

FLOOD CONTROL PROJECT NEEDS COMMITTEE

**REVIEW OF OPTIONAL REVENUE SOURCES INCLUDING
TRANSIENT LODGING TAX, SUPPLEMENTAL
GOVERNMENT SERVICES TAX, PROPERTY TAX, REAL
PROPERTY TRANSFER TAX, PLUS DIRECT BENEFIT AREA
RATES AND FEDERAL COST SHARE.**

FCPNC Meeting November 16, 2017

Item #5 - Report and discussion on optional new revenue sources and their past and projected future performance. The report will include discussion of, but not be limited to: Transient Lodging Tax (room tax); Supplemental Government Services Tax (vehicle registration tax); Property Tax; Real Property Transfer Tax; Direct Benefit Area Rates. Possible action to identify funding sources for further analysis and/or give direction to staff.

TRUCKEE RIVER FLOOD MANAGEMENT PROJECT
ANALYSIS OF OPTIONAL PROJECT COMPLETION DATES, OPTIONAL TAXES AND DIRECT
BENEFIT AREA FEES PLUS FEDERAL COST SHARE

SCOPE OF REVIEW

This review of the Truckee River Flood Management Project financing includes six scenarios and their impacts on the required revenue and hence the optional tax rates and taxpayer impact:

- With or without federal cost share.
- Two Direct Benefit Area rates: \$0.008/sf per month or \$0.012/sf per month.
- Set optional tax rates as single source of additional revenue and combined tax rates a source of additional revenue.
- Two alternative construction durations: FYE 2033 or FYE 2043.

Additional assumptions:

- The estimated total project cost in 2018 dollars is \$422.1 million.
- The estimated annual cash flows for the federal cost share is shown on Page 9, with TRFMA reimbursement to the Corps for its already incurred costs beginning in FYE 2024 and the Corps payment to support future project costs beginning in FYE 2025.
- The Direct Benefit Area revenue assumes rates will be imposed at the beginning of Phase 3 in FYE 2023, the rate base does not grow and the rate increases annually after construction based on the rate of inflation.
- Project financing is from a combination of cash and debt proceeds.
- The revenue required includes paying for the project cost, the annual operating and maintenance cost, plus funding an emergency replacement reserve fund.

The six scenarios reviewed are defined in the table below:

<p><u>Scenario 1</u></p> <ul style="list-style-type: none"> • Project Completion Date FYE 2043 • Direct Benefit Area Rate At \$0.008/sf Per Month • Excludes Federal Cost Share 	<p><u>Scenario 2</u></p> <ul style="list-style-type: none"> • Project Completion Date FYE 2043 • Direct Benefit Area Rate At \$0.008/sf Per Month • Includes Federal Cost Share
<p><u>Scenario 3</u></p> <ul style="list-style-type: none"> • Project Completion Date FYE 2033 • Direct Benefit Area Rate At \$0.008/sf Per Month • Excludes Federal Cost Share 	<p><u>Scenario 4</u></p> <ul style="list-style-type: none"> • Project Completion Date FYE 2043 • Direct Benefit Area Rate At \$0.012/sf Per Month • Excludes Federal Cost Share
<p><u>Scenario 5</u></p> <ul style="list-style-type: none"> • Project Completion Date FYE 2043 • Direct Benefit Area Rate At \$0.012/sf Per Month • Includes Federal Cost Share 	<p><u>Scenario 6</u></p> <ul style="list-style-type: none"> • Project Completion Date FYE 2033 • Direct Benefit Area Rate At \$0.012/sf Per Month • Excludes Federal Cost Share

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RESULTS SUMMARY

As can be seen in the table on Page 3 the results are as expected, the longer the construction time, the higher the total project cost. Although the longer construction time increases the total amount of revenue required (see Scenarios 4, 5 & 6 vs. Scenarios 1, 2 & 3) the lower average annual revenue requirement results in lower new tax rates in comparative scenarios (see Scenario 1 vs. Scenario 4, Scenario 2 vs. Scenario 5, Scenario 3 vs. Scenario 6) although the increase in the Direct Benefit Area fee in Scenarios 4, 5 & 6 explains part of those lower new tax rates.

Scenario 3 has the highest tax rates, both based on each tax being a single new tax revenue source and all four taxes combined into a new tax revenue source due to the shorter construction completion time, combined with the lower Direct Benefit Area fee (\$0.008/sf) and no federal cost share.

Scenario 5 has the lowest tax rates, both based on each tax being the single new tax revenue source and all four taxes combined into a new tax revenue source due to the longer construction completion time, combined with the higher Direct Benefit Area fee (\$0.012/sf) and including federal cost share.

Also note that the single new tax based on the Government Services Tax in Scenarios 3 and 6 is in excess of the tax rate cap as a result of no federal cost share.

In each scenario the total percent contribution to total revenue from a single new tax versus the revenues from combining all four taxes remains the same as those new sources need to complement revenues from the other revenue sources, Direct Benefit Area fee, existing sales tax plus other revenue (see Tables 2 and 4 in each scenario).

The taxpayer impact calculations for the new taxes are all based on the following:

- Property Tax: per year based on a new house valued at \$100,000.
- Government Services Tax: per year based on a manufacturer's suggested retail price of a new car of \$10,000.
- Real Property Transfer Tax: per transaction based on a property with a taxable value of \$100,000.
- Transient Lodging Tax: per one-day rental based on a taxable room rate of \$100.

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Project Financing
Estimated Additional Tax Rates
Summary
(11/16/17)

Scenarios	Tax	Single New Tax Source ⁽¹⁾		Combined New Tax Sources ⁽²⁾	
		Tax Rate	Taxpayer Impact ⁽³⁾	Tax Rate	Taxpayer Impact ⁽³⁾
Scenario 1	Property Tax	\$0.0639	\$22.35	\$0.0529	\$18.50
Project Completion Date FYE 2043	Government Services Tax ⁽⁴⁾	\$0.0080	\$28.10	\$0.0006	\$2.02
Direct Benefit Area Rate At \$0.008/sf Per Month ⁽⁵⁾	Real Property Transfer Tax	\$0.8823	\$176.46	\$0.0296	\$5.92
Excludes Federal Cost Share	Transient Lodging Tax	2.91%	\$2.91	0.19%	\$0.19
Scenario 2	Property Tax	\$0.0543	\$19.02	\$0.0450	\$15.74
Project Completion Date FYE 2043	Government Services Tax ⁽⁴⁾	\$0.0068	\$23.91	\$0.0005	\$1.72
Direct Benefit Area Rate At \$0.008/sf Per Month ⁽⁵⁾	Real Property Transfer Tax	\$0.7507	\$150.14	\$0.0252	\$5.04
Includes Federal Cost Share	Transient Lodging Tax	2.48%	\$2.48	0.17%	\$0.17
Scenario 3	Property Tax	\$0.1068	\$37.36	\$0.0883	\$30.92
Project Completion Date FYE 2033	Government Services Tax ⁽⁴⁾	\$0.0134	\$46.97	\$0.0010	\$3.38
Direct Benefit Area Rate At \$0.008/sf Per Month ⁽⁵⁾	Real Property Transfer Tax	\$1.4748	\$294.95	\$0.0495	\$9.90
Excludes Federal Cost Share	Transient Lodging Tax	4.86%	\$4.86	0.33%	\$0.33
Scenario 4	Property Tax	\$0.0589	\$20.60	\$0.0487	\$17.05
Project Completion Date FYE 2043	Government Services Tax ⁽⁴⁾	\$0.0074	\$25.90	\$0.0005	\$1.86
Direct Benefit Area Rate At \$0.012/sf Per Month ⁽⁵⁾	Real Property Transfer Tax	\$0.8132	\$162.64	\$0.0273	\$5.46
Excludes Federal Cost Share	Transient Lodging Tax	2.68%	\$2.68	0.18%	\$0.18
Scenario 5	Property Tax	\$0.0495	\$17.32	\$0.0410	\$14.34
Project Completion Date FYE 2043	Government Services Tax ⁽⁴⁾	\$0.0062	\$21.78	\$0.0004	\$1.57
Direct Benefit Area Rate At \$0.012/sf Per Month ⁽⁵⁾	Real Property Transfer Tax	\$0.6838	\$136.75	\$0.0229	\$4.59
Includes Federal Cost Share	Transient Lodging Tax	2.26%	\$2.26	0.15%	\$0.15
Scenario 6	Property Tax	\$0.1019	\$35.68	\$0.0844	\$29.53
Project Completion Date FYE 2033	Government Services Tax ⁽⁴⁾	\$0.0128	\$44.85	\$0.0009	\$3.23
Direct Benefit Area Rate At \$0.012/sf Per Month ⁽⁵⁾	Real Property Transfer Tax	\$1.4083	\$281.67	\$0.0473	\$9.45
Excludes Federal Cost Share	Transient Lodging Tax	4.65%	\$0.31	0.31%	\$0.31
Existing Tax Rates					
	Property Tax	\$3.6600			
	Government Services Tax ⁽⁴⁾	\$0.0400			
	Real Property Transfer Tax	\$2.0500			
	Transient Lodging Tax	13.50%			

Notes:

- (1) Each tax rate set to generate, separately, the balance of revenue needed.
- (2) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.
- (3) Taxpayer impact based on the following:
 - Property tax - per year based on a new house valued at \$100,000.
 - Government Services Tax - per year based on a manufactures suggested retail price of a new car of \$10,000.
 - Real Property Transfer Tax - per transaction based on a property with a taxable value of \$100,000.
 - Transient Lodging Tax - per one day rental based on a taxable room rate of \$100.
- (4) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (5) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.

**TRUCKEE RIVER FLOOD MANAGEMENT PROJECT
ANALYSIS OF OPTIONAL PROJECT COMPLETION DATES, OPTIONAL TAXES AND DIRECT
BENEFIT AREA FEES PLUS FEDERAL COST SHARE**

Scenario 1

Project Completion Date FYE 2043
Direct Benefit Area Rate At \$0.008/sf Per Month ⁽¹⁾
Excludes Federal Cost Share
(11/16/17)

**Table 1
Single New Tax Source ⁽²⁾**

Optional Taxes	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	Taxpayer Impact
Property Tax	\$0.0639	\$3.6600	\$3.7239	\$22.35 ⁽³⁾
Percent increase from existing rate	1.7%			
Government Services Tax ⁽⁷⁾	\$0.0080	\$0.0400	\$0.0480	\$28.10 ⁽³⁾
Percent increase from existing rate	20.1%			
Real Property Transfer Tax	\$0.8823	\$2.0500	\$2.9323	\$176.46 ⁽³⁾
Percent increase from existing rate	43.0%			
Transient Lodging Tax	2.91%	13.50%	16.41%	\$2.91 ⁽³⁾
Percent increase from existing rate	21.6%			

**Table 2
Percent Share of Revenue Thru Debt Repayment**

Existing Sales Tax	44.4%
New Tax	48.5%
Direct Benefit Area	6.8%
Federal Cost Share	0.0%
Other	0.2%
Total	100.0%

General Fund Revenues Thru Debt Repayment In FYE 2046 \$918,094,472

**Table 3
Capital Project Financing**

Source of Funds	Amount	% of Total
Debt Financed (Deposit to Capital Project Fund)	\$160,024,427	24.80%
General Fund (Transfer to Capital Project Fund)	463,977,013	71.90%
Capital Project Fund - Beginning Fund Balance	7,074	0.00%
Capital Project Fund Interest Income	21,119,019	3.27%
Capital Project Fund - Other Income	178,700	0.03%
Total Project Cost (Nominal \$)	\$645,306,234	100.00%

**Table 4
Combined New Tax Sources ⁽⁸⁾**

Combined Tax Sources	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	% Share of New Tax Revenue	Taxpayer Impact
Property Tax	\$0.0529	\$3.6600	\$3.7129	40.1%	\$18.50 ⁽³⁾
Government Services Tax ⁽⁷⁾	\$0.0006	\$0.0400	\$0.0406	3.5%	\$2.02 ⁽³⁾
Real Property Transfer Tax	\$0.0296	\$2.0500	\$2.0796	1.6%	\$5.92 ⁽³⁾
Transient Lodging Tax	0.19%	13.50%	13.69%	3.2%	\$0.19 ⁽³⁾
				<u>48.5%</u>	
Percent increase from existing rates	1.4%				

Notes:

- (1) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.
- (2) Each tax rate set to generate, separately, the balance of revenue needed.
- (3) Per year based on a new house valued at \$100,000.
- (4) Per year based on a manufactures suggested retail price of a new car of \$10,000.
- (5) Per transaction based on a property with a taxable value of \$100,000.
- (6) Per one day rental based on a taxable room rate of \$100.
- (7) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (8) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.

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Scenario 2

Project Completion Date FYE 2043
Direct Benefit Area Rate At \$0.008/sf Per Month ⁽¹⁾
Includes Federal Cost Share
(11/16/17)

**Table 1
Single New Tax Source ⁽²⁾**

Single Tax Source ⁽³⁾	Estimated Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	Taxpayer Impact
Property Tax	\$0.0543	\$3.6600	\$3.7143	\$19.02 ⁽⁶⁾
Percent increase from existing rate	1.5%			
Government Services Tax ⁽⁷⁾	\$0.0068	\$0.0400	\$0.0468	\$23.91 ⁽⁶⁾
Percent increase from existing rate	17.1%			
Real Property Transfer Tax	\$0.7507	\$2.0500	\$2.8007	\$150.14 ⁽⁶⁾
Percent increase from existing rate	36.6%			
Transient Lodging Tax	2.48%	13.50%	15.98%	\$2.48 ⁽⁶⁾
Percent increase from existing rate	18.3%			

**Table 2
Percent Share of Revenue Thru Debt Repayment**

Existing Sales Tax	40.4%
New Tax	37.7%
Direct Benefit Area	6.4%
Federal Cost Share	15.2%
Other	0.2%
Total	100.0%
General Fund Revenues Thru Debt Repayment In FYE 2044	<u>\$899,175,749</u>

**Table 3
Capital Project Financing**

Source of Funds	Amount	% of Total
Debt Financed (Deposit to Capital Project Fund)	\$129,292,015	20.04%
General Fund (Transfer to Capital Project Fund)	491,555,319	76.17%
Capital Project Fund - Beginning Fund Balance	7,074	0.00%
Capital Project Fund Interest Income	24,273,126	3.76%
Capital Project Fund - Other Income	178,700	0.03%
Total Project Cost (Nominal \$)	\$645,306,234	100.00%

**Table 4
Combined New Tax Sources ⁽⁸⁾**

Combined Tax Sources	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	% Share of New Tax Revenue	Taxpayer Impact
Property Tax	\$0.0450	\$3.6600	\$3.7050	31.2%	\$15.74 ⁽⁶⁾
Government Services Tax ⁽⁷⁾	\$0.0005	\$0.0400	\$0.0405	2.7%	\$1.72 ⁽⁶⁾
Real Property Transfer Tax	\$0.0252	\$2.0500	\$2.0752	1.3%	\$5.04 ⁽⁶⁾
Transient Lodging Tax	0.17%	13.50%	13.67%	2.5%	\$0.17 ⁽⁶⁾
				<u>37.7%</u>	
Percent increase from existing rates	1.2%				

Notes:

- (1) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.
- (2) Each tax rate set to generate, separately, the balance of revenue needed.
- (3) Per year based on a new house valued at \$100,000.
- (4) Per year based on a manufactures suggested retail price of a new car of \$10,000.
- (5) Per transaction based on a property with a taxable value of \$100,000.
- (6) Per one day rental based on a taxable room rate of \$100.
- (7) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (8) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.

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Scenario 3

Project Completion Date FYE 2033
Direct Benefit Area Rate At \$0.008/sf Per Month ⁽¹⁾
Excludes Federal Cost Share
(11/16/17)

**Table 1
Single New Tax Source ⁽²⁾**

Optional Taxes	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	Taxpayer Impact
Property Tax	\$0.1068	\$3.6600	\$3.7668	\$37.36 ⁽³⁾
Percent increase from existing rate	2.9%			
Government Services Tax ⁽⁷⁾	\$0.0134	\$0.0400	\$0.0534	\$46.97 ⁽⁴⁾
Percent increase from existing rate	33.6%			
Real Property Transfer Tax	\$1.4748	\$2.0500	\$3.5248	\$294.95 ⁽⁵⁾
Percent increase from existing rate	71.9%			
Transient Lodging Tax	4.86%	13.50%	18.36%	\$4.86 ⁽⁶⁾
Percent increase from existing rate	36.0%			

**Table 2
Percent Share of Revenue Thru Debt Repayment**

Existing Sales Tax	32.8%
New Tax	60.6%
Direct Benefit Area	5.7%
Federal Cost Share	0.0%
Other	1.0%
Total	100.0%

General Fund Revenues Thru Debt Repayment In FYE 2041 \$921,099,963

**Table 3
Capital Project Financing**

Source of Funds	Amount	% of Total
Debt Financed (Deposit to Capital Project Fund)	\$233,930,471	41.98%
General Fund (Transfer to Capital Project Fund)	310,803,898	55.78%
Capital Project Fund - Beginning Fund Balance	7,074	0.00%
Capital Project Fund Interest Income	12,265,990	2.20%
Capital Project Fund - Other Income	178,700	0.03%
Total Project Cost (Nominal \$)	\$557,186,134	100.00%

**Table 4
Combined New Tax Sources ⁽⁸⁾**

Combined Tax Sources	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	% Share of New Tax Revenue	Taxpayer Impact
Property Tax	\$0.0883	\$3.6600	\$3.7483	50.1%	\$30.92 ⁽³⁾
Government Services Tax ⁽⁷⁾	\$0.0010	\$0.0400	\$0.0410	4.4%	\$3.38 ⁽⁴⁾
Real Property Transfer Tax	\$0.0495	\$2.0500	\$2.0995	2.0%	\$9.90 ⁽⁵⁾
Transient Lodging Tax	0.33%	13.50%	13.83%	4.1%	\$0.33 ⁽⁶⁾
				<u>60.6%</u>	
Percent increase from existing rates	2.4%				

Notes:

- (1) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.
- (2) Each tax rate set to generate, separately, the balance of revenue needed.
- (3) Per year based on a new house valued at \$100,000.
- (4) Per year based on a manufactures suggested retail price of a new car of \$10,000.
- (5) Per transaction based on a property with a taxable value of \$100,000.
- (6) Per one day rental based on a taxable room rate of \$100.
- (7) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (8) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.

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Scenario 4

Project Completion Date FYE 2043
Direct Benefit Area Rate At \$0.012/sf Per Month ⁽¹⁾
Excludes Federal Cost Share
(11/16/17)

**Table 1
Single New Tax Source ⁽²⁾**

Optional Taxes	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	Taxpayer Impact
Property Tax	\$0.0589	\$3.6600	\$3.7189	\$20.60 ⁽³⁾
Percent increase from existing rate	1.6%			
Government Services Tax ⁽⁷⁾	\$0.0074	\$0.0400	\$0.0474	\$25.90 ⁽³⁾
Percent increase from existing rate	18.5%			
Real Property Transfer Tax	\$0.8132	\$2.0500	\$2.8632	\$162.64 ⁽³⁾
Percent increase from existing rate	39.7%			
Transient Lodging Tax	2.68%	13.50%	16.18%	\$2.68 ⁽³⁾
Percent increase from existing rate	19.9%			

**Table 2
Percent Share of Revenue Thru Debt Repayment**

Existing Sales Tax	44.7%
New Tax	44.8%
Direct Benefit Area	10.2%
Federal Cost Share	0.0%
Other	0.2%
Total	100.0%

General Fund Revenues Thru Debt Repayment In FYE 2047 \$964,747,919

**Table 3
Capital Project Financing**

Source of Funds	Amount	% of Total
Debt Financed (Deposit to Capital Project Fund)	\$167,927,858	26.07%
General Fund (Transfer to Capital Project Fund)	455,928,271	70.65%
Capital Project Fund - Beginning Fund Balance	7,074	0.00%
Capital Project Fund Interest Income	21,264,331	3.30%
Capital Project Fund - Other Income	178,700	0.03%
Total Project Cost (Nominal \$)	\$645,306,234	100.00%

**Table 4
Combined New Tax Sources ⁽⁸⁾**

Combined Tax Sources	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	% Share of New Tax Revenue	Taxpayer Impact
Property Tax	\$0.0487	\$3.6600	\$3.7087	37.1%	\$17.05 ⁽³⁾
Government Services Tax ⁽⁷⁾	\$0.0005	\$0.0400	\$0.0405	3.2%	\$1.86 ⁽³⁾
Real Property Transfer Tax	\$0.0273	\$2.0500	\$2.0773	1.5%	\$5.46 ⁽³⁾
Transient Lodging Tax	0.18%	13.50%	13.68%	3.0%	\$0.18 ⁽³⁾
				44.8%	
Percent increase from existing rates	1.3%				

Notes:

- (1) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.
- (2) Each tax rate set to generate, separately, the balance of revenue needed.
- (3) Per year based on a new house valued at \$100,000.
- (4) Per year based on a manufactures suggested retail price of a new car of \$10,000.
- (5) Per transaction based on a property with a taxable value of \$100,000.
- (6) Per one day rental based on a taxable room rate of \$100.
- (7) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (8) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.

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Scenario 5

Project Completion Date FYE 2043

Direct Benefit Area Rate At \$0.012/sf Per Month ⁽¹⁾

Includes Federal Cost Share

(11/16/17)

**Table 1
Single New Tax Source ⁽²⁾**

Optional Taxes	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	Taxpayer Impact
Property Tax	\$0.0495	\$3.6600	\$3.7095	\$17.32 ⁽³⁾
Percent increase from existing rate	1.4%			
Government Services Tax ⁽⁷⁾	\$0.0062	\$0.0400	\$0.0462	\$21.78 ⁽³⁾
Percent increase from existing rate	15.6%			
Real Property Transfer Tax	\$0.6838	\$2.0500	\$2.7338	\$136.75 ⁽³⁾
Percent increase from existing rate	33.4%			
Transient Lodging Tax	2.26%	13.50%	15.76%	\$2.26 ⁽³⁾
Percent increase from existing rate	16.7%			

**Table 2
Percent Share of Revenue Thru Debt Repayment**

Existing Sales Tax	40.5%
New Tax	34.4%
Direct Benefit Area	9.6%
Federal Cost Share	15.3%
Other	0.2%
Total	100.0%

General Fund Revenues Thru Debt
Repayment In FYE 2044 \$897,549,260

**Table 3
Capital Project Financing**

Source of Funds	Amount	% of Total
Debt Financed (Deposit to Capital Project Fund)	\$130,238,211	20.18%
General Fund (Transfer to Capital Project Fund)	491,090,054	76.10%
Capital Project Fund - Beginning Fund Balance	7,074	0.00%
Capital Project Fund Interest Income	23,792,194	3.69%
Capital Project Fund - Other Income	178,700	0.03%
Total Project Cost (Nominal \$)	\$645,306,234	100.00%

**Table 4
Combined New Tax Sources ⁽⁸⁾**

Combined Tax Sources	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	% Share of New Tax Revenue	Taxpayer Impact
Property Tax	\$0.0410	\$3.6600	\$3.7010	28.5%	\$14.34 ⁽³⁾
Government Services Tax ⁽⁷⁾	\$0.0004	\$0.0400	\$0.0404	2.5%	\$1.57 ⁽³⁾
Real Property Transfer Tax	\$0.0229	\$2.0500	\$2.0729	1.2%	\$4.59 ⁽³⁾
Transient Lodging Tax	0.15%	13.50%	13.65%	2.3%	\$0.15 ⁽³⁾
				<u>34.4%</u>	
Percent increase from existing rates	1.1%				

Notes:

- (1) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.
- (2) Each tax rate set to generate, separately, the balance of revenue needed.
- (3) Per year based on a new house valued at \$100,000.
- (4) Per year based on a manufactures suggested retail price of a new car of \$10,000.
- (5) Per transaction based on a property with a taxable value of \$100,000.
- (6) Per one day rental based on a taxable room rate of \$100.
- (7) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (8) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.

**TRUCKEE RIVER FLOOD MANAGEMENT PROJECT
ANALYSIS OF OPTIONAL PROJECT COMPLETION DATES, OPTIONAL TAXES AND DIRECT
BENEFIT AREA FEES PLUS FEDERAL COST SHARE**

Scenario 6

Project Completion Date FYE 2033
Direct Benefit Area Rate At \$0.012/sf Per Month ⁽¹⁾
Excludes Federal Cost Share
(11/16/17)

**Table 1
Single New Tax Source ⁽²⁾**

Optional Taxes	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	Taxpayer Impact
Property Tax	\$0.1019	\$3.6600	\$3.7619	\$35.68 ⁽³⁾
Percent increase from existing rate	2.8%			
Government Services Tax ⁽⁷⁾	\$0.0128	\$0.0400	\$0.0528 ⁽⁶⁾	\$44.85 ⁽⁴⁾
Percent increase from existing rate	32.0%			
Real Property Transfer Tax	\$1.4083	\$2.0500	\$3.4583	\$281.67 ⁽⁵⁾
Percent increase from existing rate	68.7%			
Transient Lodging Tax	4.65%	13.50%	18.15%	\$0.31 ⁽⁶⁾
Percent increase from existing rate	34.4%			

**Table 2
Percent Share of Revenue Thru Debt Repayment**

Existing Sales Tax	32.7%
New Tax	57.8%
Direct Benefit Area	8.5%
Federal Cost Share	0.0%
Other	1.0%
Total	100.0%

General Fund Revenues Thru Debt
Repayment In FYE 2041 \$922,089,057

**Table 3
Capital Project Financing**

Source of Funds	Amount	% of Total
Debt Financed (Deposit to Capital Project Fund)	\$234,956,923	42.17%
General Fund (Transfer to Capital Project Fund)	309,962,575	55.63%
Capital Project Fund - Beginning Fund Balance	7,074	0.00%
Capital Project Fund Interest Income	12,080,861	2.17%
Capital Project Fund - Other Income	178,700	0.03%
Total Project Cost (Nominal \$)	\$557,186,134	100.00%

**Table 4
Combined New Tax Sources ⁽⁸⁾**

Combined Tax Sources	Estimated New Tax Rates	Existing Tax Rates in Washoe County	Total Tax Rates With New Tax	% Share of New Tax Revenue	Taxpayer Impact
Property Tax	\$0.0844	\$3.6600	\$3.7444	47.8%	\$29.53 ⁽³⁾
Government Services Tax ⁽⁷⁾	\$0.0009	\$0.0400	\$0.0409	4.2%	\$3.23 ⁽⁴⁾
Real Property Transfer Tax	\$0.0473	\$2.0500	\$2.0973	1.9%	\$9.45 ⁽⁵⁾
Transient Lodging Tax	0.31%	13.50%	13.81%	3.9%	\$0.31 ⁽⁶⁾
				<u>57.8%</u>	
Percent increase from existing rates	2.3%				

Notes:

- (1) Direct Benefit Area rate revenue based on a start date of FYE 2023, no growth in rate base and rate increased by the rate of inflation in year after construction ends.
- (2) Each tax rate set to generate, separately, the balance of revenue needed.
- (3) Per year based on a new house valued at \$100,000.
- (4) Per year based on a manufactures suggested retail price of a new car of \$10,000.
- (5) Per transaction based on a property with a taxable value of \$100,000.
- (6) Per one day rental based on a taxable room rate of \$100.
- (7) State constitution limits Government Services Tax to \$0.05 and only an additional \$0.01 is available.
- (8) All four tax rates set to generate, in total, the balance of revenue needed and based on the same percent increase in the rate.

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**Estimated Federal Cost Share Cash Flows
 Based on a Project Completion Date of FYE 2043**

Table 1

Total Estimated Federal Cost Share Cash Flows	
Total Support From	202,000,000
Total Reimbursement To	20,000,000
Net	182,000,000

Table 2

Estimated Annual Federal Cost Share Cash Flows		
Year	Reimbursement To	Support From
FYE 2018		
FYE 2019		
FYE 2020		
FYE 2021		
FYE 2022		
FYE 2023		
FYE 2024	5,000,000	
FYE 2025	5,000,000	2,000,000
FYE 2026	5,000,000	10,000,000
FYE 2027	5,000,000	10,000,000
FYE 2028		5,000,000
FYE 2029		10,000,000
FYE 2030		5,000,000
FYE 2031		10,000,000
FYE 2032		5,000,000
FYE 2033		10,000,000
FYE 2034		10,000,000
FYE 2035		5,000,000
FYE 2036		10,000,000
FYE 2037		10,000,000
FYE 2038		5,000,000
FYE 2039		5,000,000
FYE 2040		5,000,000
FYE 2041		5,000,000
FYE 2042		5,000,000
FYE 2043		5,000,000
FYE 2044		5,000,000
FYE 2045		5,000,000
FYE 2046		5,000,000
FYE 2047		5,000,000
FYE 2048		5,000,000
FYE 2049		5,000,000
FYE 2050		5,000,000
FYE 2051		5,000,000
FYE 2052		5,000,000
FYE 2053		5,000,000
FYE 2054		5,000,000
FYE 2055		5,000,000
FYE 2056		5,000,000
FYE 2057		5,000,000