

2018 WASHOE COUNTY BALLOT QUESTION

WC – 1

Shall Washoe County be authorized to levy an additional property tax rate for the purpose of paying for the cost of designing, acquiring, constructing, improving and equipping a flood protection project by the Truckee River Flood Management Authority for the Truckee River in the amount of \$0.0248 per \$100 of assess valuation and for the Truckee River Flood Management Authority to issue up to \$89,000,000 of general obligation bonds for those purposes? The bonds are expected to require a property tax levy of 30 years for each series of bonds from the dates of issuance. The tax will terminate when these bonds have been retired in approximately 30 years from the dates they are issued. The cost of the \$0.0248 property tax levy for the owner of a new \$100,000 home is estimated to average \$8.68 per year. If this question is approved by the voters, any property tax as authorized by this question will be outside of the caps on the taxpayer's liability for property (ad valorem) taxes established by the legislature in the 2005 session and exempt from partial abatement from taxation as provided by NRS 361.4722, 361.4723 and 361.4724.

EXPLANATION

A "yes" vote will increase property taxes in Washoe County by \$0.0248 per \$100 of assessed valuation. This property tax increase will allow the Truckee River Flood Management Authority (TRFMA) to pay for the cost of acquiring, constructing, improving and equipping the Truckee River Flood Protection Project that will protect properties that are prone to flooding along portions of the Truckee River, Steamboat Creek from its confluence with the Truckee River to two miles southwest of Boynton Slough, and the North Truckee Drain from its confluence with the Truckee River to approximately 1,000 feet upstream of Interstate 80. The need for this project is illustrated by the 1997 flood that caused damage in excess of \$1.0 billion which is the equivalent of annual damages estimated to range from \$22 to \$52 million. The tax increase will also help in potentially securing \$182 million in federal funding for the construction of the flood protection project by ensuring that TRFMA will be able to meet required financial commitments to the United States Army Corps of Engineers. It is

anticipated that the Truckee River Flood Management Authority will issue up to \$89 million of general obligation bonds on the proceeds of the property tax increase as well as use the proceeds for cash expenditures to build the Truckee River Flood Protection Project. Revenue from the proposed property tax increase will not be used for the operation or the maintenance of the flood control project. The specific anticipated uses of the funds are:

- Final engineering, design, and permitting of the Flood Protection Project
- Construction of levees and floodwalls along the Truckee River
- Widening of the Truckee River Channel at the Vista Narrows
- Terracing and environmental restoration along the Truckee River
- The elevation of homes within the home elevation project boundaries
- Downstream mitigation project planning, design and construction

A "no" vote means the flood protection project in its current configuration would likely not be built, and if any portion is built at all, could only be built over a very long timeframe that would leave the properties along the Truckee River unprotected for decades. In addition, \$182 million in federal funding to assist in the construction of the project would likely be lost.

Description of Anticipated Financial Effect:

The tax will terminate when all bonds issued have been retired in approximately 30 years from the dates they are issued. The Bonds are expected to be issued over 30 years and each bond issued is expected to have a term of 30 years. The cost of the property tax levy for the owner of a new \$100,000 home is estimated to average \$8.68 per year.

WC 1 – ARGUMENT FOR PASSAGE

In 1997, the Truckee River flooded Reno and Sparks and caused over a billion dollars in damage in today's dollars. The Truckee River will flood again!

Over the past 21 years since, there have been lesser floods threatening property, disrupting businesses, blocking transportation corridors, and tying up emergency services. These events don't just affect the flood zone but impact all the Truckee Meadows and greater Washoe County.

The cost of flood protection for the Truckee was once tagged at \$1.6 billion. We worked hard reaching a consensus of Public Safety, residents and governments

narrowing this project down to what is necessary. Along with \$180 million from the Federal Government, the additional local share is down to \$184 million in today's dollars. In addition, if WC1 passes, properties directly affected will be paying an additional fee to help cover costs.

A YES VOTE on WC-1 leads to flood protection and high-quality jobs and this tax sunsets when bonds are paid.

A YES VOTE on WC-1 will complete this project in a timely manner and takes advantage of federal matching dollars. Without it, we will likely lose this federal match.

While according to State and Federal Law this revenue and federal match money can ONLY be spent for Truckee River Flooding, this is an important project. A YES VOTE on WC-1 does NOT stop us from working on other Washoe County flooding problems.

(The above argument was submitted by the Ballot Question Committee composed of citizens in favor of passage of this question as provided for in NRS 295.121.)

WC 1 – REBUTTAL TO ARGUMENT FOR PASSAGE

The December 2017 TRFMA Plan budget listed \$422,087,780 worth of projects. \$133,173,208 is for Reno projects, including replacing Lake, Center and Sierra Street bridges. None of that work is eligible for Federal Matching funds, indicating the USACE deems the work is not flood control.

They already tax us a 1/8th cent sales tax and have funded projects such as the Virginia Street Bridge and North Truckee Drain. TRFMA may impose a flood fee on properties that would benefit by flood projects, but has not done so. Let those in the floodplain contribute their own improvements.

The Legislature authorized TRFMA to consider room taxes, vehicle privilege taxes, property transfer taxes or property taxes. Since Washoe property taxes are maxed out at the \$3.64 limit, this flood tax would be the first, maybe not the last, to exceed that limit. There are 5 other funding sources available. Only one is being proposed.

(The above rebuttal was submitted by the Ballot Question Committee composed of citizens against passage of this question as provided for in NRS 295.121.)

WC 1 – ARGUMENT AGAINST PASSAGE

So many reasons to say no to the increase in flood taxes. We already pay extra sales taxes for flood control and increasing property tax to the general fund that may be used for floods.

This proposed tax is not subject to the \$3.64 limit set by NRS 361.453. Article 10, Section 2 of our Nevada Constitution limits the total tax levy to 5% of assessed value. If this succeeds, taxpayers can expect many more ballot proposals until the 5% cap is reached.

Let those in the flood plain pay their fair share. Special interests were let off the hook. Not a cent for flooded North Valleys or elsewhere, only the Truckee River area and yet we all would pay for it!

Potential Federal contribution of \$162,000,000, has not yet been approved by Congress. The tax includes reimbursements for past projects already completed. Approximately \$64M would go to replace bridges, which already have funding sources via RTC. Bought gas in Carson lately? That extra Washoe gas tax can pay for that.

Tax increases will be passed on and rents exceed fair market standards, Nevada is worst nationwide!

So many viable alternatives! The best is fixing the Vista Narrows choke point at 10% the cost! Instead of dredging, we need more reservoirs.

Washoe's sales tax is highest in Nevada. With existing taxes, RTC, grants, and flood plain fees, the projects can be done in increments. Just tell the special interests no, we're taxed enough already. ¹

(The above argument was submitted by the Ballot Question Committee composed of citizens against passage of this question as provided for in NRS 295.121.)

¹www.TaxYourselfNotme.com

WC 1 – REBUTTAL TO ARGUMENT AGAINST PASSAGE

Regarding WC1, people being directly affected by flooding are not “let off the hook.” In addition to paying the slight increase in property tax, property owners in the affected areas will be required to pay an additional fee.

Vista Narrows is an important part of the proposed project and one of the first tasks completed! The funding allocated for bridge projects are NOT funded by RTC in the foreseeable future but have significant impacts on flooding.

Nothing in this request stops any funding to be used for flooding in other areas.

The NO committee says build it in increments, but this would take several decades longer and in the meantime, the infrastructure near the River would be vulnerable. Also, the approved \$180 million dollars in Federal match would likely be lost and the overall effort becomes more expensive tying up money that could have been spent for other flooding problems.

(The above rebuttal was submitted by the Ballot Question Committee composed of citizens in favor of passage of this question as provided for in NRS 295.121.)