

RESOLUTION NO. PFAR2022-____

A RESOLUTION OF THE PUBLIC FINANCING AUTHORITY OF THE NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT ADOPTING THE INFRASTRUCTURE FINANCING PLAN FOR THE NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT, FORMING THE NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT, AUTHORIZING A JUDICIAL VALIDATION ACTION, AND AUTHORIZING CERTAIN OTHER ACTIONS RELATING THERETO

WHEREAS, the California Legislature enacted Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53398.50 (EIFD Law) authorizing cities to designate enhanced infrastructure financing districts (EIFDs) and authorizing EIFDs to use specified property tax increment revenue generated within their boundaries to finance certain public facilities and projects of communitywide significance that provide significant benefits to the EIFDs or the surrounding community; and

WHEREAS, in enacting the EIFD Law, the California Legislature found and declared that with the dissolution of redevelopment agencies, public benefits will accrue, if local agencies finance certain public facilities and projects authorized under the EIFD Law; and

WHEREAS, on July 20, 2021, by Resolution No. R2021-076 (Resolution of Intention), the City Council of the City of Napa (City): (1) stated its intention to cause the establishment of the Napa Enhanced Infrastructure Financing District (Napa EIFD) under the EIFD Law; (2) identified the boundaries of the proposed Napa EIFD; (3) identified the types of public capital facilities and other projects of communitywide significance proposed to be financed or assisted by the proposed Napa EIFD; (4) described the need for the proposed Napa EIFD and the goals that the City intended to achieve by proposing establishment of the Napa EIFD; (5) confirmed that incremental property tax revenue from the City may be used to finance those facilities described in an infrastructure financing plan for the Napa EIFD (IFP) that has been approved by the City Council after the City Council has held a noticed public hearing; and (6) set a time and place for a public hearing for the City Council to consider adoption of a resolution approving the IFP and the proposed formation of the Napa EIFD; and

WHEREAS, on July 20, 2021, by Resolution No. R2021-077, the City Council established the Public Financing Authority of the Napa Enhanced Infrastructure Financing District (PFA), which is the legislative body for the Napa EIFD; and

WHEREAS, on August 24, 2021, by Resolution PFAR2021-001, the PFA, among other things, designated the City Manager of the City as the "Designated Official," directed the Designated Official to prepare the IFP in accordance with the EIFD Law and

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authorized the City Manager to delegate authority and responsibilities of the Designated Official to the Community Development Department Director ("CDD Director"); and

WHEREAS, pursuant to the EIFD Law, an IFP was prepared for the Napa EIFD which defines the boundaries of the Napa EIFD, identifies the public facilities and improvements to be financed with assistance from the Napa EIFD, and a plan for using tax increment generated in the Napa EIFD to finance the public facilities and improvements to be assisted by the Napa EIFD, including the issuance of bonds and other debt; and

WHEREAS, on October 20, 2021, staff of the PFA presented in a public meeting the draft IFP, answered questions about the draft IFP, and considered comments about the draft IFP; and

WHEREAS, the City Clerk of the City caused notice of a public hearing to be published in the Napa Valley Register and, on March 1, 2022, the City Council of the City held a public hearing related to the approval of the IFP and the proposed formation of the Napa EIFD and adopted its Resolution No. R2022-019, pursuant to which the City Council approved the IFP and approved the allocation to the Napa EIFD of the City's tax increment revenue generated within the boundaries of the Napa EIFD pursuant to Government Code Section 53398.75, subject to compliance by the Napa EIFD and the PFA with the IFP; and

WHEREAS, the PFA duly noticed and held three public hearings on the IFP on February 2, 2022, March 30, 2022 and May 10, 2022, in accordance with Government Code Section 53398.66; and

WHEREAS, the PFA has heard and passed upon written and oral objections received before the close of the third public hearing, if any, and has considered the recommendations, if any, of affected taxing agencies and testimony for and against the adoption of the IFP; and

WHEREAS, the PFA held a protest proceeding at the third public hearing, and less than 25 percent of the combined number of landowners and residents in the area of the Napa EIFD who are at least 18 years of age filed written or oral protests to the formation of the Napa EIFD or the adoption of the IFP before the close of the public hearing; and

WHEREAS, in accordance with section 53398.57 of the EIFD Law, the Napa EIFD and the City may file an action in the Superior Court of Napa County to determine the validity of the creation of the Napa EIFD, the adoption of the IFP, including the division of taxes thereunder, and related matters.

WHEREAS, all conditions, things and acts required by law to exist, to happen or to be performed precedent to and as a condition of the adoption of the IFP and the formation of the Napa EIFD have existed, happened and been performed in the time, form and manner required by law; and

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WHEREAS, based on the foregoing, the PFA has determined at this time to form the Napa EIFD and adopt the IFP.

NOW, THEREFORE, BE IT RESOLVED by the PUBLIC FINANCING AUTHORITY OF THE NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT, as follows:

1. The PFA hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establish the factual basis for the PFA's adoption of this Resolution.
2. The PFA hereby finds and determines that less than 25 percent of the combined number of landowners and residents in the area of the Napa EIFD who are at least 18 years of age filed written or oral protests to the formation of the Napa EIFD or the adoption of the IFP before the close of the public hearing and, accordingly, the PFA is not required to either terminate the proceedings relating to the Napa EIFD or call an election relating to the Napa EIFD.
3. The PFA hereby adopts the IFP (attached hereto as Exhibit "A," and on file with the Secretary of the PFA for this meeting) and declares that the IFP is in full force and effect. Pursuant to the IFP and the EIFD Law, incremental property tax revenue, including property tax revenue in lieu of vehicle license fee revenue, from the City within the boundary of the Napa EIFD will be used to finance the activities of the Napa EIFD, subject to, and in accordance with, the terms and conditions of the IFP and the EIFD Law. The IFP shall be reviewed, and may be modified or amended, in accordance with the EIFD Law.
4. The PFA hereby forms the Napa EIFD and declares that the Napa EIFD is validly formed and existing as an enhanced infrastructure financing district under the EIFD Law.
5. The PFA hereby finds that the formation of the Napa EIFD and the adoption of the IFP are not "projects" under the California Environmental Quality Act (§15378(b)(4)) because they involve the creation of a government funding mechanism that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and further hereby finds that they are exempt from the California Environmental Quality Act (§15061(b)(3)) because the California Environmental Quality Act does not apply where it can be determined with certainty that there is no possibility that an activity will have a significant effect on the environment.
6. The Designated Official and the City Attorney, acting as counsel to the Napa EIFD, in consultation with Jones Hall, A Professional Law Corporation and Jarvis, Fay & Gibson, LLP, are hereby authorized and directed to file and prosecute to completion, jointly with the City, all proceedings required for the judicial validation of all actions related to the creation of the Napa EIFD, the adoption of the IFP, including the division of taxes thereunder, and other related matters, pursuant to

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section 53398.57 of the EIFD Law and section 860 et seq. of the California Code of Civil Procedure.

7. The Chair, the Designated Official, the Staff Manager, the Secretary, the City Attorney, as counsel to the Napa EIFD, and any and all other officers and consultants of the Napa EIFD are hereby authorized and directed, on the Napa EIFD's behalf, to do any and all things and take any and all actions, that they, or any of them, considers necessary or advisable to implement the provisions of this Resolution, including execution and delivery of any and all documents, certificates, agreements, notices and consents which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution. Whenever in this resolution any officer of the Napa EIFD is directed to execute or attest any document or take any other action, that execution, attestation, or action may be taken on behalf of that officer by any person he or she designates to act on his or her behalf if the officer is absent or unavailable.

8. If any section, subsection, phrase, or clause of this Resolution is for any reason found to be invalid, such section, subsection, phrase or clause shall be severed from, and shall not affect the validity of, all remaining portions of this Resolution that can be given effect without the severed portion.

9. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED this 10th day of May, 2022.

Mary Luros
Chair

ATTEST:

Tiffany Carranza
Secretary

I HEREBY CERTIFY that the foregoing Resolution PFAR2022-XX was adopted by votes of the Public Financing Authority of the Napa Enhanced Infrastructure Financing District at its special meeting on the 10th day of May, 2022, by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

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ATTEST: _____
Tiffany Carranza
Secretary

Approved as to form:

Michael W. Barrett
General Counsel

Exhibit A - The Infrastructure Financing Plan for the Napa Enhanced Infrastructure Financing District

- Appendix A – Boundary Map
- Appendix B – Legal Description
- Appendix C – Projected Tax Increment Revenue Analysis
- Appendix D – Fiscal Impact Analysis
- Appendix E – General Plan EIR