



Enhanced Infrastructure Financing District

Draft Infrastructure Financing Plan

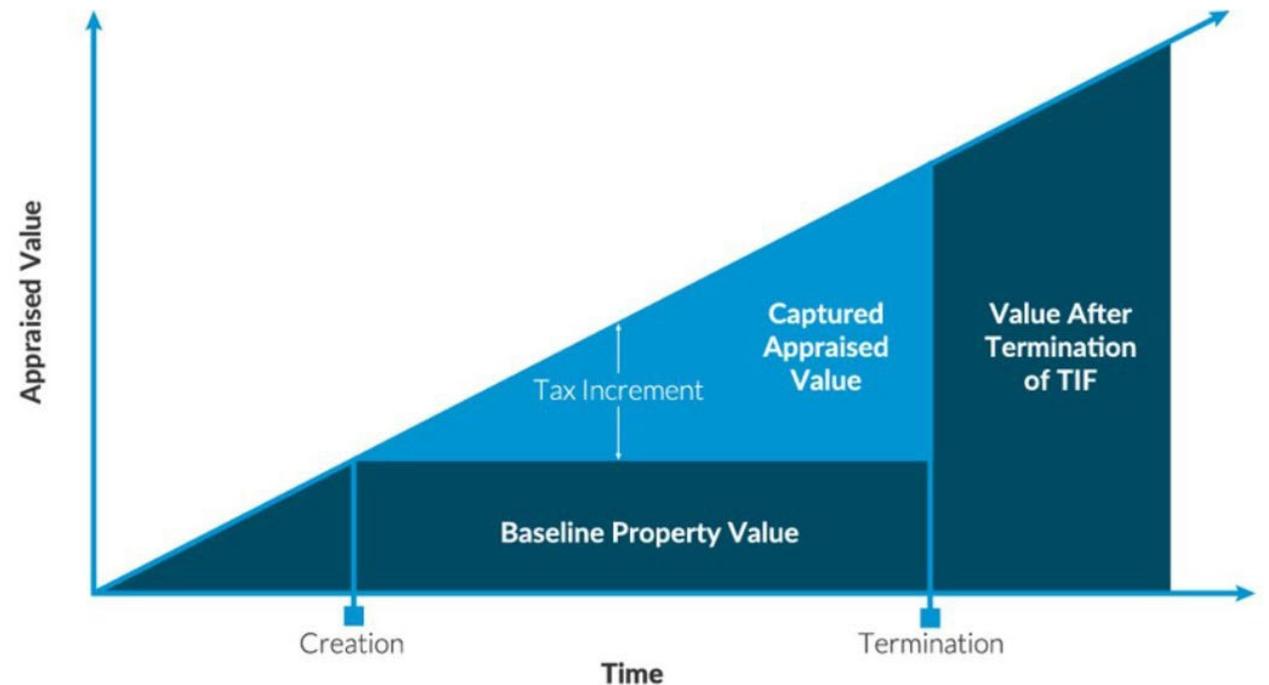
June 3, 2024

City Council

EIFD: Enhanced Infrastructure Financing District

- Financing tool for public infrastructure and private property improvements
- **Source of tax increment:**
Cites, counties and special districts may allocate all or a portion of tax increment generated by existing 1% ad valorem property tax and increases in assessed property value (AV) in the EIFD above the base year AV.

- **NO NEW TAXES.**
- **NO additional property taxes imposed**



EIFD: Formation Process

City Council Meeting – April 25, 2023:

- **Resolution of Intention (ROI) - Adopted**
 - Approved EIFD boundaries
 - Reviewed types of facilities eligible for financing
 - Identified goals - **Economic Development**
- **Public Financing Authority (PFA) – Established**
 - 2 City Council members, 2 County Supervisors, 3 members of the public
 - Oversees development of Infrastructure Financing Plan (IFP); process includes decision points for City and County
 - Implements Infrastructure Financing Plan (IFP) after approval by City and County



EIFD: Formation Process

- 1. City/County identify projects to be funded by EIFD and percentage of tax increment allocated to EIFD**
 - Board of Supervisors - August 20, 2024
 - City Council - November 19, 2024

- 2. Introduction of draft IFP at PFA public meeting**
 - April 2, 2025

- 3. PFA 1st Public Hearing (receive comments and modify)**
 - May 8, 2025, continued to May 15, 2025

- 4. City Council and Board of Supervisors (accept or reject IFP)**
 - June 3, 2025 – noticed public hearing

- 5. PFA 2nd Public Hearing**
 - June 16, 2025
 - IFP subject to protest hearing
 - If no protest, PFA can approve or reject IFP and adopt Resolution of Formation



EIFD: Infrastructure Financing Plan (IFP)

IFP Elements

- a. A map and legal description of the proposed EIFD.
- b. A description of the public facilities and other forms of development or public assistance to be undertaken within the EIFD.
- c. A finding that the improvements to be funded are of communitywide significance and provide significant benefits to an area larger than the EIFD.
- d. A financing section containing a series of elements, including projected EIFD tax revenues and construction revenues, a limit on revenues allocated to the EIFD and the period of time the EIFD will be in existence (not to exceed 45 years after the approval of a bond measure by the PFA), a plan for financing the eligible facilities and an analysis of the fiscal impacts of the EIFD on the local public agencies participating in the EIFD.
- e. The EIFD's goals for each public improvement financed by the EIFD.



EIFD: Boundary



Proposed Enhanced Infrastructure Financial District



EIFD: Boundary

- The proposed EIFD consists of assessor's parcels generally located:
 - South of West College Avenue
 - West of Brookwood Drive
 - North of Maple Avenue
 - East of Wilson Street
- All of which is an area located within the Downtown Station Area Specific Plan. It will encompass 308.02 gross taxable acres, which consist of 913 parcels within the City of Santa Rosa.
- The map and legal description of the EIFD are included In the IFP as **Appendix A**.
- After the formation of the EIFD, the boundaries of the EIFD cannot be expanded without the approval of the City, County and PFA, with all notices and hearing requirements for the original formation of the EIFD applied to the affected landowners and residents of the area to be annexed into the EIFD.



EIFD: Projects Financed by EIFD

Table 2: Prioritization of Public Capital Facilities and Affordable Housing Costs

Item	EIFD-Funded Improvements	Priority Program Project Percentages ¹	Estimated Cost
1	Performing Arts/Sports Entertainment Center/Placemaking Improvements ²	80%	\$51,673,608
2	Affordable Housing ²	20%	\$12,918,402
Total		100%	\$64,592,010

Notes:

1. Revenue allocated to the EIFD will be used to fund the specified improvements according to the Priority Program Project Percentages above.
2. These categories of improvements may include transportation improvements intended to connect them to the EIFD if they are constructed outside the EIFD boundaries.

- For the first 10 years, 50 percent of Item 1 percentage will be spent on Placemaking - No bonding during first 10 years for Placemaking
- City Council, PFA and County will revisit allocation of EIFD revenue after 10 years
- City Council, PFA and County will revisit allocation of EIFD revenue during first 10 years if Performing Arts/Sports Entertainment Center (Center) is available
- Projects located outside of district must have a tangible connection to the work of the district



EIFD: Projects Financed by EIFD

Goal: Catalyze private development, increase economic activity, employment property taxes, commercial occupancies, retail sales, private investment or other appropriate measures.



Performing Arts/Sports Entertainment Center

- Create local on-site jobs, as well as indirect and induced employment

Placemaking Projects

- Includes public facilities outlined in specific and corridor plans and design guidelines.
- Specifically, transportation, streetscapes, lighting, sidewalk reconstruction, ADA improvements, bike racks, downtown entry monuments, and other transit needs
- Projects that support connectivity between Railroad Square and Downtown and can be shown to provide significant economic benefit within the EIFD boundaries

Affordable Housing

- Prioritize mixed income developments, but may only finance deed restricted for very low, low and moderate affordability levels and onsite facilities for child care, after school care and social services



EIFD: Financing Program

Maximum portion of the incremental tax revenue allocated by the **City** to the EIFD.

- The City will allocate **50%** of
 - Ad valorem Property Tax
 - Net Available Revenue
 - Property Taxes in lieu of VLF
 - Subject to \$200 million maximum

Maximum portion of the incremental tax revenue allocated by the **County** to the EIFD.

- The County will allocate **25%** of:
 - Ad valorem Property Tax
 - Net Available Revenue
 - Subject to \$100 million maximum

Date on which the EIFD will cease to exist:

- Shall not be more than 45 years from the date on which the issuance of bonds is approved



EIFD: Financing Program

- \$72,559,272 in City *ad valorem* property tax and net available revenue increment and \$32,847,483 in City Property Taxes in lieu of VLF are anticipated to be generated within the proposed EIFD.
- \$120,048,885 in *ad valorem* property tax increment and net available revenues are anticipated to be generated by the County within the proposed EIFD.
- The total net increment available to the EIFD through the entire term of the EIFD, after deducting Administrative Expenses, would equal \$81,425,167.
 - These revenue projections are the result of the anticipated \$3.6 billion increase in the EIFD's valuation between FY 2024-25 and Fiscal Year 2069-2070.



EIFD: Financing Program

Projected Financing Schedule for Bond Issue and Pay-As-You-Go revenues

Bond Year	Coupon Rate/Bond Term	Bonded Indebtedness	Bond Construction Proceeds	Cumulative Pay-Go Revenue ¹	Cumulative Bond Construction Proceeds Plus Pay-Go	NPV (3%) Bond Proceeds Plus Pay-Go
2034	5%/30 YRS	\$4,430,000	\$3,925,372	\$2,281,867	\$6,207,239	\$4,901,964
2039	5%/30 YRS	\$3,280,000	\$2,867,431	\$4,099,461	\$10,892,265	\$8,059,578
2044	5%/25 YRS	\$3,530,000	\$3,076,588	\$6,685,865	\$16,555,257	\$11,366,092
2049	5%/20 YRS	\$3,665,000	\$3,165,936	\$10,174,415	\$23,209,742	\$14,731,377
2054	5%/15 YRS	\$3,585,000	\$3,035,838	\$14,722,281	\$30,793,447	\$18,054,239
2059	5%/10 YRS	\$3,135,000	\$2,624,475	\$20,515,026	\$39,210,666	\$21,251,647
2064	5%/5 YRS	\$2,065,000	\$1,677,525	\$27,986,983	\$48,360,148	\$24,267,293
2069	0%/0 YRS	\$0	\$0	\$44,218,846	\$64,592,011	\$28,811,960
Total	N/A	\$23,690,000	\$20,373,165	\$44,218,846	\$64,592,011	\$28,811,960

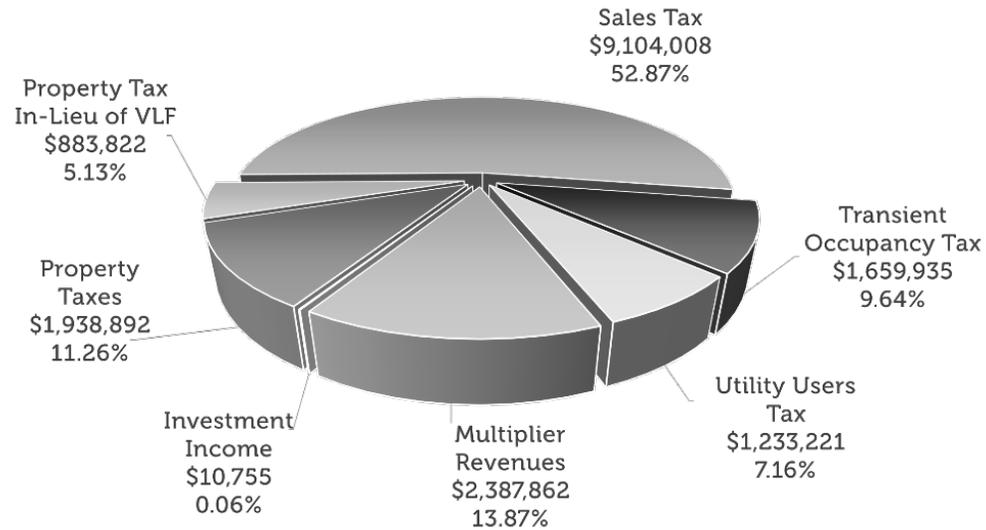
Note:

1. Pay-As-You-Go revenues represent the anticipated aggregate amount of debt service coverage that will be available to the EIFD if it is not utilized to fund principal and interest for EIFD debt, plus net available revenue and Property Taxes in lieu of VLF.

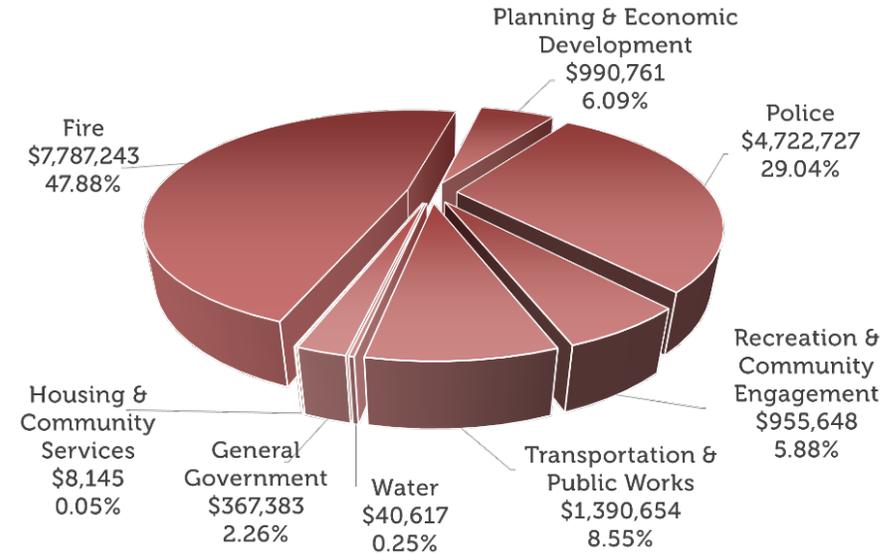


EIFD: Fiscal Impact to City General Fund

Recurring General Fund Revenues at the End of EIFD Term



General Fund Expenditures at the End of EIFD Term

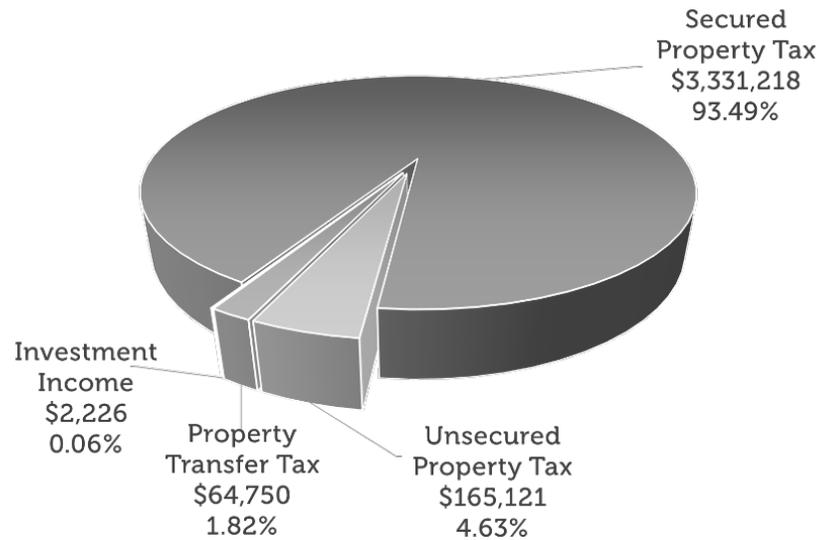


Fiscal Impact Category	Amount/Ratio
Gross Recurring General Fund Revenues	\$17,934,367
Less: EIFD Property Tax and In-Lieu VLF Share	(\$715,873)
Net Recurring General Fund Revenues	\$17,218,494
Recurring General Fund Expenditures	\$16,263,178
Total Annual Recurring General Fund Surplus/(Deficit)	\$955,316
Total Annual Revenue/Expenditure Ratio	1.06

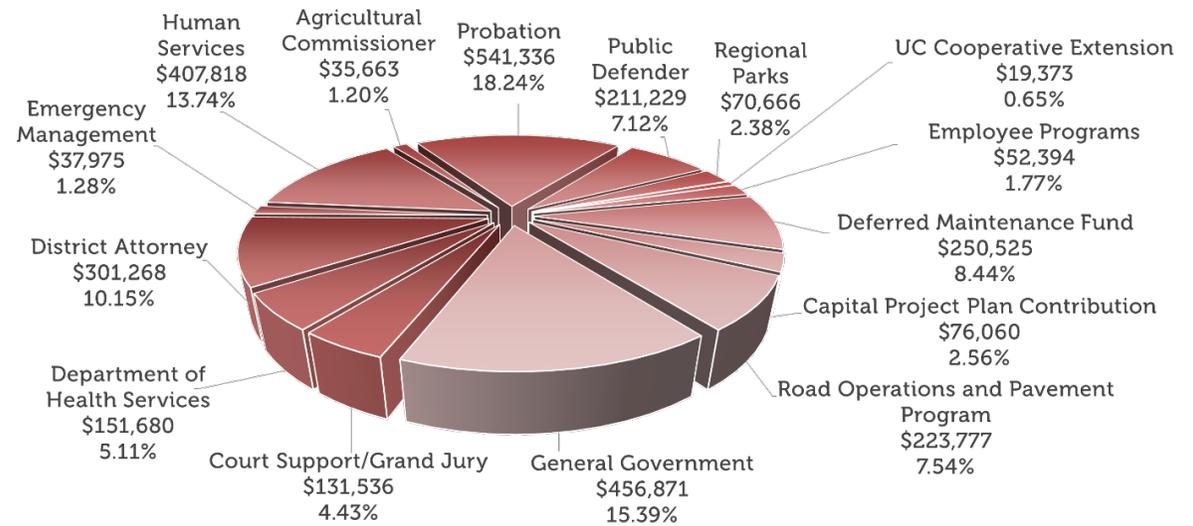


EIFD: Fiscal Impact to County General Fund

Recurring General Fund Revenues at the End of EIFD Term



Recurring General Fund Expenditures at the End of EIFD Term



Fiscal Impact Category	Amount/Ratio
Gross Recurring General Fund Revenues	\$3,958,647
Less: EIFD property tax	(\$395,332)
Net Recurring General Fund Revenues	\$3,563,315
Recurring General Fund Expenditures	\$2,968,171
Total Annual Recurring General Fund Surplus/(Deficit)	\$595,144
Total Annual Revenue/Expenditure Ratio	1.20



EIFD: Public Comment

- Written and verbal public comments received
 - Questions regarding potential increase in taxes
 - Proposed modifications to the EIFD boundary
 - Percentage of funds to placemaking
 - Increase to 50%, with affordable housing and catalyst project splitting the remaining 50%
- Catalyst project should be in or immediately adjacent to with easy pedestrian access to downtown businesses



EIFD: Next Steps

- 2nd PFA public hearing to conduct protest hearing then adopt IFP and form district: **June 16, 2025**
- Judicial validation: **4-6 months**
- Apply for Tax Rate Area to Board of Equalization:
Prior to December 31, 2025



EIFD: Recommendation

It is recommended by the Departments of Planning and Economic Development and Finance that the Council, by resolution, approve the Draft Infrastructure Financing Plan



Questions and Comments

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