



TO: EDO STAFF AND OTHER INTERESTED PARTIES
FROM: BRUCE SACKETT, EXECUTIVE DIRECTOR'S OFFICE
SUBJECT: PAYMENT TO COMPENSATE FOR LOST TAX FOR J2 RESERVOIR FOOTPRINT
DATE: 2-29-2016

2015 Adjustment for Payment of Lost Tax

The Central Nebraska Public Power and Irrigation District (CNPPID), and ultimately the Program, makes an annual payment of lost tax (PLT) to Phelps County for lands removed from the tax base at the J2 Reservoir site. The payment is based on historical tax payments from these lands, annually adjusted to reflect typical property tax payments for nearby irrigated lands.

For the 2016, the tax payment would be adjusted upward based on the taxes paid by three representative parcels. Three parcels in the immediate vicinity of the J2 reservoir were chosen to represent the annual tax change between 2014 and 2015, shown below. Using the Phelps County Assessor information, for the individual parcels of land, a range was calculated to determine the annual irrigated tax change.

Rates of change were as follows:

Parcel #3370 16.81% increase from 2014 to 2015 83.68 acres
Parcel #3365 28.74% increase from 2014 to 2015 169.52 acres
Parcel #06.10 18.70% increase from 2014 to 2015 164.75 acres

The average increase between 2014 and 2015 over these three tracts is calculated to be 21.75%. Supporting information is attached.

Staff recommends applying a tax change to all parcels acquired in 2014 and making payment in the amount of 121.75% of the 2014 tax payment to CNPPID to be forwarded to Phelps County to replace forgone tax revenue.

Land Bought	Acres	Year	Tax	Rate Change	2015 Tax
006182	1.64	2014	\$22.96	121.75 %	\$27.95



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2/29/2016

Tax Calculation for Phelps County

Parcel #	2014	2015	2016	2017	2018	2019
0003370	\$3,663.24	\$4,279.15				
0003365	\$4,364.24	\$5,618.52				
0000006.10	\$4,074.05	\$4,835.89				
	\$ 4,033.84	\$ 4,911.18				

Annual Change	-	21.75%
0003370		16.81%
0003365		28.74%
0000006.10		18.70%

Parcel #3370

					Unit \$	Acres	Total	Average
2014								
5632	IRRG	4A	\$3,000.00	1.37			\$4,110.00	
6355	IRRG	4A1	\$3,500.00	10.55			\$36,925.00	
8502	IRRG	3A	\$3,700.00	71.75			\$265,475.00	
9999	IRRG	4A	\$3,000.00	0.01			\$30.00	
						83.68	\$306,540.00	\$3,663.24
2015								
5632	IRRG	4A	\$3,800.00	1.37			\$5,206.00	
6355	IRRG	4A1	\$4,200.00	10.55			\$44,310.00	
8502	IRRG	3A	\$4,300.00	71.75			\$308,525.00	
9999	IRRG	4A	\$3,800.00	0.01			\$38.00	
						83.68	\$358,079.00	\$4,279.15



Parcel #3365

			Unit \$	Acres	Total	Average
2014						
2830	IRRG	4A	\$3,000.00	0.09	\$270.00	
3715	IRRG	1A	\$5,000.00	91.67	\$458,350.00	
8502	IRRG	3A	\$3,700.00	45.23	\$167,351.00	
8869	IRRG	1A	\$3,500.00	32.53	\$113,855.00	
				169.52	\$739,826.00	\$4,364.24
2015						
2830	IRRG	4A	\$3,800.00	0.09	\$342.00	
3715	IRRG	1A	\$6,100.00	91.67	\$559,187.00	
8502	IRRG	3A	\$4,300.00	45.23	\$194,489.00	
8869	IRRG	1A	\$6,100.00	32.53	\$198,433.00	
				169.52	\$952,451.00	\$5,618.52

Parcel #06.10

			Unit \$	Acres	Total	Average
2014						
6352	IRRG	2A	\$4,000.00	112.74	\$450,960.00	
6355	IRRG	4A1	\$3,500.00	26.54	\$92,890.00	
8815	IRRG	1A	\$5,000.00	25.47	\$127,350.00	
				164.75	\$671,200.00	\$4,074.05
2015						
6352	IRRG	2A	\$4,700.00	112.74	\$529,878.00	
6355	IRRG	4A1	\$4,200.00	26.54	\$111,468.00	
8815	IRRG	1A	\$6,100.00	25.47	\$155,367.00	
				164.75	\$796,713.00	\$4,835.89