



TRIC Effluent Pipeline Project Tax Increment Area Update

September 2018



TRIC Effluent Pipeline Project

Since the last meeting:

- Received GOED approval (August 14th)
- Began discussions with the State Treasurer's Office
 - Board of Finance likely to take action October 9th and November 13th
 - Bond sale likely to be held around November 20th
- Appraisal has been received
- Final Engineer's Report has been received
- Began discussions with Department of Taxation on TIA cash flows
- Received projected TIA revenues
 - Provided by Applied Analysis based on development representations from project participants
 - Numbers are subject to change based on actual development timelines
 - Projections were also provided assuming the pipeline is not built

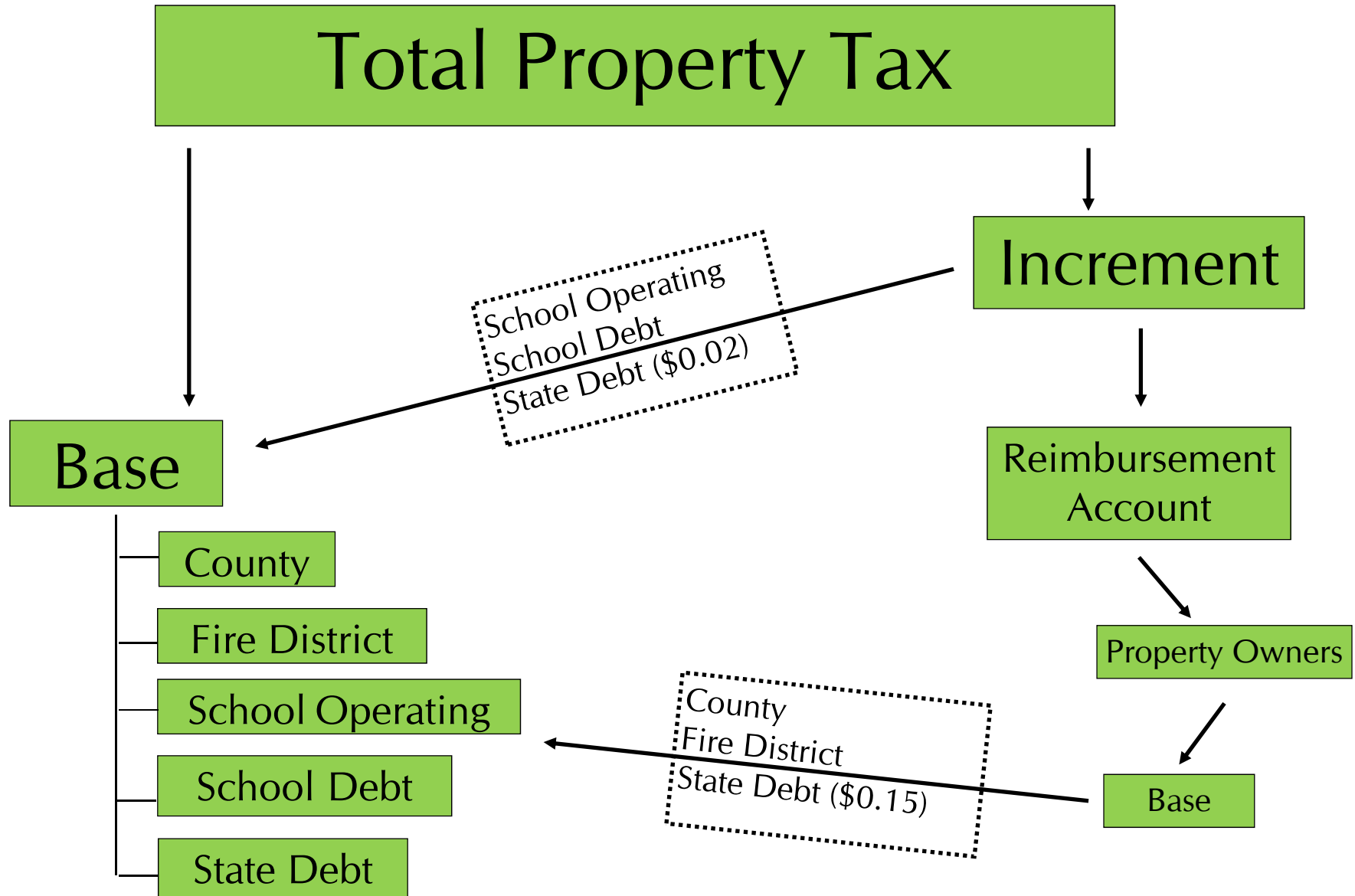


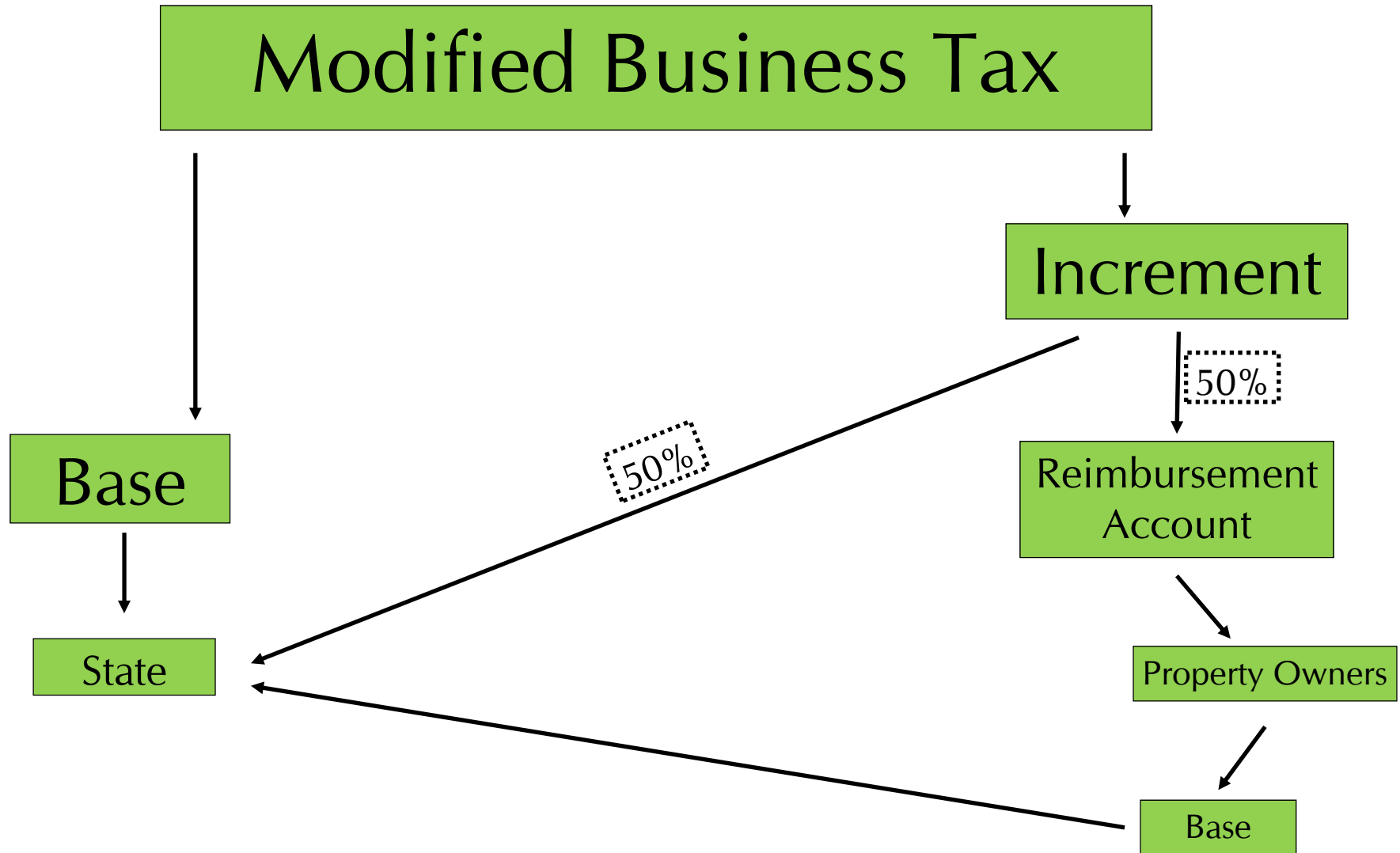


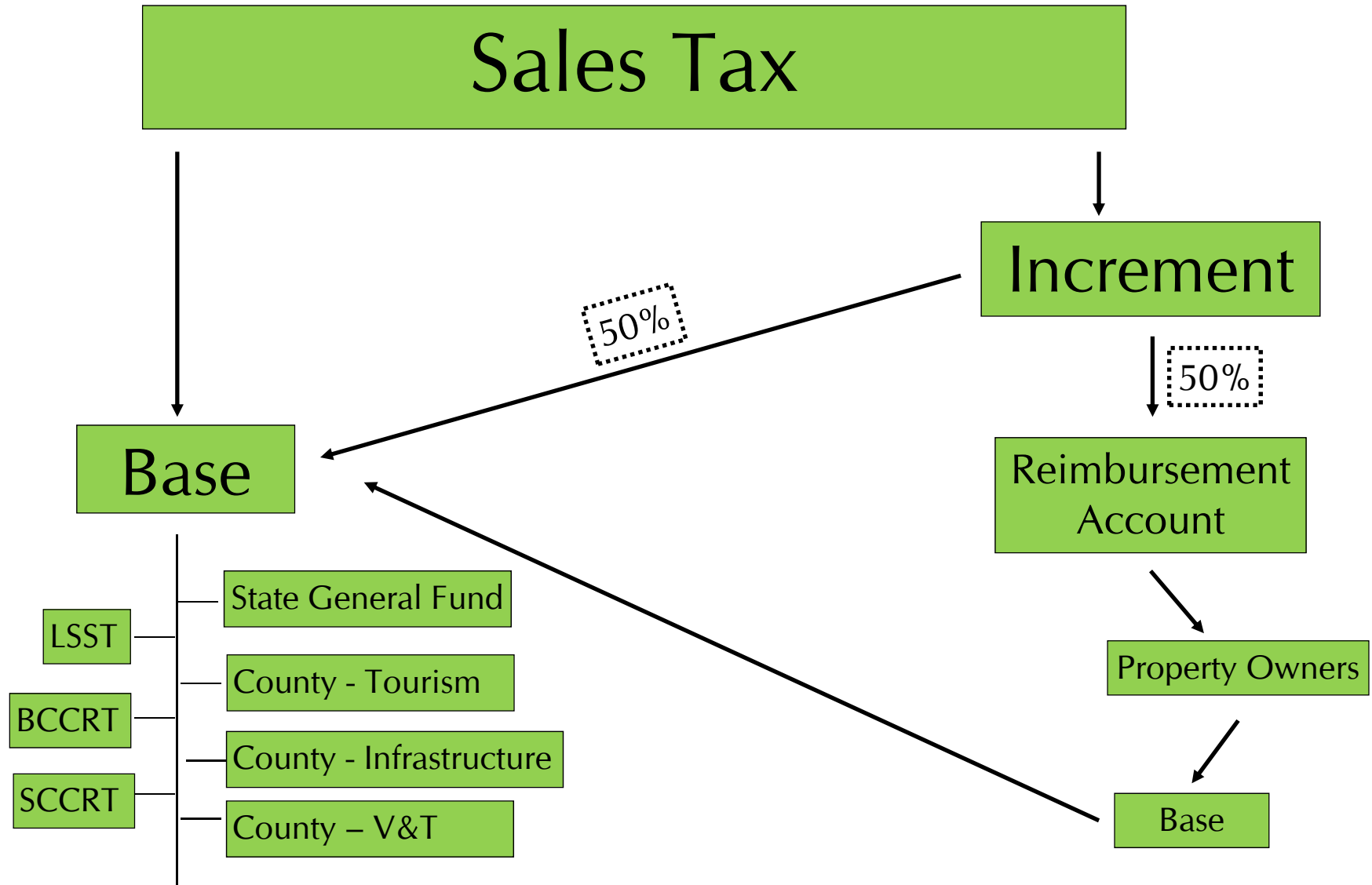
Tax Increment Area

- Formed under NRS 278C
- Redirects revenues in excess of “base” for three different taxes
- Property Tax
 - County (\$1.8514)
 - **School Operating (\$0.75) PROTECTED**
 - **School Debt/Capital (\$0.1447) PROTECTED**
 - County Fire (\$0.5446)
 - State Debt (\$0.17) **\$0.02 PROTECTED**
- Modified Business Tax – **50% PROTECTED** (State general fund)
- Sales Tax – **50% PROTECTED**
 - Consolidated Tax (BCCRT and SCCRT)
 - Local School Support Tax
 - County Option (V&T, Infrastructure, Tourism)
 - State General Fund





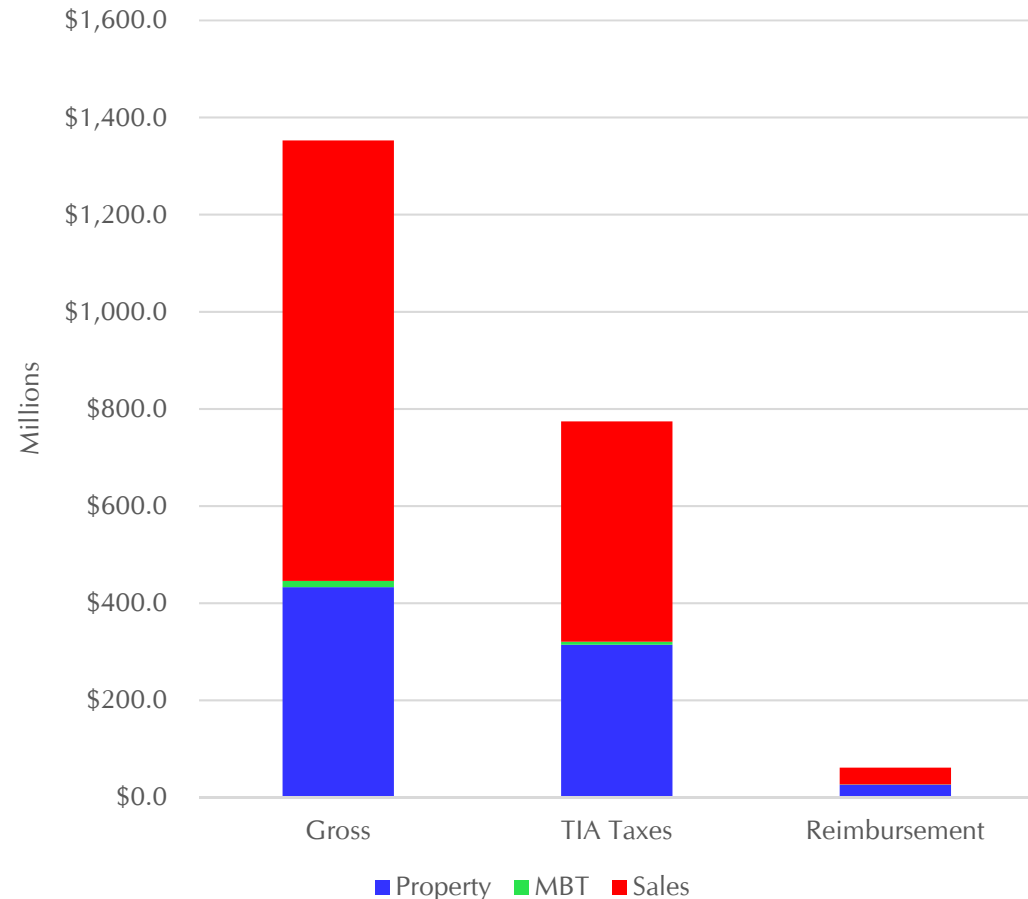






Tax Increment Area Revenues

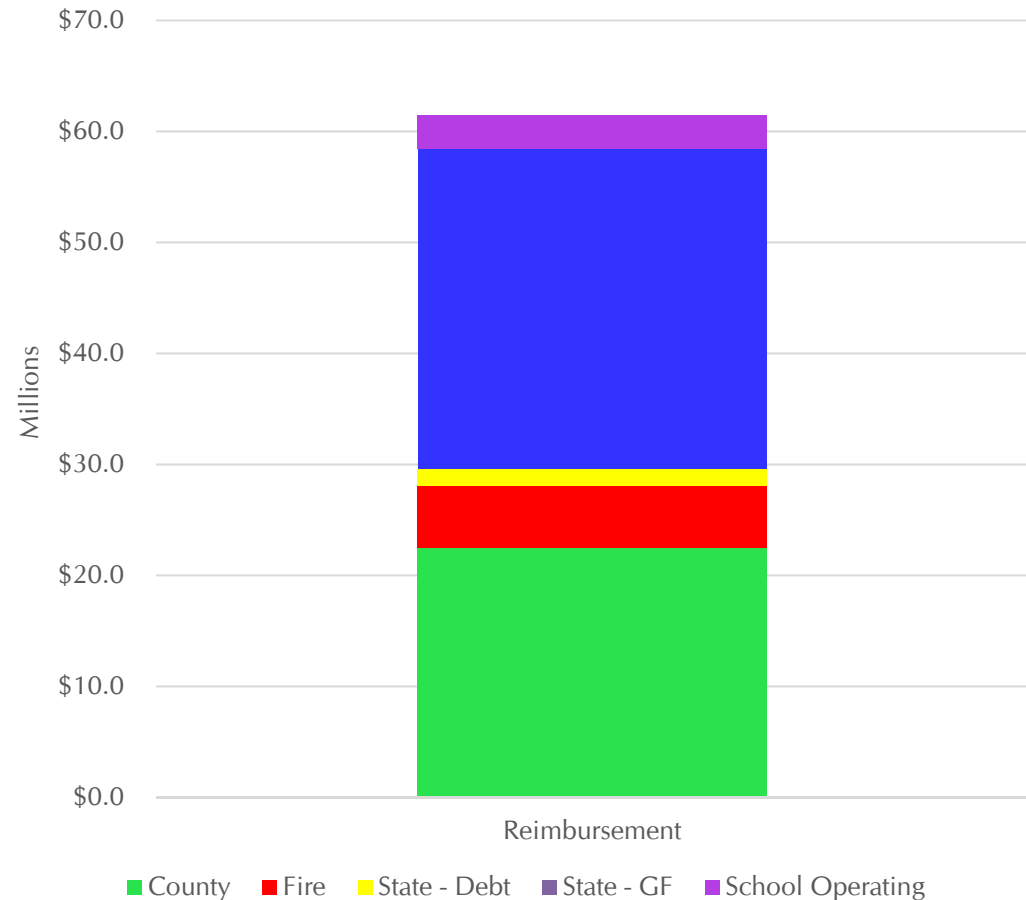
- *Due to the 50% carve out on MBT and Sales Taxes, Property Taxes contribute the largest proportion of the total taxes due to the TIA.*
- *Reimbursement is currently calculated to be made proportionally from all revenues sources in the TIA.*
- *MBT is estimated to cover ~ 1% of the amount reimbursed, Sales Taxes ~ 57% and Property Tax ~ 42%.*





Allocation of Reimbursement

- *Due to the different ratios that the various taxes represent of the TIA revenues the contribution ratios vary by entity. As a % of Total Taxes Due the percentages are:*
 - *Fire District: 8.2%*
 - *State – Debt: 7.2%*
 - *State – GF: 5.3%*
 - *County – 5.2%*
 - *School Operating: 1.8%*





Revenue Comparison

The following table shows the projected annual revenues with and without the pipeline being constructed.

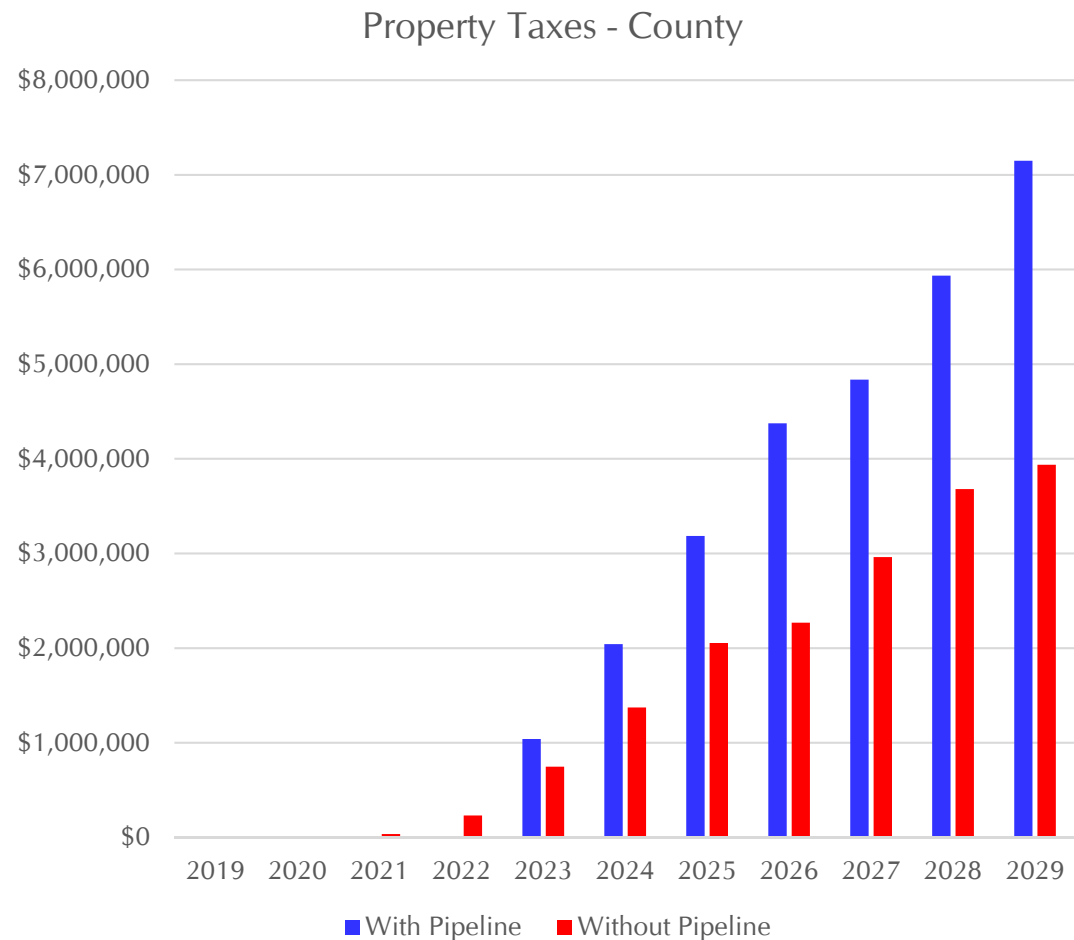
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
<u>With Pipeline</u>											
Total Taxes Due	231	234	4,658	7,790	13,090	13,734	21,529	26,510	27,243	35,403	40,625
TIA Revenues	0	4	2,454	4,214	7,554	8,077	12,442	15,488	16,084	20,628	23,796
Reimbursement	0	4	2,454	4,214	4,398	2,457	2,457	2,457	2,457	2,457	2,457
Net Revenues	231	231	2,204	3,575	8,692	11,277	19,072	24,053	24,786	32,946	38,168
<u>Without Pipeline</u>											
Total Taxes Due	231	234	384	1,657	5,031	7,864	10,169	10,436	15,950	18,441	18,847





Property Tax Revenue Comparison

- The County's operating property tax rate is \$1.8514
- Future property tax revenues were estimated based on development projections provided to TRIC representatives with and without the pipeline.
- Over the 25 year life of the bonds, the total property tax revenue if the pipeline **IS** built is estimated to be ~\$210,000,000 net of all reimbursements.
- If the pipeline **IS NOT** built, the total estimated property tax revenue is estimated to be ~\$124,000,000.
- The graph to the right shows the estimated revenue to the County for the next ten fiscal years in excess of the FY2019 base amount of ~\$231,000.





Tax Incremental Area Formation

- September 5th: Interim Finance Committee considers TIA
- September 6th: County Commission considers resolution making a provisional order. The resolution will have plans and projected revenues among other items.
- October 2nd: County Commission considers 1st reading of TIA Creation Ordinance and resolution approving reimbursement agreement
- October 16th: County Commission considers 2nd reading of TIA Creation Ordinance

