

Meeting Minutes

Thursday, January 18, 2018 at 9 am

TMWA Conference Rooms, 1355 Capital Blvd, Reno, NV



1. Call to Order

- A. Roll Call and Establishment of Quorum - Chair LaRiviere called the meeting to order at 9:00 am.

A quorum was established with voting members: Tray Abney, Andrew Diss, Tyson Falk, Marge Frandsen, Mike Kazmierski(arrived at 9:29 am), Bob LaRiviere, Dick Mills, Julia Ratti, George Robison, Scott Smith, Mike Sprinkle and Rod Young. Non-voting members Jay Aldean and Dean Schultz were also present. Members Dave Aiazzi and Matthew Duplantis were absent.

TRFMA staff present: Laura Bayer, Ed Evans, Danielle Henderson, Eric Scheetz, Lori Williams, and Michael Wolz.

- B. Public Comment - Chair LaRiviere called for public comment and hearing none, he closed this item.
- C. Approval of Agenda for January 18, 2018 *(For Possible Action)*
Motion 2018.1.18.1C to approve the agenda for January 18, 2018.
Moved: Member Ratti Seconded: Member Mills
Passed unanimously with those present.
- D. Approval of Draft Minutes of December 7, 2017 and December 21, 2017 Meetings *(For Possible Action)*
Motion 2018.1.18.1D to approve the draft minutes for December 7 and 21, 2017.
Moved: Member Robison Seconded: Member Frandsen
Passed unanimously with those present.

2. Report and discussion on the results of public polling taken by TRFMA staff. Possible action to provide direction to staff. *(For Possible Action)*

Jay Aldean, TRFMA Executive Director introduced lobbyist Greg Ferraro, President, Ferraro Group. Ferraro reviewed the data pertaining to perceptions of flood control noting that he worked with same pollster as in 2016. Ferraro pointed out that in December 2016 Education was the highest concern; that came down 10 points in January 2018, but remained the highest. He also noted that the importance of flood control has increased but it has not gotten to a top level of awareness.

Aldean added he expected to do another poll in February which will include the federal contribution in the questions and will also include the possible room tax increase since that was missed on this last poll.

Members

- Bob LaRiviere, Chair
- Tray Abney, Vice Chair
- Dave Aiazzi
- Jay Aldean
- Andrew Diss
- Matthew Duplantis
- Tyson Falk
- Marge Frandsen
- Mike Kazmierski
- Dick Mills
- Julia Ratti
- George Robison
- Dean Schultz
- Scott Smith
- Mike Sprinkle
- Rod Young

Member Kazmierski arrived at 9:29 am.

Ferraro indicated a 70% rating is important for passage of a ballot question; in January 2018 there was only a 47% flood control rating. In the next poll, the questions will be put in a ballot question format with specific dollar amounts.

Ratti stated it is necessary to get the information out to the voters to educate them. Ferraro added that means you have to raise money. Vice Chair Abney agrees with Ratti. Chair LaRiviere asked what would be the plan to raise funds and educate the public. Aldean replied that he expects to try to gather a group of individuals who would be willing to champion that and are willing to raise funds.

Ferraro wrapped up by saying the next step is to try to have some new data at the end of February.

- 3. Report and discussion of the potential for a second Direct Benefit Area (DBA) comprised of properties that are affected by transportation restrictions or loss of business during a flood event but that are not in the current DBA, including analysis of the economic benefits associated with such a Direct Benefit Area. Possible action to define the characteristics of such a DBA, establish rates or ranges of rates for such a DBA, set a rate or range of rates as assumptions for further analysis or study, or provide direction to staff. (For Possible Action)**

Jay Aldean, TRFMA Executive Director commissioned Todd Chase and FCS Group to try to determine if there was enough justification for a second DBA. Todd has come up with a more robust analysis.

Todd Chase has been able to document three areas of benefits. DBA 1 is properties that are wet; DBA 2 is properties that are wet, but roads to access properties are not flooded (wet to damp); DBA 3 is property areas contiguous south of I-80 to the river, which will be benefited because roads used to access that area would no longer be flooded during an event. Todd Chase continued to review his report (copy on file). Actual benefit does vary by land use type significantly. Some of the land uses benefit more than others.

In response to an inquiry from Ratti, Chase said there are residences in each DBA area; staff may have to do actual field counts to determine exact numbers. Aldean added that 98+% are commercial /industrial properties, only 1-2% is residential. Residential properties contribute extremely small amounts of money.

Ratti requested that staff update John Sherman's financial analysis to include the \$2, \$6, \$8 presented by FCS today. Member Kazmierski asked what does \$2 and \$6 do for the project; it may be more hassle than it's worth, if we're only netting a little, it's not worth aggravating people. Chase indicated the \$2 fee would equal approximately \$700,000 per year.

4. **Report and discussion on the estimated cost and cash flow requirements for the design and construction of the Truckee River Flood Protection Project assuming: options to either include or exclude downtown City of Reno project elements, a Direct Benefit Area #1 (property damage avoidance) rate of \$8 per thousand square feet of developed space, a new Direct Benefit Area #2 (business damage avoidance) rate of \$5 per thousand square feet of developed space, and/or one or more optional countywide taxes. Possible action to establish the estimated cost and cash flow requirements to design and construct the Truckee River Flood Protection Project as the basis for recommending one or more Direct Benefit Area Fees, and/or a countywide tax increase to be presented as a question for voter consideration on the November 2018 ballot. Possible action to establish new assumptions such as the exclusion or inclusion of additional project elements, for further analysis. Possible action to provide direction to staff. (For Possible Action)**

John Sherman, Fiscal Solutions, LLC, reviewed his analysis (copy on file), noting the assumption is that the RTC will build the Lake Street Bridge and TRFMA will pay for half. The Wells St Bridge removal and replacement with a pedestrian bridge is also necessary.

5. **Report and discussion on the estimated cost and cash flow requirements to construct the Truckee River Flood Protection project assuming: a new countywide tax revenue source is not recommended or approved, a Direct Benefit Area #1 (property damage avoidance) with a rate of \$8 per thousand square feet of developed space, and a Direct Benefit Area #2 (business damage avoidance) rate of \$5 per thousand square feet of developed space. Report and discussion on what changes might need to be made to the elements included as part of the Truckee River Flood Control Project or to the timing of the construction of that project if funding is limited to those sources. Possible action to establish the estimated cost and cash flow requirements to construct the Truckee River Flood Protection Project without a countywide tax increase to be presented as a question for voter consideration on the November 2018 ballot. Possible action to recommend that the Truckee River Flood Protection Project be developed without presenting a tax increase question for voter consideration on the November 2018 ballot. (For Possible Action)**

John Sherman, Fiscal Solutions, LLC, stated his report answers the question what can you build without a county-wide tax. In response to a question from Member Robison, Aldean said there is no list of project elements for this estimated cost and it would require significant work by an engineering company to prioritize a new phasing.

Sherman noted the cash flow number on Item 5 of \$278 million is a projected cost and equivalent to Item 4, Scenario 2's nominal cost of \$415 million. Ratti commented that some of the gap between \$415 and \$278 million could be made up in a new DBA that the TRFMA Board could create if no additional revenue is secured. Chair LaRiviere added so in the worst case scenario we could build this with 1/8 cent and DBA fees.

Member Sprinkle stated the assumption is even if there is some sort of increase in the fee structure; it still wouldn't get us enough for federal match. LaRiviere stated the citizens need to vote for an additional tax to be able to get the federal money.

Robison stated for the record that the LPP is a 100-year plan and the Corps match is based on a 50-yr plan; the \$278 million wouldn't get us to the Corps 50-year plan. That is correct per Aldean. Ratti stated if there's a possibility to get to federal match dollars without a tax, we need to know that.

In response to a question from Smith, Aldean stated that the 50-year Corps plan would cost as much as the 100-year LPP plan due to the Corps adding extra contingencies. LaRiviere stated if we don't have to go to the voters and ask for money that would be the preferred way to go.

Schultz asked if the DBA fee changes between the 50 and 100 year plans. Aldean said if we just build the Meadows portion, with no DBA in downtown Reno, we would have to lower the DBA in Meadows area because about 20% of 3500 accounts will drop from DBA 1 to DBA 2. Member Diss asked if DBA 1 would exclude the RSIC/Walmart property because it's a Sovereign Nation? Yes per Aldean.

Schulz commented that before we go too far, let's make sure: if it's not going to provide a lot of protection for the community, then why do it. Does the 50-year plan provide enough protection? Aldean said there is no reason to build the 50-year plan when we can build the 100-year plan for the same price; it would be logical not to recommend the Corps plan.

Ratti asked Aldean to confirm that the Corps 50-year plan and the TRFMA 100-year plan cost the same and asked if that number is the \$278 million referenced in Item 5 or the \$415 million in Item 4; Aldean replied it's actually a number in between. Ratti asked for that number to be presented to the committee.

6. **Discussion regarding possible new tax revenue sources for the design and construction of the Truckee River Flood Protection Project, including but not limited to Property Tax, Government Services Tax, Real Property Transfer Tax, and Room Tax. Discussion regarding estimated revenue generated at different hypothetical tax rates, and the financial impacts to taxpayers under hypothetical scenarios. Possible action to eliminate certain tax revenue sources from future consideration for the funding of the Truckee River Flood Protection Project, identify certain tax revenue sources for further analysis, establish the amount of tax revenue to be raised to fund the Truckee River Flood Protection Project, identify the tax revenue sources that will be presented to Washoe County voters for consideration together with the rates of those taxes, or to give direction to staff. (For Possible Action)**

Chair LaRiviere asked all members to go back to the groups they represent to find out what tax they prefer. Aldean will make that an agenda item for the next meeting.

Aldean stated this item, to discuss eliminating certain taxes, will be a standing item on future agendas.

7. Committee Member Comments, Requests, and Future Agenda Items

Aldean asked Committee Members not to park in TMWA's customer lot.

8. Public Comment - Chair LaRiviere called for public comment and hearing none, he closed this item.

9. Adjournment (For Possible Action) – the meeting adjourned at 11:09 a.m.

Summary of Committee Member Requests from January 18th Meeting

- A. Need to get information out to the voters to educate them. Create a group of individuals willing to champion the ballot question. (Ratti)
- B. Create revenue stream analysis using 3 DBAs: \$2, \$6, \$8/k sq ft/month. (Ratti)
- C. Calculate minimum amount of additional revenue needed to get federal cost share funds. (Ratti/Sprinkle)
- D. Is the Corps 50 year plan (\$280 million) equal to the \$278,673,115 (Item 5, Page 2, Table 1) or the \$415.1 million (Item 4, Page 3, Table 1)? (Ratti)
- E. Find out what tax each group prefers. (LaRiviere)

Respectfully Submitted,
Laura J Bayer, FCPNC Liaison
Approved in Session on February 1, 2018.