



City of Santa Rosa Downtown Business Corridor

Enhanced Infrastructure Financing District (“EIFD”)

April 2, 2025

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds

Outline

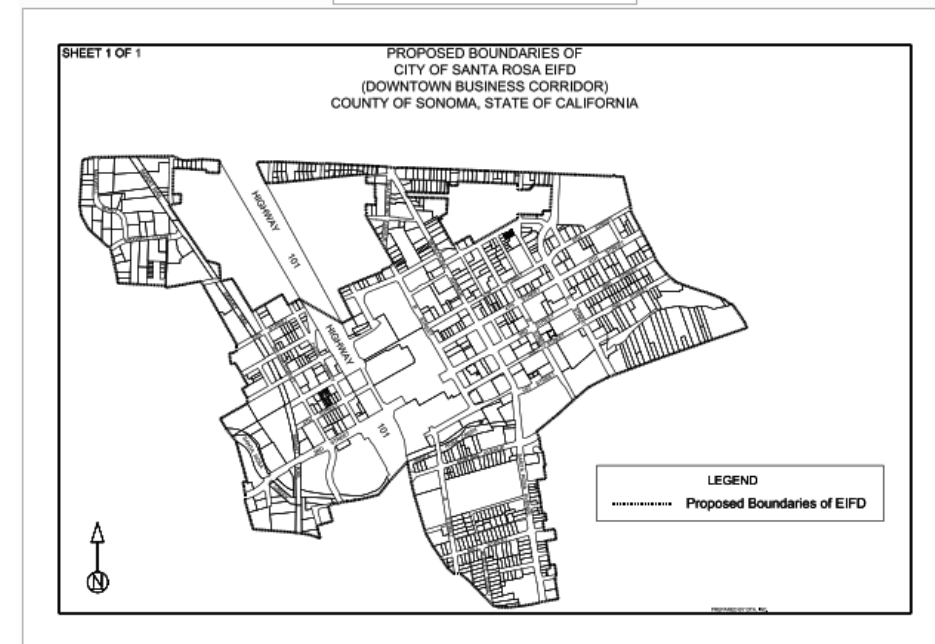
- Overview and Background
- Infrastructure Financing Plan (IFP) Contents
- Next Steps and Timeline

Overview and Background

- Santa Rosa is well positioned for growth and private sector investment in multiple areas, particularly in the Downtown Core
- The City of Santa Rosa and the County of Sonoma initiated the process of establishing an Enhanced Infrastructure Financing District (EIFD), a type of tax increment financing (TIF) district that captures the value of future development.
- Goal of today's meeting is to present the draft IFP, answer questions and consider public comment (no formal action)
- Next steps include two public hearings for formation of the EIFD and adoption of the IFP, 30 days apart
- All EIFD documents available at www.srcity.org/EIFD

Map and Legal Description

- The proposed EIFD consists of assessor's parcels generally located:
 - South of West College Avenue,
 - West of Brookwood Drive,
 - North of Maple Avenue, and
 - East of Wilson Street,
- All of which is an area located within the Downtown Station Area Specific Plan. It will encompass 308.02 gross taxable acres, which consist of 913 parcels within the City of Santa Rosa.
- The map and legal description of the EIFD are included In the IFP as **Appendix A**.
- After the formation of the EIFD, the boundaries of the EIFD cannot be expanded without the approval of the City, and PFA, with all notices and hearing requirements for the original formation of the EIFD applied to the affected landowners and residents of the area to be annexed into the EIFD.



Public Facilities and Development Financed by the EIFD

Item	EIFD- Funded Improvements	Priority Program Project Percentages ¹	Estimated Cost
1	(a) Performing Arts/Sports Entertainment/Conference Center (b) Streetscaping Improvements (c) Placemaking Improvements	80%	\$51,673,608
2	Affordable Housing	20%	\$12,918,402
Total		100%	\$64,592,010

Note:

1. Revenue allocated to the EIFD will be used to fund the specified improvements according to the Priority Program Project Percentages above.

- City Council provides direction to the PFA to explore specific projects within these facility categories
- May be funded by the EIFD directly utilizing construction proceeds generated through
 - (i) bonded indebtedness issued by the EIFD;
 - (ii) pay-as-you-go property tax, net available revenues, and Property Taxes in lieu of VLF allocated to the EIFD; or
 - (iii) reimbursements memorialized in acquisition and funding agreements or reimbursement agreements entered by the City, the EIFD and various property owners and public agencies

Community Significance and Benefit

- Performing Arts/Sports Entertainment/Conference Center
 - Create local on-site jobs, as well as indirect and induced employment within the EIFD and the Downtown Business Corridor surrounding the EIFD.
- The Streetscaping and Placemaking projects
 - Include public facilities outlined in the Mendocino Avenue and Santa Rosa Avenue Corridor Plan, Downtown Station Area Specific Plan, Downtown Pedestrian Access Improvement Plan, and the 2010 placemaking guideline report and street furniture palette document, all of which may be amended from time to time.
 - Specifically, transportation, streetscapes, lighting, sidewalk reconstruction, ADA improvements, bike racks, downtown entry monuments, and other regional transit needs will provide an improved quality of life in a sustainable way.
- Affordable Housing
 - Provide funding for dwelling units to be occupied by persons and families with incomes at or below 120% of the County median income.



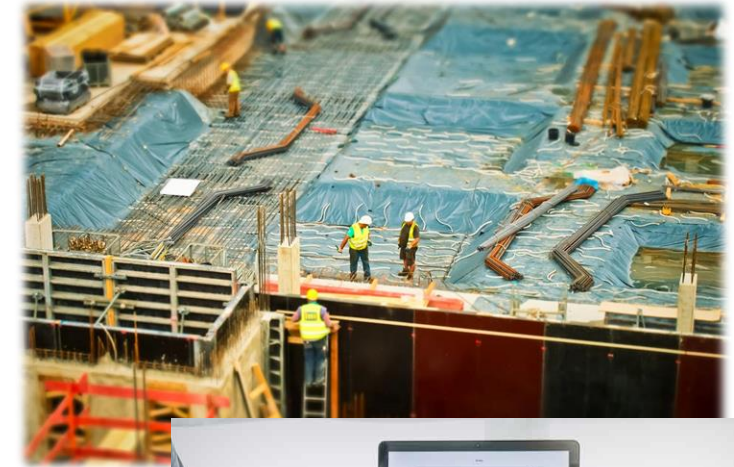
EIFD Financing Program

- Maximum portion of the incremental tax revenue allocated by the **City** to the EIFD.
 - The City will allocate 50% of
 - Ad Valorem Property Tax,
 - Net Available Revenue,
 - Property Taxes in lieu of VLF
 - Subject to the \$200 million maximum
- Maximum portion of the incremental tax revenue allocated by the **County** to the EIFD.
 - The County will allocate 25% of:
 - Ad Valorem Property Tax,
 - Net Available Revenue,
 - Subject to the \$100 million maximum
- Date on which the EIFD will cease to exist:
 - Shall not be more than 45 years from the date on which the issuance of bonds is approved



EIFD Financing Program(Cont.)

- \$72,559,272 in City *ad valorem* property tax and net available revenue increment and \$32,847,483 in City Property Taxes in lieu of VLF are anticipated to be generated within the proposed EIFD.
- \$120,048,885 in *ad valorem* property tax increment and net available revenues are anticipated to be generated by the County within the proposed EIFD.
- The total net increment available to the EIFD through the entire term of the EIFD, after deducting Administrative Expenses, would equal \$81,425,167.
 - These revenue projections are the result of the anticipated \$3.6 billion increase in the EIFD's valuation between FY 2024-25 and Fiscal Year 2069-2070.



EIFD Financing Program(Cont.)

- Projected Financing Schedule for Bond Issue and Pay-As-You-Go revenues

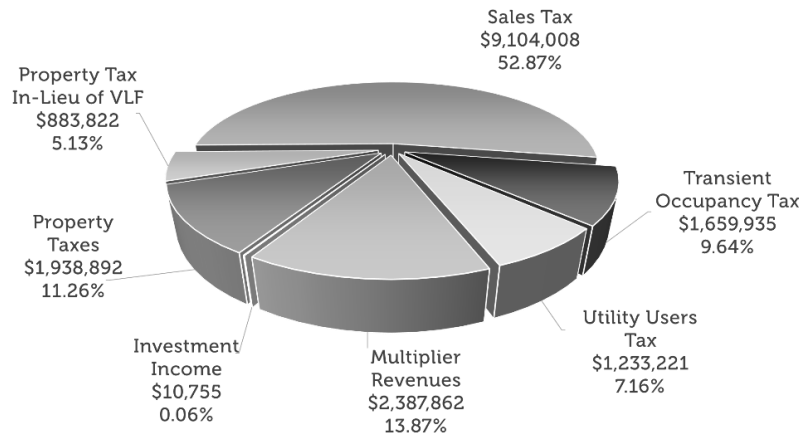
Bond Year	Coupon Rate/Bond Term	Bonded Indebtedness	Bond Construction Proceeds	Cumulative Pay-Go Revenue ¹	Cumulative Bond Construction Proceeds Plus Pay-Go	NPV (3%) Bond Proceeds Plus Pay-Go
2034	5%/30 YRS	\$4,430,000	\$3,925,372	\$2,281,867	\$6,207,239	\$4,901,964
2039	5%/30 YRS	\$3,280,000	\$2,867,431	\$4,099,461	\$10,892,265	\$8,059,578
2044	5%/25 YRS	\$3,530,000	\$3,076,588	\$6,685,865	\$16,555,257	\$11,366,092
2049	5%/20 YRS	\$3,665,000	\$3,165,936	\$10,174,415	\$23,209,742	\$14,731,377
2054	5%/15 YRS	\$3,585,000	\$3,035,838	\$14,722,281	\$30,793,447	\$18,054,239
2059	5%/10 YRS	\$3,135,000	\$2,624,475	\$20,515,026	\$39,210,666	\$21,251,647
2064	5%/5 YRS	\$2,065,000	\$1,677,525	\$27,986,983	\$48,360,148	\$24,267,293
2069	0%/0 YRS	\$0	\$0	\$44,218,846	\$64,592,011	\$28,811,960
Total	N/A	\$23,690,000	\$20,373,165	\$44,218,846	\$64,592,011	\$28,811,960

Note:

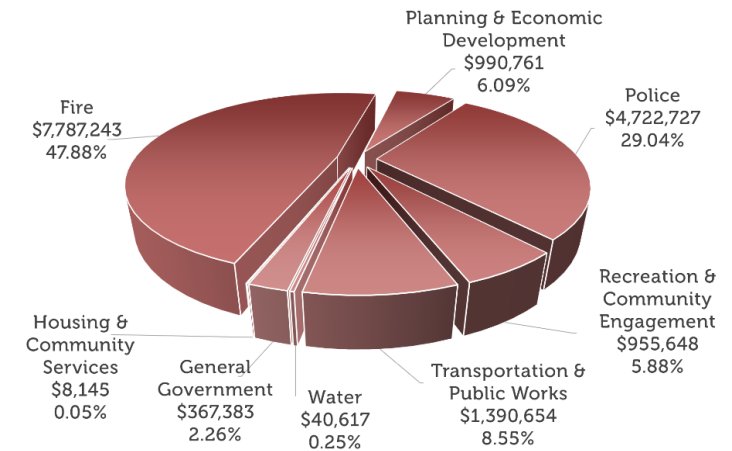
1. Pay-As-You-Go revenues represent the anticipated aggregate amount of debt service coverage that will be available to the EIFD if it is not utilized to fund principal and interest for EIFD debt, plus net available revenue and Property Taxes in lieu of VLF.

Fiscal Impact to the City General Fund

Recurring General Fund Revenues at the End of EIFD Term



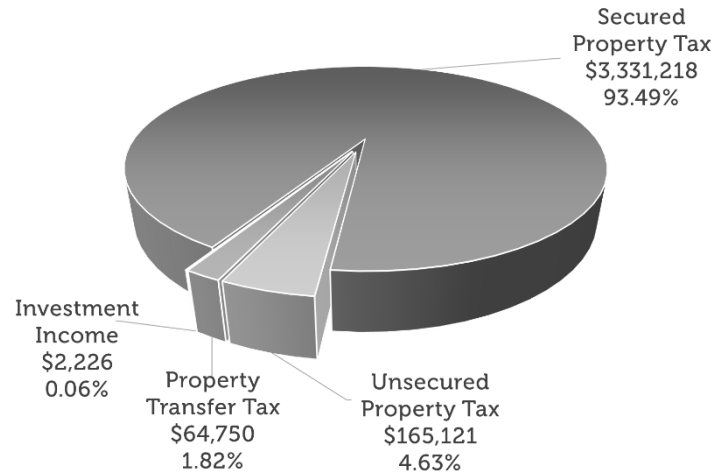
General Fund Expenditures at the End of EIFD Term



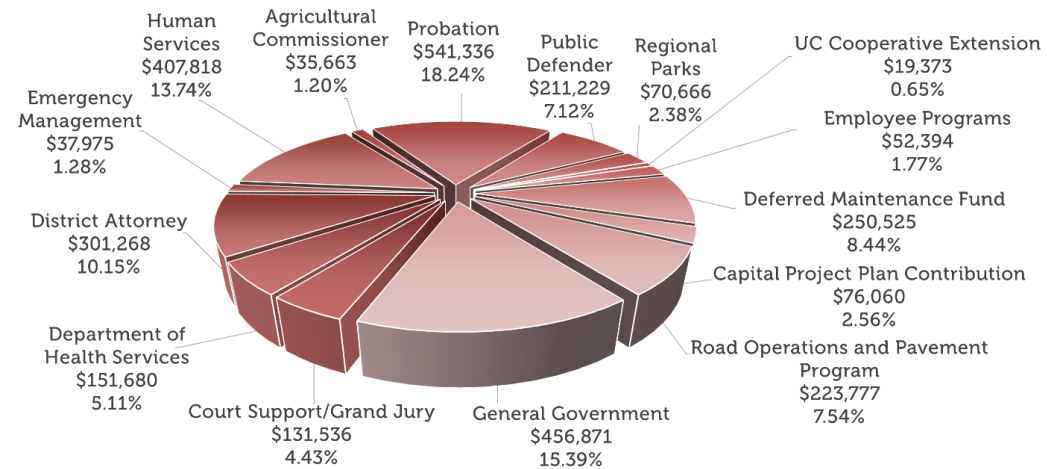
Fiscal Impact Category	Amount/Ratio
Gross Recurring General Fund Revenues	\$17,934,367
<i>Less: EIFD property tax and In-Lieu VLF Share</i>	<i>(\$715,873)</i>
Net Recurring General Fund Revenues	\$17,218,494
Recurring General Fund Expenditures	\$16,263,178
Total Annual Recurring General Fund Surplus/(Deficit)	\$955,316
Total Annual Revenue/Expenditure Ratio	1.06

Fiscal Impact to the County General Fund

Recurring General Fund Revenues at the End of EIFD Term



Recurring General Fund Expenditures at the End of EIFD Term



Fiscal Impact Category	Amount/Ratio
Gross Recurring General Fund Revenues	\$3,958,647
Less: EIFD property tax share	(\$395,332)
Net Recurring General Fund Revenues	\$3,563,315
Recurring General Fund Expenditures	\$2,968,171
Total Annual Recurring General Fund Surplus/(Deficit)	\$595,144
Total Annual Revenue/Expenditure Ratio	1.20

Amending Draft IFP

Changes can occur between IFP introduction meeting and first public hearing

- City initiated changes
- County initiated changes

Next Steps

- Today: Answer questions, consider public comments on the draft IFP (no formal action)
- Revise IFP accordingly – City and County may initiate changes
- Two additional PFA public hearings to form the EIFD and adoption of the IFP
 - Public Hearing #1: **Thursday, May 8, 2025**
 - Public Hearing #2: **Thursday, June 26, 2025 (being rescheduled)**
- Board of Supervisors and City Council consideration of IFP before 2nd public hearing