, the City still ranks among the most densely populated areas in the Valley.

Table 2 – Population Density of Las Vegas Valley Cities and Towns

City/Town	State	Population	Area	Density (Sq. Mile)	% Difference from Las Vegas
Las Vegas	**NV**	**599,087**	**132**	**4,538.5**	
Henderson	NV	272,063	105	2,591.1	-75.2%
North Las Vegas	NV	216,672	98	2,210.9	-105.3%
Boulder City	NV	16,840	202	83.4	-5344.1%
Enterprise Town	NV	151,115	70	2,158.8	-110.2%
Paradise Town	NV	183,972	42	4,380.3	-3.6%
Spring Valley Town	NV	178,567	35	5,101.9	11.0%
Winchester Town	NV	37,489	5	7,497.8	39.5%
Sunrise Manor Town	NV	187,485	33	5,681.4	20.1%
Whitney Town	NV	36,503	21	1,738.2	-161.1%

Source: CLV & Clark County Annual Population Estimate 2008

Las Vegas will continue to grow in the future. The most recent projections showed Las Vegas as having a 2010 population of approximately 659,000[2]. The recent economic slowdown has made that figure highly unlikely. The projections also showed Las Vegas absorbing an average of 1,300 vacant acres per year between 2006 – the base year – and 2010. That figure is slightly lower than the average amount of vacant acreage absorbed between 1998 and 2008[3]. Therefore, that figure is likely too high as well.

Non-residential development has seen substantial growth during the past ten years. Since 1998, 3,987 acres of land has been absorbed by commercial, industrial, utility and public uses. Non-residential land has been absorbed at a rate of 1.1 acres per day, every day, during the past ten years.

The city of Las Vegas has also grown physically since 1998, going from 108.3 square miles to its present size of 133.2 square miles, an increase of 23 percent[4]. The overwhelming majority of the added area due to annexations during the past ten years, 99.2 percent, has occurred in Centennial Hills.

Infrastructure Conditions

The city of Las Vegas will continue to see increases in population and the amount of vacant land absorbed. Vacant land is currently the single largest existing land use in the City with approximately 26,000 acres[5]. The majority of the vacant land in the City (64.5%) is in Centennial Hills followed by the Southwest with 31.8 percent. Only 3.7% of the land in the Southeast is classified

[2] Southern Nevada Regional Planning Coalition Land Use Work Group Consensus Forecast
[3] City of Las Vegas Planning and Development Department, December 2008
[4] City of Las Vegas Planning and Development Department, December 2008
[5] Clark County Assessors Office, December 2008

as vacant. The discrepancies in the amount of vacant land between the Planning Areas indicate areas with vastly different capital investment needs in the future.

To further illustrate this point, the age of structures, residential and non-residential, needs to be examined. The age of the structures can be an indicator of the age of the infrastructure in the area and/or a reflection of applicable standards at the time the infrastructure was put in place.

In Centennial Hills, just over half of the residential units were built in 1998 or after. Conversely, in the Southeast, 3.6 percent of the residential units have been built during the same time. It's a similar scenario for non-residential development. In Centennial Hills more than half of the non-residential units have been built since 1998. In the Southeast, about 10 percent of the non-residential development has occurred during the past ten years.

Perhaps as important for capital planning as the development that has occurred during the past decade is the development that took place 25 or more years ago. In the Southeast, 83.6 percent of the residential structures are 25 years old or more. In Centennial Hills that number is 8.8 percent. For non-residential development, 64.3 percent of the structures in the Southeast were built in 1983 or earlier. In Centennial Hills that number is 29.9 percent. That seemingly high number is likely due to the presence of Floyd Lamb Park and Commercial/Industrial structures along Rancho Drive, which at one time was the main route to the Las Vegas Valley's northwest and points beyond.

4. EXISTING CONDITIONS

Purpose

The city of Las Vegas Capital Improvement Plan is the city's multiyear planning document that identifies and prioritizes expenditures for a variety of public improvements. The CIP identifies individual project scopes, schedules and funding, and provides order and continuity to the repair, replacement, construction or expansion of the city's capital assets. The CIP is funded on an annual basis and includes revenues from other government entities, bond issues, charges for services, and transfers from other city of Las Vegas funds.

The CIP process begins early each year when each department submits individual project requests to the Department of Finance's Budget and Finance Division. Each request is evaluated for completeness and accuracy, fiscal impact, and available funding sources. The CIP is then compared with the City's Master Plan, which is the primary document used to guide future growth and development. All projects must be previously adopted by the City Council as part of the City's Master Plan before receiving funding within the CIP committee. Recommendations are then submitted to the City Manager.

The broad categories for CIP projects are described below. The allocation of funding and expenditures for each category varies from year to year. The amount and share allotted for funding and expenditures by category are shown on the following pages.

CIP Program Descriptions:

Public Safety – Improvements to the detention center, construction and acquisition of fire apparatus, training facilities and future fire stations, and traffic improvements.

Public Works – Infrastructure improvements to the City's street system, sidewalks, public landscape, special improvement districts and flood and sanitary sewer conveyance systems.

Culture and Recreation – Renovation to existing parks, recreation and senior citizen facilities, and construction of additional parks, trails and recreation centers to meet the public's increasing demand for recreational services and a performing arts center.

Economic Development – Projects aimed at attracting businesses and revitalizing specified areas of the City, and providing assistance to people with low to moderate incomes.

General Government – New facilities and major renovations and upgrades to the existing City Hall and satellite facilities.

Sanitation – Water Pollution Control Facility expansion, major sewer lines and interceptors.

Capital Improvement Expenditures, FY 03 – FY 08

As stated previously, the amount of CIP expenditures varies from year to year. Between FY 03 and FY 08, the City averaged spending $454.4 million on CIP projects. The high mark for expenditures was $665.5 million in FY 07, the low was $318.5 million spent in FY 03. On average, $177.1 million was spent on Public Works programs during the six-year span. During the same time, an average of $149.0 million was spent on Culture and Recreation programs. The expenditures for CIP projects from FY 03 through FY 08 are shown in Table X.

Table 3 - CIP Expenditures FY 03 – FY 08 (in millions of dollars)

Program	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Total	Average
General Government	$ 14.5	$ 13.6	$ 45.9	$ 42.3	$ 46.6	$ 39.8	$ 202.7	$ 33.8
Public Safety	$ 29.9	$ 33.2	$ 23.0	$ 21.6	$ 38.6	$ 37.7	$ 184.0	$ 30.7
Sanitation	$ 44.7	$ 43.2	$ 45.5	$ 39.2	$ 35.6	$ 35.3	$ 243.5	$ 40.6
Public Works	$ 147.1	$ 128.6	$ 205.1	$ 195.2	$ 246.0	$ 140.8	$ 1,062.8	$ 177.1
Culture and Recreation	$ 69.9	$ 95.1	$ 126.2	$ 181.6	$ 250.0	$ 171.4	$ 894.2	$ 149.0
Economic Development and Assistance	$ 12.4	$ 12.3	$ 14.4	$ 12.7	$ 48.7	$ 38.6	$ 139.1	$ 23.2
Total	$ 318.5	$ 326.0	$ 460.1	$ 492.6	$ 665.5	$ 463.6	$ 2,726.3	$ 454.4

Table 4 – CIP Expenditures, Percent of Total FY 03 – FY 08

Program	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Average
General Government	4.55%	4.17%	9.98%	8.59%	7.00%	8.58%	7.43%
Public Safety	9.39%	10.18%	5.00%	4.38%	5.80%	8.13%	6.75%
Sanitation	14.03%	13.25%	9.89%	7.96%	5.35%	7.61%	8.93%
Public Works	46.19%	39.45%	44.58%	39.63%	36.96%	30.37%	38.98%
Culture and Recreation	21.95%	29.17%	27.43%	36.87%	37.57%	36.97%	32.80%
Economic Development and Assistance	3.89%	3.77%	3.13%	2.58%	7.32%	8.33%	5.10%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Capital Improvement Funding Sources, FY 03 – FY 08

Similar to CIP expenditures, funding sources for CIP projects vary from year to year. Nearly 40 percent of the funds for programs came from "Other Governments" during the six year span, by far the largest source. Included within this source are funds from the RTC, CCRFCD, FHWA and SNPLMA. Various bonds and service fees account for the next largest sources of funds since FY 03. Funding sources for CIP projects within the city of Las Vegas between FY 03 and FY 08 are shown in Table Z.

Table 5 – CIP Projects Funding Sources, FY 03 – FY 08 (in millions of dollars)

Funding Sources	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Total	Average
Other Governments	116.2	94.8	154.5	149.8	305.8	242.9	1,064.0	177.3
Fees	34.7	43.2	47.2	41.2	37.2	37.1	240.6	40.1
Fund Balance	88.0	94.4	91.4	94.2	146.4	109.0	623.4	103.9
Bonds	33.5	25.7	70.3	103.8	111.7	25.3	370.3	61.7
Taxes	15.3	16.1	25.1	10.8	14.7	21.8	103.8	17.3
Special Assessments	20.9	22.2	42.3	45.4	39.7	27.0	197.5	32.9
Contributions	9.9	29.6	29.3	47.4	10.0	0.5	126.7	21.1
Total Funding Sources	318.5	326.0	460.1	492.6	665.5	463.6	2,726.3	454.4

Table 6 - CIP Funding Sources, Percent of Total FY 03 – FY 08

Funding Sources	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	Average
Other Governments	36.48%	29.08%	33.58%	30.41%	45.95%	52.39%	39.03%
Fees	10.89%	13.25%	10.26%	8.36%	5.59%	8.00%	8.83%
Fund Balance	27.63%	28.96%	19.87%	19.12%	22.00%	23.51%	22.87%
Bonds	10.52%	7.88%	15.28%	21.07%	16.78%	5.46%	13.58%
Taxes	4.80%	4.94%	5.46%	2.19%	2.21%	4.70%	3.81%
Special Assessments	6.56%	6.81%	9.19%	9.22%	5.97%	5.82%	7.24%
Contributions	3.11%	9.08%	6.37%	9.62%	1.50%	0.11%	4.65%
Total Funding Sources	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Within these sources are clearly defined resources for funding CIP projects. Many of the funding resources are dependant upon economic conditions and components of population growth and experience fluctuations as a result. Some existing resources for CIP funding, their purpose, and the average annual amount of funding FY 03 – FY 08, are as shown below. Some funding sources are not used every year and/or are new and did not exist for the entire six-year span.

- Bonds – General obligation bonds or revenue bonds already issued which are used for parks and recreation projects, public safety facilities and city facility projects. (FY03 – 08, $37.6 million)
- Car Rental Tax – Two percent tax imposed on short-term passenger car rentals which must be used to construct, equip, operate and/or maintain a performing arts center. (FY03 – 08, $4.8 million)
- Contributions – Businesses or individuals who either wish to fund special projects or want a particular benefit, e.g., road surfacing and drainage projects are partially funded with contributions to have the project completed. (FY03 – 08, $3.3 million)
- Clark County Regional Flood Control District (CCRFCD) – Reimbursement received from CCRFCD, funded from a voter approved ¼ cent increase in Sales Tax to repay bonds issued to design and construct flood control projects. (FY03 – 08, $37.6 million)
- Fire Safety Tax Initiative – A property tax of $0.095 per $100.00 of assessed valuation to improve the City's fire protection facilities and staffing. (FY03 – 08, $0.6 million)
- Fund Balance (FB) – Reserve monies accumulated from prior years' appropriations for work-in-progress projects. (FY03 – 08, $103.9 million)
- Future Bonds – General obligations bonds or revenue bonds to be issued in the future per the CIP recommendation. (FY03 – 08, $33.9 million)
- Grants – Federal monies received from: (FY03 – 08, $18.9 million)
    1. Community Development Block Grant (CDBG) programs.
    2. HOME Grant programs.
- Impact Fees – Imposed on new development to finance costs for constructing capital improvements or facility expansions necessitated by new development. (FY03 – 08, $1.7 million)
- Land Sales – Sales of City-owned lots within industrial and business parks. (FY03 – 08, None)
- Local Governments (GOVTS) – Reimbursements from other government entities per interlocal agreements. (FY03 – 08, $3.3 million)
- Nevada Department of Transportation (NDOT) – Reimbursements received from NDOT paid from tax revenue for traffic safety

programs, as well as gasoline tax revenues for roadway maintenance. (FY03 – 08, $3.9 million)

- Regional Transportation Commission (RTC) – Reimbursements for street construction and flood control projects received from RTC bond proceeds. The debt is repaid with gasoline taxes. (FY03 – 08, $93.7 million)
- Residential Construction Tax (RCT) – Imposed on the construction of new apartment houses and residential dwelling units to pay for constructing capital improvements in particular districts. (FY03 – 08, $10.1 million)
- Room Tax – Monies received from the State of Nevada for a legislatively imposed 1% motel/hotel room tax to be used exclusively for transportation projects. (FY03 – 08, $11.4 million),
- Service Fees – Charges to individuals based on their usage on special services. (FY03 – 08, $39.0 million)
- Southern Nevada Public Lands Management Act (SNPLMA) – Public land sales to fund the development of parks, trails and natural areas. (FY03 – 08, $113.8 million)
- Special Assessments (Assessments) – Amounts received from certain property owners to defray all or part of the cost of capital improvement projects deemed to benefit those owners' properties. (FY03, – 08 $32.9 million)

According to the City's Five-Year Capital Improvement Plan FY 2009 - 2013, for Las Vegas to fund the necessary expansion of facilities over the next several years, management will need to consider future bond issues. The City has a legal debt limitation not to exceed 20% of the total assessed valuation of the taxable property within the City boundaries. Currently, the City debt is approximately 1.3% of assessed valuation. Bond issues can go to a vote of the people and, therefore, be repaid by an increase to property taxes or repaid by a designated revenue or user fee.

5. ANALYSIS

The Capital Improvement Plan Process

One of the principal findings of the Las Vegas 2020 Master Plan policy document adopted in 2000 was the need to link capital improvement programming and operating and maintenance programming budgets with long range planning as contained in the Master Plan. This linkage is necessary to efficiently coordinate the planning and construction of infrastructure and the development of services in anticipation of new development, or in the future, of urban redevelopment. To achieve a high level of coordination, the Master Plan highlighted the need to have staff in place to provide a dedicated link between the Master Plan and the City departments and relevant agencies vested with developing this infrastructure and with providing these services.

To be included in the Capital Improvement Plan, a project must go through the city's Capital Improvement Project Committee and be reviewed based

on priorities contained in the Master Plan. The purpose of this process is to reduce the number of submittals and allocate the limited resources available to the most worthy projects, making the CIP a valuable planning tool rather than a project wish list. Execution of the various components of the plan is the NRS stated purpose of the Economic Element of the Master Plan.

The basic steps in proposing a project for inclusion in the City's Five Year CIP in conformance with the Master Plan are as follows:

1. Identify Need and Project Sponsor – The project has been identified as the best alternative and the sponsor prepares the CIP Approval package.
2. Prepare Submittal – The project sponsor with the concurrence of their department management prepares the submittal package to Public Works for placement on the CIP Committee agenda and presents the project to the Committee. It is required of the applicant to identify the Master Plan elements where the proposed project is shown.
3. Present to the Committee – Upon review, the CIP Committee may approve, deny or return the proposal to the sponsor for re-submittal, possibly with advice to revise, supplement or shelve.
4. Approval – If approved by the CIP Committee, the project becomes eligible for: (All of these actions are pending final approval by the City Council.)
    a) inclusion in the Five Year CIP
    b) funding of the project from city revenue sources
    c) approval of project interlocal agreements for the project's development, and
    d) approval to apply for grant funding and other outside funding sources

The project sponsoring department is the city department whose mission will most be benefited or affected by the project, regardless of who first identified the need or who controls the funding. The sponsor is never an elected official even if they championed the project. The following is a list of the city departments and the projects they are eligible to sponsor:

- Planning and Development – Trails, trailheads, urban pathways, streetscapes, and sidewalk projects.
- Leisure Services – All parks and facilities they operate including recreation/community center, senior centers, pools, golf courses, community schools, track break centers, and museums.
- Public Works – All streets, storm drainage, right-of-way utilities, traffic improvements, sanitation projects, and some trails and trailheads.
- Field Operations – All facility maintenance, repair and scheduled upgrade or replacement projects.
- Fire and Rescue – Fire stations and emergency training and response facilities.
- Detention and Enforcement – Detention facilities and all security upgrade projects.
- Office of Business Development – Certain economic development projects.
- Neighborhood Services - Certain economic development projects.
- Information Technologies – IT infrastructure projects.
- City Manager's Office – Special projects.

- All Departments – New construction and remodels of facilities occupied by their staff, materials, or equipment.
- Other Organizations – Occasionally outside organizations, such as the Metropolitan Police Department for their substations.

Five-Year Capital Improvement Plan, FY 2009 – 2013

The City's Five Year CIP represents a compilation and analysis of capital needs anticipated between FY 2009 and FY 2013. This plan includes construction of new facilities and the renovation of existing facilities including city facilities, parks, transportation infrastructure, and flood control.

There is a demand for government services, facilities, and capital investments to keep current with existing challenges. Capital investments are critical in providing safe neighborhoods, acceptable transportation corridors, protection from flooding, sufficient waste water treatment capacity, adequate parks, and quality recreation facilities for Las Vegas residents. In addition, the City must look forward to evaluate and identify facilities that serve the public, such as customer service offices and community centers.

The Five-Year CIP is a guide for future projects and improvements in the City. As such it is subject to change and revision as various council initiatives change. Years two through five represent the opinions of department heads and City management in determining identifiable long-term needs for the City. The Mayor and Council have prioritized the numerous projects proposed and only those with probable funding are reflected in the plan.

Capital Improvement Expenditures, FY 09 – FY 13

Expenditures during the next five years are anticipated to average $371.8 million per year. Expenditures beyond the first fiscal year of the CIP are not appropriated or in any way obligated or assured. A more realistic figure would be the average expenditures over the first three Fiscal Years, FY 09 through FY11, where the average expenditures will total about $573 million per year. CIP projects in the near-term are an existing known need and short-term funding is more easily determined and likely to occur. During the first three years of the CIP, Public Works and Culture and Recreation projects will account for just over 70 percent of the expenditures. The projected expenditures for CIP projects from FY 09 through FY 13 are shown in Table Y.

Table 7 - CIP Expenditures FY 09 – FY 13 (in millions of dollars)

Program	FY 09	FY 10	FY 11	FY 12	FY 13	Total	Average
General Government	$ 16.3	$ 82.1	$ 65.0	$ 5.0	$ -	$ 168.4	$ 42.1
Public Safety	$ 16.8	$ 26.6	$ 26.1	$ 19.9	$ 2.8	$ 92.2	$ 18.4
Sanitation	$ 78.5	$ 64.6	$ 26.2	$ 22.3	$ 10.0	$ 201.6	$ 40.3
Public Works	$ 311.2	$ 198.2	$ 227.0	$ 46.0	$ 24.8	$ 807.2	$ 161.4
Culture and Recreation	$ 232.7	$ 154.1	$ 85.2	$ -	$ -	$ 472.0	$ 157.3
Economic Development and Assistance	$ 17.6	$ 39.7	$ 50.8	$ 9.5	$ -	$ 117.6	$ 29.4
Total	$ 673.1	$ 565.3	$ 480.3	$ 102.7	$ 37.6	$ 1,859.0	$ 371.8

Table 8 – CIP Expenditures, Percent of Total FY 09 – FY 13

Program	FY 09	FY 10	FY 11	FY 12	FY 13	Average
General Government	2.42%	14.52%	13.53%	4.87%	0.00%	9.06%
Public Safety	2.50%	4.71%	5.43%	19.38%	7.45%	4.96%
Sanitation	11.66%	11.43%	5.45%	21.71%	26.60%	10.84%
Public Works	46.23%	35.06%	47.26%	44.79%	65.96%	43.42%
Culture and Recreation	34.57%	27.26%	17.74%	0.00%	0.00%	25.39%
Economic Development and Assistance	2.61%	7.02%	10.58%	9.25%	0.00%	6.33%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Capital Improvement Funding Sources, FY 09 – FY 13

Expenditures for the five-year CIP are based upon existing sources of funds and their anticipated revenue. The funds generated vary due to fluctuations in activities such as residential construction, gas and sales tax collected, changes in assessments, and the services for which the City can charge a fee. At this point, the City is anticipating continued consistent funding from the CCRFCD, with average annual contributions of, $58.1 million. However, funding from the RTC and SNPLMA will greatly decrease due to the economic downturn. Bonds and Future Bonds are expected to have a major role in funding during the next five years, averaging $75.1 million per year. As previously stated, the city of Las Vegas Public Works Department feels that for the City to meet its future need to expand facilities, it will need to issue additional bonds or identify alternate funding sources such as federal grants. Funding sources for CIP projects within the city of Las Vegas between FY 09 and FY 13 are shown in Table A.

Table 9 – CIP Projects Funding Sources, FY 09 – FY 13 (in millions of dollars)

Funding Sources	FY 09	FY 10	FY 11	FY 12	FY 13	Total	Average
Other Governments	$ 384.7	$ 199.3	$ 245.0	$ 64.7	$ 26.4	$ 920.1	$ 184.0
Fees	$ 80.2	$ 65.4	$ 27.4	$ 23.4	$ 11.3	$ 207.7	$ 41.5
Fund Balance	$ 54.0	$ 31.0	$ 3.4	$ -	$ -	$ 88.4	$ 29.5
Bonds	$ 61.0	$ 172.2	$ 65.0	$ 5.0	$ -	$ 303.2	$ 75.8
Taxes	$ 32.1	$ 1.8	$ 2.3	$ -	$ -	$ 36.2	$ 12.1
Special Assessments	$ 5.6	$ 19.4	$ 0.9	$ -	$ -	$ 25.9	$ 8.6
Contributions	$ 55.5	$ 76.2	$ 105.8	$ -	$ -	$ 237.5	$ 79.2
Land Sales	$ -	$ -	$ -	$ 30.5	$ 9.5	$ 40.0	$ 20.0
Total Funding Sources	$ 673.1	$ 565.3	$ 449.8	$ 123.6	$ 47.2	$ 1,859.0	$ 371.8

Table 10 - CIP Funding Sources, Percent of Total FY 09 – FY 13

Funding Sources	FY 09	FY 10	FY 11	FY 12	FY 13	Average
Other Governments	57.15%	35.26%	54.47%	52.35%	55.93%	49.49%
Fees	11.92%	11.57%	6.09%	18.93%	23.94%	11.17%
Fund Balance	8.02%	5.48%	0.76%	0.00%	0.00%	4.76%
Bonds	9.06%	30.46%	14.45%	4.05%	0.00%	16.31%
Taxes	4.77%	0.32%	0.51%	0.00%	0.00%	1.95%
Special Assessments	0.83%	3.43%	0.20%	0.00%	0.00%	1.39%
Contributions	8.25%	13.48%	23.52%	0.00%	0.00%	12.78%
Land Sales	0.00%	0.00%	0.00%	24.68%	20.13%	2.15%
Total Funding Sources	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CIP Project Schedule, FY09 – FY13

There are 323 approved requests for funding for projects within the 2009 – 2013 Capital Improvement Plan. Within those funding requests are 230 separate projects. The difference between the number of requests and the number of projects is that some projects are on-going maintenance and/or renovations at City facilities and require a funding application for each year of activity. Others are projects that require more than one fiscal year to complete such as the public/private Performing Arts Center which also require multiple funding requests. Current requests for funds for a project total $1.86 billion. The majority of that funding, approximately $1.72 billion, is for the fiscal years 2009 through 2011. Beyond those years it is difficult to determine the amount of funding that will be available from sources that rely on activity to generate funds such as Service Fees, Residential Construction Tax, and Car Rental Tax.

Restricted Funds

Southern Nevada Public Lands Management Act (SNPLMA)

The SNPLMA was adopted by the 105th Congress in October of 1998 as Public Law 105-263 (PL 105-263). It allows the United States Department of the Interior's Bureau of Land Management (BLM) to sell public land within a specific disposal boundary (See Map BLM) around the Las Vegas Valley. The initial disposal boundary was established in 1998 and encompassed approximately 474.9 square miles. The original boundaries were expanded in 2002 and now cover 517.5 square miles. The revenue derived from land sales is split between the State of Nevada General Education Fund (5%), the Southern Nevada Water Authority (10%), and a special account available to the Secretary of the Interior for:

- Parks, Trails, and Natural Areas
- Capital Improvements
- Conservation Initiatives
- Multi-Species Habitat Conversation Plans (MSHCP)
- Environmentally Sensitive Land Acquisitions
- Lake Tahoe Restoration Act Projects

SNPLMA funds are allocated annually in "rounds." The Planning and Development Department's role in the SNPLMA process has been to identify projects and determine their worthiness for receiving a nomination for funds. If a project is deemed worthy, Planning and Development initiates the application process and provides pertinent information and justification for receiving SNPLMA funds. The city of Las Vegas neither applied for nor received funds in the first two rounds. In rounds three through nine, the City received approximately $243 million in funds. There were 37 projects receiving SNPLMA funds during the seven rounds with an average of approximately $6.5 million allocated per project.

SNPLMA funds have been used for new construction, renovations and improvements for the City's parks, open space, and trail system. They have been used extensively in the City's trail system, particularly in the Downtown and eastside areas where the Cultural Corridor, Las Vegas Wash, and Cedar Avenue Trails have become examples of projects that have improved the quality of life, increased safety, and solidified infrastructure for Las Vegas residents.

Table 11. - City of Las Vegas SNPLMA Allocation by Round

	Number of Projects Funded	Funding Received
Round 1	-	$ -
Round 2	-	$ -
Round 3	7	$ 26,613,275
Round 4	5	$ 16,684,000
Round 5	6	$ 91,998,720
Round 6	15	$ 84,860,000
Round 7	2	$ 18,040,000
Round 8	1	$ 2,860,000
Round 9	1	$ 2,497,000
Total	37	$ 243,552,995

Tax Increment Finance (TIF) rebate

The city of Las Vegas Redevelopment Agency (RDA) offers Tax Increment Finance rebates for residential, retail, hotel and mixed-use projects located within the City's Redevelopment Area. The Redevelopment Area consists of approximately 3,800 acres that generally includes downtown Las Vegas, as well as portions of West Las Vegas and along Eastern Avenue.

Tax Increment is defined as the increased property taxes generated due to new development on a site. The TIF program uses tax money from the difference in the originally assessed property value and the new, enhanced property value to pay for eligible qualified expenditures. Up to 41 percent of the Tax Increment can be rebated annually to a property developer for eligible qualified expenditures to a construction project. Eligible expenditures may include constructing streets, curbs, gutters, water lines, storm drainage facilities, traffic signals, paving, sidewalks, flood control improvements, utilities, other infrastructure costs and more. While the term for TIF rebate assistance is negotiable, the rebate cannot extend past the life of the agency or more than 20 years. The RDA's maturity date, required by Nevada state law, is in the year 2031.

Visual Improvement Program (VIP)

The VIP was established to encourage the rehabilitation of Downtown Las Vegas' commercial, industrial and mixed-use properties which can enhance the physical appearance of the area and improve the overall economic viability of the City's downtown core. These goals and objectives of rehabilitation can be accomplished by encouraging commercial, industrial and mixed-use property owners along with long-term tenants to reinvest in and renovate their properties. The VIP is intended to improve the aesthetic nature of properties and to assist in bringing them up to current building and property code standards. In addition, the program intends to act as a catalyst for observers within the community to consider rehabilitation of their own properties with or without participation in the VIP.

To ensure that the city of Las Vegas Redevelopment Agencies investment in the project is maximized, the applicant is required to provide a 100% matching

contribution to the granted funds. All qualified exterior improvements must be pre-approved and must be visible from the public right-of-way.
Qualified exterior improvements that will be considered include:

- Painting
- Doorways
- Signage
- Awnings
- Cleaning
- Lighting
- Landscaping
- Parking Lots
- Tuck Pointing
- Facade Repair
- Window Repair
- Window Tinting

Commercial VIP participants located within the RDA may qualify for a maximum of $50,000. Entertainment VIP participants located within the Fremont East District may qualify for between $75,000 and $95,000. Since the inception of the VIP program in 2005, Commercial and Entertainment projects have been approved for a total $1,420,619 and $322,500 respectively.

Special Improvement Districts (SID)

A SID is a device whereby the City acts as the agent for property owners to construct streets, sidewalks, curbs and gutters, sewers, streetlights, and other local improvements. It is the only mechanism the law provides for having public improvements made in an area when 1) the property owners in the area desire the improvement, but some or all of them cannot pay in cash, or 2) when the majority of property owners in the area want an improvement and the minority does not want to pay its fair share. The basic purpose of a SID is to afford a property owner the opportunity of using their property as collateral for financing their prorated share of the proposed improvement and allows payment of this indebtedness at a low rate of interest which is based on the Bond Buyers Index of 20 Municipal Bonds most recent publication of rates. Property owners have the option of paying for the costs of the improvement within 30 days or may extend their payments over a period of 2 to 30 years.

Business Improvement District (BID)

A BID provides improvements and activities – such as sidewalk cleaning, trash collection, graffiti removal, security, marketing and events – to a commercial district. Its purpose is to supplement, not replace, government services. BIDS are based on a benefit assessment model whereby property owners in a given area agree to assess themselves additional revenues that will be used for services in that area. These revenues are not managed by the city but by property owners themselves. A BID is formed by the private sector, which in

most cities must show that a majority of those who will pay the assessment are in support, usually through filing a positive petition with the city council. The BID board of directors is made up of district property and business owners who set the policies and oversee operations. The board hires professional staff to manage the district on a daily basis. Currently, Fremont Street East is the lone BID in the City.

Community Development Block Grant (CDBG)

CDBG is a grant program administered by the U.S. Department of Housing and Urban Development on a formula basis for entitlement communities. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Table 12. - Community Development Block Grant Allocations

	2008	2007	2006	2005	2004	2003
Child Care	$ 191,548	$ 224,443	$ 223,715	$ 251,275	$ 196,882	$ 160,400
Life Skills	$ 131,548	$ 131,555	$ 130,972	$ 153,020	$ 171,660	$ 128,380
Social Services	$ 197,324	$ 164,443	$ 163,715	$ 191,275	$ 214,575	$ 160,475
Youth/Alternative Education	$ 197,322	$ 197,332	$ 196,895	$ 229,530	$ 257,490	$ 192,645
Construction	$ 238,900	$ 558,000	$ 649,933	$ 962,659	$ 879,163	$ 966,090
CDBG Tenant Based Rental Assistance	$ 42,566	$ 70,000	$ 70,000	$ 70,000	$ -	$ -
Single Family Rehabilitation	$ 200,000	$ 200,000	$ 200,000	$ 400,000	$ -	$ -
East Las Vegas Community Center Bond Payment	$ 1,044,731	$ 1,044,606	$ 1,047,356	$ 1,048,107	$ 1,046,857	$ 1,028,232
Stupak Community Center Bond Payment	$ 1,545,175	$ -	$ -	$ -	$ -	$ -
CLV Future CDBG Construction Projects	$ 265,863	$ 1,611,077	$ 1,516,394	$ 1,500,000	$ 530,000	$ 467,802
CDBG Administration & Fair Housing (20% Max)	$ 1,013,744	$ 1,050,364	$ 1,050,364	$ 1,161,466	$ 1,224,400	$ 823,976
CDBG Public Service Future Projects	$ -	$ -	$ 2,476	$ -	$ 77,693	$ -
Emerald Breeze Apartments					$ 1,333,280	$ -
Affordable Housing Implementation, Lead Based Paint, & Housing Quality Inspections	$ -	$ -	$ -	$ -	$ 200,000	$ 200,000
Housing Rehabilitation: Mobile Homes & Emergency Repairs	$ -	$ -	$ -	$ -	$ 150,000	$ 100,000
Total	$ 5,068,721	$ 5,251,820	$ 5,251,820	$ 5,967,332	$ 6,282,000	$ 4,228,000

The city of Las Vegas is an entitlement community grantee which utilizes its Community Development Block Grant (CDBG) funding to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons. HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Centennial History Grant

The Centennial History Grant program was established in 2005 as part of the celebration of the 100 anniversary of the founding of the city of Las Vegas. Grant monies come from the sale of a specialized license plate, featuring the famous "Welcome to Fabulous Las Vegas" sign designed by Betty Willis in 1959. The plates were designed and prepared by the Nevada Department of Motor Vehicles, in cooperation with the Nevada Department of Cultural Affairs. During the Centennial year, these funds helped pay for public events that celebrated the history of Las Vegas.

The grant program is administered by the city of Las Vegas Commission for the Las Vegas Centennial. Per NRS 482.37903, grant projects much "relate to the commemoration of the history of the City of Las Vegas, including, without limitation, historical markers, tours of historic sites and improvements to or restoration of historic buildings or structures." Projects may include: rehabilitation of historic sites, structures and archeological resources, cultural heritage and tourism, oral history, historic survey, documentation, museums and archives, and education.

The rehabilitation of the historic downtown U.S. Post Office and Courthouse, La Concha Motel lobby, Floyd Lamb Park at Tule Springs, and Westside School have all received funding from the Centennial History Grant program.

Issues

The major issue with CIP projects for the City is the continued ability to fund them adequately. With the decrease of available funds from sources based upon activity or variable tax rates, alternative sources such as an increase in fees for services, increased tax rates, federal grants, or issuance of bonds must be considered. The following are issues pertinent to the City's ability to carry out the Five-Year Capital Improvement Plan Projects:

- Future revenue – Sources based on construction activity and population growth have slowed and will continue to be slow for the short-term to mid-term.
- Fees – Fallout from the slowing construction is less available fee based revenue. Fees may need to be increased and/or assessed to a broader range of services.
- Taxes – Decrease in assessed valuation of property means less property tax revenue generated. Decreases in retail sales and

gasoline consumption mean less tax revenue from these sources as well.

- Prioritization – Revenue shortages may require a reassessment of CIP project priorities. Projects that do not maintain public welfare and/or provide essential services may need to be reprioritized.
- Bonds – Revenue shortages and limitations on taxes may require the City to issue bonds to fund CIP projects.
- Debt Limitation - The City has a debt limitation of 20% of assessed valuation with current debt at 1.3% of assessed valuation. Assessed valuation will decline, possibly sharply, causing the debt ratio to increase without incurring any additional obligations. However, even if assessed valuation were reduced by 50%, the current debt would only increase to 2.6%.
- Fund Balance – As other revenue sources decline the Fund Balance is used increasingly and reduced, putting the future status of works in progress in jeopardy.

6. IMPLEMENTATION

Recommendations

Recommendation 1:
Utilize alternative funding for future CIP projects.

- Consider issuing any and all available bonds to finance future CIP projects. Bonds may assure future revenue availability for projects in years four and five of the CIP and provide financial stability throughout the duration of the Five Year CIP.
- Utilize restricted funding such as CDBG and RDA in public improvements to the maximum extent possible so as to implement improvements, increase property values and encourage private investment.

Recommendation 2:
Evaluate the CIP on an annual basis.

- Assure projects that maintain public welfare and/or essential services, such as police & fire services and infrastructure such as roadways, flood control and sanitary sewer systems are given the highest priority and adequately funded.
- Ensure all projects funded are already adopted as part of Master Plan elements, corridor plans, community or special area plans.

Recommendation 3:
Evaluate existing fee structure for fees assessed to services.

- Examine fees charged to determine if they adequately cover costs of services.
- Examine fees from other government agencies on an annual basis for applicability.
- Evaluate possibility of assigning fees to a broader range of services.
- Examine types of services where fees are applied from other government agencies.
- Audit existing services to determine if applying fees would be appropriate to cover labor and material costs.

Recommendation 4:
Continue to develop public art and activity nodes

- Seek public/private "sponsorships" for funding public art and activity nodes.

Recommendation 5:
Continue to add parks and open space to City inventory as prioritized in the Parks Element.

- Seek partnerships with developers and encourage them to donate land that the City can develop into parks, trails and open space, particularly in developing areas.
- Explore options to provide incentives to developers for including and developing open space in their residential projects.