

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

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

Special Meeting

July 6, 2022

**FOR THE PUBLIC FINANCING AUTHORITY OF THE
NAPA EIFD**

AFTERNOON SESSION:

SUBMITTED PRIOR TO THE PFA OF THE NAPA EIFD MEETING

4. PUBLIC HEARINGS:

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

- PowerPoint Presentation by City Staff and Consultant.



Public Financing Authority of the
Napa EIFD Special Meeting
7/6/2022

From: City Staff and Consultant

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

Third Public Hearing on the Infrastructure Financing Plan (IFP)

July 6, 2022

**Prepared by:
Kosmont Companies**

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), a public hearing (February 2022), and a second public hearing (March 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)

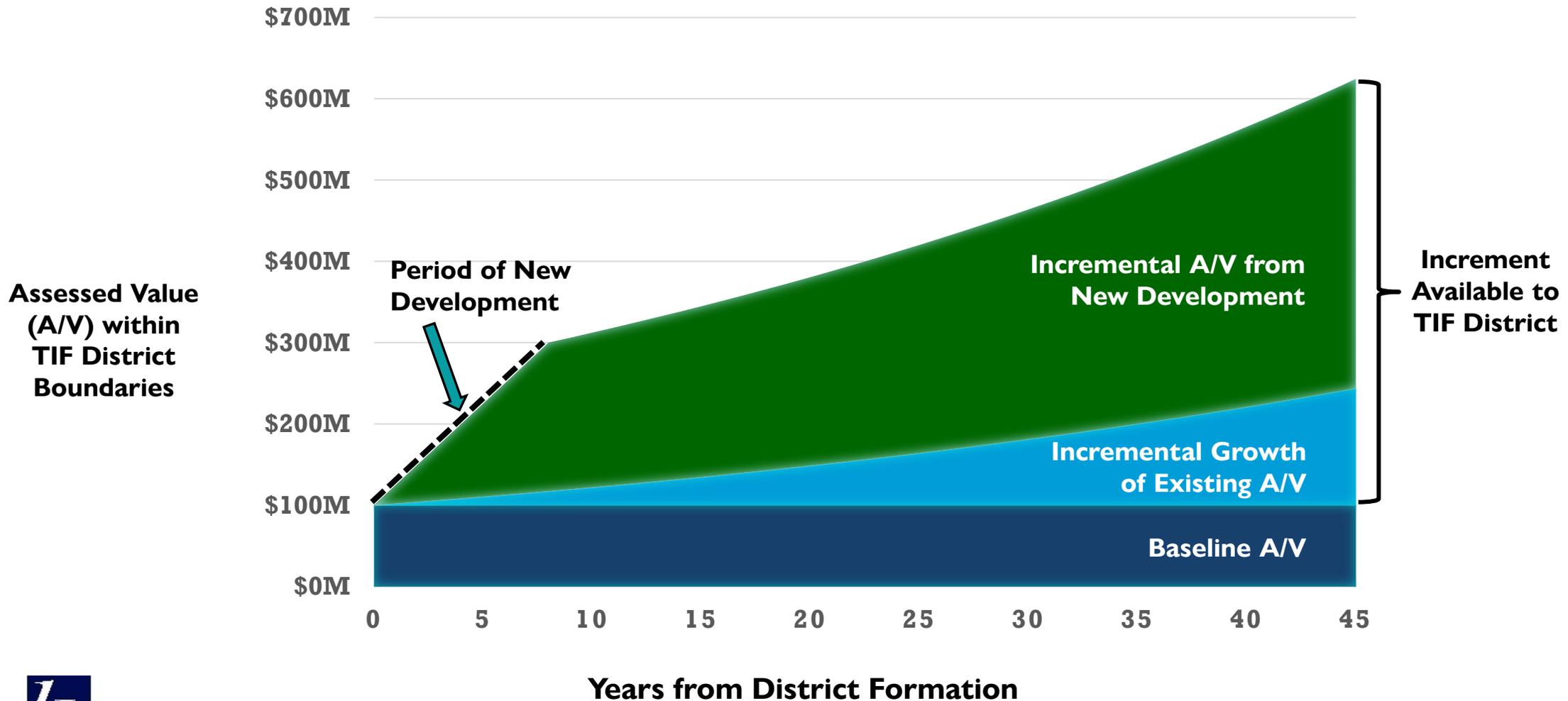
- The City Council independently reviewed and approved the IFP at its meeting on March 1, 2022.
- The purpose of today's meeting is for the PFA to conduct a majority protest opportunity, and if no protest, adopt a resolution approving the IFP and forming the EIFD

Outline

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

Tax Increment Mechanisms

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>

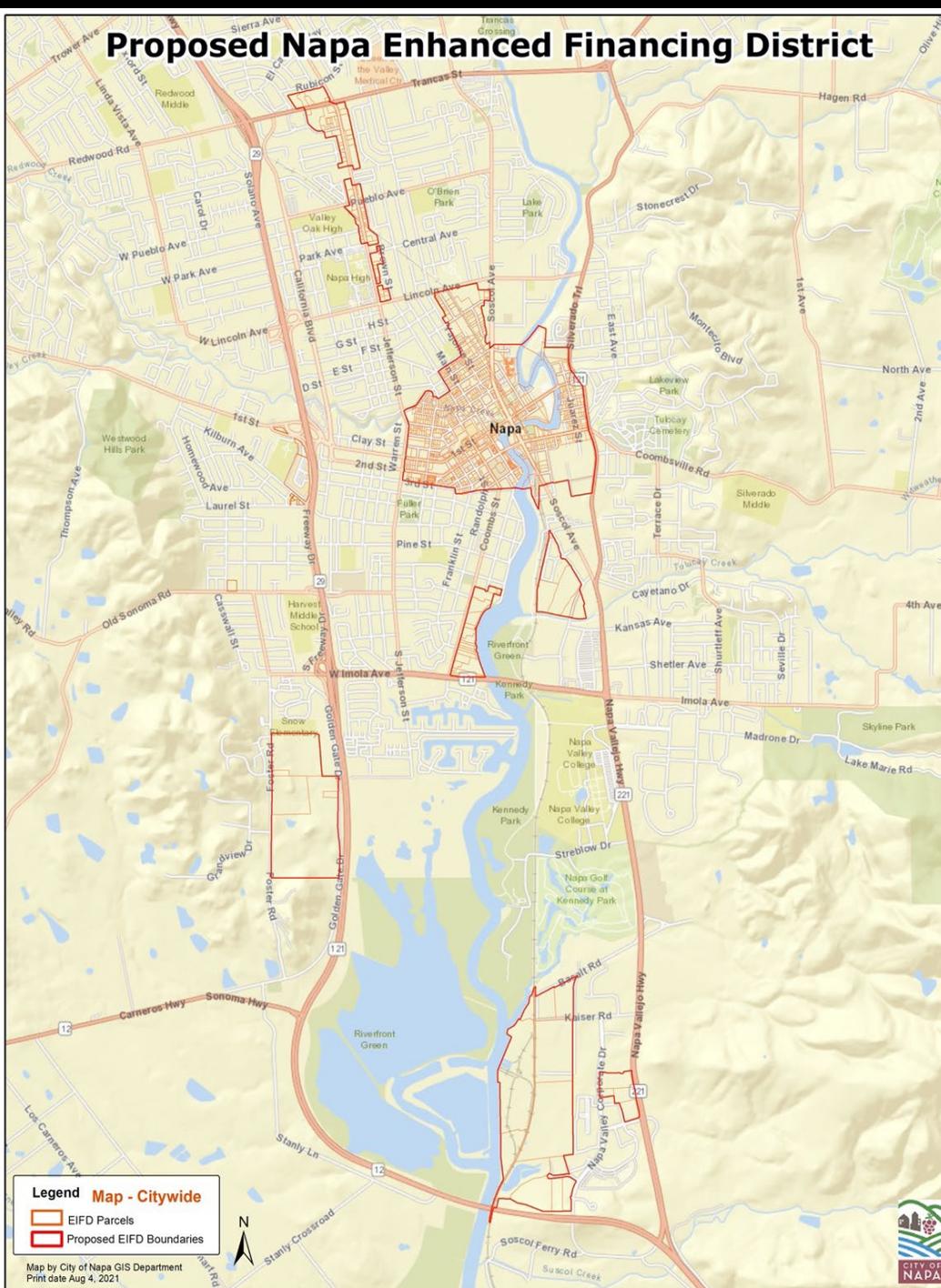
Does NOT increase property taxes

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 / July 6, 2022	a) 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
July / August 2022	b) Filings with BOE per guidelines from Board for Change of Jurisdictional Boundaries
Q3 2022 and beyond	c) Judicial validation / initial underwriting of potential debt issuance(s), pursue complementary funds, other tasks

Next Steps

- BOE filings
- Judicial validation
- All EIFD documents available at www.CityofNapa.org/NapaEIFD

THANK YOU

Questions?

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