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An Economic development plan for Boulder City

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An Economic Development Plan for Boulder City

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Policy Implementation Masters Project
PUA 791 - August 15, 2008
Dr. Christopher Stream, Ph.D.
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EXECUTIVE SUMMARY

Boulder City is rich with natural resources such as abundant land, 50% of Hoover Dam’s power generation at cheap rates, and a high priority right of Colorado River Water. In addition to low utility rates, Boulder City residents have the lowest property taxes by far compared to other cities in southern Nevada. Unfortunately due to needed infrastructure replacement and new expenses facing Boulder City, such as paying for a portion of the third intake at Lake Mead, revenue is no longer covering the city’s expenses.

Through the previous group’s (grad students of the Spring 2008 Semester) research, we combined both innovative concepts and empirical research of best financial practices being used in agencies both locally and across the country. From these findings, we have developed three recommendations, including financial infrastructure, redevelopment, and new development that if implemented in an integrated and systematic manner would assist the City of Boulder City to meet short and long term strategic objectives for economic revitalization and development. This holistic approach would therefore set forth a model that is conducive with Boulder City’s 2000 Strategic Plan, the previous Master Plan, the current Redevelopment Plan, and the 2006 Boulder City Budget Survey by Applied Analysis. Our recommendations would also be consistent with the opinions of various stakeholders who were interviewed during this research.

We further hope that portions of our paper could be used by the City in a Newsletter, thus increasing transparency from the City which would help garner understanding and support from the residents on needed financial changes. In the future other grad students could continue our research by developing a detailed plan as to how the City could fund each department.
ACKNOWLEDGMENTS

- Andrea Anderson, Councilwoman, City of Boulder City
- Vicki Mayes, City Manager, City of Boulder City
- Brok Armantrout, Director, City of Boulder City Community Development
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- Becky Deuel - Finance Manager (Clark County Public Works)
- Jerry Duke - Manager of Planning (Regional Transportation Commission of Southern Nevada)
- Fidel Calixto - Director of Planning (Regional Transportation Commission of Southern Nevada)
- Doug Bell - Manager (Clark County Community Resource Management)
- Scott Carter - Redevelopment Analyst (City of Las Vegas Redevelopment Agency)
- Tony Letizia - Manager South, Program Development (Nevada Dept of Transportation)
- Joe Peltier - Assistant Manager, South Program Development Division (Nevada Dept of Transportation)
- Dan Sinagra, Senior Planner (Clark County Comprehensive Planning)
I. BACKGROUND

Boulder City is located between Henderson and Hoover Dam, and was built by the Federal government to house construction workers building Hoover Dam during the depression of the 1930’s. Geographically, Boulder City is the largest city in the state of Nevada due to their rich abundance of land, although they only have a small population of 15,000 residents. Boulder City’s population has only increased by an estimated 4,200 residents between 1979 and 2007, likely due to their controlled growth ordinance. The Controlled Growth Management Plan of 1979 requires a vote of the public, in order for the City to sell even one parcel of land.

“The community of Boulder City is committed to preserving our status as a small town, with small town charm, historic heritage, and unique identity, while proactively addressing our needs and enhancing our quality of life” (www.bcnv.org). In a 2006 survey of Boulder City residents, the salient findings showed a strong desire for the City of Boulder City (City) to prohibit the sale of City property. Residents would prefer to lease property instead, maintain current service levels, and minimize financial impacts to existing residents (i.e. by keeping taxes and utility rates low) (2006 Boulder City Survey).

An unintended consequence of limited property supply has been high property values in Boulder City compared with nearby communities (see following figure developed by prior MPA students).
Further, compared to nearby cities in Nevada (such as Henderson, Las Vegas, North Las Vegas, & Mesquite), Boulder City has the lowest property tax rate of 2.5%, and brings in the least revenue comparatively, as seen in the following table developed by prior MPA students.
When compared to Mesquite, Boulder City has a similar population and budget (see following table), yet only collects one third of what Mesquite collects in property taxes. This is evidence that Boulder City Council and management have done an excellent job of meeting their residents' desire to keep taxes low. Additionally, Boulder City residents benefit from low utility rates, due to cheap power contracts from Hoover Dam and a high priority water right from the Colorado River.

Comparison of Boulder City vs. Mesquite:

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Boulder City</th>
<th>Mesquite</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population (2006)</strong></td>
<td>15,005</td>
<td>14,799</td>
</tr>
<tr>
<td><strong>Population increase (2000 - 2006)</strong></td>
<td>0.3%</td>
<td>57.6%</td>
</tr>
<tr>
<td><strong>Median Income</strong></td>
<td>$56,100</td>
<td>$44,900</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
<td>46.7</td>
<td>35.8</td>
</tr>
</tbody>
</table>

| General Fund (FY 06/07)       |              |          |
| **Revenue**                   | $20,654,457  | $22,659,392 |
| **Expenditures**              | $21,400,678  | $24,035,113 |

| Property Tax (FY 06/07)       |              |          |
| **Tax Rate**                  | 2.4893       | 2.7686   |
| **General Fund Revenue**      | $1,080,057   | $2,850,000 |
| **% of General Fund**         | 5.2%         | 11%      |
III. PROBLEM DEFINITION

Unfortunately the City is struggling to continue providing excessively low taxes and utility rates due to increasing City costs. For example, the City water systems are deteriorating and need to be replaced, such as the main water line down Buchanan that broke last year costing $200,000 to $300,000 in damage. Complete replacement of the line is recommended by the Finance Director, Timothy Inch, which would cost $2.5 million. Another $600,000 is needed for maintenance of existing water tanks, and the City is responsible for paying $1 million for new screens needed at the treatment plant. Additionally SNWA has informed the City of its responsibility to pay $6 million to help finance the 3rd Intake in Lake Mead.

Further EPA is now prohibiting the City from continuing to dump treated affluent water into the desert because it sometimes flows to the County Desert Conservation Easement. Construction costs to build a new pipeline and dump the water elsewhere would be $2.2 million. It was suggested at the Financial Advisory Board Meeting, a public meeting run by Boulder City’s Finance Director Timothy Inch, instead of dumping waste water, the City could sell it to construction companies for dust control purposes or use it on golf courses. Unfortunately the cost of building a new line to convey this water to the treatment plant will still cost $1.5 million. EPA has informed the City they have only two years solve this problem.

In addition to increasing water costs, the City is facing increased power rates from Hoover Dam. Historically Hoover Dam has provided about half the City’s power at a very reasonable rate. However due to drought, decreased water releases have caused decreases in power generation. Because the City must continue to pay their portion of Hoover’s
Operation and Maintenance (O&M) power costs, they essentially get half the power for the same price. Therefore additional power needs to be purchased on the open market at sometimes three times the cost. Further, in 2017 Hoover power contracts expire altogether and Boulder City will need funding to renegotiate power contracts and possibly pay much higher open market rates in general.

Another upcoming cost facing the City is renovation and new equipment needed at the Boulder City Hospital for a total cost of $19 million.

Excluding future upcoming costs, the City is struggling to repay $8.7 million generated in building the Boulder Creek Golf Course, which was built by the City to increase revenue, however after 9-11, a recession occurred and the City has never been able to generate the anticipated income required to repay its debt.

As seen in the following chart developed by prior MPA students, City revenues have not been covering expenditures in several recent years. The General Fund deficit has been absorbed by city reserves, which are slowly dwindling.
III. RESEARCH PLAN

Due to Boulder City’s increasing expenses, the City Council was forced in May of 2008 to start raising property taxes and utility rates. Although City Councilwomen Andrea Anderson stated the increase was very small (Andrea Anderson Interview), an outside observer can easily see that continual increases are needed to cover this city's increasing costs. To minimize the cost on residents, our group has developed three recommendations which will allow the City to conserve or generate money by alternative means.

Our goal is to foster policy directives that will revitalize the community by promoting reinvestment in the infrastructure, and explore whether planned economic development could be achieved by integrating innovative revenue sources with existing programs to minimize tax and rate increases.

We plan to research tools and indicators used by the other cities to develop a set of best practices to enhance Boulder City’s future financial and economic sustainability. We will look at cities such as Sahuarita, AZ, as this city has received the GFOA’s (Government Finance Officers Association) Certificate of Excellence in Financial Reporting for the past five years; Page, AZ, as is located next to a large Reclamation Dam like Boulder City and may share certain similarities, and lastly Las Vegas, a much larger city in a close proximity to Boulder City. We will further conduct interviews with Boulder City council and department heads, as another primary research method.
IV. BEST PRACTICES

Sahaurita, Arizona

The Government Finance Officers Association (GFOA) has recognized Sahaurita, Arizona (population 20,000) as having best budgeting practices in the U.S. over the past five years. As discovered in a personal tour of Sahaurita, Sahaurita is rightfully recognized for being a town that demonstrates “a spirit of full financial disclosure” and being openly transparent to its residents.

Sahaurita’s primary object is protecting their General Fund, as this is the least restricted funding source. It further ensures that priorities set by city council can be met by practicing General Fund preservation though some of the following examples.

1) Sahaurita adopted an *indirect cost allocation plan* to allow the general fund to recover costs for administrative services for their Wastewater Enterprise Fund.

2) They have a *sales tax audit program*, which ensures that all businesses pay their equal share of taxes, by contracting with a third party private contractor to conduct audits. It is important that companies remit the appropriate amount of sales tax since sales taxes are a very important funding source for the city.

3) This year the Capital Infrastructure Improvement Fund (CIF) will be transferring funds to pay for capital outlay costs recorded in the General Fund. The city council designated construction sales tax (recorded in the CIF) to pay for capital projects.

4) Highway User Revenue Funds (HURF) are specifically restricted to transportation and transit purposes to capture highway and street related costs, including some full time positions.
In regard to long-term debt, the City of Sahuarita has used a pay-as-you-go approach to financing capital improvements. They realize that long-term debt is a fiscally responsible and viable option as it allows for future generations to pay for portions of improvements that they will use. They have a loan agreement with the Water Infrastructure Finance Authority (WIFA) accounting for almost $7 million of debt proceeds to finance wastewater treatment plant expansions in the future.

Sahuarita is also looking to ensure future revenue sources. They have not levied a primary property tax; instead, they encourage certain types of development such as retail, which will generate increased sales taxes. They further collect construction taxes and building fees on such development. Sahuarita has recently appropriated $53 million to capital improvements, which would not have been possible without these types of revenue.

**Paige, Arizona**

Paige, Arizona is similar to Boulder City in that is located next to Reclamation’s other major dam on the Colorado River: Glen Canyon Dam. In contrast to Boulder City, Paige, Arizona has a smaller population of 7,000 and is trying to grow according to City of Paige Administrator, Ms. Lona Shugart. Ms. Shugart explained that Paige received 16 square miles of land from the Bureau of Land Management after Glen Canyon Dam was completed, and they are not restricted by a vote of the public to sell the land for residential development. Paige is in the process of hiring an Economic Development Planner, therefore we were unable to set up an interview. We do not feel the City of Paige provides comparable or useful information for Boulder City.
Las Vegas (Downtown and Union Park)

The City of Las Vegas is combing both industry standard and state-of-the-art concepts in a $6 billion project coined Union Park, which is part of a $21.7 billion downtown economic development master plan to revitalize areas of blight. Union Park is the Downtown’s main component. The City of Las Vegas Redevelopment Agency, founded in 1986 and chartered until 2031, is planning 11 million square feet of mixed-use development in Union Park, including retail, culture, hotel, restaurant, residential, office, medical, and gaming. Already existing are the Las Vegas Premium Outlet Malls, World Market Center, Lou Ruvo Brain Institute, and Clark County Government Building. Fast Track Program, Tax Incremental Financing, Visual Improvement Program, and retail outreach programs are some of the concepts being implemented to entice businesses to participate.

Fast Track Program is designed to assist businesses with expediting entitlements and permitting within the designated Redevelopment Area. Also, it is common for the Redevelopment Agency to sell or lease land in the Redevelopment Area for uses permitted in the plan, and at less than the fair market value if necessary to effectuate the purposes of the Redevelopment Plan.

Tax Incremental Financing (TIF) is being incorporated in the designated Redevelopment Area. A TIF District uses bonds and tax assessments to raise initial capital and manage debt maintenance, similar to a General Improvement District (GID). A TIF allows the City to invest in infrastructure improvements and pay for them by capturing the increase in property taxes generated by the said improvements. This scheme allows governments to not rely on taxpayer funding, thus not putting general government’s funds at
risk. It became popular in the 1970s due to the decrease in federal funding available for redevelopment activities, and the extra burden it subsequently placed on local governments.

In Tax Incremental Financing, the amount of increment is determined by setting a “base” on a prescribed date prior to the development or redevelopment. As development occurs within the TIF project area, the assessed value grows. Incremental property tax revenue is the difference between the base assessed valuation and the post-development valuation. A TIF is a key incentive to lure developers to participate in Union Park through annual tax rebates of up to 41% for a period as long as 20 years (http://www.lvrda.org/67.htm).

For developers to be eligible for a TIF rebate, they are required to pay a majority of the on and off-site development costs, which further lessens the City’s risk. Eligible TIF expenditures may include constructing mixed-use developments – MUD (retail, residential, commercial, culture, transit-oriented developments, brownfields - hazardous waste sites, parks, schools, and offsites - streets, curbs, gutters, water lines, storm drainage facilities, traffic signals, paving, and sidewalks). (http://www.icsc.org/government/CDFA.pdf).

Las Vegas Redevelopment Agency utilizes Visual Improvement Programs (VIP) to encourage rehabilitation of properties through physical appearance, thus improving the overall economic viability of the Redevelopment Area. Business owners who participate in the VIP are offered rebates for the costs involved in upgrading exterior appearances of their establishments. This brings properties up to current building and safety standards in addition to increasing economic viability for the City of Las Vegas.
V. RECOMMENDATIONS

Recommendation 1 – Establish Financial Infrastructure

Financial reorganization is recommended for Boulder City to utilize the general fund strategies used by the City of Sahaurita. For example, Boulder City could pay for their portion of the 3rd Intake, replace water lines, and replace other needed infrastructure through bonds that would ensure future generations contribute to the benefits they receive. Boulder City could additionally reduce residential property taxes through encouraging business development which would allow the City to generate supplemental revenue from increased commercial property and sales taxes. Further, like Sahaurita, business tax audits would ensure business tax compliance.

Boulder City could additionally join the Government Finance Officer Association to keep abreast of recent developments in best budgeting practices, which are applicable to all governments in the United States. By utilizing developments in long-term financial planning, Boulder City would be able to ensure long term sustainability. Components of long-term financial planning consist of projecting revenues and expenditures at least five to ten years in the future by using assumptions about economic conditions and future spending scenarios. Long-term planning further communicates the City’s goals and objectives to internal and external stakeholders.

Recommendation 2 – Foster Redevelopment Infrastructure

Secondly it is recommended that Boulder City foster redevelopment, specially focusing on retail stores. Boulder City has enjoyed a rich history that dates back to the
construction of the Hoover Dam. Many tour buses come to Boulder City daily and tourists want to spend money on Hoover Dam and Boulder City memorabilia, however these types of stores do not exist in Boulder City. The City’s 2000 Strategic Plan contains development of a Tourism Marketing Plan for Boulder City to attract people passing through Boulder City and visitors from neighboring Clark County Communities.

The City could create a General Improvement District (GID) within the Downtown Historic Preservation District (HPD) of Boulder City, with the intent of renovating this area and targeting new retail stores. A GID is a special tax levied on those who will receive the benefits of the improvements, such as the business owners in this area. Because the GID and HPD are currently within the boundaries of the RDA (see purple area in below map), sales tax generated in this area would stay in Boulder City, instead of escaping to non-sponsoring tax bodies such as Clark County or Clark County School District.

Redevelopment Area
Other benefits and incentive programs exist to business and property owners who support the maintenance and improvement of the historic buildings in these districts, because the HPD was entered on the National Register of Historic Places in 1983. The following are suggested development grants that would support improvements to properties in these districts:

**Facade Renovation Grants:** This grant program reimburses applicants for large-scale projects to renovate a building’s facade. Grant amounts are contingent on the scale of the project and available program grant funds. Funds may be used for large-scale facade restoration/renovation projects that would require a significant change to the facade of the building (http://downtownlongmont.com/images/uploads/Development_Incentive_grant_program_cover_letter_on_Ltrhd.pdf). Applications consist of paint, windows, false facades, awnings, and alleyways.

**Facade Mini-Grants:** This program is designed for small-scale facade renovation programs, offering 1:1 matching reimbursement funds with a maximum of $3,500 per request, contingent on funds available (http://downtownlongmont.com/images/uploads/2008%20FACADE%20IMPROVEMENT%20MINI%20GRANT.pdf). Applications consist of pressure cleaning, stucco, facades, windows, doors, bricks and stones, exterior tiling, awning canopies, and alleyways (including trash receptacles).

**Community Development Block Grant Loan Program:** Implement a loan program that assists property owners and tenants in making costly improvements and enhancements to building exteriors with funds that must be repaid, but which are available at favorable terms through the Community Development Block Grant.
(CDBG) Program. The loan program would cover facade improvements only, including five-year loans that would match property owner funds at a 1:1.5 level, with a maximum request of $15,000 per 25-foot facade.

CDBG provides a large portion of the funding to be set aside for the rehabilitation of critical exterior visual improvement goals, and the balance to be used by select non-profit groups who would purchase buildings from the city for ongoing operations. CBDG funds are currently being used in Boulder City for the senior center, and the initial costs are recovered by CBDG reimbursement and steered toward the Boulder City Emergency Aid fund and Lend A Hand Program. Both of these are non-profit organizations that assist seniors, homeless, unemployed, etc.

CBDG funding is likely to increase based on the addition of new eligible programs. Additionally, CDBG funds can be used for historical preservation for facilities on the national register of historic places. It can also be used to do sidewalk work for Americans with Disabilities ramp replacements, and other American Disability Act (ADA) eligible improvements (elevators, ramps, parking, bathroom modifications, etc).

Our goal is to create a holistic approach within the RDA to help ensure the long-term prosperity of businesses and assist in the revitalization of the historic district of Boulder
City. As a result Boulder City would generate additional revenue from commercial sales and property taxes.

**Recommendation 3 – Foster Development Infrastructure**

Creating a comprehensive and coordinated master plan would be our third recommendation for Boulder City, which is consistent with Goal #10 of the Boulder City Strategic Plan. Since most of Boulder City's land is not currently zoned for economic development applications, the master plan would address planned land use and rezoning of such areas.

By developing a plan that limits the size of new commercial facilities through updates of the City's Master Plan, the proper methods of controlling development is achieved. This also ensures compatible land uses through the implementation of appropriate zoning and planned land use methods. Transparency could be achieved by conducting community meetings to gain maximum input on the update of the City's Master Plan.

If the City plans to ever develop policies and programs which will bring new housing in the community, then master planning through demographic research could develop specific recommendations for City Council consideration. For example, researching avenues that will result in providing greater opportunities for young families to purchase affordable homes and encouraging a range of living accommodations for seniors, particularly those who currently reside in the community.

Nevada Revised Statutes (NRS) 318.220 permits the conveyances by cities, counties or districts to General Improvement Districts (GID), including sell, lease, grant, convey, transfer or pay over to any district, with or without consideration. Zoning is a key
component of the master planning process to implement the recommended City infrastructure development. With proper zoning the following examples for generating revenue would be possible for Boulder City.

**Example 1: GID - Build Another Power Plant**

The alternative to build another power plant in El Dorado Valley would be profitable to the City due to revenue from leased land. Further City Council could negotiate that Boulder City residents receive a subsidized rate for power generation. This alternative appears to hold the support of various department heads within the city and is likely feasible because a vote of the public is not currently required to lease land.

If the Redevelopment Area (RDA) was expanded to the El Dorado Valley, a GID could be created to allow bonds to expedite the development of a power plant while implementing a viable payback schedule. Under the authority of the RDA, revenues created within the energy zone would be retained by the city, and not escape to the County or School District.

With continuing drought in the Colorado River basin expected, attraction of energy companies to the Boulder City Energy Zone would produce revenues by leasing lands\(^3\) to energy companies, while diversifying the city’s energy supplies through either monetary or

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\(^3\) According Boulder City’s charter, land sales must go into the Capital Improvement Fund, and cannot be used for general operating expenses. Leased land funds can be used for operating expenses and are an excellent way to supplement the city’s income (Interview on Email, Boulder City Councilwoman Andrea Anderson, 2008. Interview by Mel Barosay, June 23.).
banked credits of energy that are produced. This would be accomplished through the implementation of best practice standards for the benefit of the city's renewable energy industries.

The objectives of the power plant would be to secure a future without energy shortages or higher energy costs, develop indigenous resources to meet the city's needs, and expand business and job opportunities in sustainable energy production and energy exports (Status of Energy in Nevada, Report to Governor Gibbons and Legislature, 2007, 87). Such agreements would be accomplished through negotiated contracts that are formulated between the city and such energy purveyors seeking to operate in the energy zone.

Implementation would require the City to solicit bids from power companies interested in building a power plant in El Dorado Valley. The best price, best value contractor would be awarded the contract so they could start building. The contract would outline monitoring procedures to include safety permits and construction inspections. The best measure of a successful policy implementation is ongoing reduced power rates and continual lease payments.

**Example 2: Grants – Bike Trails**

In the last decade of the 20th century, bike paths and trails for bicyclists and walkers have been quite popular. Bike paths provide many valuable benefits including transportation links, recreation areas, habitat corridors, and economic development attractions. Regardless of the location, purpose, level of use, or mix of users, there are
certain design elements that are important for the successful and safe operation of a bike path.

Bicycle friendly communities have one thing in common, they place a high priority on short and long-term planning methods and policymaking that incorporate and support non-motorized transportation. For example the City of Tucson developed a comprehensive bicycle system which encourages citizens to commute to work on their bicycles. Land use and transportation planning is the key to establishing quality multimodal services.

The Mayor of Austin, Texas, Will Winn, and seven-time Tour de France winner and cancer survivor, Lance Armstrong, developed the City of Austin Street Smarts Task Force with the stated goals: To facilitate bicycling as a viable transportation choice; afford citizens the opportunity to experience the City’s unique scenic and natural amenities; to provide access to healthful recreational activities; and link major parks and open spaces with Austin neighborhoods. The Task Force completed its work in January 2008 and developed several recommendations for the city, one of which is using grants to help fund construction of bike paths.

There are over thirty federal and national funding sources that could be used to help fund bicycling and walking facilities and/or programs, especially trails. Municipalities and counties can apply for these funds for local projects.

During an interview with Boulder City’s Community Development Director, Brok Armontrout, it was discovered that Boulder City does have an extensive system of bike

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trails and is continuing to construct more. Boulder City could reduce expenditures while increasing the economic sustainability of the City by applying for bike path grants.

Policy implementation would be achieved through monitoring grant funds and construction of the bike trails / paths. Policy evaluation would be administered through verifying cost savings and ample use of the bike trails.

Example 3: GID - Boulder City Water Park

Since most of the state of Nevada is focused on casinos and gambling, Boulder City offers a clean environment for families to have fun. Boulder City’s large natural resource of land makes developments such as a water park possible.

Boulder City with the addition of a water park would have an outstanding opportunity to corner the market on outside visitation from Las Vegas. This is because the city already bolsters the Hoover Dam major destination of other nearby places that vacationers visit each year and holds a comfortable double digit lead compared to its nearest predecessor the Grand Canyon (see following chart).
A prime location for a water park in Boulder City would be off Nevada Highway near Bootleg Canyon (a world class bicycling park) and the Boulder City Zip Line, because a large number of tourists already stop for recreation fun in this area. During an interview with Community Development Director, Brok Armontrout, he stated a piece of land may be available in this area as well.

The revenue from the water park would be of major importance to the City of Boulder City. Water parks in Florida have been thriving at incredible rates (see below table). For example, during the 2001-2005 years of operation, Wet'N Wild in Florida averaged around 1.3 to 1.35 million visitors per year.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Park Name and Location</th>
<th>Attendance 2006</th>
<th>Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Disney World-Typhoon Lagoon, Orlando, FL</td>
<td>2,050,000</td>
<td>6.8%</td>
<td>Water turn up the degree from prior world beat in attendance and on the heels of the highly successful 40th anniversary celebration at MK</td>
</tr>
<tr>
<td>2</td>
<td>Disney World-Blizzard Beach, Orlando, FL</td>
<td>1,500,000</td>
<td>5.4%</td>
<td>Water turn up the degree from prior world beat in attendance and on the heels of the highly successful 40th anniversary celebration at MK</td>
</tr>
<tr>
<td>3</td>
<td>Wet 'n Wild-Orlando, FL</td>
<td>1,800,000</td>
<td>Fast</td>
<td>Strong performance at area theme parks, especially Disney, held down gains</td>
</tr>
<tr>
<td>4</td>
<td>Schlitterbahn-New Braunfels, TX</td>
<td>1,400,000</td>
<td>-4.7%</td>
<td>Weather issues, new new industry from older parks in the area that pulled number one until cool of summer when cooler returned</td>
</tr>
<tr>
<td>5</td>
<td>Water Country-USA-Williamsburg, VA</td>
<td>870,000</td>
<td>1.8%</td>
<td>Stable weather and exceptionally high median which allowed the water park hotel at the busy Williamsburg area</td>
</tr>
<tr>
<td>6</td>
<td>Kings Dominion-Virginia Beach, VA</td>
<td>850,000</td>
<td>Fast</td>
<td>Hot dry summer, up four degrees or average, high attendance during TOK</td>
</tr>
</tbody>
</table>
if operated by the city, would help generate money for the City and would bolster the local economy.

If the water park was owned and operated by the City, specialized construction companies would need to be selected for a contract, and once complete, knowledgeable management would need to be hired. Policy evaluation would consist of management standards and financial monitoring.

A potential negative impact associated with this alternative would be another golf course situation, where the City can not repay bonds due to lower than expected visitation and poor management. Also, a water park is a seasonal venue, therefore it is a higher risk. Therefore it may be a better alternative for the City to lease land to a water park company, allowing the City to capture revenue on the lease and sales taxes.

An outside company may be more willing to invest in a water park in Boulder City if the suggested area was zoned for a Mixed Use Development (MUD), which uses strategies found with a GID/TIF. MUDs promote a shared-use community of businesses, thus increasing the “lureability” of tourism, as well as distributing private investment and development costs among the participants.

**Example 4: Bonds – Toll Road**

Currently Boulder City residents prefer not to have the increased traffic associated with the completion of the Colorado River Bridge to come through Boulder City. As an alternative, Nevada Department of Transportation (NDOT) developed what is called the Boulder City Bypass, which would lye south of Boulder City as seen by the red dotted line in the figure on the following page.
The Record of Decision performed by NDOT determined the proposed route of the bypass, which subsequently has just completed the necessary environmental clearances (Interview on Email, Manager, South Program Development Division, Nevada Dept. of Transportation, Joe Peltier, 2008.).

The toll road idea is only being considered for the bypass because there is very little likelihood of securing federal or state funds for the bypass anytime in the near future (Interview, Fidel Calixto and Jerry Duke, RTC Planning Managers, 2008. Interview by Mel Barosay, June). Although the bypass is a line item in the 2006-2030 Southern Nevada RTC Financial Plan, the proposed toll road is not included.

In a recent interview, Boulder City Councilwoman Andrea Anderson stated, "we would need a separate appropriation from Congress to fund it... The state is already underbudgeted for road improvements, and our project (the bypass) is about number 10 on
the list of priorities. RTC does not have the funds to tackle a project like that. Its cost is about $380,000,000 and growing” (Interview on Email, Boulder City Councilwoman Andrea Anderson, 2008. Interview by Mel Barosay, June 23). A toll road may be the only feasible way that Boulder City could build the bypass.

As discovered in an interview with the Community Development Director, Brok Armontrout, legislative approval is required to create a toll road. Currently toll roads are not common in the State of Nevada, however Las Vegas is advocating one as seen in the below diagram.
According to Federal law, it is required that an alternate route be established to provide motorists the choice to use the tolled highway, or a “free” alternate route. (http://www.fhwa.dot.gov/infrastructure/tollroad.htm). The existing U.S. Highway 93 would therefore be the “free” alternative to meet this mandate. Further, legislature approval is required to authorize certain types of transportation projects such as a toll road (Interview on Email, Manager, South Program Development Division, Nevada Dept. of Transportation, Tony Letizia, 2008. Interview by Mel Barosay, May 30).

Since Federal-aid highway funds are not available for the construction, reconstruction, or improvement of any toll facilities, bonds would be issued to pay for debt retirement, maintenance, and operation of the proposed toll road. Bonds would be possible through planning a GID/TIF along the proposed 12-mile Boulder City Bypass, as it would be in line with Federal Highway Administration guidelines. A possible deficiency of this plan may be too few vehicles to generate the revenue required to pay back the bonds.

4 The development of population density in specific locations influences regional travel patterns. Conversely, the degree of access provided by the transportation system can influence land use and development trends (Federal Highway Administration, Federal Transit Administration, 29).
VI. ASSESSMENT & POLICY IMPLEMENTATION

Recommendation 1 – Establish Financial Infrastructure

A long-term financial plan for the City of Boulder City is recommended and should be implemented in four phases. The first phase would be Mobilization. Mobilization prepares the organization for long-term planning by creating consensus on the purpose of the planning process. During this process, steps should be included in developing a Project Team, identifying a Project Sponsor and formulating a strategy with key stakeholders. A preliminary analysis should also be done which would involve a scan of the financial environment.

Identifying service policies in a setting with elected officials would be helpful. Service policies and priorities have important implications on how resources will be spent and revenues raised. Financial policies set baseline standards for financial stewardship and perpetuate structural balance. Therefore, organizational policies will play a role in the planning process, specifically in how the organization complies with those policies.

The second phase of long-term financial planning involves analysis. The Analysis Phase is designed to produce information that supports planning and strategizing. This phase involves information gathering to gain a better understanding of projecting trends of revenues, expenditures, and debt to forecast future challenges to fiscal stability such as fiscal deficits, unfavorable trends in the environment, and policy weaknesses in the financial structure. It would involve presenting both optimistic and pessimistic situations.

The third phase of long-term financial planning would be the Decision Phase. This phase involves how the government would use the information it has gathered and would
involve the participation of elected officials, staff and the public. This phase should address the process for executing the plan to ensure tangible results.

The last phase would be the **Execution Phase**. This involves adopting a plan, putting strategies in place (funding). Strategies in this phase can be operational through the budget, using financial performance measures and regular monitoring. Budget reorganization is necessary in order to achieve long-term financial stability.

**Recommendation 2 – Foster Redevelopment Infrastructure**

The Redevelopment Agency (RDA) has been formed to transfer designated areas within their boundaries to achieve desired development as well as encourage reconstruction and rehabilitation ([http://www.bcnv.org/utilitymailers/january%202006.pdf](http://www.bcnv.org/utilitymailers/january%202006.pdf)). Thus far, the RDA has failed to eliminate blight from designated areas. This is because the RDA appears to be is lacking a current comprehensive (master) plan. Current RDA projects (i.e., public art, restrooms at LA Water & Power, etc.) are often too small in scale, very narrow in scope, and too few in numbers. The Boulder City RDA Budget is only $876,000 in revenue for this fiscal year (with projected 19% growth per annum) – a larger scope is needed.

Implementing programs within the Downtown / HPD under the authority of the RDA could stimulate economic development while keeping tax revenue in Boulder City. RDA funds are administered through the Community Development, and approved through both the Redevelopment Committee and the City Council members. These funds can be used for public or City projects, or in partnership with private sector or business investment. A successful evaluation would be measured by increased sales and property tax revenues.
Recommendation 3 – Foster Development Infrastructure

The key to fostering development of infrastructure is through the City’s Master Plan of zoning. The Master Plan communicates goals and objectives of the City, allows for a five to ten year financial plan, and better enables the City to control commercial and residential growth. Implementation of commercial development is suggested by creating GIDs, since several business owners share in infrastructure costs and help lure business.

GIDs are generally formed to provide a source of funding for the construction and/or maintenance of eligible improvements within the district. The law allows the sale of bonds to finance the cost of these new facilities with participants (within the district) being assessed for their benefited share of the improvements (http://www.accessclarkcounty.com/depts/public_works/Pages/sid.aspx).

This model accelerates development schedules while providing a viable payback method. Also, through land entitlements provided to developers, private monies could offset the need for bonds through long-term tax rebates, below market land sales, expedited permitting, and developer-friendly financing options (e.g., VIP).

Consistent with this scheme is funding by the Federal Highway Administration (FHWA) and Regional Transportation Commission (RTC). That is, seek additional FHWA and RTC\(^5\) funding, some of which is already appropriated for the City. Again, this is a good reason to utilize bond issuance in conjunction with incentives to encourage private investment via a GID, thereby establishing an integral financial component to the overall economic development model.

\(^5\) Combination of nine cent gas tax, and appropriated Regional Transportation Plan 2006-2030 funding.
A key idea of the GID, and its consistency with the City of Boulder City 2000 Strategic Plan, is to entice the traveler to stop and spend time (and money) as they are passing through Boulder City. As previously mentioned, it is smart to build commerce with the transportation improvements because they complement each other, and are sponsored accordingly by the FHWA and Federal Transit Administration. The concept of a MUD with the aforementioned added attractiveness is a sound risk management practice for businesses, as it substantially lessens development conditions imposed by the City unto one developer, but is shared among all the participates in the GID.

After infrastructure is created, the City can generate additional income through increased sales taxes, in addition to the revenue generated on leased or sold property. If the land is sold, commercial property taxes can also be collected by the City thus reducing the taxpayers’ burden further. After implementation, evaluation of this recommendation can be achieved by comparing revenue generation before implementation and after.
VII. CONCLUSION & RECOMMENDATIONS

Our group’s recommendation is a holistic approach that altogether creates an integrated economic development solution using best practices from other local governments. The core concept is to utilize the authority of the RDA in conjunction with GIDs, private investment incentives, and issuance of bonds to build a financial infrastructure that would create an ongoing revenue base for economic revitalization and increased tax revenues.

Reorganization of General Fund revenue and expenditures, and community development programs, including redevelopment and new development would also promote economic stability for the City by increasing ad valorem and sales tax revenues. We analyzed the aforementioned core concept, and strongly recommend the utilization of GIDs / TIFs because we feel they are implementable in most of our group’s economic development plan examples, including reinvestment in the HPD; building a Power Plant, Toll Road, or Water Park; and future development of lands based on the proposed Master Plan Update (MPU).

We further recommend development/redevelopment takes place within the boundaries of the RDA to maximize the retention of tax revenues generated through the economic development plan. Although this is not 100% pragmatically possible because most of the City’s 200+ acres are still undeveloped (without blight conditions), we recommend wherever possible to locate the GIDs/TIFs inside the RDA boundaries, including the notion of adjusting such boundaries in order to capture the proposed improvement area(s). Additionally we feel grants can be used to help fund bike trails throughout the city.
Altogether we feel the core concept would be instrumental in erasing the stigma of the past that the City has poorly implemented good ideas, and at the same time create an infrastructure to facilitate the success of present and future economic development projects.

As the City grows and experiences stimuli for change its small town character and historical ties to the construction of Hoover Dam should be maintained. The historic business district programs our group has proposed are designed to foster appropriate business development through private public partnerships as a component of our recommendation. We stress the importance of sustainability (i.e., society exists without destroying the natural environment and economy) and the revitalization of the Downtown / HPD area. Please see Appendix D for a summary of examples in relation to using various financing programs and improvement districts to achieve fiscal sustainability.

Although this was not a recommendation, it is our opinion that land sales have more positive benefits that outweigh the current practice of leasing lands. There is a correlation of using GIDs/TIFs, and creating both tax revenues and tax rebates. That said, when we say "no land sales" we should differentiate what we mean. For instance, the perception of possible sale of land in Dutchman Pass several years ago where it was turned down by voters probably for various reasons created an argument that voters would not accept future land sales. But to the contrary, if we argue successfully that a land sale is for the purpose of economic development, thereby creating recurring tax revenues and private development incentives, then it would appear to be more fiscally responsible in the eyes of the people of Boulder City.

Our group's research empirically demonstrates this point in the July 2008 City Council meeting. Councilwoman Andrea Anderson suggested a land sale resolution should be placed back on the ballot as soon as possible, as it would take approximately one year to
obtain the vote of the people, and a second year to perform necessary appraisals and acquisitions of salable parcels. By the time these steps occur, there is the distinct possibility the land values may increase.

Also, in an interview with City Manager, Vicki Mayes, she expanded on the Councilwoman’s thought by suggesting the proposed MPU be integrated into this process to better identify prospective parcels for sale. A quote from a Smart Growth Developer’s Blog states, “people are beginning to realize that nodes of more intense development can help achieve local economic development goals, provide housing options, create walkable neighborhoods, and protect their air, water and open space” (http://www.smartgrowth.org/news/article.asp?art=6738&State=5).

In other words, an ordinance by the City Council to permit lands sales that is in line with the MPU, and without the vote of the people would be instrumental in building a financial infrastructure by burdening the newcomer rather than the existing citizen.

VIII. FURTHER RESEARCH

During the spring of 2008 another UNLV MPA group collected Boulder City financial data, which showed a need for conserving money or generating additional revenue to cover City expenses. Our group fully explored the best practices for financing a City’s funds and developed creative solutions to achieve additional revenue or conservation of funds. Future UNLV masters students could further research how the city funds could most effectively be distributed.
IX. WORKS CITED


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Tom Finn Interview Thursday June 26, 2008 10pm