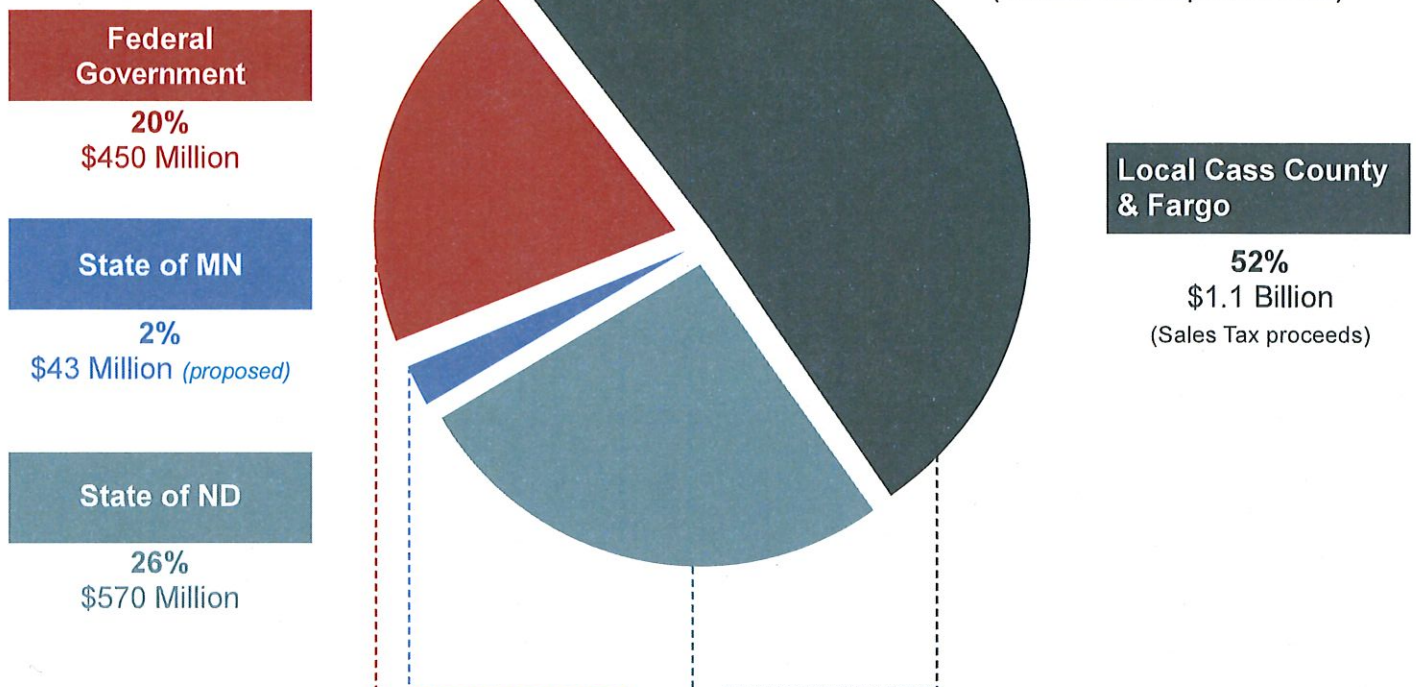


# Funding Support for FM Area Flood Protection

**\$2.2 Billion**

Estimated project cost in Dec. 2015\$  
(includes land acquisition costs)



## Federal Government \$450 Million

Project Partnership Agreement (PPA) signed in 2016 committed \$450 Million (with inflation). The Water Resources Reform and Development (WRRDA) Act of 2014 authorized a total of \$846 Million.

## State of Minnesota \$43 Million (proposed)

Amount based off the DNR's Environmental Impact Statement (EIS) estimated flood damage reduction benefit of 2%.

## Local Cass County & Fargo \$1.1 Billion (funded with sales tax)


\$40 Million in annual collections through 2084 from voter-approved sales taxes in Cass County and Fargo. These dollars will be used to pay debt service on bonds issued for the Project. More information about local funding on page 2.

## State of North Dakota \$570 Million

Funding commitment over eight bienniums. \$304 Million appropriated to date.


# Local Cass County & Fargo Funding

## City of Fargo Sales Taxes

$\frac{1}{2}$ ¢  Passed in 2009  
Dedicated to Flood Control

$\frac{1}{2}$ ¢  Passed in 2012  
Dedicated to Infrastructure & Flood Control

## Cass County Sales Tax

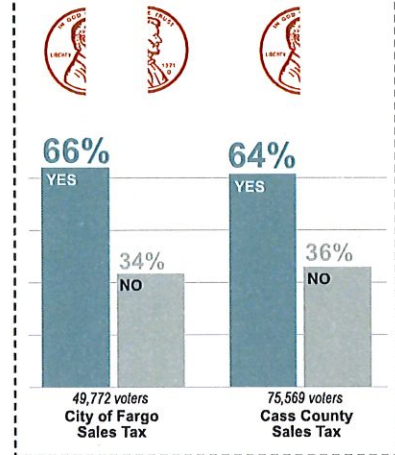
$\frac{1}{2}$ ¢  Passed in 2010  
Dedicated to the Diversion  
(and other County flood projects)

## Estimated Annual Collection

\$40 Million annually



All sales taxes were extended by voters in 2016 to expire in 2084



## Improvement District Information

The pace of sales tax collection will not match the pace of costs of project construction. Local project sponsors will have to borrow funds to keep pace with project construction, and repay the debt with sales tax proceeds. The local project sponsors determined that an assessment district will provide an effective financing tool for the Project, with more favorable borrowing terms

(lower interest rates and lower coverage requirements) than alternative financing options. Project sponsors anticipate sales tax proceeds will provide adequate revenue to repay the financing debt and annual payments on the assessment district.

The assessment district also allows the establishment of a maintenance district that can be used for O&M funding.

# Operation and Maintenance Funding

Operation and Maintenance (O&M) will be required for a flood protection project. O&M funding for the North Dakota entities will be provided by a combination of local sales taxes, a maintenance district, or a combination of both. The current plan for funding the Minnesota entities O&M will be to use Moorhead's stormwater utility fees as a funding source. O&M costs will include traditional

maintenance costs as well as long-term environmental monitoring and mitigation costs. The O&M funding program will also provide a mechanism for funding unforeseen mitigation needs that may arise due to Project operation.

The current annualized estimate for O&M costs is \$3.5 to \$5 million per year.

## Section 12.11 of the Diversion Authority Joint Powers Agreement

	Minnesota Member Entities	North Dakota Member Entities	Federal Government
Maintenance Costs	Consistent with the final cost allocation between the States of North Dakota & Minnesota has yet to be determined by the Minnesota Legislature pursuant to Section 12.04 of this Agreement	All remaining amounts	None
	Estimate 2% based on Joint Powers Agreement signed by cities of Fargo, and Moorhead and Cass and Clay counties.		