

NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT

ANNUAL REPORT FISCAL YEAR 2024-2025

Prepared For:

The City of Napa



Prepared By:



MAY 2025

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1.0 Introduction

1.1 Background and Purpose

The City Council of the City of Napa established the Public Financing Authority (“PFA”) for the Napa Enhanced Infrastructure Financing District (“Napa EIFD”) at its regular meeting on July 20, 2021. The purpose of the PFA was to establish and implement the Napa EIFD. The governing Infrastructure Finance Plan (“IFP”) was adopted by the City Council March 1, 2022 and separately by the PFA on July 6, 2022.

The Napa EIFD encompasses approximately 837 acres of land, representing approximately 7.2% of the total acreage within the City. The Napa EIFD includes much of the City’s Downtown and Oxbow neighborhoods, the Jefferson Street Corridor, the Napa Pipe area, and multiple other river-adjacent and development opportunity site areas. The purpose of the Napa EIFD is to fund critical infrastructure and affordable housing projects of benefit to the Napa EIFD area and other portions of the City and greater local region.

This Annual Report is prepared pursuant to Government Code Section 53398.66 and presents the following information:

- a) A description of the projects undertaken in the fiscal year, including any rehabilitation of structures, and a comparison of the progress expected to be made on those projects compared to the actual progress.
- b) A chart comparing the actual revenue and expenses, including administrative costs, of the public financing authority to the budgeted revenue and expenses.
- c) The amount of tax increment revenue received.
- d) An assessment of the status regarding completion of the enhanced infrastructure financing district’s projects.
- e) The amount of revenue expended to assist private businesses.

2.0 Description of Projects in FY 2024-25

There were no projects undertaken in Fiscal Year (“FY”) 2024-25, which is consistent with the progress expected to be made at this point.

3.0 Actual vs. Budgeted Revenues and Expenses

The Napa EIFD was established in July 2022 with FY 2021-22 as its base year, and tax increment revenue began accrual in FY 2022-23. At the time the Napa EIFD was formed, City staff and consulting firm Kosmont Companies filed of the required jurisdictional boundary change application¹ with the State Board of Equalization (“SBOE”). SBOE subsequently created new “tax rate areas” (“TRAs”) specific to the EIFD boundary that assist the County of Napa (“County”) Assessor’s office and County Auditor-Controller’s office in tracking and accounting for EIFD incremental assessed property value growth over time.

In collaboration with City staff and consulting firm Kosmont Companies, staff from the County Auditor-Controller’s office have since prepared a template for the ongoing, annual reporting of assessed value growth within the EIFD. Consistent with how EIFDs are being administered in other jurisdictions across the State, County Auditor-Controller staff reports and allocates the total property tax increment revenues within the EIFD boundary to the City, and then defers to City Finance staff to apportion the correct percentage of incremental property tax revenue to the EIFD special fund, consistent with the approved IFP.

Projected and actual revenues and expenditures are shown below in Table 1. City staff and Kosmont attribute the difference between actual and projected revenues to the delay in the development of some real estate projects originally forecasted at the time of IFP preparation (e.g., delays due to higher interest rates, increased construction costs). City staff is currently evaluating updates to the IFP to recalibrate revenue projections moving forward.

Table 1: Projected and Actual Revenue and Expenses

	PROJECTED Revenues	PROJECTED Expenditures (incl. Admin)	PROJECTED Net Revenue	ACTUAL Revenues	ACTUAL Expenditures (incl. Admin)	ACTUAL Net Revenue
FY 2021-22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2022-23	\$189,163.00	(\$25,000.00)	\$164,163.00	\$52,546.77	\$0.00	\$52,546.77
FY 2023-24	\$384,633.00	(\$25,000.00)	\$359,633.00	\$169,893.54	\$0.00	\$169,893.54
FY 2024-25	\$787,648.00	(\$25,000.00)	\$762,648.00	\$296,901.06	\$0.00	\$296,901.06

¹ Form BOE-400-TA (Statement of Boundary Change) – Link: <https://www.boe.ca.gov/proptaxes/sprdccont.htm>

4.0 Tax Increment Revenue Received

Annual and cumulative EIFD tax increment revenues are outlined in Table 2 below.

Table 2: EIFD Tax Increment Revenue Received

Year	Annual EIFD Revenues	Cumulative EIFD Revenues
FY 2021-22	\$0.00	\$0.00
FY 2022-23	\$52,546.77	\$52,546.77
FY 2023-24	\$169,893.54	\$222,440.31
FY 2024-25	\$296,901.06	\$519,341.37

5.0 EIFD Project Status

The EIFD is in the early phase of building a stabilized revenue stream that could be leveraged for future projects and potential debt issuance(s) accordingly. No EIFD projects have been funded, which is consistent with City and the PFA expectations at this time.

6.0 Revenue Expended for Private Business

As of the date of this Annual Report, no revenues have been expended to assist private businesses. This is consistent with City and the PFA expectations at this time.