

# Meeting Today's Financial Challenges: Untapped Local Resources for Levee Owners

FIGHTING THE FLOOD  
LEVEE FORUM

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## FINDING MONEY

- 1. Analyze Tax/Assessment Base
- 2. Legislative Assistance
- 3. Government Incentives

# TAX VS. ASSESS




## REASSESSMENT OF BENEFITS

**Purpose:**

- (1) More Equitably Share Existing Costs of Drainage and Flood Protection 
- (2) Finance Additional Improvements and Increase Debt Limitations 

**How?**

- (1) Reallocating Benefits to Non-Typical/Under-Assessed Owners
- (2) Accounting for Changes in Property Use over a Number of Years (or Decades)

# TAX EXEMPT/LIMITED ASSESSMENT

## Examples:

(1) Public Property, Charitable Property



(2) State, County and Local Roads



(3) Railroads

(4) Public Utilities - water, gas, electric, sewer



(5) Fiber Optic Lines



(6) Pipelines

(7) Water Treatment Plants



(8) Sewage Treatment Plants

(9) Airports



(10) Parks and Trails



(11) Fringe Properties/  
Access Rights

(12) Jails



(13) Agriculture



## Iowa

[The commissioners] shall begin to inspect and classify all the lands within said district in a graduated scale of benefits to be numbered according to the benefit to be received by each of such tracts from such improvement. The lands receiving the greatest benefit shall be marked on a scale of one hundred, and those benefited in a less degree with such percentage of one hundred as the benefits received bear in proportion thereto.

## Missouri

[The commissioners] shall assess the amount of benefits, that will accrue to each governmental lot, including all property owned by the state or other political subdivision, forty-acre tract or other subdivision of land according to ownership, railroad and other rights-of-way, railroad roadways and other property from carrying out and putting into effect the plan for reclamation heretofore adopted.

# Kansas



**24-407: Powers of drainage districts.** . . . The board of directors of every drainage district . . . Shall have the power . . .

To levy special assessments against all real property located within the district that may be benefited to pay the costs of the construction and maintenance of levees or other works . . . .

**24-810: Assessments of costs; surplus funds, use for repairs; additional assessments.** As soon as such contracts are made, the county board shall determine the entire cost and expense of constructing such levee, . . . the county clerk shall apportion the same to and between the several tracts of lands, railroads and highways to be directly benefited by such levee, in proportion to the sums to be determined by the board of county commissioners or by three disinterested householders appointed by said board, as the basis of benefit to each respectively . . . .

## ECONOMIC EXPLANATION

### *Levee District Readjustment*

- **Original Assessment: \$ 1,128,670**  
(Total Benefits)  
5% - Non-Typical Under-Assessed Owners  

- **Readjustment: \$13,129,330**  
(Total Benefits)  
35% Non-typical Under-Assessed Owners  

- **Total Taxes Collected Annually: \$160,000**
- **Debt Limitation:**  
\$1,027,089 ⇒ \$11,947,690

## ANY LEVEE OR DRAINAGE DISTRICT

Assumptions:

10,000 Acres w/Levee FMV Lease	\$4,000 Acre \$160 Acre/Year
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w/o Levee FMV Lease	\$1,500 Acre \$60 Acre/Year
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Assessed Benefit/Acre	=	\$2,500 (\$4,000 - \$2,500)
Annual Benefit/Acre	=	\$100 (\$160 - \$60)
Annual Assessment per Acre	=	\$100 x 15% = \$15/Acre/Year
Annual Assessment Railroad	=	\$500,558 x 15% = \$75,083/Year
Total Annual Taxes/Assessment	=	\$225,083

## INDUSTRIAL LEVEE OR DRAINAGE DISTRICT (Missouri)

Assumptions:

Annual Operating Budget	\$500,000
10,000 Acres w/Levee FMV	\$ 10,000
w/o Levee FMV	\$ 1,500

500 Acres Industrial	\$200 Million
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Assessed Benefits:

10,000 Acres x \$8,500 Acre	\$ 85,000,000
500 Acres (Industrial)	<u>\$200,000,000</u>
Total Assessed Benefits	<u>\$285,000,000</u>

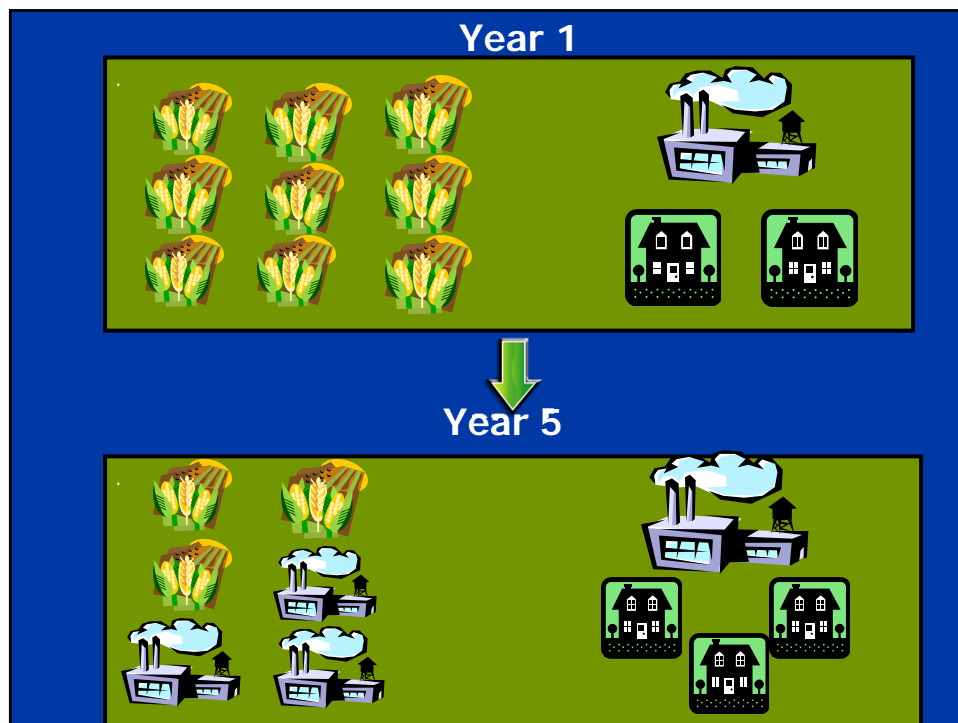
Tax Rate = \$500,000/\$285,000,000 or .175%

Agricultural Ground	=	\$14.90/Acre/Year
	or	\$175 per \$100,000 of Assessed Benefit
Industrial Ground	=	\$702/Acre/Year
	or	\$175 per \$100,000 of Assessed Benefit

Acre – 1 Tax = \$50.00/Acre

## 2. DIRECT LEGISLATIVE ASSISTANCE

- (i) Debt Allocation
- (ii) Limited Reassessments



## Tip #1: Pool your resources

- (A) Retain Lobbyist
- (B) Invest in State Leadership

## Tip # 2: Frame Message

- (A) Universal Issue
- (B) Equitable
- (C) Not A Tax Increase



## SIMPLIFIED LIMITED REASSESSMENT

Message:       → Reduce Cost  
                  → Save Time  
                  → Equitable  
                  → Lawyer Loses \$

### 3. GOVERNMENT INCENTIVES

- (a) TIF
- (b) Tax Credits
- (c) Tax Abatement
- (d) Grants
- (e) TDD's, NID's, CID's, Business Districts,
- (f) and so on and so on

# MONARCH-CHESTERFIELD PROJECT

(FEDERAL/LOCAL PROJECT)

## Project Features:

↗Length of Levee: 11.5 miles

↗Cubic Yards: 5.5 million

### ↗Special

Features:	Railroad Closure	(2)
	Road Closure	(2)
	Floodwalls	(3)
	Relocations	(1)
	Pump Stations	(5)

Cost Estimate: \$70,000,000

# STE. GENEVIEVE PROJECT FEATURES

(FEDERAL PROJECT)

## Project Features:

Length of Levee: 3.5 miles

Cubic Yards: 2.9 million

Special Features:

- Pump Station (575 cfs)
- Railroad Closures (2)
- Road Closure (1)
- Relocations (3)  
(railroad, highway)

Acres Protected: 1900

Cost Estimate: \$41,058,000 (Phase I)

# RIVERSIDE-QUINDARO BEND LEVEE DISTRICT

(Federal/Local Project)

## Project Features

Length of Levee: 4.7 miles

Special Features: Floodwalls

Road Closures

Railroad Closures

Pump Station

Cost Estimate: \$70,580,000

# AMERICAN BOTTOMS FLOOD PROTECTION

## Project Facts

Residents 156,287

Jobs 51,539

Acreage 92,000

Cost Estimate \$180 Million/Local  
\$400 Million/Federal