

**WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM**

**#11**

Date: 02/19/2019

Weekly Agenda Date: 02/26/2019

**ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN:** Jeremy Taylor, Supervisor

**WORDING FOR AGENDA ITEM:**

Consider a motion for the commitment of future secondary road levy generated by CF Industries

**ACTION REQUIRED:**

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

**EXECUTIVE SUMMARY:**

This motion recommends that the county board and secondary road department set a goal to dedicate future property tax revenue generated by CF Industries valuation be dedicated to gravel purchase for improving the county's gravel road system.

**BACKGROUND:**

CF Industries received a 20 year property tax deferment with their full valuation subject to taxes in FY 2036. Beginning in FY 2018, the new valuation eligible for taxation began to accrue under the development agreement. The annual valuation increase of the new plant is shown in the attached table in column 2 with the accumulated valuation in column 3. Between FY 2020 and FY 2036, the growing valuation will generate a maximum of \$6,758,957 for the secondary road fund based on the board continuing to levy property taxes to meet the minimum local effort as has been the current policy.

The county engineer showed the board that approximately \$12,500,000 in gravel would be needed to restore our gravel roads to the base thickness and condition they were in 30+ years ago. That \$12,500,000 only represents the cost of the gravel needed to restore the base thickness on all gravel roads and does not include the cost of hauling the gravel to the roads or the cost of preparing the roads to receive the new gravel. The \$6,758,957 would be a significant downpayment on the gravel and would potentially provide 50% of the revenue needed to fund a gravel road improvement program.

The potential revenue shown on the spreadsheet represents the maximum funding generated under the estimated local road property tax levy. This total may not be reached each year, depending upon the amount of debt served by the TIF district which must be satisfied prior to the valuation being released for property taxes.

**FINANCIAL IMPACT:**

The dedication has the potential to raise \$6,758,957 in revenue that could be dedicated to gravel purchase for the secondary road department.

**IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?**

Yes  No

**RECOMMENDATION:**

That the Board motion to dedicate future secondary road fund property tax revenue increases tied to the new CF Industries plant construction for the purchase of road gravel.

**ACTION REQUIRED / PROPOSED MOTION:**

Motion that future secondary road fund property tax revenue increases tied to the new CF Industries plant construction be dedicated to the purchase of road gravel.

		Current levy \$0.9627 FY 2020 levy \$1.13614		Current levy \$0.00									
YEAR	Rural Taxable Valuation with CF	General Taxable Valuation with CF	County Rural Basic at \$3.00375	Countywide General Basic at \$0.16875	Potential Property Tax Revenue **	75% Minimum Local Effort	LOSST Revenue	Property Tax Needed for Min. Local Effort	FY Rural Levy to meet 75% minimum	County Rural Basic at 75% level			
2020	\$ 1,276,249,410.00	\$ 4,471,884,941.00	\$ 3,833,534.17	\$ 754,630.58	\$ 4,588,164.75	\$ 3,441,123.56	\$ 2,060,000.00	\$ 1,381,123.56	\$ 1.1361416	\$ 1,450,000.05			
*2021	\$ 1,309,468,004.10	\$ 4,537,059,890.41	\$ 3,933,314.52	\$ 765,628.86	\$ 4,698,943.37	\$ 3,524,207.53	\$ 2,060,000.00	\$ 1,464,207.53	\$ 1.1181698	\$ 1,464,207.53			
*2022	\$ 1,342,804,584.14	\$ 4,602,672,389.31	\$ 4,033,449.27	\$ 776,700.97	\$ 4,810,150.24	\$ 3,607,612.68	\$ 2,060,000.00	\$ 1,547,612.68	\$ 1.1525226	\$ 1,547,612.68			
*2023	\$ 1,381,615,329.98	\$ 4,674,081,813.21	\$ 4,150,027.05	\$ 788,751.31	\$ 4,938,778.35	\$ 3,704,083.77	\$ 2,060,000.00	\$ 1,644,083.77	\$ 1.1899722	\$ 1,644,083.77			
*2024	\$ 1,415,191,433.28	\$ 4,740,582,581.34	\$ 4,250,881.27	\$ 799,973.31	\$ 5,050,854.58	\$ 3,788,140.93	\$ 2,060,000.00	\$ 1,728,140.93	\$ 1.2211358	\$ 1,728,140.93			
*2025	\$ 1,454,244,097.62	\$ 4,812,889,157.15	\$ 4,368,185.71	\$ 812,175.05	\$ 5,180,360.75	\$ 3,885,270.57	\$ 2,060,000.00	\$ 1,825,270.57	\$ 1.2551336	\$ 1,825,270.57			
*2026	\$ 1,488,064,538.59	\$ 4,880,296,048.72	\$ 4,469,773.86	\$ 823,549.96	\$ 5,293,323.82	\$ 3,969,992.86	\$ 2,060,000.00	\$ 1,909,992.86	\$ 1.2835417	\$ 1,909,992.86			
*2027	\$ 1,522,008,983.98	\$ 4,948,162,809.21	\$ 4,571,734.49	\$ 835,002.47	\$ 5,406,736.96	\$ 4,055,052.72	\$ 2,060,000.00	\$ 1,995,052.72	\$ 1.3108022	\$ 1,995,052.72			
*2028	\$ 1,561,433,673.82	\$ 5,021,849,037.30	\$ 4,690,156.40	\$ 847,437.03	\$ 5,537,593.42	\$ 4,153,195.07	\$ 2,060,000.00	\$ 2,093,195.07	\$ 1.3405597	\$ 2,093,195.07			
*2029	\$ 1,595,629,860.56	\$ 5,090,649,377.68	\$ 4,792,873.19	\$ 859,047.08	\$ 5,651,920.28	\$ 4,238,940.21	\$ 2,060,000.00	\$ 2,178,940.21	\$ 1.3655675	\$ 2,178,940.21			
*2030	\$ 1,635,308,809.16	\$ 5,165,278,521.45	\$ 4,912,058.84	\$ 871,640.75	\$ 5,783,699.59	\$ 4,337,774.69	\$ 2,060,000.00	\$ 2,277,774.69	\$ 1.3928713	\$ 2,277,774.69			
*2031	\$ 1,669,761,797.25	\$ 5,235,031,206.67	\$ 5,015,547.00	\$ 883,411.52	\$ 5,898,958.51	\$ 4,424,218.89	\$ 2,060,000.00	\$ 2,364,218.89	\$ 1.4159019	\$ 2,364,218.89			
*2032	\$ 1,704,345,115.22	\$ 5,305,267,218.73	\$ 5,119,426.64	\$ 895,263.84	\$ 6,014,690.48	\$ 4,511,017.86	\$ 2,060,000.00	\$ 2,451,017.86	\$ 1.4380995	\$ 2,451,017.86			
*2033	\$ 1,744,415,066.38	\$ 5,381,346,390.92	\$ 5,239,786.76	\$ 908,102.20	\$ 6,147,888.96	\$ 4,610,916.72	\$ 2,060,000.00	\$ 2,550,916.72	\$ 1.4623336	\$ 2,550,916.72			
*2034	\$ 1,779,262,967.04	\$ 5,452,563,604.83	\$ 5,344,461.14	\$ 920,120.11	\$ 6,264,581.25	\$ 4,698,435.93	\$ 2,060,000.00	\$ 2,638,435.93	\$ 1.4828814	\$ 2,638,435.93			
*2035	\$ 1,819,600,146.71	\$ 5,529,633,790.88	\$ 5,465,623.94	\$ 933,125.70	\$ 6,398,749.64	\$ 4,799,062.23	\$ 2,060,000.00	\$ 2,739,062.23	\$ 1.5053100	\$ 2,739,062.23			
*2036	\$ 1,918,977,948.18	\$ 5,666,111,928.79	\$ 5,764,130.01	\$ 956,156.39	\$ 6,720,286.40	\$ 5,040,214.80	\$ 2,060,000.00	\$ 2,980,214.80	\$ 1.5530219	\$ 2,980,214.80			
			\$ 83,387,241.64	\$ 15,152,595.79	\$ 98,539,837.43	\$ 73,904,878.07	\$ 37,080,000.00	\$ 36,824,878.07		\$ 36,938,137.53			

\*estimated valuation at 1% growth per year not including CF valuation growth

\*\* This is the potential revenue at the maximum rural basic and general basic levy.

YEAR	CF Valuation Growth	CF Valuation Total	(90%) rollback CF Taxable Valuation	Maximum CF Rural Basic at 75% level
2020	\$ 29,750,000.00	\$ 107,100,000.00	\$ 96,390,000.00	\$ 109,512.69
*2021	\$ 23,800,000.00	\$ 130,900,000.00	\$ 117,810,000.00	\$ 131,731.58
*2022	\$ 23,800,000.00	\$ 154,700,000.00	\$ 139,230,000.00	\$ 160,465.73
*2023	\$ 29,750,000.00	\$ 184,450,000.00	\$ 166,005,000.00	\$ 197,541.33
*2024	\$ 23,800,000.00	\$ 208,250,000.00	\$ 187,425,000.00	\$ 228,871.38
*2025	\$ 29,750,000.00	\$ 238,000,000.00	\$ 214,200,000.00	\$ 268,849.61
*2026	\$ 23,800,000.00	\$ 261,800,000.00	\$ 235,620,000.00	\$ 302,428.09
*2027	\$ 23,800,000.00	\$ 285,600,000.00	\$ 257,040,000.00	\$ 336,928.60
*2028	\$ 29,750,000.00	\$ 315,350,000.00	\$ 283,815,000.00	\$ 380,470.95
*2029	\$ 23,800,000.00	\$ 339,150,000.00	\$ 305,235,000.00	\$ 416,818.98
*2030	\$ 29,750,000.00	\$ 368,900,000.00	\$ 332,010,000.00	\$ 462,447.20
*2031	\$ 23,800,000.00	\$ 392,700,000.00	\$ 353,430,000.00	\$ 500,422.21
*2032	\$ 23,800,000.00	\$ 416,500,000.00	\$ 374,850,000.00	\$ 539,071.60
*2033	\$ 29,750,000.00	\$ 446,250,000.00	\$ 401,625,000.00	\$ 587,309.72
*2034	\$ 23,800,000.00	\$ 470,050,000.00	\$ 423,045,000.00	\$ 627,325.56
*2035	\$ 29,750,000.00	\$ 499,800,000.00	\$ 449,820,000.00	\$ 677,118.53
*2036	\$ 95,200,000.00	\$ 595,000,000.00	\$ 535,500,000.00	\$ 831,643.23
				\$ 6,758,956.97
*estimated valuation at 1% growth per year not including CF valuation growth				
** This is the potential revenue at the maximum rural basic and general basic levy.				