



TRUCKEE RIVER FLOOD MANAGEMENT AUTHORITY
FLOOD CONTROL PROJECT NEEDS COMMITTEE

FREQUENTLY ASKED QUESTIONS

WHAT IS THE FLOOD CONTROL PROJECT NEEDS COMMITTEE (FCPNC)?

The Truckee River Flood Control Project Needs Committee (FCPNC), is a 16-person committee (includes two non-voting members) that is tasked with recommending the creation of certain taxes, fees, rates, charges, levies or assessments to fund the approved flood control project of the Truckee River Flood Management Authority through a ballot question initiative in 2018.

This committee was created in 2017 by legislation AB 375 to examine how best to fund the flood control project that was created by this community, approved by the federal government and supported by the Army Corps of Engineers.

The FCPNC has two objectives. It will focus on understanding the background, history and needs of the project and the project components, and then work toward developing a recommendation for a combination of rates, fees and taxes to fund the flood project.

Before April 2, 2018, the FCPNC will formulate their recommendation into a ballot question to be considered by the voters of Washoe County. The FCPNC must also issue a report to the Governor, the Nevada Legislature, the Regional Planning Commission, the Washoe County Board of County Commissioners, the City of Reno and the City of Sparks, that addresses regional drainage issues with recommended solutions. This report will be specific to outlying areas in Washoe County, and describe those areas most affected by recent flooding and those areas not covered by the existing Truckee River Flood Control Plan – both of these tasks must be completed all within 18 months from the start of the Committee.

IN 2015, THE FLOOD AUTHORITY BOARD REJECTED A FEE PROGRAM SAYING THE ULTIMATE PACKAGE WOULD BE TOO ONEROUS ON PROPERTY OWNERS. WHY SHOULD WE SUPPORT THIS APPROACH NOW?

Although the TRFMA Board of Directors determined that funding the construction of the Flood Protection Project with the fee alone would be too financially burdensome for properties in the direct benefit area (the area determined by the flood plan studies to be most likely to flood), the Board did not reject the entire potential fee option.

The Board instructed TRFMA staff to research other funding options in conjunction with a fee levied only in the direct benefit area of the project. In planning, the Board recommended the staff use \$8/1,000 SF for research and analysis. The FCPNC is required to recommend a flood control fee to the TRFMA Board of Directors for adoption as part of the funding program.

WHY DOES OUR COMMUNITY NEED A 100-YEAR PLAN VERSUS A 50-YEAR PLAN?

The service level of a project such as a 100-year design or a 50-year design is an indication of the magnitude of the capacity of the project to handle the referenced storm event. A 100-year storm event is much greater than a 50-year storm event, so therefore a project with a 100-year design would handle the larger of the two types of events. In addition, the minimal standard of practice throughout the United States is to meet a 100-year design since FEMA mapping standards are tied directly to this minimum standard and most, if not all, insurance companies are required to honor this standard which has the impact of dramatically lowering insurance costs for anyone wishing to insure against flood damage.

Our community already has protection close to a 40-year level in many places throughout the Truckee Meadows region. Increasing the design to a 50-year level would not add a significant advantage, nor would it allow for any insurance subsidies. The TRFMA enhanced the design of our project to a 100-year level to maintain the benefits associated with that level of design, and to provide for a resilient and viable economy and to provide for the health and safety of our citizens. The region will flood again – it is a matter of when, where and at what magnitude.

A complete [Flood Protection Plan](#) booklet can be downloaded.

THE TRFMA CURRENTLY GETS A 1/8 CENT SALES TAX FOR PUBLIC SAFETY AND THE FLOOD PROJECT. WHY DOES THE PROJECT NEED MORE MONEY?

The current 1/8 cent sales tax allows TRFMA to build only a limited portion of the complete Flood Protection Plan elements in a reasonable timeframe (15 to 25 years). With only this funding, the complete project construction would last almost indefinitely (greater than 75 years). [The complete plan is shown here.](#) This inability to construct the entire plan within a reasonable timeframe demonstrates the significant funding shortfall. Even when including the required direct benefit fee assumed at \$8/1,000 SF with the existing sales tax revenue, a major funding gap still exists.

The FCPNC was created to determine an additional funding source to bridge the funding gap with a proposed solution to make up the difference. Once a funding source has been identified by the FCPNC, they will formulate a ballot question to take to the voters in 2018.

Finally, since Congress authorized this project in 2014, there exists an authorization for federal funding for the Truckee River Flood Project up to \$180 million dollars. Appropriation of these funds must come on an annual basis from Congress through the Army Corps of Engineers (Corps.), eventually to us. Once appropriated, those funds may be used to construct the project.

In order for this to happen, TRFMA's responsibilities include demonstrating proof to the Corps that there is the monetary means to provide the share of the annual funding; TRFMA is also required to negotiate a partnership agreement with the Corps to formalize all aspects of the project. The biggest hurdle to completion of the partnership agreement is the proof TRFMA can raise the necessary funds. If we fail to complete the agreement by the year 2021, the TRFMA will lose project authorization and the opportunity to share in any federal funding (at this point, it is estimated at \$180 million potentially, minus \$20 million that the Corps already provided for initial planning and development).

Since it will take more than a year to negotiate the agreement, a successful vote in 2020 would be too late to complete all that is required to do. Therefore, the last opportunity we have, as a community, to prove to the Corps that we have the necessary funding, is November 2018.

HOW WILL THE FEES AND TAXES BE STRUCTURED AND APPROVED?

The TRFMA Board of Directors has the authority to impose a flood protection fee. After considering the fee alone, the Board concluded that it would be too financially burdensome for properties in the direct benefit area to fund the entire budget needed with a fee only. It was because of this conclusion that the Board sought assistance from the Nevada Legislature for help in identifying an equitable revenue source to construct the Flood Protection Project. In response, the 2017 Nevada Legislature passed Assembly Bill 375, which created the Truckee River Flood Control Project Needs Committee (FCPNC).

COMPONENTS OF THE FUNDING FOR THE APPROVED PROJECT:

- **CURRENT SALES TAX**

Currently, TRFMA is receiving a ⅓ cent sales tax to fund its current projects to-date. This can help contribute funds to the project construction.

- **DIRECT BENEFIT FEE**

In addition, there will be a TRFMA flood protection fee levied on properties in the direct benefit area. For purposes of planning and analysis, the Board used a hypothetical fee amount of \$8 per 1,000 SF of developed commercial space in the direct benefit area. The FCPNC is currently discussing this model for the fee. It may change in its final response to the TRFMA board.

- **COMMITTEE TO BRING FUNDING SOURCES TO VOTERS**

While the TRFMA Board of Directors has the authority to propose a fee which may partially fund the project, the FCPNC may also add a proposal for voter consideration for the implementation of taxes for the remaining amount. The FCPNC:

- ▶ **Must** include a proposal for the imposition of a fee, rate or charge that the governing body of the flood authority must approve
- ▶ **May** include a proposal for imposition of one or more taxes that the voters of Washoe County will consider

The flood management authority shall impose the fee as recommended. If a tax is recommended, the Board of County Commissioners (BCC) shall submit a question to the voters at the general election of 2018 asking if the proposed taxes should be imposed.

Under AB 375, the taxes that may be considered include: room tax, supplemental government services tax (vehicle privilege tax); real property transfer tax; property tax; or any other tax that the county is authorized to impose under State law. Sales tax may **not** be considered.

FEDERAL COST SHARE

There is a potential federal contribution as well from the Army Corps of Engineers, at ~\$180 million based on the 100-year plan (including the \$20 million committed to TRFMA for work on design and development for the project). We must negotiate a partnership agreement with the Corps by ~2021. If the TRFMA is not financially prepared to sign a partnership agreement with the Army Corps of Engineers and show our community's ability to help fund the project, the Federal Funding will be lost and will in all likelihood not be available again.

HOW MUCH DOES THE 100-YEAR PLAN PROJECT COST?

In the early 2000s, the project estimate was \$300 million. In the mid-2000s, it escalated to \$1.6 billion. Through excellent planning and engineering, the cost is now \$422 million in 2018 dollars. As noted above, there is a potential of Federal cost sharing funds from the Army Corps of Engineers of ~\$180 million that will apply to the project.

WHY AREN'T THESE FUNDS GOING TOWARD CITY PROJECTS LIKE DRAINAGE AND TRIBUTARIES; OR TO HELP LEMMON VALLEY?

The harsh reality is that there is significantly more needs for flood control and drainage project dollars in the region presently than there is money to pay for them. Although the regional drainage problems have become more pronounced as recently as 2017, historically, the Truckee River flooding has commanded most of the attention by the community. As early as the Flood Control Act of 1954, this community has been attempting to fix the problem of river-based flooding in the Truckee Meadows. Even though the early settlers of this area wrestled with the irrigation ditch flooding, their real nemesis was always the Truckee River. As late as 1996, then Senator Harry Reid asked the Corps of Engineers to study the Truckee River and recommend solutions to fix the river problem. Up to and until the current year, the other regional drainage problems have not risen to the level to demand their own solutions.

Fortunately, these problems have not gone unnoticed. The legislation pursued by the TRFMA Board allows for the FCPNC to address these problems and make recommendations after they have developed a strategy to advance the Truckee River Flood Project construction. The planning threshold to implement such strategies will take some time and effort; but beginning to address these problems in the region now will pay dividends for the residents in the future.

LEMMON VALLEY HAS SIGNIFICANT NEEDS. WHY ARE THEY NOT GETTING THE ASSISTANCE FROM THE FLOOD PROJECT?

The Community Services Department of Washoe County is currently developing a plan to specifically address Lemmon Valley. The solutions to the problems are very complex, and it will take significant amount of time and effort to develop the most efficient and cost effective strategies. The reality is that these outlying problems and projects are not, and cannot be included in the approved project by the Army Corps of Engineers. However, they are now on the radar for other funding mechanisms and solutions by the appropriate government entity.

WHAT ARE THE CITIES OF RENO AND SPARKS CONTRIBUTING TO FLOOD PROTECTION AND SAFETY?

The Cities of Reno and Sparks, along with Washoe County, each have responsibility to address any drainage or flood issue within their governmental jurisdictional boundaries. Each government has heavy equipment, material resources and expertise for most of the problems of which they are aware. A good example is the manner in which Washoe County installed flood barriers and began pumping to assist those in Lemmon Valley due to the high Swan Lake surface elevation.

WHY SHOULD I PAY MORE TAXES OR FEES WHEN MY HOME AND/OR PROPERTY IS OUTSIDE THE FLOOD ZONE?

The Truckee River Flood Control Project has many benefits for those who are not located within a flood zone or flooding area. Many times during a flood event, major arterial roads are closed which can impede or stop all commutes for the public. If affected by flooding, mail or expedited delivery services cannot operate, the airport is shut down, emergency service providers and personnel do not have the ability to respond to emergency calls and services, which puts the community in great danger. There is an enormous economic impact and devastation that flooding directly effects upon our entire community and region.

THE TRFMA RAISED \$167 MILLION FROM THE ¼ CENT SALES TAX SINCE 1998. WHAT HAS IT DONE WITH THAT MONEY?

The TRFMA has completed several capital projects that include: the new Virginia Street Bridge; Reno-Sparks Indian Colony Floodwall and Levee; a Hidden Valley Engineering Study; several large river restoration projects; and property purchases, relocations and demolitions. The North Truckee Drain is in progress.

THE BREAKDOWN IS AS FOLLOWS:

Flood Related Activities

- New Virginia Street Bridge – \$12.2 million
- Reno-Sparks Indian Colony Floodwall and Levee – \$1.8 million
- Hidden Valley Engineering Study – \$500,000
- Restoration Projects: 102 Ranch, Lockwood, Lower Mustang Ranch, and the Tracy Power Plant – \$6.5 million
- North Truckee Drain – \$5 million
- Property acquisitions, relocations and demolitions that allow for elements of the flood control project to be constructed along the south side of the river between Mill Street and Rock Boulevard – \$48 million

Non-Flood Related Activities

- Totaling \$29.5 million

While some of the involved projects are in the 100-year plan, this list does not include all of the components in the 100-year plan. That is why additional funding is needed.

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