



TRIC
Effluent Pipeline
Presentation

August 2018



Prepared by
JNA Consulting Group, LLC



Proposed Project

- Developer proposes to fund the off-site effluent pipeline with bonds issued by Storey County paid from assessments on their parcels (Special Assessment District or SAD)
- Onsite distribution and treatment facilities will be privately financed by the developer
- The County would also form a Tax Increment Area (TIA) to reimburse parcel owners for the assessment payments they make.





Assessment Districts

- Allowed under NRS 271
- Assessments are liens on property co-equal to property taxes
- Nonpayment of assessment would lead to foreclosure proceedings
- Assessments are billed and collected semiannually
- Interest rate on assessments is 1% higher than the highest rate on the bonds
- Assessments can be levied for a term of up to 30 years
- Value of property with project complete must be at least 3.5x's the assessment





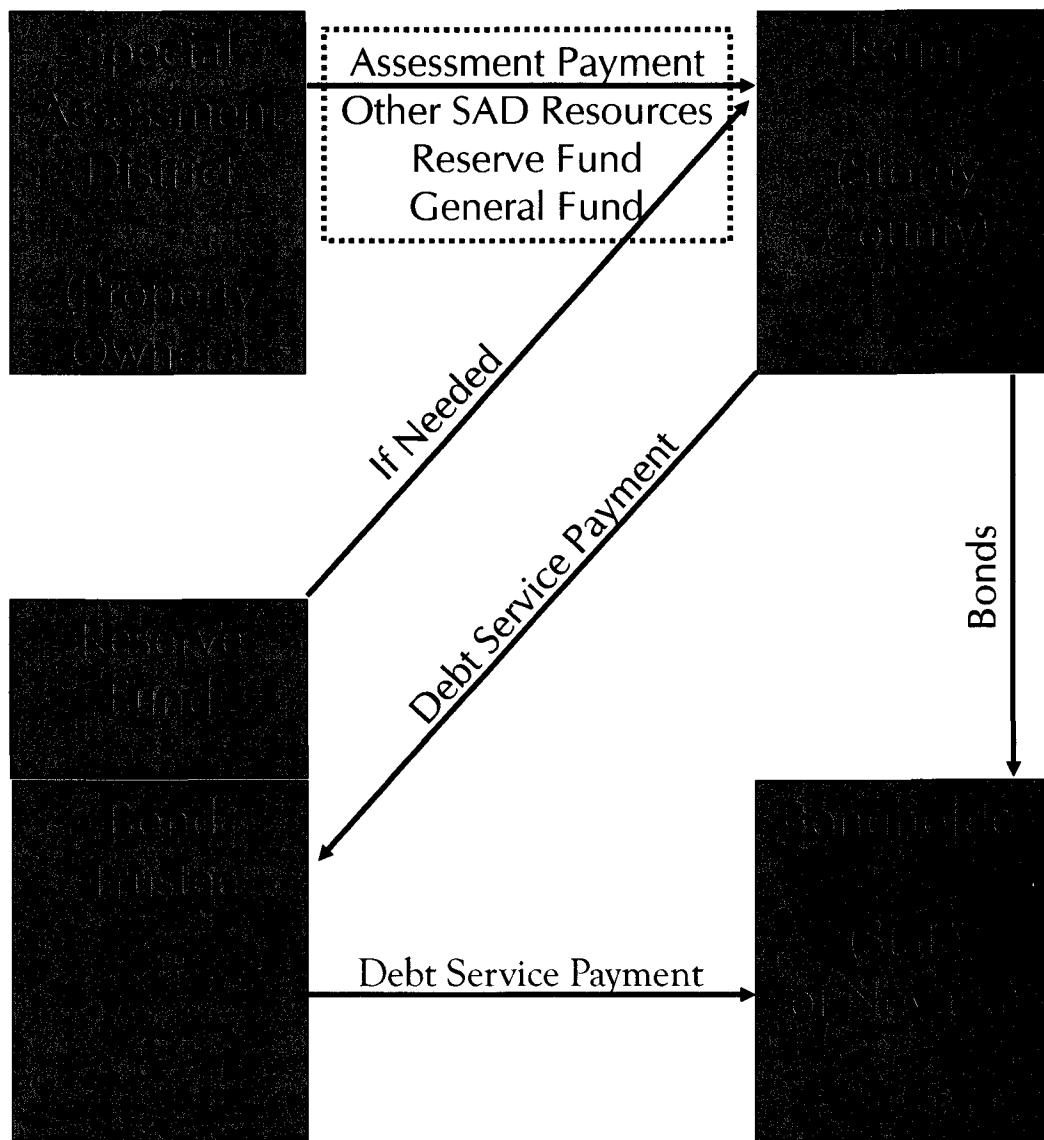
Proposed Bonds

- Bonds would be issued by Storey County and purchased by the State of Nevada
- State's interest rate is passed through to the County's bonds
- The bonds are paid from:
 - Assessment payments
 - Other resources within SAD
 - Reserve Fund
 - Uncommitted portion of County General Fund (6/30/19 estimate - \$2,800,000)
- Maximum term is 30 years (guidelines state 20 years but developer has requested 25 years)





SAD Flowchart





Foreclosure

Delinquency and Foreclosure Procedures

- Semi-Annual Assessment Bill (e.g. due 6/1) Mailed approximately 60 days prior to due date
- First Delinquent Bill (mailed 6/5) Mailed approximately 4 days after semi-annual due date
- County Commissioners (within 60 days) Adoption for Foreclosure Resolution
- Second Delinquent Bill (mailed 7/1) Mailed certified including First Demand Letter
- Third Delinquent Bill (mailed 8/1) Mailed certified including Second Demand Letter
- Lot Books (performed 8/1) Lot book (title search) is done on each delinquent parcel in order to identify all lien holders to notice
- Notice of Sale (mailed 1st week of September) Mailed certified to all recorded parties with an interest, 3 weekly publications prior to sale in local paper
- Foreclosure Sale: September Buyer pays off assessment in full and receives certificate. Buyer can take title to property if the certificate is not redeemed within the statutory time limit.





Sample Cash Flow

Year	Incoming Assessment Payments			Outgoing Bond Payments			Net Cash Flow
	Principal	Interest	Total	Principal	Interest	Total	
1	951,460	2,100,000	3,051,460	1,060,000	1,750,000	2,810,000	241,460
2	1,008,547	2,042,912	3,051,459	1,110,000	1,697,000	2,807,000	244,459
3	1,069,060	1,982,400	3,051,460	1,165,000	1,641,500	2,806,500	244,960
4	1,133,204	1,918,256	3,051,460	1,225,000	1,583,250	2,808,250	243,210
5	1,201,196	1,850,264	3,051,460	1,285,000	1,522,000	2,807,000	244,460
6	1,273,267	1,778,192	3,051,459	1,350,000	1,457,750	2,807,750	243,709
7	1,349,663	1,701,796	3,051,459	1,420,000	1,390,250	2,810,250	241,209
8	1,430,643	1,620,816	3,051,459	1,490,000	1,319,250	2,809,250	242,209
9	1,516,482	1,534,978	3,051,460	1,565,000	1,244,750	2,809,750	241,710
10	1,607,471	1,443,989	3,051,460	1,645,000	1,166,500	2,811,500	239,960
11	1,703,919	1,347,540	3,051,459	1,725,000	1,084,250	2,809,250	242,209
12	1,806,154	1,245,305	3,051,459	1,810,000	998,000	2,808,000	243,459
13	1,914,523	1,136,936	3,051,459	1,900,000	907,500	2,807,500	243,959
14	2,029,395	1,022,065	3,051,460	1,995,000	812,500	2,807,500	243,960
15	2,151,159	900,301	3,051,460	2,095,000	712,750	2,807,750	243,710
16	2,280,228	771,231	3,051,459	2,200,000	608,000	2,808,000	243,459
17	2,417,042	634,418	3,051,460	2,310,000	498,000	2,808,000	243,460
18	2,562,064	489,395	3,051,459	2,425,000	382,500	2,807,500	243,959
19	2,715,788	335,671	3,051,459	2,550,000	261,250	2,811,250	240,209
20	2,878,735	172,724	3,051,459	2,675,000	133,750	2,808,750	242,709
	35,000,000	26,029,189	61,029,189	35,000,000	21,170,750	56,170,750	4,858,439

- Assumes bond interest rate of 5% and 6% for assessments
- Net Cash Flow can be used for administrative expenses and/or maintained as additional resources for bond repayment
- Excludes interest earnings on various funds





Tax Increment Area

- The TIA would be formed solely to reimburse parcel owners for their assessment payments
- Current revenue distribution stays in place – only future, incremental revenues are diverted
- Revenues included are:
 - Property taxes
 - Modified Business Taxes
 - Sales Tax





Future Commission Action

If the project is approved to proceed the following items would be on future agendas for consideration:

- 8/21 – TIA Resolution for the provisional order
- 9/4 – SAD Creation Ordinance, Financing Agreement and Interlocal Agreement
- 9/18 – SAD Creation Ordinance
- 10/2 – TIA Creation Ordinance and SAD Bond Ordinance
- 10/16 – TIA Creation Ordinance and SAD Bond Ordinance

