



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** April 15, 2021

Staff Contact: Lee Plemel, Community Development; Dan Stucky, Public Works

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed resolution: (1) reporting the City Engineer's estimated Fiscal Year ("FY") 2022 assessment roll for the Downtown Neighborhood Improvement District ("DNID"); (2) identifying the cost to be paid by the DNID for the purpose of paying for maintenance of the Downtown Streetscape Enhancement Project; (3) directing city staff to file the assessment roll with the Clerk's office; (4) fixing the time and place to hear complaints, protests and objections regarding the assessment; and (5) directing City staff to provide notice of the public hearings pursuant to NRS Chapter 271. (Lee Plemel, lplemel@carson.org)

Staff Summary: The Board of Supervisors adopted Ordinance No. 2016-1 establishing the DNID on January 7, 2016 and implemented the first annual assessment in FY 2017 to assist in the cost of sidewalk and landscaping maintenance. The proposed resolution initiates the process for implementing the annual DNID assessment for FY 2022, as provided in NRS Chapter 271. The base assessment for FY 2022 is \$54,803, with the proposed assessment for FY 2022 estimated to be \$42,198 after reducing the assessment based on projected account reserves in accordance with the ordinance establishing the DNID. The assessment is distributed among the commercial property owners within the DNID as detailed in the resolution.

Agenda Action: Resolution **Time Requested:** 5 minutes

Proposed Motion

I move to adopt Resolution 2021-R-__.

Board's Strategic Goal

Economic Development

Previous Action

On January 7, 2016, the Board of Supervisors approved an ordinance establishing the DNID. The Board subsequently enacted the DNID assessment for FY 2017 and each year since.

On October 20, 2016, the Board of Supervisors entered into an agreement with the DNID relating to ongoing Downtown improvements and maintenance provisions.

Background/Issues & Analysis

NRS Chapter 271 provides for the annual procedures for implementing a Neighborhood Improvement District assessment. The resolution on this agenda item initiates the actions necessary for implementing the annual assessment of properties within the DNID. Following is the schedule of upcoming actions in 2021 to implement the assessment:

- Week of April 26 - Notification is sent out to all property owners via certified mail, published in the newspaper and posted pursuant to the requirements of NRS Chapter 271.

- May 20 Board of Supervisors meeting:

- 1) Consideration of Hardship Determinations. Hardship Determinations allow a deferment of the assessment based on income per the adopted policy. (NRS 271.360[3])
- 2) Public Hearing to consider complaints, protests and objections to the assessment. (NRS 271.380-.385)
- 3) Adoption of a resolution to confirm, revise or correct the Assessment Roll. (NRS 271.378[3] & .385[2])
- 4) Introduction of an ordinance to levy the assessments in the roll. (NRS 271.390[1])

- June 17 Board of Supervisors items:

- 1) Adoption, on second reading of the ordinance to levy the assessments in the roll.

- Notification of assessment – After second reading of the ordinance, notification of the assessment is sent to the property owners.

The enacting DNID ordinance provides for an annual increase in the total assessment equal to the 12-month CPI (Consumer Price Index) for the preceding calendar year, which was 1.4% for 2020. Application of the CPI to the base FY 2021 assessment (\$54,046) results in a base assessment for FY 2022 of \$54,803. The ordinance also provides that "once a credit balance of 20% above the projected cost of maintenance is established in the maintenance account for unexpected expenses (e.g. unanticipated heavy snow removal), the City shall reduce the assessment amount to the actual projected maintenance cost (if that cost is less than the base assessment amount plus CPI increases)."

It is estimated that there will be a FY 2021 ending fund balance in the DNID account of \$122,213, which includes funds currently available in the account (\$157,213 as of March 22, 2021) minus projected expenditures for the remainder of FY 2021 (\$35,000). Total expenditures in FY 2021 are projected to be \$87,820, and expenditures for FY 2022 are budgeted to be \$90,000.

In order to reduce the required maximum amount of reserves to less than 20% over the next five years, staff and the DNID board recommend a percentage reduction of the assessment over the next five years. Assuming that expenses will be \$90,000 in FY 2022 and go up each year by a CPI of 1.4%, the DNID assessment is proposed to be reduced by 23% in each of the next five years (\$42,198 in FY 2022) while maintaining a 20% fund balance at the end of the five-year period. Refer to the attached Alternatives Analysis (Attachment 2) for details on the assessment over the next five years under this alternative versus the base assessment. Also note that the assessment was reduced by 16% in FY 2021, with an assessment of \$45,399.

Contact Lee Plemel at 283-7075 or lplemel@carson.org for any questions regarding this item.

Attachments:

- 1) Resolution with proposed FY 2022 assessment
- 2) DNID assessment analysis

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapter 271; Ordinance No. 2016-1.

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Downtown NID Contractual Services 7807450-500349

Is it currently budgeted? Yes

Explanation of Fiscal Impact: The City will continue to pay its portion of downtown maintenance costs in an amount that has been budgeted before the downtown improvements with CPI increases, \$27,460 in FY 2022.

Alternatives

- 1) Modify the DNID assessment.
- 2) Do not implement the DNID assessment.

Attachments:

[DNID.Resolution.4.15.21.docx](#)

[3.DNID.Resolution.ExhibitA.pdf](#)

[3.DNID.Resolution.ExhibitB.pdf](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

RESOLUTION NO. 2021-R-__

A RESOLUTION REPORTING THE CITY ENGINEER'S ESTIMATED FISCAL YEAR 2022 ASSESSMENT ROLL FOR THE DOWNTOWN NEIGHBORHOOD IMPROVEMENT DISTRICT ("DNID"); IDENTIFYING THE COST TO BE PAID BY THE DNID FOR THE PURPOSE OF PAYING FOR MAINTENANCE OF THE DOWNTOWN STREETScape ENHANCEMENT PROJECT; DIRECTING CITY STAFF TO FILE THE ASSESSMENT ROLL WITH THE CLERK'S OFFICE; FIXING THE TIME AND PLACE TO HEAR COMPLAINTS, PROTESTS AND OBJECTIONS REGARDING THE ASSESSMENT; AND DIRECTING CITY STAFF TO PROVIDE NOTICE OF THE PUBLIC HEARINGS PURSUANT TO NRS CHAPTER 271.

WHEREAS, the Carson City Board of Supervisors adopted Ordinance No. 2016-1 establishing the Downtown Neighborhood Improvement District ("DNID") on January 7, 2016, to help pay for the ongoing maintenance of the street beautification project known as the Downtown Streetscape Enhancement Project, and that ordinance provided for the baseline property assessment as well as other requirements; and

WHEREAS, NRS 271.375 requires the City Engineer to report the DNID Assessment Roll to the Board of Supervisors prior to adopting the Assessment Roll; and

WHEREAS, NRS 271.375 requires the Board of Supervisors to file the City Engineer's Assessment Roll with the Clerk's office; and

WHEREAS, NRS 271.380 requires the adoption of a Resolution to fix the time and place to hear complaints, protests and objections regarding the assessment and order notice of that public hearing.

NOW, THEREFORE, the Carson City Board of Supervisors hereby resolves that:

1. The base DNID assessment for Fiscal Year ("FY") 2022 is \$54,803, an amount equal to the base FY 2021 Assessment of \$54,046 plus the CPI for 2020 of 1.4% as identified in Ordinance No. 2016-1;

2. The estimated DNID assessment to be paid by the DNID property owners in FY 2022 for the purpose of paying for maintenance of the Downtown Streetscape Enhancement Project is \$42,198, based on a 23% reduction in the assessment from the base assessment amount in accordance with the provisions of Ordinance No. 2016-1 for reducing the assessment based on account reserves, and estimates the corresponding FY 2022 assessment roll for each property within the DNID to be in those amounts as set forth in EXHIBIT A, attached;

3. City staff shall file the City Engineer's Assessment Roll with the Clerk's office;

4. A hearing of complaints, protests and projections shall be held on May 20, 2021, at the regularly scheduled meeting of the Carson City Board of Supervisors beginning at 8:30 a.m., at 851 East William Street, Carson City, Nevada; and

5. City staff shall publish and provide notice of said public hearing in accordance with NRS 271.380 and 271.390, including the provision of notice to each owner of property located within the DNID.

ADOPTED this ____ day of _____ 2021.

AYES: Supervisors _____

NAYES: Supervisors _____

ABSENT: Supervisors _____

LORI BAGWELL, Mayor

ATTEST:

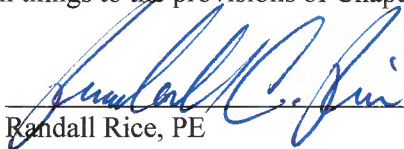
AUBREY ROWLATT, Clerk-Recorder

Downtown Neighborhood Improvement District
FY 2022
City Engineer's Assessment Roll

State of Nevada }
 }
County of Carson City }

To the Board of Supervisors of Carson City, Nevada:

I hereby certify and report that the foregoing is the assessment roll and assessments made by me for the purpose of paying that part of the cost which you decided should be paid and borne by special assessment for the Downtown Neighborhood Improvement District for the maintenance of the Downtown Streetscape Enhancement Project; that in making such assessments, I have, as near as may be, and according to my best judgement, conformed in all things to the provisions of Chapter 271 of NRS.



Randall Rice, PE
City Engineer

Dated at Carson City, Nevada, April 1st, 2021.

	Parcel No	Property Location	Owner Name	Non-Res. Bldg size	Specia Benefit Factor	% total bldg size	Assessment \$	42,198
WEST SIDE OF CARSON ST								
<u>W WILLIAMS AND N CARSON</u>	00118499	1020 N CARSON ST	HEIDI'S DUTCH MILL	2,259	100%	2,259	0.50%	\$ 211
	00118407	1020 N CARSON ST	ROSENTHAL, DONALD M ET AL	0	100%	-	0.00%	\$ -
	00118408	1000 N CARSON ST	TERVEER, JOHN & BELL, MICHELLE	1,500	100%	1,500	0.33%	\$ 140
<u>SOPHIA AND N CARSON</u>	00118802	922 N CARSON STREET	BROGISH LLC	516	100%	516	0.11%	\$ 48
	00118804	900 N CARSON STREET	BROOKS, BENTLEY Y & MONICA	2,100	100%	2,100	0.47%	\$ 197
<u>ANN AND N CARSON</u>	00119401	800 N CARSON STREET	MAFFI, JOE ROBERT	37,838	100%	37,838	8.39%	\$ 3,542
<u>W WASHINGTON AND N CARSON</u>	00328304	716 N CARSON ST	KAPLAN FAMILY TRUST	19,927	100%	19,927	4.42%	\$ 1,865
<u>W ROBINSON AND N CARSON</u>	00322301	500 N CARSON ST	ADAMS CARSON LLC	0	100%	-	0.00%	\$ -
<u>W SPEAR AND N CARSON</u>	00322402	420 N CARSON ST	NORTHERN NV COMSTOCK INV LLC	5,439	100%	5,439	1.21%	\$ 509
	00322403	410 N CARSON ST	DOUGLASS DEVELOPMENT LLC	2,552	100%	2,552	0.57%	\$ 239
	00322404	408 N CARSON ST	CHANEY, EUGENE FAM LIMITED PART	2,769	100%	2,769	0.61%	\$ 259
	00322409	402 N CARSON ST	CHANEY, EUGENE FAM LIMITED PART	5,951	100%	5,951	1.32%	\$ 557
<u>W TELEGRAPH AND N CARSON</u>	00322902	320 N CARSON ST	320 NORTH CARSON STREET LLC	2,690	100%	2,690	0.60%	\$ 252
	00322903	318 N CARSON ST	COLE, JEFFREY N & DENISE M	13,441	100%	13,441	2.98%	\$ 1,258
	00322904	310 N CARSON ST	SCHMIDT, MARK & KIMBERLY TRUST	1,020	100%	1,020	0.23%	\$ 95
	00322905	308 N CARSON ST	SCHMIDT, MARK & KIMBERLY TRUST	1,275	100%	1,275	0.28%	\$ 119
	00322906	306 N CARSON ST	ADAMS 302 CARSON LLC	2,053	100%	2,053	0.46%	\$ 192
	00322907	302 N CARSON ST	ADAMS 302 CARSON LLC	8,748	100%	8,748	1.94%	\$ 819
<u>W PROCTOR AND N CARSON</u>	00321301	111 W PROCTOR ST	CARSON INCUBATOR I LLC	8,390	100%	8,390	1.86%	\$ 785
	00321302	206 N CARSON ST	WARREN, RICHARD & WARREN, DC TR	11,519	100%	11,519	2.56%	\$ 1,078
	00321303	202 N CARSON ST	SEID ERIKA LYNN	9,426	100%	9,426	2.09%	\$ 882
<u>SECOND AND S CARSON</u>	00311206	123 W SECOND ST	LOPICCOLO FAMILY 1998 TRUST	10,243	100%	10,243	2.27%	\$ 959
	00311203	210 S CARSON ST	BODIE NEVADA TRUST 12/27/11	1,924	100%	1,924	0.43%	\$ 180
	00311204	217 S CURRY ST	MERCURY CLEANERS INC	5,746	100%	5,746	1.27%	\$ 538
	00311205	224 S CARSON ST	LOPICCOLO FAMILY 1998 TRUST	5,685	100%	5,685	1.26%	\$ 532
<u>THIRD AND S CARSON</u>	00311309	310 S CARSON ST	LOPICCOLO INVESTMENTS LLC	12,906	100%	12,906	2.86%	\$ 1,208
	00311310	S CARSON ST	BERNARD LLC	0	100%	-	0.00%	\$ -
	00311311	312 S CARSON ST	BERNARD LLC	2,890	100%	2,890	0.64%	\$ 271
	00311312	314 S CARSON ST	BERNARD LLC	1,925	100%	1,925	0.43%	\$ 180
<u>FOUTH AND S CARSON</u>	00311602	400 S CARSON ST	BORTOLIN LLC	0	100%	-	0.00%	\$ -
	00311601	410 S CARSON ST	BORTOLIN LLC	4,208	100%	4,208	0.93%	\$ 394
	00311605	418 S CARSON ST	NEVADA BUILDERS ALLIANCE	2,180	100%	2,180	0.48%	\$ 204
EAST SIDE OF CARSON ST								
<u>E WILLIAMS AND N CARSON</u>	00216503	1017 N CARSON ST	MAPP ENTERPRISES, INC	1,653	100%	1,653	0.37%	\$ 155
<u>SOPHIA AND N CARSON</u>	00216502	917 N CARSON ST	B P HOTEL, LLC	31,890	100%	31,890	7.07%	\$ 2,985
	00216501	901 N CARSON STREET	B P HOTEL, LLC	0	100%	-	0.00%	\$ -
<u>ANN AND N CARSON</u>	00216402	801 N CARSON ST	CAPITAL CITY FLATS LLC	10,531	100%	10,531	2.34%	\$ 986
<u>E WASHINGTON AND N CARSON</u>	00426101	113 E WASHINGTON ST	MASONIC LODGE CARSON LODGE #1	739	100%	739	0.16%	\$ 69
	00426102	705 N CARSON ST	LAMKIN, ROBERT L & ROBERTA J	1,731	100%	1,731	0.38%	\$ 162

<u>EAST CAROLINE AND N CARSON</u>	00426301	617 N CARSON ST	ADAMS CARSON LLC	0	100%	-	0.00%	\$	-
	00426302	601 N CARSON ST	PARDINI FAMILY PROPERTIES LLC	3,920	100%	3,920	0.87%	\$	367
<u>E ROBINSON AND N CARSON</u>	00421111	507 N CARSON ST	ADAMS CARSON LLC	79,378	100%	79,378	17.61%	\$	7,431
	00421402	E SPEAR ST	ADAMS CARSON LLC	0	100%	-	0.00%	\$	-
<u>E TELEGRAPH AND N CARSON</u>	00421503	319 N CARSON ST	DAVIS / BENTHAM LLC	4,320	100%	4,320	0.96%	\$	404
	00421504	315 N CARSON ST	YAPLE, JON M AND JEANNE	1,958	100%	1,958	0.43%	\$	183
	00421508	311 N CARSON ST	JOHNSON, THOMAS Y AND LINDA E	7,644	100%	7,644	1.70%	\$	716
	00421506	301 N CARSON ST	JOHNSON FAMILY REV TR 1/31/92	9,282	100%	9,282	2.06%	\$	869
CURRY STREET FRONTAGE - EAST									
<u>W WILLIAM AND N CURRY</u>	00118409	1007 N CURRY STREET	NDBT PROPERTIES LLC	4,506	75%	3,380	0.75%	\$	316
<u>SOPHIA AND N CURRY</u>	00118801	115 W SOPHIA	BROGISH LLC	0	75%	-	0.00%	\$	-
	00118803	110 W ANN	PROPERTY MANAGEMENT,CARSON CITY	0	75%	-	0.00%	\$	-
<u>SPEAR AND N CURRY</u>	00322401	411 N CURRY ST	NORTHERN NEVADA COMSTOCK INVEST	9,467	100%	9,467	2.10%	\$	886
	00322407	407 N CURRY ST	OLD GLOBE SALOON INC	1,641	100%	1,641	0.36%	\$	154
	00322406	110 W TELEGRAPH ST	JONES, K & M TRUST	6,160	100%	6,160	1.37%	\$	577
<u>W TELEGRAPH AND N CURRY</u>	00322408	108 W TELEGRAPH ST	CROWELL ENTERPRISES INC	2,311	100%	2,311	0.51%	\$	216
	00322901	111 W TELEGRAPH ST	BRUUN-ANDERSEN FAMILY EST TRUST	11,019	100%	11,019	2.44%	\$	1,032
<u>THIRD AND N CURRY</u>	00311315	S CURRY / THIRD	LOPICCOLO INVESTMENTS LLC	1,080	100%	1,080	0.24%	\$	101
	00311399	W THIRD ST	LOPICCOLO INVESTMENTS LLC	0	100%	-	0.00%	\$	-
	00311313	110 W FOURTH ST	BERNARD LLC	1,456	75%	1,092	0.24%	\$	102
	00311314	309 S CURRY ST	BERNARD LLC	0	75%	-	0.00%	\$	-
<u>W FOUTH AND N CURRY</u>	00311606	114 W FIFTH ST	NEVADA BUILDERS ALLIANCE	0	75%	-	0.00%	\$	-
<u>WILLIAM AND N CURRY</u>	00118302	1012 N CURRY ST	SHEERIN, MARY J & SHEERIN, ETAL	0	75%	-	0.00%	\$	-
	00118304	1008 N CURRY ST	FOUR WINDS, LLC	924	75%	693	0.15%	\$	65
	00118306	1002 N CURRY ST	LORENZ, ALLEN R TRUST 1/19/07	2,053	75%	1,540	0.34%	\$	144
<u>SOPHIA AND N CURRY</u>	00118707	910 N CURRY ST	HCBMBP LLC	0	75%	-	0.00%	\$	-
	00118705	904 N CURRY ST	T C J ENTERPRISES LLC	936	75%	702	0.16%	\$	66
<u>ANN AND N CURRY</u>	00119302	812 N CURRY ST	ADAMS 800 N CURRY LLC	0	75%	-	0.00%	\$	-
	00119305	808 N CURRY ST	ADAMS 800 N CURRY LLC	0	75%	-	0.00%	\$	-
	00119306	802 N CURRY ST	ADAMS 800 N CURRY LLC	0	75%	-	0.00%	\$	-
<u>W WASHINGTON AND N CURRY</u>	00328202	714 N CURRY ST	MKR VENTURES LLC	1,433	75%	1,075	0.24%	\$	101
	00328203	710 N CURRY ST	GRAVES, BRANDI & JONES, LINDSEY	1,250	75%	938	0.21%	\$	88
<u>W CAROLINE AND N CURRY</u>	00328502	201 W CAROLINE ST	CARSON HEIGHTS LLC	11,684	75%	8,763	1.94%	\$	820
	00328503	N CURRY ST	CARSON HEIGHTS LLC	0	75%	-	0.00%	\$	-
	00328504	602 N CURRY ST	CHIM MARK H K & MARILYN M	2,446	75%	1,835	0.41%	\$	172
<u>W ROBINSON AND N CURRY</u>	00322202	512 N CURRY ST	KLETTE S & M E FAMILY TRUST	713	100%	713	0.16%	\$	67
	00322203	508 N CURRY ST	RPJ NV LLC	2,448	100%	2,448	0.54%	\$	229
	00322204	204 W SPEAR ST	BENGOCHEA LLC	3,307	100%	3,307	0.73%	\$	310
<u>W SPEAR AND N CURRY</u>	00322510	412 N CURRY ST	CAIN GARY	528	100%	528	0.12%	\$	49
	00322503	402 N CURRY ST	PRUETT FAMILY TRUST 6/10/04	2,297	100%	2,297	0.51%	\$	215
	00322506	405 N NEVADA ST	PRUETT FAMILY TRUST	1,309	100%	1,309	0.29%	\$	123
<u>W TELEGRAPH AND N CURRY</u>	00322802	308 N CURRY ST	ADAMS 308 N CURRY LLC	21,826	100%	21,777	4.83%	\$	2,039

FY 2022 Downtown Neighborhood Improvement District Maintenance Engineer's Assessment Roll

EXHIBIT A

<u>W PROCTOR AND N CURRY</u>	00321206	234 N CURRY ST	ADAMS 308 N CURRY LLC	0	100%	-	0.00%	\$	-
	00321203	208 N CURRY ST	PLATINUM QUAIL LLC SERIES A	1,853	100%	1,853	0.41%	\$	173
	00321204	206 N CURRY ST	CC CONCIERGE LLC	1,333	100%	1,333	0.30%	\$	125
	00321205	202 N CURRY ST	WARREN, RICHARD AND WARREN DC TR	1,242	100%	1,242	0.28%	\$	116
<u>W MUSSER AND N CURRY</u>	00321502	112 N CURRY ST	CURRY MUSSER PROCTOR & GREEN LLC	1,303	75%	977	0.22%	\$	91
	00321504	102 N CURRY ST	NEVADA PRESS FOUNDATION	3,541	75%	2,656	0.59%	\$	249
<u>W KING AND N CURRY</u>	00321710	201 W KING ST	201 W KING STREET LLC	2,788	75%	2,091	0.46%	\$	196
	00321711	106 S CURRY ST	VANDEBRAKE, LAURIE & HURT, ROBERT	954	75%	716	0.16%	\$	67
	00321713	110 S CURRY ST	SUMMO, DONALD W & EILENE H TR	1,123	75%	842	0.19%	\$	79
<u>W SECOND AND S CURRY</u>	00311401	300 S CURRY ST	SIERRA NV ASSOC OF REALTORS INC	5,528	75%	4,146	0.92%	\$	388
	00311403	314 S CURRY ST	SIERRA NV ASSOC OF REALTORS INC	0	75%	-	0.00%	\$	-
	00311404	310 S CURRY ST	BROWN, RANDY J INVESTMENTS LLC	1,419	75%	1,064	0.24%	\$	100
<u>W FOURTH AND S CURRY</u>	00311503	201 W FOURTH ST	BROWN, RANDY J INVESTMENTS LLC	0	75%	-	0.00%	\$	-
	00311505	202 W FIFTH ST	LANGSON, DON K	0	75%	-	0.00%	\$	-
	00311502	205 W FOURTH ST	BROWN, RANDY J INVESTMENTS LLC	0	75%	-	0.00%	\$	-
PLAZA STREET FRONTAGE								\$	-
<u>WILLIAMS AND PLAZA</u>	00216504	1000 N PLAZA STREET	M & M BIGUE INVESTMENTS LLC	5,239	75%	3,929	0.87%	\$	368
<u>SOPHIA AND PLAZA</u>	00216505	110 E ANN STREET	SALAS, ANGELICA	2,465	75%	1,849	0.41%	\$	173
<u>E TELEGRAPH AND PLAZA</u>	00421502	107 E TELEGRAPH	T.L.A.C.P., LLC	2,150	75%	1,613	0.36%	\$	151
	00421501	111 E TELEGRAPH	WONG FAMILY TRUST 11/22/97	2,948	75%	2,211	0.49%	\$	207
				Total	464,847	450,761	100%	\$	42,198

DNID Assessment Analysis

The ordinance adopting the Downtown Neighborhood Improvement District (“DNID”) provides for a base assessment plus an annual increase based on the Consumer Price Index (CPI). It also provides that a reserve of 20% should be maintained, and the assessment should be reduced once that reserve is reached. The Board has typically adopted the annual assessment based on a 5-year projection of revenues and expenses, with a target of maintaining reserves of no more than 20% at the end of that 5-year period.

Based on the anticipated FY 2022 beginning fund balance in the DNID account, a reduction of the assessment will be required over the next five years in order for the ending fund balance reserves to not exceed the target of 20% of expenses. The table below (Scenario 1) shows the projected revenues and expenditures based on continuing the full assessment. Note that the FY 2026 ending fund balance would significantly exceed the target amount of reserves under this scenario.

Scenario 1 – Full Assessment Each Year

	FY22	FY23	FY24	FY25	FY26
Beginning Fund Balance	\$122,213	\$114,476	\$106,630	\$98,675	\$90,862
City's Required Contribution	\$27,460	\$27,845	\$28,234	\$28,884	\$29,288
Downtown NID Assessment	\$54,803	\$55,570	\$56,348	\$57,137	\$57,937
Estimated Expenses	\$90,000	\$91,260	\$92,538	\$93,833	\$95,147
Ending Fund Balance	\$114,476	\$106,630	\$98,675	\$90,862	\$82,940
20% Reserves Target	\$18,000	\$18,252	\$18,508	\$18,767	\$19,029

Notes:

1. For all scenarios, a CPI of 1.4% (the CPI for 2020) is estimated for each year, though it will vary based on actual annual CPI.
2. FY 2022 beginning fund balance is estimated based on current fund balance minus estimated expenses for the remainder of FY 2021.

The following recommended assessment (Scenario 2) would result in a 5-year ending fund balance under the maximum reserve amount by reducing the DNID assessment by 23% each year for the next five years.

Scenario 2 – 23% Reduction in NID Assessment Each Year

	FY22	FY23	FY24	FY25	FY26
Beginning Fund Balance	\$122,213	\$101,871	\$81,245	\$60,329	\$39,375
City's Required Contribution	\$27,460	\$27,845	\$28,234	\$28,884	\$29,288
Downtown NID Assessment	\$42,198	\$42,789	\$43,388	\$43,995	\$44,611
Estimated Expenses	\$90,000	\$91,260	\$92,538	\$93,833	\$95,147
Ending Fund Balance	\$101,871	\$81,245	\$60,329	\$39,375	\$18,128
20% Reserves Target	\$18,000	\$18,252	\$18,508	\$18,767	\$19,029

Note that these alternatives are only estimates on expenses. Actual expenses may vary, though it is anticipated that expenses will not increase above what is estimated over the 5-year period. The assessments may be adjusted in future years based on the annual analysis.