

SUPPLEMENTAL REPORTS & COMMUNICATIONS I
Office of the City Clerk

City Council of the City of Napa
Regular Meeting
March 1, 2022

FOR THE CITY COUNCIL OF THE CITY OF NAPA:

AFTERNOON SESSION:

4. PUBLIC COMMENT:

- Email from Chuck Shinnamon on behalf of the Friends of the Napa River received on February 25, 2022.

5. CONSENT CALENDAR:

- **5C/5D** Email from Kara Vernor on behalf of Napa County Bike Coalition received on February 28, 2022
- **5C.** Email from Cynthia Deutsch received on March 1, 2022.

7. PUBLIC HEARING:

7.A. Resolution to Approve the Infrastructure Financing Plan for the City of Napa Enhanced Infrastructure Financing District

- PowerPoint Presentation from City Staff and Kosmont Companies, consultant.
- Email from Jack Gray received on February 18, 2022.

Item 3. Public Comment

From: [Charles Shinnamon](#)
Sent: Friday, February 25, 2022 3:27 PM
To: [Council Members](#); [Clerk](#)
Subject: Oxbow District
Attachments: Council -Commission-Register 2-22-2022.pdf

[EXTERNAL]

Mayor Sedgely and Councilmembers,

Enclosed is a letter from the Board of Directors of the Friends of the Napa River in relation to the Oxbow District Task Force. We are proud to be participating in this worthwhile effort.

Thank you for your consideration,

Chuck Shinnamon

Charles W. Shinnamon, Treasurer
Friends of the Napa River, Inc.





The community's voice for the protection, restoration, responsible development, and celebration of the Napa River and its watershed through education and advocacy.

PO Box 537, Napa, CA 94559

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*A "living" Napa River
conveys equilibrium
and harmony with all
that it touches and
resonates through
the human and
natural environment*

February 22, 2022

Napa City Council

Napa City Planning Commission

Oxbow District Task Force

Editor, Napa Valley Register

Re: Oxbow District

Council Members, Commissioners, Oxbow Task Force Members, and Editor,

We at the Friends of the Napa River are very pleased that Napa City is working towards implementing a new vision for the Oxbow District. Indeed, Friends is currently participating, with others, in the Oxbow District Task Force.

Realizing that the 2012 Downtown Specific Plan was inadequate in addressing the Oxbow District, the City retained an Urban Land Institute (ULI) panel in 2017/18 to research and recommend what might be done to address the unique elements in the Oxbow. There was great concern that adopting Downtown densities and heights would be inappropriate in this special neighborhood.

The 2018 ULI report was clear that the Oxbow District should be treated as its own unique area separate and distinct from the Downtown. It emphasized that the Napa River should be the focus of the District and that it should celebrate the River creating access and recreational opportunities. Further, the report recommended maximizing the District's river and hillside views, that it be human scale with lower heights and massing, be pedestrian friendly, eclectic, and artsy, all of the qualities loved by locals and visitors alike.

Unfortunately, the City continued to approve development projects in the Oxbow without taking the ULI recommendations into account. Yet there also appeared to be recognition from City staff and leadership and from the community that further work needed to be done in the Oxbow District.

Unfortunately for all of us, the 2020 Covid outbreak forced many initiatives to be put aside; with its staffing and budgetary challenges, the City had bigger and more daunting trials to face.

With budgets and staffing levels improving, the City's Economic Development Division, under Neal Harrison's leadership, retained two highly regarded advisors to re-engage a broad range of stakeholders. Their task was to determine if the 2018 ULI recommendations were still applicable and if there was a consensus on priorities for the Oxbow District moving forward over the coming years. After dozens of interviews and site visits, their report with its recommendations was made public on August 30, 2021.

Overall, the 2022 update echoed many of the recommendations contained in the 2018 ULI Report, especially with a focus on the Napa River along with expansion of the River Trail and improved access to the river.

There were a number of key recommendations:

- Expansion of the boundaries of the District: "...refine the area of the Oxbow District so the river is 'the center' of the District and not one of the boundaries of the District".
- Building small and retaining the Oxbow District's unique character.
- Nurturing public life and the celebration and showcasing of the Oxbow's heritage.
- Crafting and implementation of a comprehensive parking plan.
- Celebrating and expanding the usage of the Oxbow Commons Park.
- Establishing a path to creating a shared long-term vision for the Oxbow District.

The report closes with recommendations to our City leaders and to the community for a shared way forward. The Board of the Friends of the Napa River wholeheartedly encourages the City to move forward expeditiously to develop a separate Specific Plan for an enlarged Oxbow District that will enable this invaluable part of our town to evolve so that we and future Napa generations will fully embrace it. Simply echoing the allowable heights, densities, and uses approved for the main downtown would not, in our view, fit that vision. We are solidly in support of "building small and retaining the Oxbow District's unique character".

Thank you for your consideration,

Board of Directors
Friends of the Napa River

From: [Julie Lucido](#)
Sent: Monday, February 28, 2022 5:08 PM
To: [Steve Potter](#); [Clerk](#); [Ian Heid](#)
Subject: FW: Thank you and Consent Items on tomorrow's City Council Meeting Agenda



Julie Blue Lucido, P.E.

Public Works Director

1600 First Street, Napa, CA 94559

Main: (707) 257-9520

Direct: (707) 257-9475

Email: jlucido@cityofnapa.org

Pothole, damaged street sign, blocked street drainage, or other Public Works issue to report?

Check out the City's [SERVICE CENTER](#)

From: Kara Vernor [REDACTED]
Sent: Monday, February 28, 2022 4:38 PM
Subject: Thank you and Consent Items on tomorrow's City Council Meeting Agenda

You don't often get email from [REDACTED] [Learn why this is important](#)

[EXTERNAL]

Dear Councilmember,

Tomorrow's council meeting agenda, as part of the consent calendar (5D), includes a recommendation to authorize the Public Works Director to approve a donation of \$1,000 to the Napa County Bicycle Coalition's Bike Month activities. We want to thank Public Works and the City of Napa for both its support of Bike Month and for all the City and Public Works does to make biking in the City of Napa safe and accessible. We are honored by your partnership.

Regarding a different item on the consent calendar, the Capital Improvements Mid-Year Budget Adjustments (5C), we wish to remind you of our ask that proposed bicycle facilities in the City's adopted Bike Plan are implemented during Measure T repaving projects. For this particular item, that requires that Class II and Class III bike facilities are added to Laurel Street and that the Browns Valley Corridor study is completed and integrated into repaving plans. Given the importance of these streets in connecting those in the west and southwest of the city to schools, destinations like parks and places of worship, and other neighborhoods, these Measure T projects present a crucial opportunity to make significant progress on improving safety and connectivity for those who bike, which will in turn move Napa toward its goal of a 10 percent mode shift by 2035.

Thank you for your time, support, and consideration,

Kara Vernor

--

Kara Vernor (she/her)

Executive Director

[Napa County Bicycle Coalition](#)

(707) 258-6318

From: [Beth Painter](#)
Sent: Tuesday, March 1, 2022 11:48 AM
To: [Clerk](#)
Subject: Fwd: Bike Priorities for Mid-Year Budget Adjustments

Begin forwarded message:

From: Cynthia Deutsch [REDACTED]
Subject: Bike Priorities for Mid-Year Budget Adjustments
Date: March 1, 2022 at 11:42:05 AM PST
To: Beth Painter [REDACTED], Mary Luros
<mluros@cityofnapa.org>
Cc: Kara Vernor <[REDACTED]>, Maureen Trippe
<[REDACTED]>, Joyce Stavert <[REDACTED]>

Dear Beth & Mary,

I just returned from a visit to Palm Springs (see attached photos) and was very impressed with their Traffic Calming and Bike facilities. As a city that relies heavily on tourists, we need to upgrade our bike routes to serve both the recreational and transportation uses of biking.

As you review the Capital Improvements Mid-Year Budget Adjustments (on the Consent Calendar for today's meeting) we need the Measure T repaving projects to include the upgrading of bike facilities that are laid out in the City's adopted Bike Plan.

Two of these serve the Brown's Valley neighborhoods:

- Completion of the Browns Valley Corridor Study
- Class II and Class III bike facilities added to Laurel Street.

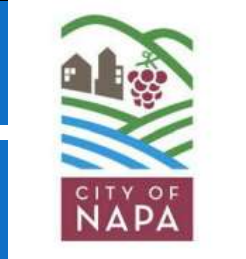
As chairperson of the Bicycle and Trails Advisory Commission (BTAC), we will be moving forward on several initiatives including a name change for BTAC and revised bylaws. We will also be making recommendations to Public Works and to the Council to consider increased budgets for signing and paint that supports traffic calming and bike safety.

Thanks to both of you for supporting Complete Streets in Napa.



Cindy Deutsch CSW





**Overview of the City of Napa
Enhanced Infrastructure Financing District (EIFD)
Infrastructure Financing Plan (IFP)**

March 1, 2022

**Prepared by:
Kosmont Companies**

Outline

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

Executive Summary

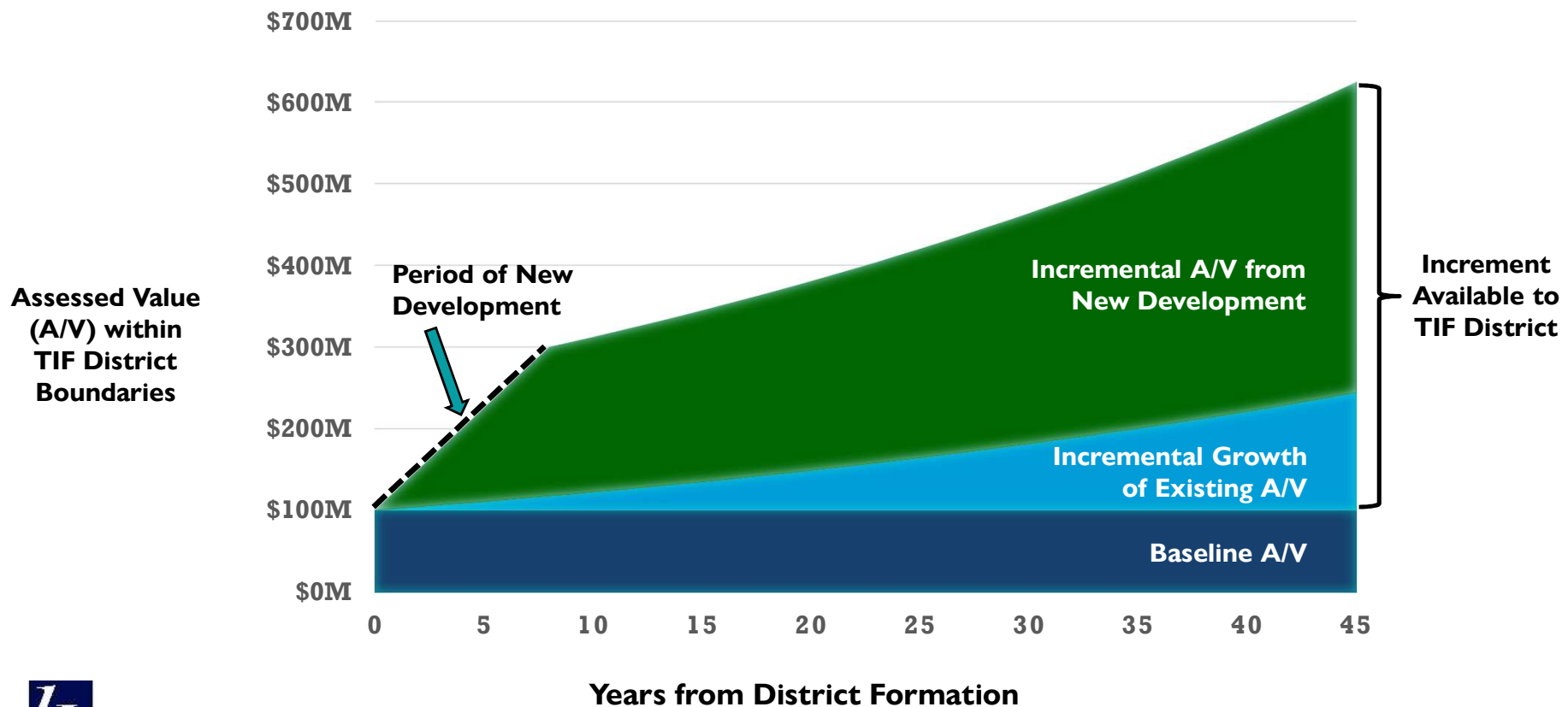
- The City of Napa and its consultants evaluated EIFD as a means to support and catalyze growth in various areas of the City over the next 20 years and beyond
- The EIFD will fund major infrastructure improvements to support economic development, including:
 - Parking, roadway, and streetscape improvements
 - 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 purpose of today's meeting is for the City Council to independently consider the approval of the IFP and the dedication of future incremental property tax as prescribed within the IFP
- After today's meeting, the IFP will be reviewed further over two additional PFA public hearings prior to EIFD formation (if substantially revised, would need to return to Council for approval)

Tax Increment Mechanics

Illustrative



EIFD Fundamentals

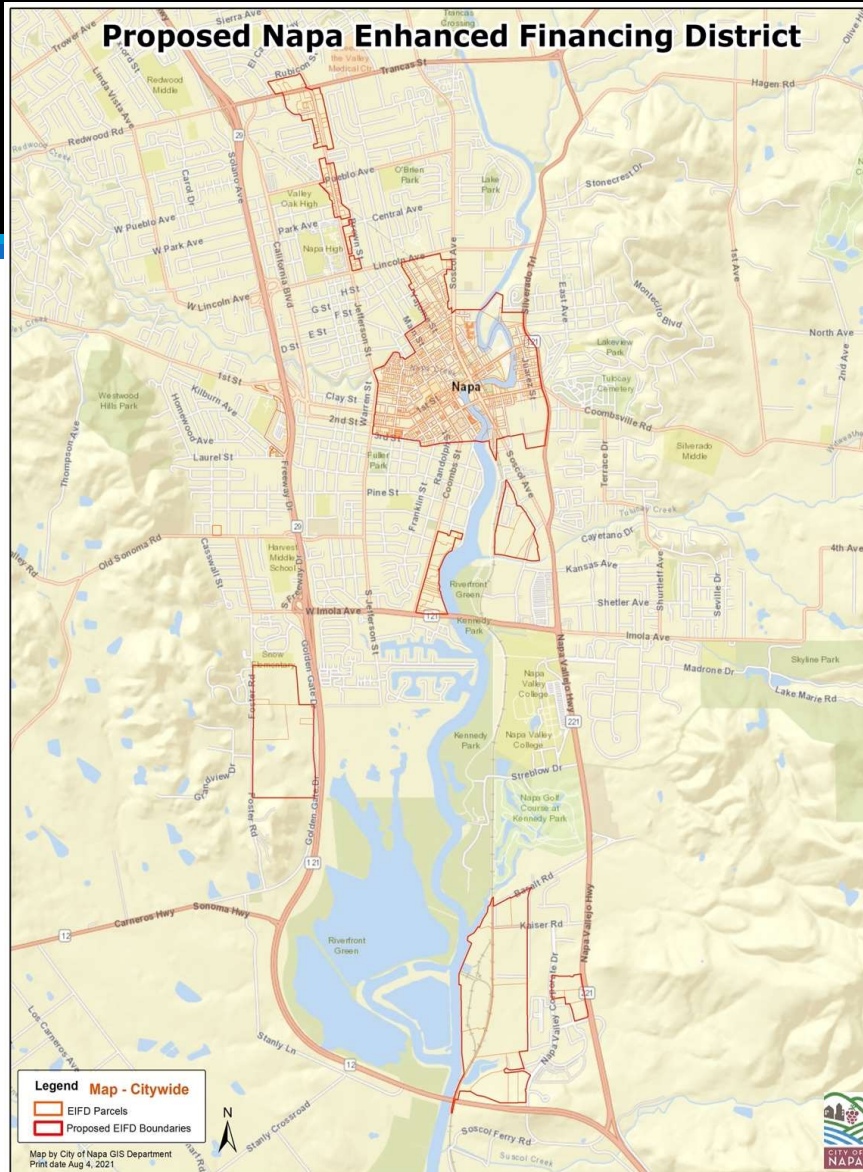
Long Term Districts	45 years from first bond issuance; long-term committed revenues; districts can be formed in 12-18 months
Governance	Public Financing Authority (PFA) led by city or county implements Infrastructure Financing Plan (IFP) – IFP is the investment plan of the EIFD, managed by the PFA
Approvals	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



Note: AV at buildout values in current 2021 dollars..
Source: City of Napa Economic Development Department (2021)

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 Priority 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 1, 2022	a) City Council consideration of resolution approving IFP
TBD March / April 2022	b) PFA holds second public hearing to hear additional comments and take possible action to modify or reject IFP
TBD April / May 2022	c) 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	d) Filings with BOE per guidelines from Board for Change of Jurisdictional Boundaries
Q2 2022 and beyond	e) Judicial validation / initial underwriting of potential debt issuance(s), pursue complementary funds, other tasks

Next Steps

- City Council consideration of resolution approving IFP
- Second PFA public hearing (TBD March / April)
- Third PFA public hearing for final IFP approval and EIFD formation (TBD April / May)
- All EIFD documents available at www.CityofNapa.org/NapaEIFD

THANK YOU

Questions?

Kosmont Companies

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www.kosmont.com

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: [AOL](#)
Sent: Friday, February 18, 2022 10:10 AM
To: [Clerk](#)
Subject: Infrastructure Financing District scheduled March 1 public hearing - comments

You don't often get email from [REDACTED] [Learn why this is important](#)

[EXTERNAL]

Dear Ms Carranaza,

I will be unable to attend the subject public hearing. I am forwarding my comments below and request your assistance in providing these comments to all members of the city council for their consideration at this hearing.

Regards, Jack Gray [REDACTED]

Comments on establishment of an Infrastructure Financing District within the city of Napa

Potential taxes discussed in the recent Napa Register article include; property taxes, grants and **BONDS**. Potential improvement projects discussed were; parking, water systems, broadband, sewers, roadways, utility and flood control. The projected funding was stated as about \$155 million over 50 years

My concern is these all have been and are expected responsibilities of our local government. City residents are already paying for these services which have included;

- 1) An 18 year flood control tax, Measure A
- 2) A 25 year sales tax for road repairs, Measure T
- 3) Sewer rate increases imposed by the separately funded Napa Sanitation District which have increased costs of sewer services by over 54% in the last 5 years.*
- 4) Water services and periodic rate increases imposed through the Napa City Public Works department.*

* (These increases are conducted in accordance with Proposition 218 Section 4 of the California state constitution.)

Is the intent of forming the Infrastructure Financing (read taxing) District asking residents somehow to pay for these services again?

The Napa city council is scheduled to hold a public hearing on March 1 to approve the plan.

Since the democrats recently got the massive Infrastructure and Jobs Act through congress it appears that Napa city should at least wait to see how much funding Napa will be getting before trying to develop a new local infrastructure financing district..

Jack Gray Director, Napa County Taxpayers Association