

FM Flood Risk Management District No. 1

Informational Meeting

www.fmdiversion.com/assessments



WELCOME

Meeting format:

- 5:30 – 6:00 Open House
- 6:00 – 6:45 Presentation
- 6:45 – 7:30 Open House

CCJWRD TO ADMINISTER ASSESSMENT DISTRICT

- The Cass County Joint Water Resource District (CCJWRD) is a member of the Diversion Authority.
- CCJWRD has the ability under the North Dakota Century Code to administer an assessment district throughout the benefitted area in North Dakota.
- CCJWRD formed the Diversion Project Assessment Committee (DPAC), which includes representatives from Fargo, West Fargo, Cass County, and the CCJWRD board.
- DPAC worked for over 2 years to establish a methodology to assign direct and indirect benefits across the benefiting area.
- All property owners receiving an assessment receive a vote

WHY ARE WE HERE?



Information Topics to be Discussed:

- Flooding and the need for flood protection
- FM Area Diversion Project
- Need for financing
- Development of the assessment district
- Ballot and voting information packet

An aerial photograph showing a residential area completely surrounded by floodwater. Several houses with snow on their roofs are visible, along with trees and utility poles. The water is a deep blue color, and the overall scene depicts a significant flooding event.

FLOODING AND THE NEED FOR THE PROJECT

FLOODING IS THE PROBLEM



FLOODING IS THE PROBLEM

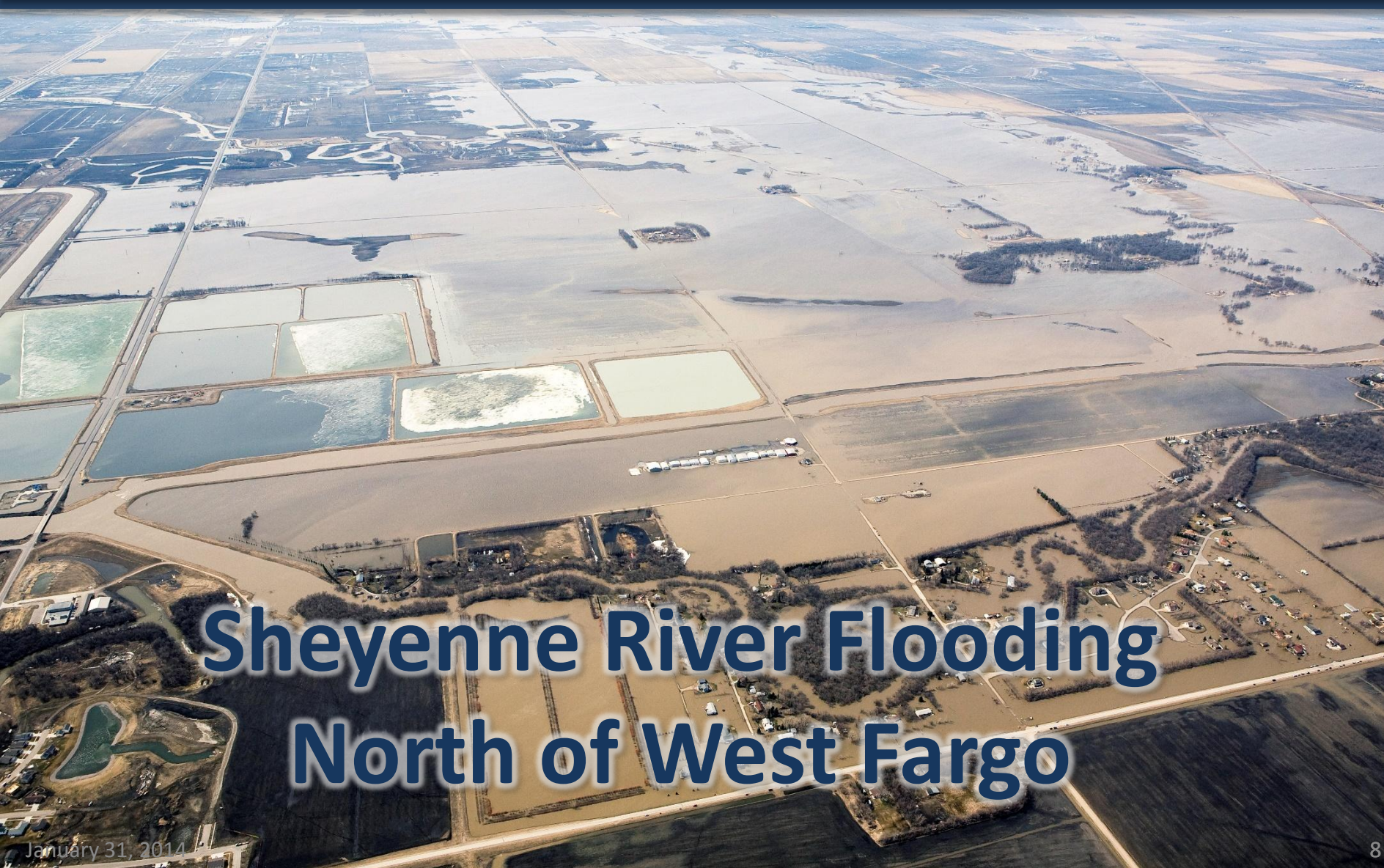


Interstate 29 near Harwood

Closed April 10. Reopened April 15, 2011.

Detour added = 22.8 miles

FLOODING IS THE PROBLEM



**Sheyenne River Flooding
North of West Fargo**

RED RIVER FLOODING HISTORY

- **Red River Flood Stage = 18 feet on the Fargo gage**
 - Exceeded in 50 of the past 111 years
 - Exceeded 20 of the last 21 years
- **Catastrophic damages have been prevented by emergency measures**
 - 8 of the 16 “major” floods on record have occurred since 2000
- **2009 was the flood of record**
 - Stage of 40.8 feet
 - 2-percent chance (50 year) event
 - Emergency measures cost approximately \$70M
 - Cost of losing would have been astronomical

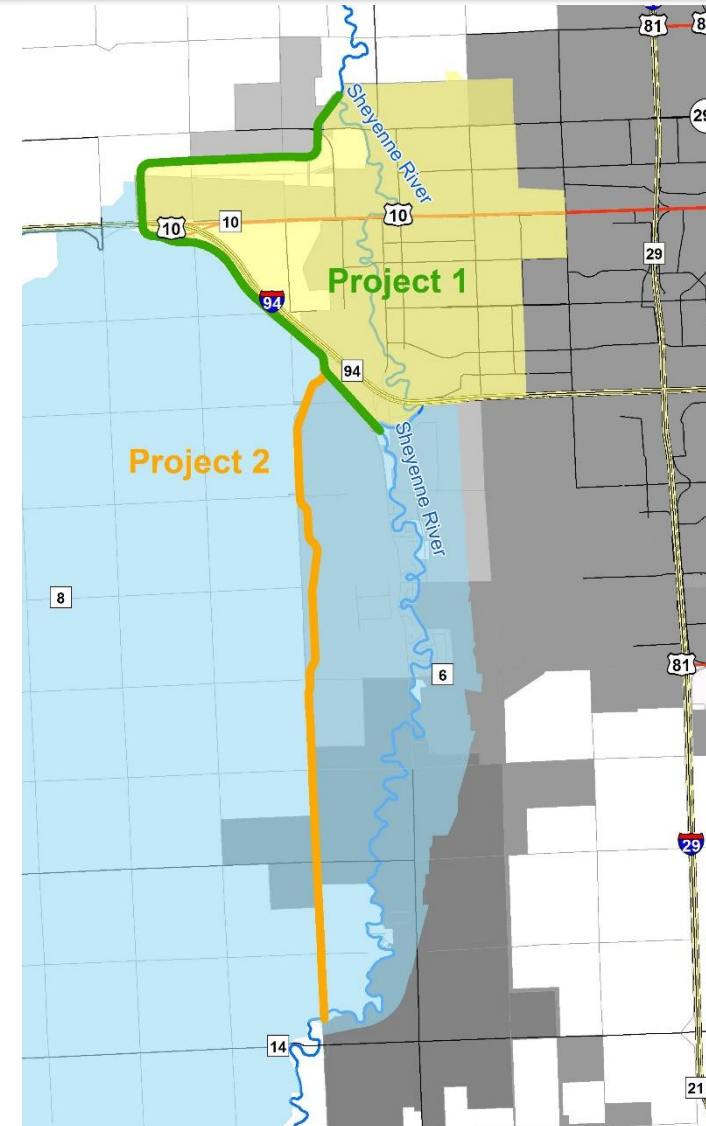
EVER CHANGING FLOODPLAIN RISK

- Pre-2015 FEMA Floodplain
 - 38.5 Feet River Gage (29,300 cfs)
 - 475 Impacted Structures
 - 19,700 Acres Impacted
- 2015 FEMA Floodplain
 - 39.4 Feet River Gage (29,300 cfs)
 - Approx. 2,300 Impacted Structures
 - 27,600 Acres Impacted
- Future USACE Floodplain
 - 41.1 River Gage (34,700 cfs)
 - Approx. 19,400 Impacted Structures
 - 36,430 Acres Impacted



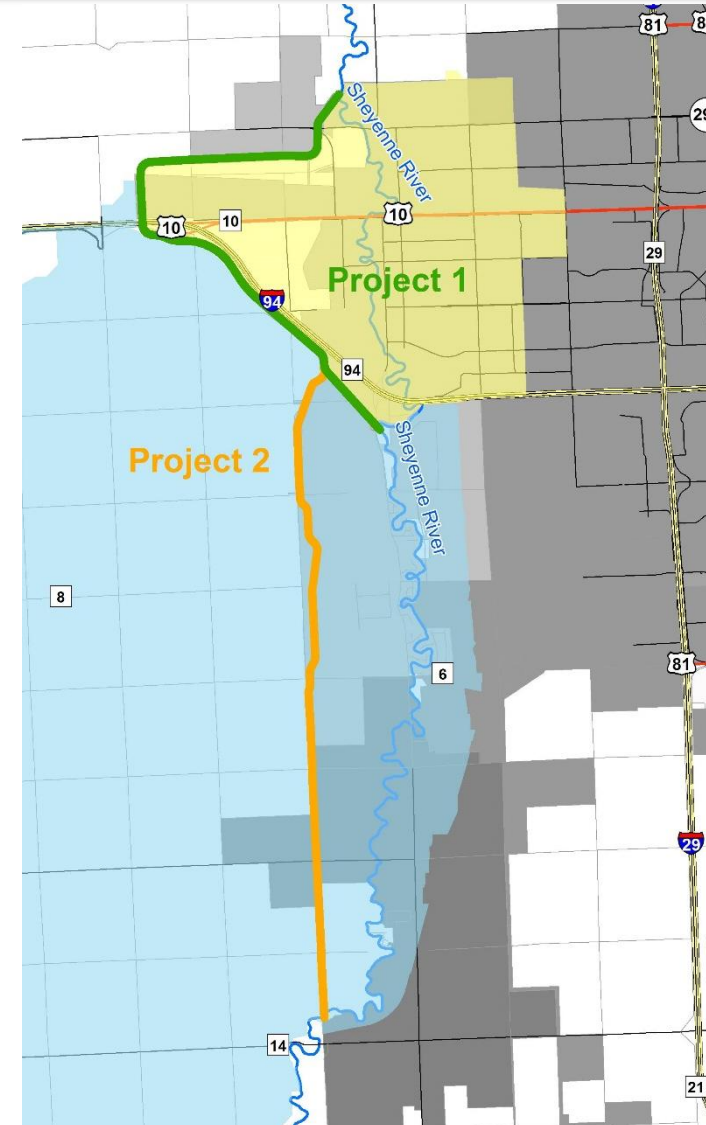
SHEYENNE RIVER DIVERSION

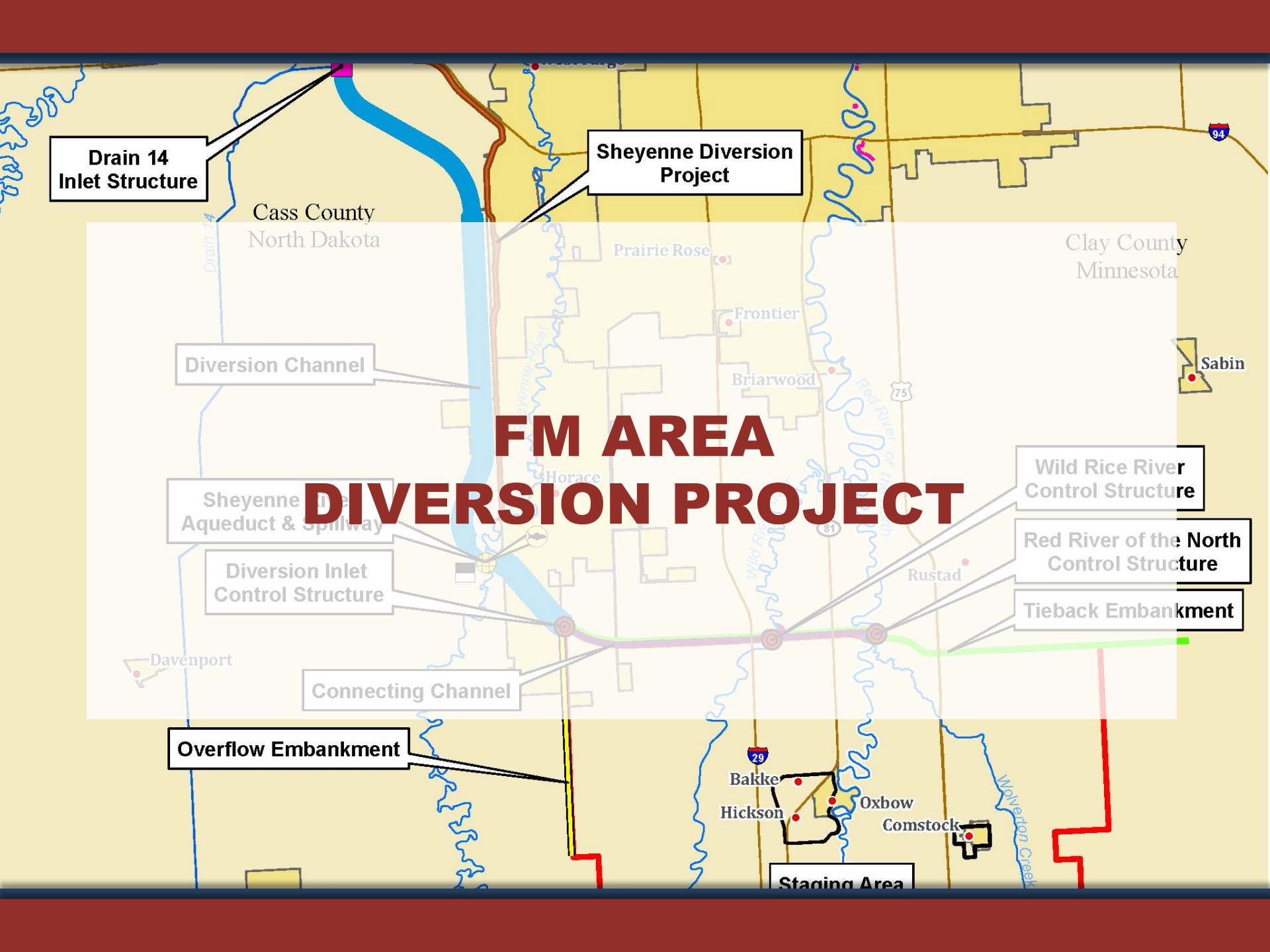
- Project 1
 - Protection from Sheyenne River – greater than 500-year
 - Protection from Red River – between 100-year and 500-year
- Project 2
 - Protection from Sheyenne River – 100-year
 - Split flow design
 - Relies on perched riverbanks and emergency measures along Sheyenne River
 - Risk of ice jams in Sheyenne River
 - Protection from Red River – between 100-year and 500-year



RED RIVER DIVERSION BENEFITS TO SHEYENNE RIVER DIVERSION

- Project 1
 - Protection from Red River – greater than 500-year
 - Reduced flow in Sheyenne Diversion
 - Potential to lower maintenance costs
- Project 2
 - Protection from Red and Sheyenne Rivers – greater than 500-year
 - Reduced flow in Sheyenne Diversion
 - Potential to lower maintenance costs
 - Lowers water surface elevation within Sheyenne River
 - Reduces threat of ice jams
 - Reduces reliance on perched river banks and emergency measures along Sheyenne River





Drain 14
Inlet Structure

Sheyenne Diversion
Project

Diversion Channel

Sheyenne Inlet
Aqueduct & Spillway

Diversion Inlet
Control Structure

Connecting Channel

Overflow Embankment

FM AREA DIVERSION PROJECT

Wild Rice River
Control Structure

Red River of the North
Control Structure

Tieback Embankment

Staging Area

Cass County
North Dakota

Prairie Rose

Frontier

Briarwood

Horace

Bakke

Hickson

Oxbow

Comstock

Clay County
Minnesota

Sabin

75

81

94

29

Wolverton
Creek

Drain 14

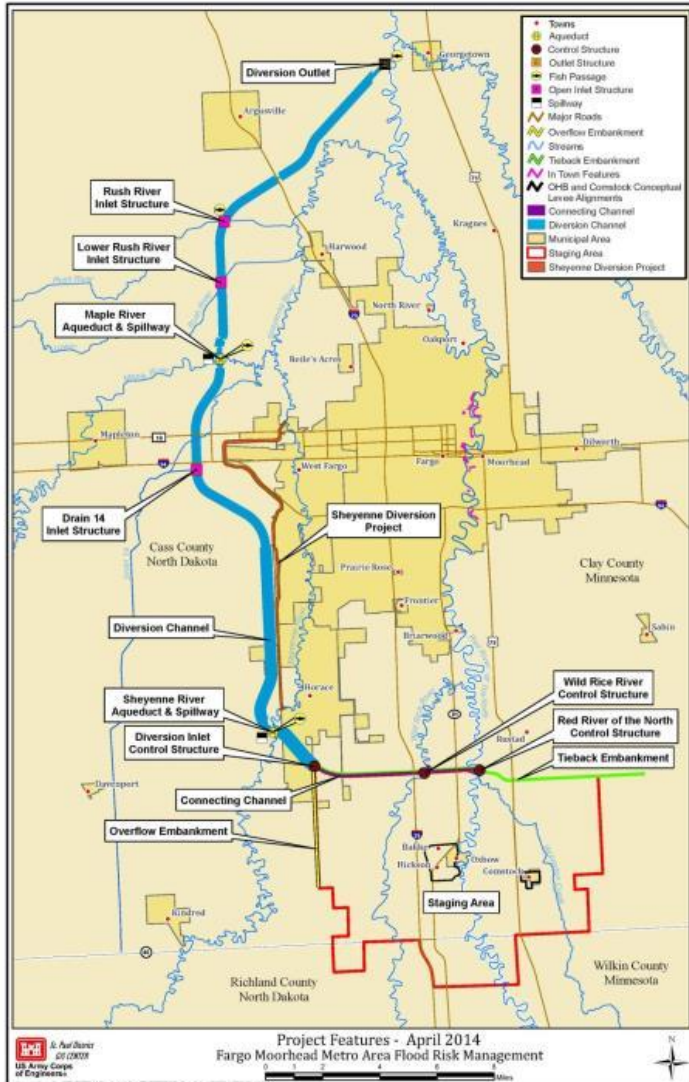
Sheyenne
River

Red River of
the North

Wild Rice
River

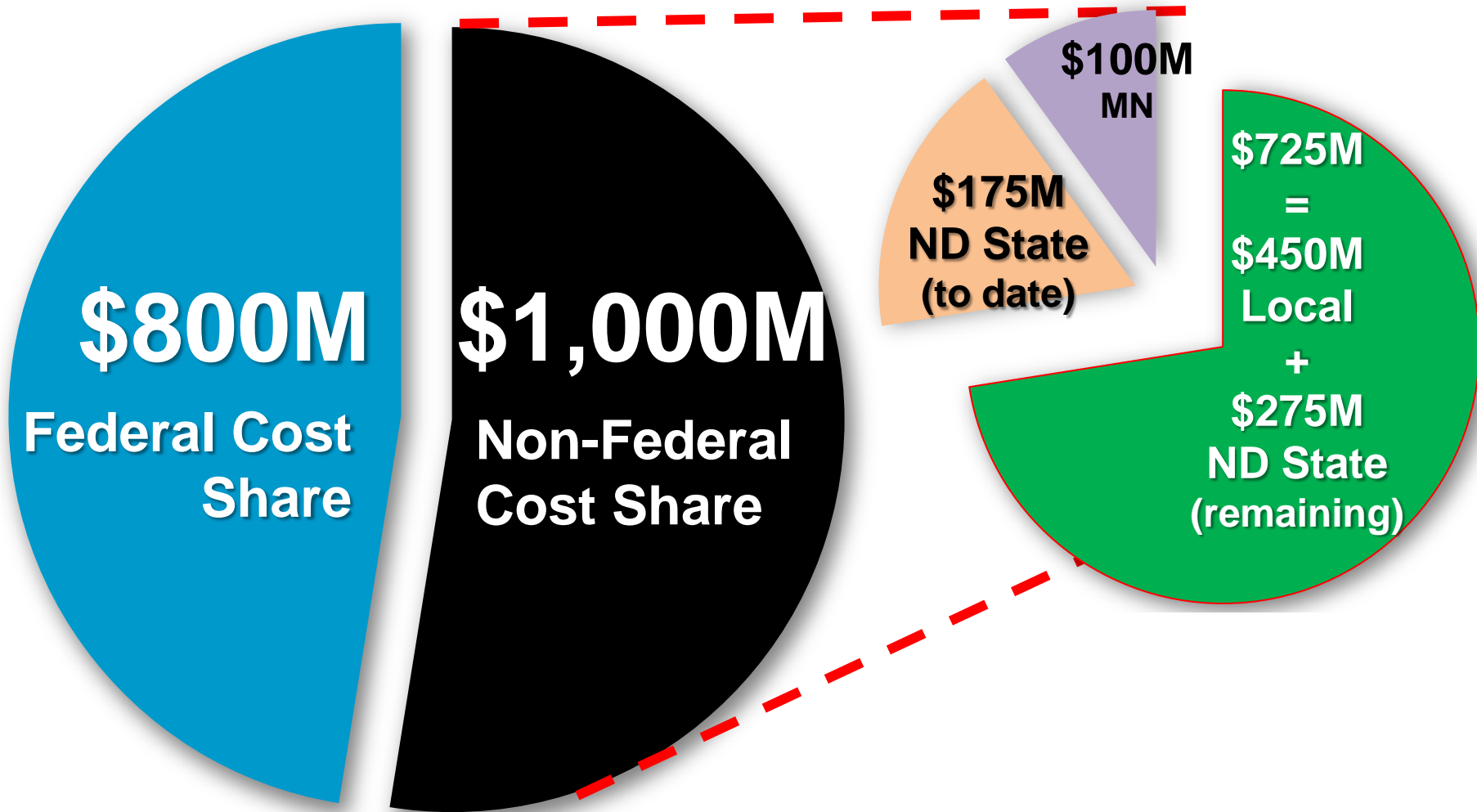
Davenport

FM AREA DIVERSION PROJECT



- Federally Authorized Project
- 1,600 ft wide Diversion Channel in ND with 150,000 acre-feet of Upstream Staging
- Selected after federal feasibility study of all alternatives
- Provides 1-percent (100-year) Risk Reduction
- Extreme Events are Flood-Fightable

OVERALL FUNDING APPROACH



FUNDING SOURCES TO DATE

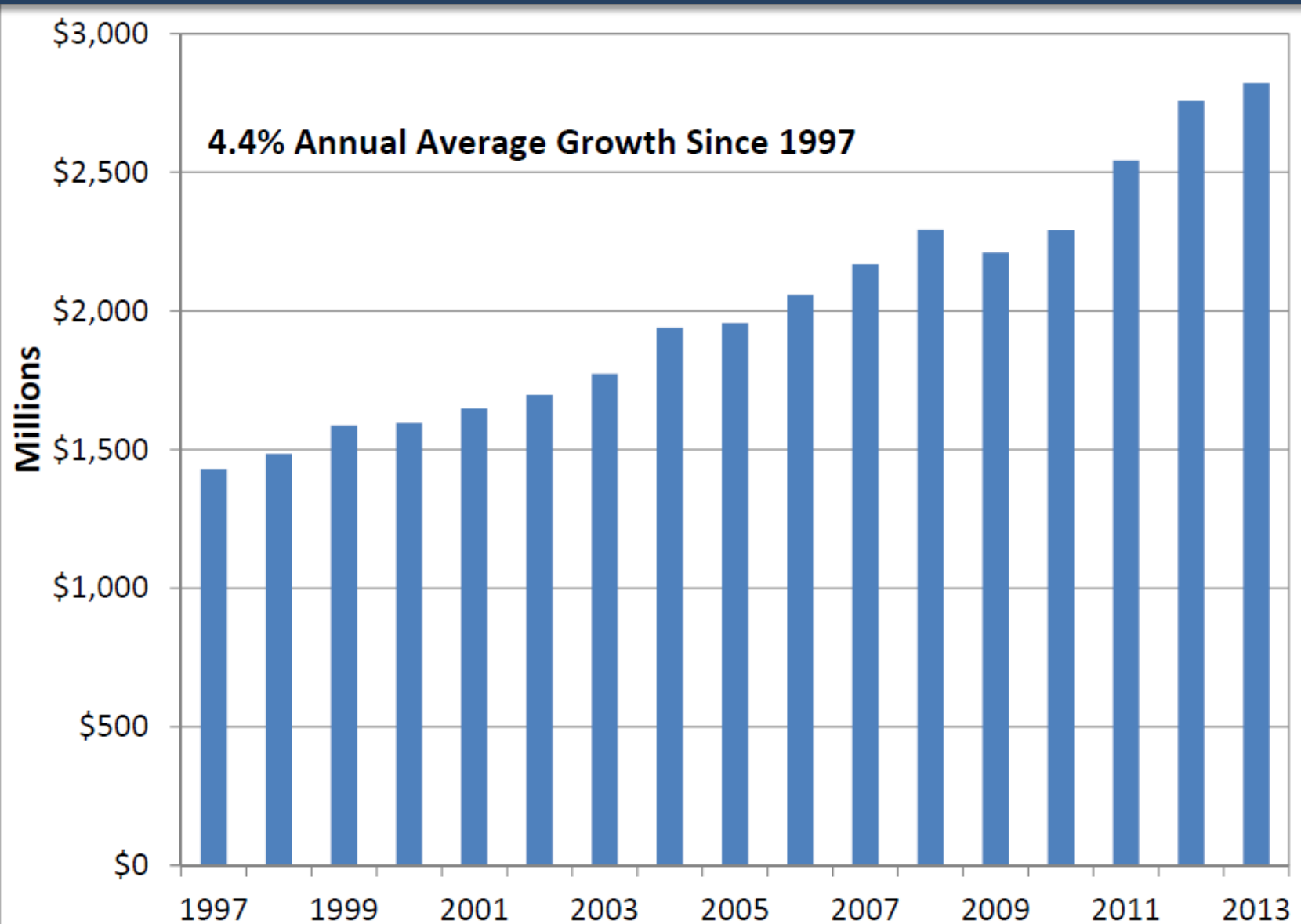
Local Funding

- Voters have approved two dedicated sales tax measures for flood protection
- Sales tax projections estimate collections to total \$700 Million over the remainder of the taxes
 - More than covers the local cost share

ND State Funding

- State legislature has appropriated \$175M with legislative intent to give another \$275M

STRONG HISTORY OF SALES TAX REVENUE



A stack of several US dollar bills is shown, fanned out from the top left to the bottom right. The bills are slightly out of focus, with the top bill being the most prominent. The text "NEED FOR FINANCING" is overlaid in the center of the stack.

NEED FOR FINANCING

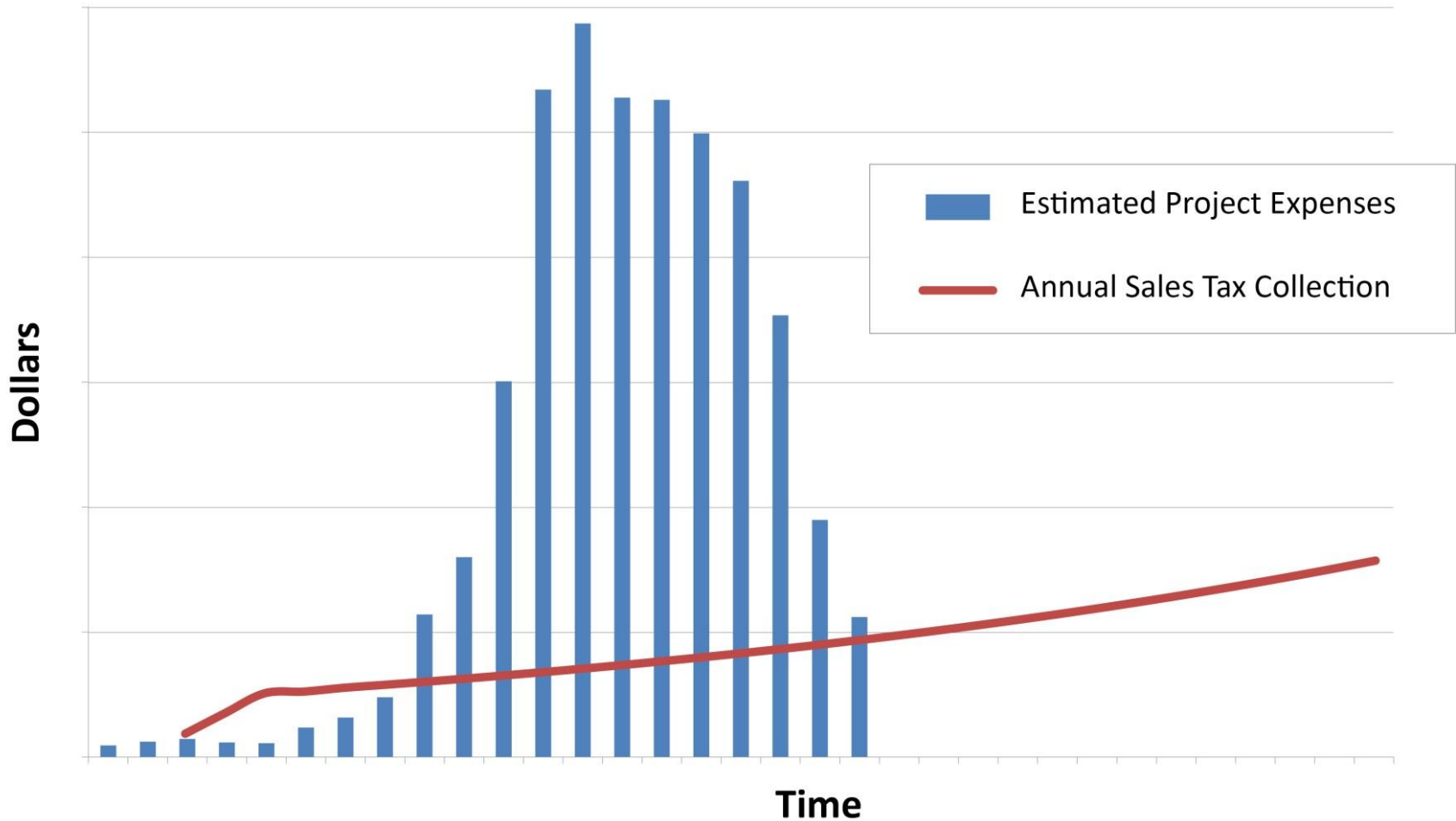
NEED FOR FINANCING

- Construction costs will outpace the sales tax revenues
- Financing will be required in order to construct the Diversion Project efficiently and in a timely manner
- Even with a strong historical record, sales tax financing would cost more than the special assessment alternative



CONSTRUCTION COSTS OUTPACE SALES TAX REVENUES

Projected Annual Project Expenses vs. Sales Tax Collection



SHORT-TERM AND LONG-TERM FINANCING OPTIONS

Financing Option	Short-Term	Long-Term
Pay-Go	✓	
Capital Financing Program – ND Public Finance Authority Program (Sales Tax Revenue Bond)	✓	✓
Bank of North Dakota Loan	✓	
General Obligation Bonds	✓	✓
Direct-Funded Loan (Bank Financing)	✓	
Special Assessment Backed Bonds		✓

WHY SPECIAL ASSESSMENT DISTRICT FINANCING?

- Assessment District will Provide Better Borrowing Terms
 - Lower Interest Rate
 - Lower Coverage Requirements
- Assessment District will Save Taxpayers Money
- Assessment District could Provide Operating Revenue for Maintenance



DIVERSION PROJECT COST TO ASSESS

• Estimated Project Cost	=	\$1,781.5M	
• Less State of North Dakota Funding (to date)	-		\$175.0M
• Less Estimated Federal Funding	-		\$801.5M
• Less Estimated State of Minnesota Funding	-		<u>\$100.0M</u>
Project Cost to Finance / Assess	=	\$725.0M	

(Project Cost Estimates are Based on Federal Environmental Impact Statement)



A woman with blonde hair, wearing a blue hard hat and a light blue button-down shirt, is leaning over a table. She is holding a silver pen in her right hand and looking intently at a set of blueprints spread out on the table. The background is a bright, slightly blurred office or construction site. A semi-transparent white rectangular box is overlaid on the image, containing the title text.

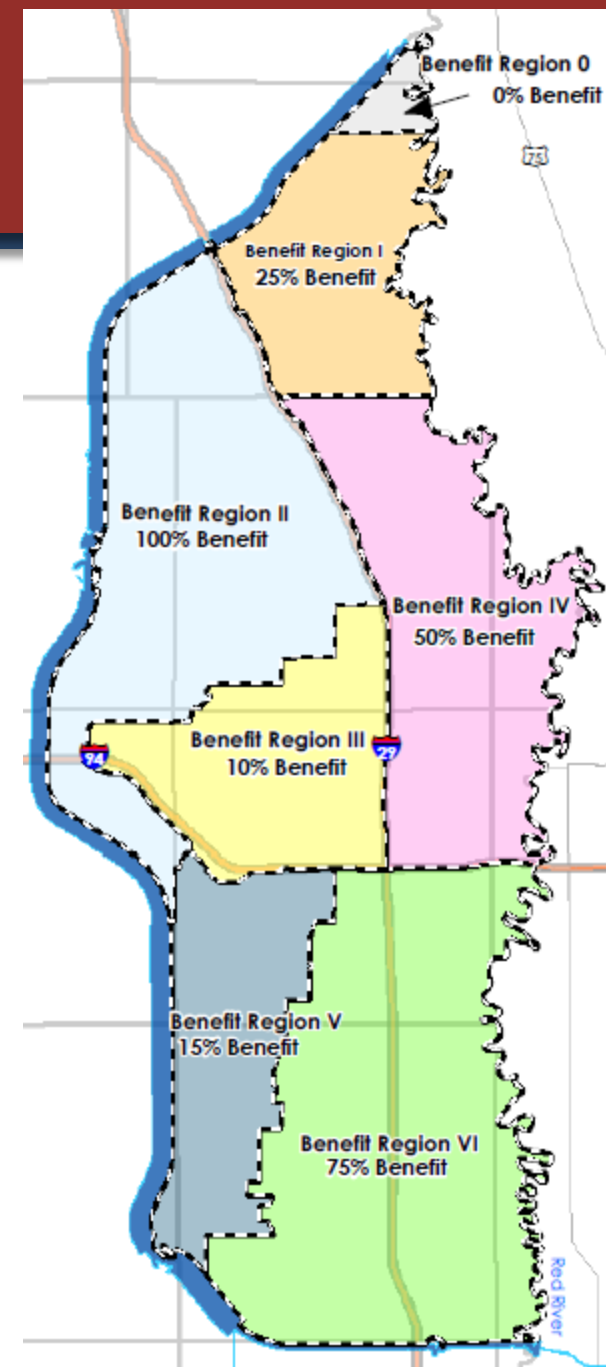
DEVELOPMENT OF THE ASSESSMENT DISTRICT

WHO GETS A VOTE?

Direct Benefits	Indirect Benefits	Acquired Right of Way
<p>Measured Benefits to Individual Parcels</p>	<p>Global Benefits Assigned to Jurisdictions</p>	<p>Voting Power to Impacted Parcels</p>
<p>Consider:</p> <ul style="list-style-type: none"> • Flood Risk Reduction • Existing Protection Level • Property Value Protected • Area Protected 	<p>Consider:</p> <ul style="list-style-type: none"> • Infrastructure • Community & Lifestyle • Business & Economy • Salient Benefits 	<p>Consider:</p> <ul style="list-style-type: none"> • Fixed Voting Amount Based on County Assessor's Value of Lands Impacted
<p>Vote by Property Owners <i>(Vote is equal to dollars assessed)</i></p> <p>49,208 Ballots</p>	<p>Vote by Jurisdiction Leaders <i>(Vote is equal to dollars assessed)</i></p> <p>20 Ballots</p>	<p>Vote by Property Owners <i>(Vote is equal to assessor's value of impacted property)</i></p> <p><i>Parcels receive no assessments</i></p> <p>901 Ballots</p>

DIRECT BENEFITS

- Assessments to property are determined by benefit region, property value (true & full), and total area of the parcel
- Benefit regions incorporate:
 - Existing floodplains
 - Project-specific floodplains
 - FEMA floodplain information
 - Elevation models
 - Local knowledge & professional expertise
- Utilized scientific flood risk reduction analysis to group parcels & neighborhoods with similar benefits into benefit regions
- The same benefit methodology was applied to all parcels



DIRECT ASSESSMENTS

- Property owners being asked to “Co-Sign” the loan
- Sales taxes will pay the “Mortgage Payment”
- Special assessments will not be certified to property as long as sales tax revenues are sufficient
- Assessments will still be a liability against the property
- Assessment liability will reduce over time



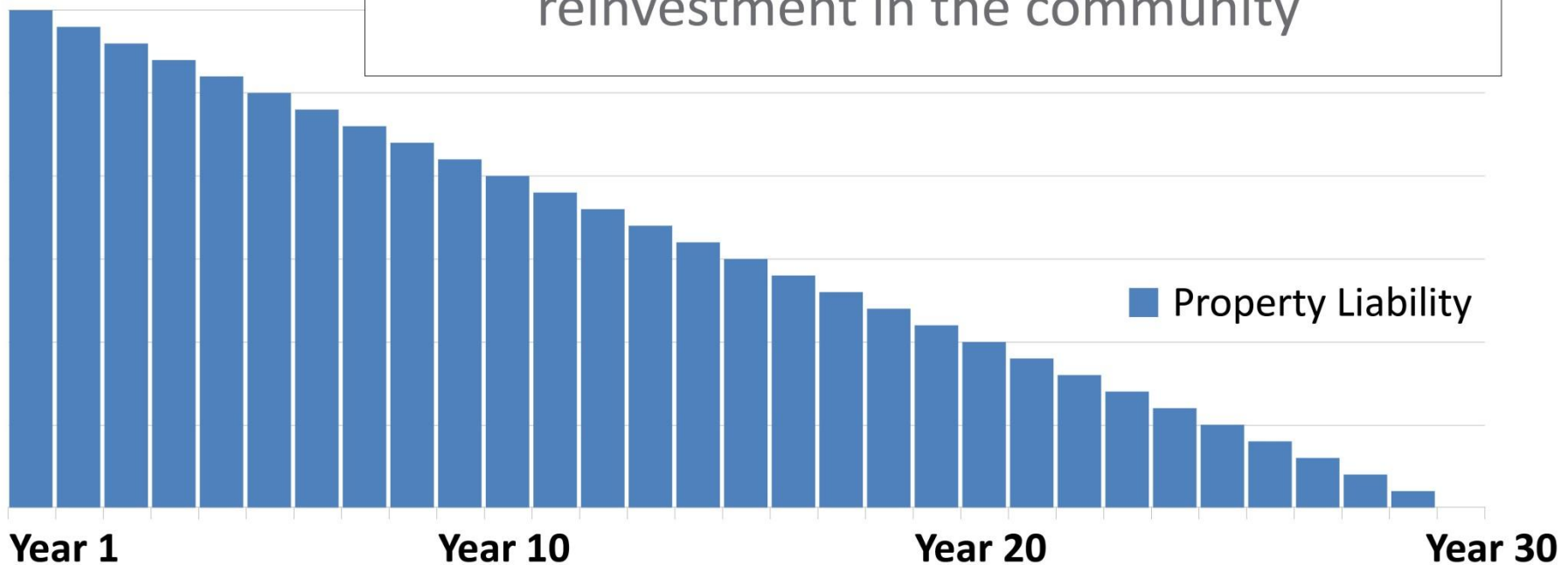
CERTIFIED VS. UNCERTIFIED

- Assessments will not be certified to property as long as sales tax revenues are sufficient
- Uncertified special assessments do not appear on property tax bills
- Assessments will still be considered liabilities against the property in terms of real estate transactions
- Assessments will reduce over time as annual payments from sales tax revenues are made and as assessment liabilities are redistributed due to reinvestment in the community

PROPERTY LIABILITY OVER 30 YEARS

Total Liability will Reduce Over Time due to:

- Payments from Sales Tax Funds
- Redistribution of liability due to reinvestment in the community



PROPERTY ASSESSMENTS

- Example “liability” for a home valued at \$200,000:
 - In South Fargo
 - \$5,909 Total Initial Liability, **\$363 Annually**
 - In West Fargo
 - \$788 Total Initial Liability, **\$48 Annually**
- Liability will be reduced Annually through Sales Tax Payments and Continued Regional Growth
- Flood Insurance Policy in South Fargo Approximately \$2,000-\$4,000 Annually



AVERAGE HOME ASSESSMENTS

Location	Average Home Value	Total Assessment Liability
West Fargo (N. of I94)	\$166,525	\$655
Horace & West Fargo (S. of I94)	\$201,877	\$1,200
North of West Fargo / Reiles Acres / West Harwood	\$173,008	\$7,448
Fargo (S. of I94)	\$199,357	\$5,900

A hand holding a blue marker is shown in the process of drawing a series of circles on a white surface. The circles are arranged in a descending diagonal line from the top left towards the bottom right. The topmost circle is black and contains a blue 'X'. The second circle is light blue and also contains a blue 'X'. The third circle is light blue and contains a blue 'X'. The fourth circle is light blue and is empty. The fifth circle is black and is empty. The sixth circle is black and is empty. The hand and marker are positioned to the right of the circles, with the marker tip pointing towards the fourth circle. The background is a blurred image of a hand holding a blue marker, suggesting the act of voting or marking a ballot.

**BALLOT AND VOTING
PACK INFORMATION**

BALLOT PACKET CONTENTS

- Three versions of the Cover Letter are below.
 - [Direct Benefit Ballot Cover Letter](#) (sent to benefiting parcels)
 - [Indirect Benefit Ballot Cover Letter](#) (sent to benefiting counties, townships, and cities)
 - [ROW Impacted Ballot Cover Letter](#) (sent to impacted parcels)
- [Sample Ballot](#)
- [Ballot Information and Instructions](#)
- [Notice of Hearing](#)
- [Benefit Region Map](#)
- [Resolution Determining Benefitted Property](#)
- [Preliminary Assessment List](#)
- [Engineer's Report](#)
- Available at www.fmdiversion.com/assessments

SAMPLE BALLOT

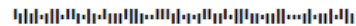
FM FLOOD RISK MANAGEMENT DISTRICT NO.1 - BALLOT

Parcel Number: 99-9999-99999-999 Record Number: 999999
Location: CITY SEC: 99 TWP: 999N RGE: 99W
Legal Description: LOT 1 BLOCK 1 OF DEVELOPMENT 11

Address: 1234 FAKE ST

Owner: JOHN J & JANE M DOE

T99 P9 *****AUTO**5-DIGIT 99999
Jane M Doe
1234 Fake St
City ND 99999



Area Assessed: 0.25 Acres

Amount Assessed: \$3,000.00

Should the Cass County Joint Water Resource District proceed with the creation of the FM Flood Risk Management District No. 1 Assessment District as described herein?

Yes

No

Please have all owners sign ballot and return to:

Cass County Joint Water Resource District
1201 Main Avenue West
West Fargo, ND 58078-1301

Signature

Signature

Signature



VOTING INFORMATION AND INSTRUCTIONS

- If ownership information has changed, please request a corrected ballot
 - Call Cass County Joint Water Resources District (701) 298-2381
- All property owners listed on ballot should sign in order to get the full weight of the vote
- In case of multiple owners, ballot will only be sent to the address in the county database



VOTING INFORMATION AND INSTRUCTIONS

- Only original signatures on ballots will be accepted. Ballots emailed or faxed will not be accepted
- Ballots must be returned by 5:00pm April 30, 2015
 - Return envelope is included
- Vote is successful if 50 percent or more of the weight of the returned ballots indicate a YES vote



QUESTIONS?



AGRICULTURAL ASSESSMENTS

- Ag-Land makes up approximately 1.2% of the total assessment amount
- Ag-Land makes up over half the total area
- Benefit to Ag-land was determined by the benefit region, the county valuation (not market value), and by total acreage. The same formula as is applied to all property.

Benefit Region	Average Assessment per Acre	Hypothetical Annualized Amount per Acre
Benefit Region 1 (25% Benefit)	\$68	~ \$4
Benefit Region 2 (100% Benefit)	\$271	~ \$16