



CITY OF NAPA

955 School Street
Napa, California 94559
www.cityofnapa.org

MEETING MINUTES - Draft

PUBLIC FINANCING AUTHORITY OF THE NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT

Authority Member Mary Luros
Authority Member Bernie Narvaez
Authority Member Beth Painter
Authority Member Carl Ebbeson
Authority Member Lori Reich

Wednesday, March 30, 2022

2:00 PM

City Hall Council Chambers

SPECIAL MEETING - 2:00 PM

A Special Meeting for the Public Financing Authority of the Napa Enhanced Infrastructure Financing District was called on Wednesday, March 30, 2022 at 2:00 p.m. to be held at City Hall Council Chambers, 955 School Street, Napa, California, for the purpose identified on the Agenda. The Special Meeting was called in accordance with California Government Code Section 54956.

1. CALL TO ORDER: 2:00 P.M.

1.A. Roll Call:

Present: 4 - Chairperson Luros, Vice-Chair Painter, Authority Member Narvaez, and Authority Member Reich

Absent: 1 - Authority Member Ebbeson

2. AGENDA REVIEW AND SUPPLEMENTAL REPORTS:

City Clerk Carranza announced the following supplemental items:

Item 4.A.:

- PowerPoint from City staff and Consultant.
- Email from Dan Worden.

(Copies of all supplemental documents are included in Attachment 1)

3. CONSENT CALENDAR:

Approval of the Consent Agenda

A motion was made by Vice-Chair Painter, seconded by Authority Member Reich, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 4 - Luros, Painter, Narvaez, and Reich

Absent: 1 - Ebbeson

- 3.A. [122-2022](#) Public Financing Authority of the Napa Enhanced Infrastructure Financing District Meeting Minutes

Approved the February 2, 2022 Special Meeting Minutes.

4. PUBLIC HEARINGS:

- 4.A. [109-2022](#) Public Hearing on Draft Napa EIFD Infrastructure Financing Plan

(See supplemental documents in Attachment 1)

Chairperson Luros opened the hearing.

Neal Harrison, Economic Development Manager, and Joseph Dieguez of Kosmont Companies, provided the report.

Chairperson Luros called for disclosures; there were none.

Chairperson Luros opened public testimony; there were no requests to speak.

A motion was made by Authority Member Narvaez, seconded by Authority Member Reich to close the public testimony. The motion carried unanimously by members in attendance.

Discussion was brought back to the Authority Members. Brief individual Authority Member questions and comments ensued with staff and consultant responding to questions. There were no suggested changes to the Plan.

5. COMMENTS BY AUTHORITY MEMBERS OR STAFF MANAGER: None.

6. ADJOURNMENT: 2:24 P.M.

Submitted by:

Tiffany Carranza, City Clerk

ATTACHMENT 1

**SUPPLEMENTAL REPORTS & COMMUNICATIONS
Office of the City Clerk**

**Public Financing Authority of the
Napa Enhanced Infrastructure Financing District
Special Meeting**

March 30, 2022

FOR THE PUBLIC FINANCING AUTHORITY OF THE NAPA EIFD:

AFTERNOON SESSION:

SUBMITTED PRIOR TO THE PUBLIC FINANCING AUTHORITY MEETING

4. PUBLIC HEARINGS:

4.A. Public Hearing on Draft Napa EIFD Infrastructure Financing Plan

- PowerPoint Presentation from City Staff and Consultant.
- 1) Email from Dan Worden received on March 19, 2022.



Public Financing Authority (PFA) of the City of Napa Enhanced Infrastructure Financing District (EIFD)

Second Public Hearing on the Infrastructure Financing Plan (IFP)

March 30, 2022

**Prepared by:
Kosmont Companies**

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Executive Summary

- The City of Napa and its consultants evaluated EIFD as a means to support and catalyze growth in various areas of the City over the next 20 years and beyond.
- The EIFD will fund major infrastructure improvements to support economic development, including:
 - Parking, roadway, and streetscape improvements
 - Water / sewer / flood control / broadband
 - Civic infrastructure / public amenities
 - Affordable housing
 - Other transit and housing-supportive infrastructure
- In July 2021, the City adopted a Resolution of Intention to form the EIFD and established a Public Financing Authority (PFA) to govern and manage EIFD formation and future operations.
- The PFA has held an initial public meeting (October 2021) and a public hearing (February 2022) to review the draft Infrastructure Financing Plan (IFP) that will govern EIFD activities, soliciting and incorporating feedback from the public and the PFA.

Executive Summary (Continued)

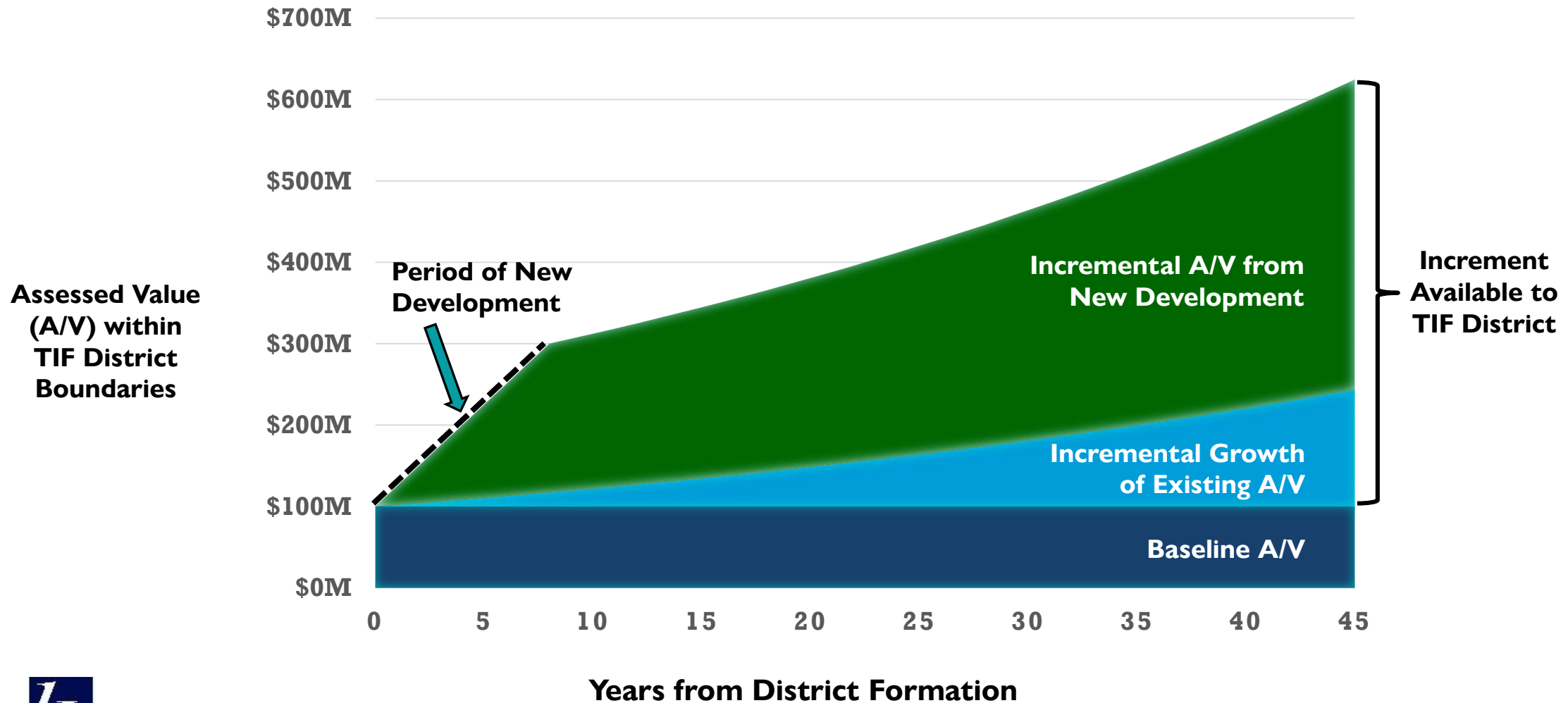
- The City Council independently reviewed and approved the IFP at its meeting on March 1, 2022.
- The purpose of today's meeting is for the PFA to consider any additional written and oral comments and take action to modify or reject the IFP, if appropriate.
- If the IFP is not rejected during today's hearing, the IFP will be return to the PFA for a third public hearing with a majority protest opportunity, prior to EIFD formation

Outline

- I. EIFD Overview and Background
- II. Infrastructure Financing Plan (IFP) Contents
- III. Next Steps and Timing

Tax Increment Mechanics

Illustrative



EIFD Fundamentals

Long Term Districts	45 years from first bond issuance; long-term committed revenues; districts can be formed in 12-18 months
Governance	Public Financing Authority (PFA) led by city or county implements Infrastructure Financing Plan (IFP) – IFP is the investment plan of the EIFD, managed by the PFA
Approvals	Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt
Non-contiguous Areas	EIFD project areas <u>do not have to be contiguous</u> , allowing them to target specific sites / areas and making them compatible with other zoning / entitlement strategies
Eligible Projects	Any property with useful life of 15+ years & of communitywide significance; purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, and <u>maintenance</u>

Does NOT increase property taxes

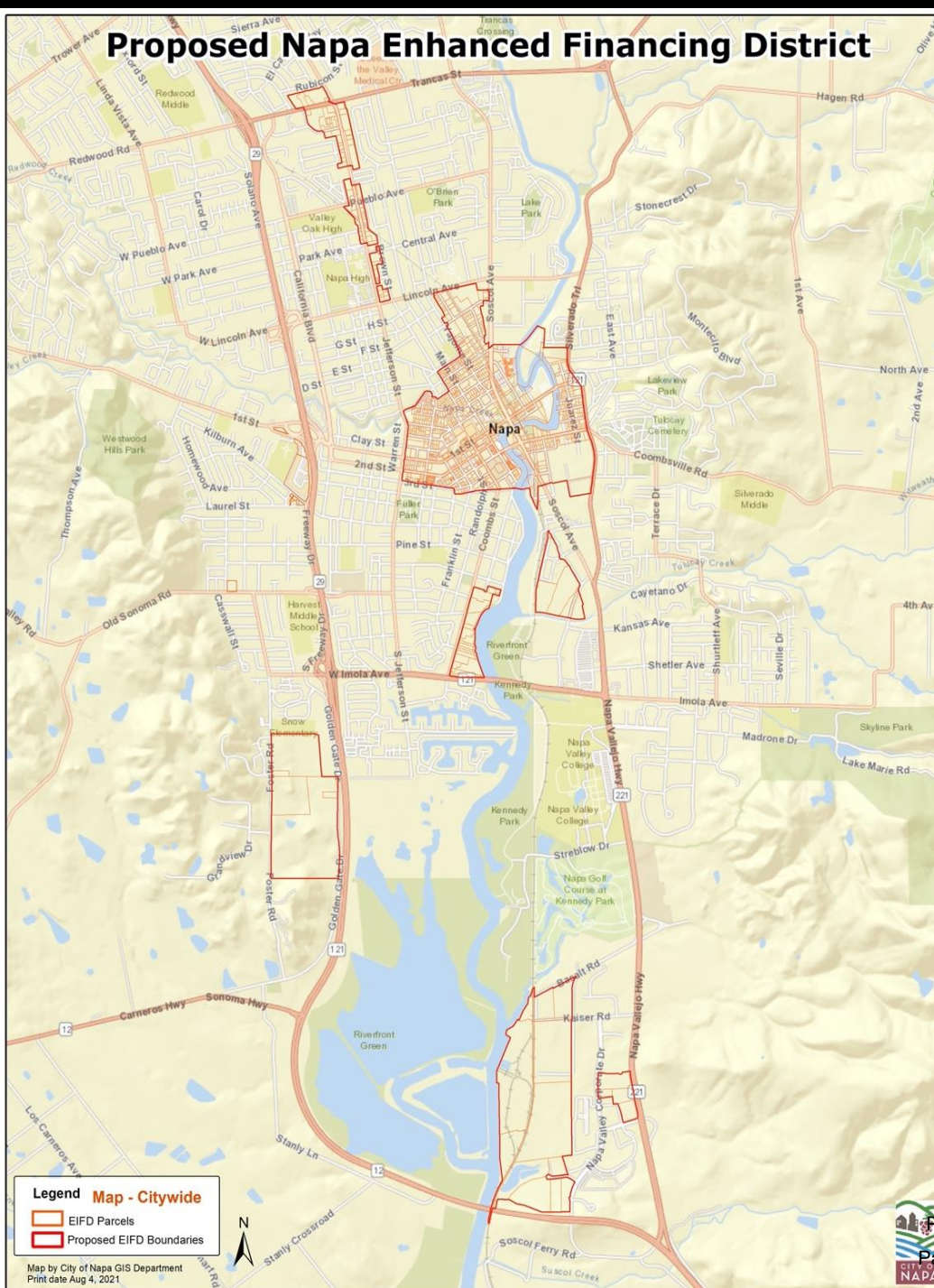
Contents of the Infrastructure Financing Plan (IFP)

- A. Description of the District
- B. Description of Proposed Facilities and Development
- C. Finding of Communitywide Significance
- D. Financing Section
- E. Goals of the District
- F. Appendices (e.g., Legal Description, Financial Analysis Detail)

Proposed Napa Enhanced Financing District

Draft EIFD Boundary

- Total **~837 acres** (~7% of Citywide acreage)
- Targeted sites in Downtown and Oxbow neighborhoods, Jefferson Street Corridor, Napa Pipe, River-adjacent and other opportunity site areas
- Responsive to infrastructure needs of the community



Future Development Assumptions

Absorption Assumed over 20 Years

Area	# SF or Units	Estimated AV Factor	Estimated Total AV at Buildout
Market-Rate Residential	1,161 units	\$325,000 per unit	\$377 million
Affordable Housing	189 units	<i>property tax exempt</i>	\$0
Hotel	1,337 rooms	\$275,000 per room	\$368 million
Commercial / Retail	321,014 SF	\$335 PSF	\$108 million
Office	29,878 SF	\$295 PSF	\$9 million
R&D / Industrial	175,000 SF	\$225 PSF	\$39 million
Total New Development Assumed			\$901 million

Targeted Infrastructure Improvements

Initial Planned Projects Based on Planning / Evaluation to Date	Estimated Budget
a) Downtown Parking Improvements	\$12 to \$18 million
b) City Hall / Civic Center Improvements / Community Center	\$40 to \$50 million
c) Affordable Housing and Mixed-Use Supportive Infrastructure	\$5 to \$10 million
d) Downtown Streetscape and Beautification Improvements	\$5 to \$10 million
Total Initial Planned Projects	\$62 to \$88 million

- Additional planned projects listed below may individually range in cost from ~\$500K to \$5M, and are expected to be prioritized in the future, based on further planning and evaluation to determine specific timing, cost, location, and other details for implementation:
 - e) Jefferson Corridor improvements
 - f) Other major corridor improvements and traffic calming strategies
 - g) Gateway enhancements
 - h) Climate change adaptation
 - i) Broadband improvements citywide
 - j) Transit-supportive infrastructure
 - k) Flood control / storm drain

Regional and Communitywide Significance

- Implementation of essential infrastructure improvements of communitywide benefit
- Social impacts: Quality of life improvement, environmental sustainability
- Housing: **1,350 units**, including **189 affordable units**
- Economic benefits:
 - **1,760+** permanent, direct jobs from operation; additional 530+ indirect and induced permanent jobs, supporting **\$92.7M+** in ongoing annual wages in the County
 - **12,000+** temporary construction-related jobs, supporting **\$740M** in temporary wages in the County
- Acceleration of development and related fiscal revenues:
 - Positive City general fund net fiscal impact of **\$338M** over district lifetime, further improving drastically after district termination (net of City service costs and net of City contribution to EIFD)*

* Present value benefit at 3% discount rate (\$830M benefit in nominal dollars)

Financing Section

- City commits **50%** of its future property tax increment within the boundary for approx. 50 years (remaining 50% flows to General Fund)
- Funding totals approximately \$155M in nominal dollars and **\$65M in present-value dollars**

Utilizing the EIFD to Attract other Public Funding

EIFD will be leveraged to seek grant funding and additional complementary funding

Federal & State Sources

- *State grant and loan programs (AHSC, IIG, TCC, ATP, HSIP)*
- *Prop 1 water/sewer funds*
- *Prop 68 open space funds*
- *Federal EDA / DOT / EPA funding*



Other Potential Funding Sources

- *Development Agreement contributions*
- *Complementary districts (e.g., CFD)*
- *Private investment*

Proposed EIFD Formation Schedule

Target Date	Task
TODAY / March 30, 2022	a) PFA holds second public hearing to hear additional comments and take possible action to modify or reject IFP
May 10, 2022	b) PFA holds third public hearing to consider oral and written protests and take action to terminate proceedings or introduce resolution approving IFP and forming the EIFD
June 2022	c) Filings with BOE per guidelines from Board for Change of Jurisdictional Boundaries
Q2 2022 and beyond	d) Judicial validation / initial underwriting of potential debt issuance(s), pursue complementary funds, other tasks

Next Steps

- PFA consideration of any additional written and oral comments, and take action to modify or reject the IFP, if appropriate
- If the IFP is not rejected, third PFA public hearing (including protest opportunity) for final IFP approval and EIFD formation (May 10, 2022)
- All EIFD documents available at www.CityofNapa.org/NapaEIFD

THANK YOU

Questions?

Kosmont Companies

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Disclaimer

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Discussions or descriptions of potential financial tools that may be available to the City are included for informational purposes only and are not intended to be to be “advice” within the context of this Analysis.

Municipal Advisory activities are conducted through Kosmont Companies’ affiliate, Kosmont Transaction Services, which is Registered as a Municipal Advisor with the SEC and MSRB.

From: [REDACTED]
To: Clerk
Cc: [REDACTED]
Subject: EIFD boundary
Date: Saturday, March 19, 2022 3:38:18 PM

[You don't often get email from [REDACTED]. Learn why this is important at <http://aka.ms/LearnAboutSenderIdentification>.]

[EXTERNAL]

Attn. City Clerk,

Unfortunately I am out of town the day of this meeting, but I strongly question the boundary as currently drawn. From what I can see this is a tax primary to enhance commercial business. I live on Calistoga Ave in the Calistoga historic district. The entire historic district is a residential area. So Why are we included in this boundary?

I would understand it if the Abajo historic district was also included in these boundaries as they are also an historic district adjacent to the downtown commercial area with many bed and breakfast hotels. Or if the historic corridor along First street which also has many small inns. But this is not the case and it seems very unfair and burdensome on the residential houses in the Calistoga Historical district take on this added tax.

It is also odd how there are some businesses are strangely carved out. Why is RSA and all the other commercial business along third between 4th street and Jefferson excluded from the district? When they are clearly a commercial business across the street from this boundary. Is this because Ryan Gregory supervisor is the owner of RSA?

Why does Central Valley Hardware and Ducky's car wash get to be outside of this boundary and yet the residence in house in the Calistoga historic district which get no benefit from this tax have to take on further tax burdens.

Along Jefferson why does Chardonnay motel gets a sudden exemption in an otherwise continuous boundary?

I had read several of these notices thinking that the tax would not apply to residences so ignored the previous notices, I wonder how many others in our residential district know that they are going to have their taxes raised to support commercial establishments where as 99 percent of the rest of the residential developments will not get kind of treatment.

Please consider removing the Calistoga historical residential district from your current boundaries.

Thank you,
Dan Worden

residence at [REDACTED].