

NAPA ENHANCED INFRASTRUCTURE FINANCING DISTRICT

INFRASTRUCTURE FINANCING PLAN

Prepared For:

The City of Napa



Prepared By:



APRIL 26, 2022

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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.

1.0 Introduction

1.1 Background & Purpose

Background. Pursuant to its Resolution No. R2021-076, which was adopted by the City Council on July 20, 2021 (the “Resolution of Intention”) and Part 1 of Division 2 of Title 5 of the California Government Code (the “EIFD Law”), the City Council of the City of Napa (the “City”) declared its intention to establish the Napa Enhanced Infrastructure Financing District (“Napa EIFD” or “District”).

Pursuant to its Resolution No. R2021-077, which was adopted by the City Council on July 20, 2021, the City Council of the City established the “Public Financing Authority of the Napa Enhanced Infrastructure Financing District” (“PFA”) as the governing body of the Napa EIFD.

Pursuant to its Resolution No. PFAR2021-001, which was adopted by the PFA on August 24, 2021, PFA directed the City Manager of the City to prepare an infrastructure financing plan (“IFP”) for the Napa EIFD.

Purpose of the Napa EIFD. The Napa EIFD is intended to serve as a catalyst for private sector investment and critical infrastructure with transformative potential for the Napa EIFD area and the City as a whole. The Napa EIFD encompasses approximately 837 acres of land, representing approximately 7.2% of the total approximately 11,616 acres in the City limits. The Napa EIFD includes much of the City’s Downtown and Oxbow neighborhoods, the Jefferson Street Corridor, the Napa Pipe area, and multiple other Napa River-adjacent and development opportunity site areas. These areas were chosen based on their capacity to benefit from catalytic infrastructure improvements with communitywide significance and regional benefit.

1.2 Contents and Overview of this Infrastructure Financing Plan (“IFP”)

Pursuant to Government Code Sections 53398.59 through 53398.74, this IFP includes the following information:

- a) A map and legal description of the District, [included herein as Appendix A and Appendix B, respectively.](#)
- b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the District, including those to be provided by the private sector, those to be provided by governmental entities without assistance from the District, those public improvements and facilities to be financed with assistance from the proposed District, and those to be provided jointly. The description includes the proposed location,

timing, and costs of the development and financial assistance. This information is included in Section 3 of this IFP.

- c) A finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the District. This information is included in Section 4 of this IFP.
- d) A financing section (included in Section 5 of this IFP), which contains all of the following information:
 - 1) A specification of the maximum portion of the incremental tax revenue of the City (as the only taxing entity allocating tax increment to the District) proposed to be committed to the District for each year during which the District will receive incremental tax revenue. The portion may change over time. The maximum portion of the City's property tax increment to be committed to the District will be 50% throughout the duration of the District lifetime, which is projected to be forty-five (45) years from the date on which the issuance of bonds is approved by the PFA.
 - 2) A projection of the amount of tax revenues expected to be received by the District in each year during which the District will receive tax revenues. Section 5.2 of this IFP includes a projection of tax revenues to be received by the District by year over the course of the District's lifetime, as described in the previous paragraph. These projections are based on research and analysis of available data at the time of IFP preparation for purposes of illustration. Actual results may differ from those expressed in this document. Appendix C provides additional detail for the projected revenue analysis. See paragraph 5 below for the Napa EIFD termination date.
 - 3) A plan for financing the public facilities to be assisted by the District, including a detailed description of any intention to incur debt. Section 5.3 of this IFP includes a plan for financing the public facilities to be assisted by the District. The PFA intends to incur debt only when it is financially prudent to do so. It is estimated at this time that the Napa EIFD will provide funding for approximately \$65 million (in present value dollars) of public improvement costs from a combination of tax increment bond or loan proceeds (multiple issuances may be necessary) and pay-as-you-go tax increment funding over the District lifetime.
 - 4) A limit on the total number of dollars of taxes that may be allocated to the District pursuant to the plan. The total number of dollars of taxes that may be allocated to the District shall not exceed \$250,000,000 in nominal 2022 dollars.
 - 5) A date on which the District will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to subdivision (a) of Section

53398.81, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53398.87. The District will cease to exist on the earlier of: (i) forty-five (45) years from the date on which the issuance of bonds is approved by the PFA, or (ii) June 30, 2072. This IFP assumes that the District will be formed in Fiscal Year 2021-2022 and will begin receiving tax revenues in Fiscal Year 2022-2023.

- 6) An analysis of the costs to the City of providing facilities and services to the area of the District while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the District. Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City for providing facilities and services to the area of the District. Appendix D also includes an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the District. It is estimated that, at Year 20 of the District lifetime (assumed stabilized buildout of the District area), annual costs to the City will be approximately \$6.9 million. It is estimated that, at Year 20 of the District lifetime (assumed stabilized buildout of the District area), annual revenue to the City will be approximately \$20.3 million.
 - 7) An analysis of the projected fiscal impact of the District and the associated development upon the City. Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon the City, as the only affected taxing entity that is contributing tax increment revenues to the District at this time. It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of approximately \$13.4 million to the City.
 - 8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that District and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project. At this time, the PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470.
- e) If any dwelling units within the territory of the District are proposed to be removed or destroyed in the course of public works construction within the area of the district or private development within the area of the district that is subject to a written agreement with the District or that is financed in whole or in part by the District, a plan providing for replacement of those units and relocation of those persons or families consistent with the

requirements of Section 53398.56. The PFA does not anticipate that any housing units will be removed as a result of any project identified in this IFP. However, if any relocation of dwelling units is deemed to be required in the future for a project financed by the District, the PFA will comply with the requirements of Government Code Section 53398.56.

- f) The goals the District proposes to achieve for each project financed pursuant to Section 53398.52. Section 7 of this IFP summarizes the goals of each project to be financed by the District.

2.0 Description of the Proposed District

The Napa EIFD encompasses approximately 837 acres of land, representing approximately 7.2% of the total approximately 11,616 acres within the City limits. The Napa EIFD includes much of the City's Downtown and Oxbow neighborhoods, the Jefferson Street Corridor, the Napa Pipe area, and multiple other Napa River-adjacent and development opportunity site areas. These areas were chosen based on their capacity to benefit from catalytic infrastructure improvements with communitywide significance and regional benefit.

The boundaries of the EIFD include property that is currently outside the current boundaries of the City that is within the City's sphere of influence. The owners of this property received all of the notices required by the EIFD Law and were given an opportunity to participate in the public hearings. No tax increment will be allocated to the EIFD from this property unless it has been annexed into the City."

Land use designations in the District primarily include residential, commercial / hotel / retail / office, industrial, and several public use parcels. Appendix A includes a map of the proposed District, and Appendix B is a legal description of the District.

3.0 Description of Proposed Facilities and Development

3.1 Anticipated Future Private Development

Anticipated future private development within the Napa EIFD is summarized in Table 1 below, with greater detail provided in Appendix C. Buildout and absorption of these land uses are forecasted in the first 20 years of the District lifetime.

Table 1: Anticipated Future Private Development

Development Type	SF / Units	AV Per SF / Unit	Estimated AV at Buildout (2022\$)
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
Estimated Total			\$901 million

Source: City of Napa Economic Development Department, CoStar Property (2021)

3.2 Public Facilities to be Financed with Assistance from the Napa EIFD

The EIFD Law authorizes the Napa EIFD to finance the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer, if they are of communitywide significance and provide significant benefits to the Napa EIFD or the surrounding community.

The PFA intends to utilize the District to allocate approximately \$65 million (in present value dollars) of funding to infrastructure and affordable housing projects of communitywide significance that provide significant benefits to the region over the District lifetime. This is equivalent to approximately \$155 million in nominal 2022 dollars.

The following projects are planned for receipt of EIFD funding within the first 10 years of the District's lifetime, based on extensive planning work having already been conducted for these projects to date:

- a) Downtown Parking improvements
 - o Various potential locations Downtown

- Improvements to address the current need of 350-400 additional parking spaces in the form of a parking garage (additionally identified as a need within General Plan development horizon)
- Hard and soft costs estimated in the range of \$12.3 million to \$18.0 million, including cost of automation
- b) City Hall / Civic Center Improvements / Community Center
 - Potential expansion / relocation of existing civic uses over several phases, contemplated to encompass City Hall, Fire Station #1, and Police Administration Building, likely to remain Downtown
 - Potential Community Center improvements
 - Targeted timeline within next 10 years
 - Estimated costs in the range of \$40 million to \$50 million
- c) Affordable Housing and Mixed-use Supportive Infrastructure
 - Various potential development opportunity sites Citywide (e.g., north side of Lincoln Avenue)
 - Likely contributions to direct construction costs, utility capacity improvements, and other related costs
 - Targeted timeline within next 5-10 years
 - Targeted contribution of \$5-10 million toward eligible projects
- d) Downtown Streetscape and Beautification Improvements
 - Lighting, sidewalks, landscaping, wayfinding and signage, public art (e.g., implementation of Brown Street Corridor Plan)
 - Improvements / rehabilitation of existing plazas Downtown
 - Targeted timeline within next 5-10 years
 - Targeted contribution of \$5-10 million toward eligible projects

The additional planned projects listed below may individually range in cost from approximately \$500,000 to \$5 million and are targeted for implementation within the first 20 years of the District's lifetime, pending further study and evaluation to determine specific timing, cost, location, and other details for implementation:

- e) Jefferson Corridor improvements (e.g., pedestrian and bicycle safety improvements, roadway capacity enhancements, beautification, lane reduction, parking lane additions, turn-pocket improvements, intersection bump-outs)
- f) Other Crucial Corridors and Traffic Calming Strategies (e.g., lane reduction, parking lane additions, turn-pocket improvements, intersection bump-outs, pedestrian and bicycle safety improvements, roundabouts along Second and Third Streets Downtown)
- g) Gateway Enhancements (e.g., Soscol Gateway, entryway into Downtown, monuments, signage, streetscape improvements, public art)
- h) Climate Change Adaptation (e.g., electrification of fleet Citywide, solar parking carports/canopy improvements at City Corporate Yard)

- i) Broadband improvements Citywide (e.g., capacity, speed, accessibility improvements for businesses, southern industrial park area of City)
- j) Transit-Supportive Infrastructure (e.g., first-mile/last-mile connectivity, predominantly Downtown, other strategic locations)
- k) Flood Control / Storm Drain (e.g., Lincoln Corridor, Downtown pump station)

Additional expenditures by the Napa EIFD, including any use of potential future EIFD bond proceeds, will be subject to approval by the PFA. Eligible expenditures in accordance with Government Code sections 53398.52 and 53398.56 include the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer and are projects of communitywide significance that provide significant benefits to the district or the surrounding community. The Napa EIFD may also finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the Napa EIFD. Facilities funded may be located outside the boundaries of the Napa EIFD, as long as they have a tangible connection to the work of the Napa EIFD. The Napa EIFD will also finance planning and design activities that are directly related to the purchase, construction, expansion, or rehabilitation of these projects. Projects financed by the Napa EIFD may include, but not be limited to, all of the following:

- Highways, interchanges, and ramps;
- Bridges;
- Arterial streets;
- Parking facilities;
- Transit facilities;
- Parks, recreational facilities, and open space;
- Facilities for the collection and treatment of water for urban uses;
- Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles;
- Storm water conveyance and collection facilities;
- Flood control levees and dams, retention basins, and drainage channels;
- Child care facilities;
- Broadband and telecommunications infrastructure;
- Sidewalks and streetscape improvements;
- Bicycle lanes and paths;
- Public art;
- Corporation yards;
- Police facilities;
- Brownfield restoration and other environmental mitigation;
- Affordable housing as authorized under the EIFD Law;
- Projects that implement a sustainable communities strategy and transit priority projects;

- Acquisition, construction, or repair of industrial structures for private use;
- Acquisition, construction, or repair of commercial structures by the small business occupant of such structures, if such acquisition, construction, or repair is for purposes of fostering economic recovery from the COVID-19 pandemic and of ensuring the long-term economic sustainability of small businesses;
- Projects that enable communities to adapt to the impacts of climate change, including, but not limited to, higher average temperatures, decreased air and water quality, the spread of infectious and vector-borne diseases, other public health impacts, extreme weather events, sea level rise, flooding, heat waves, wildfires, and drought;
- Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.

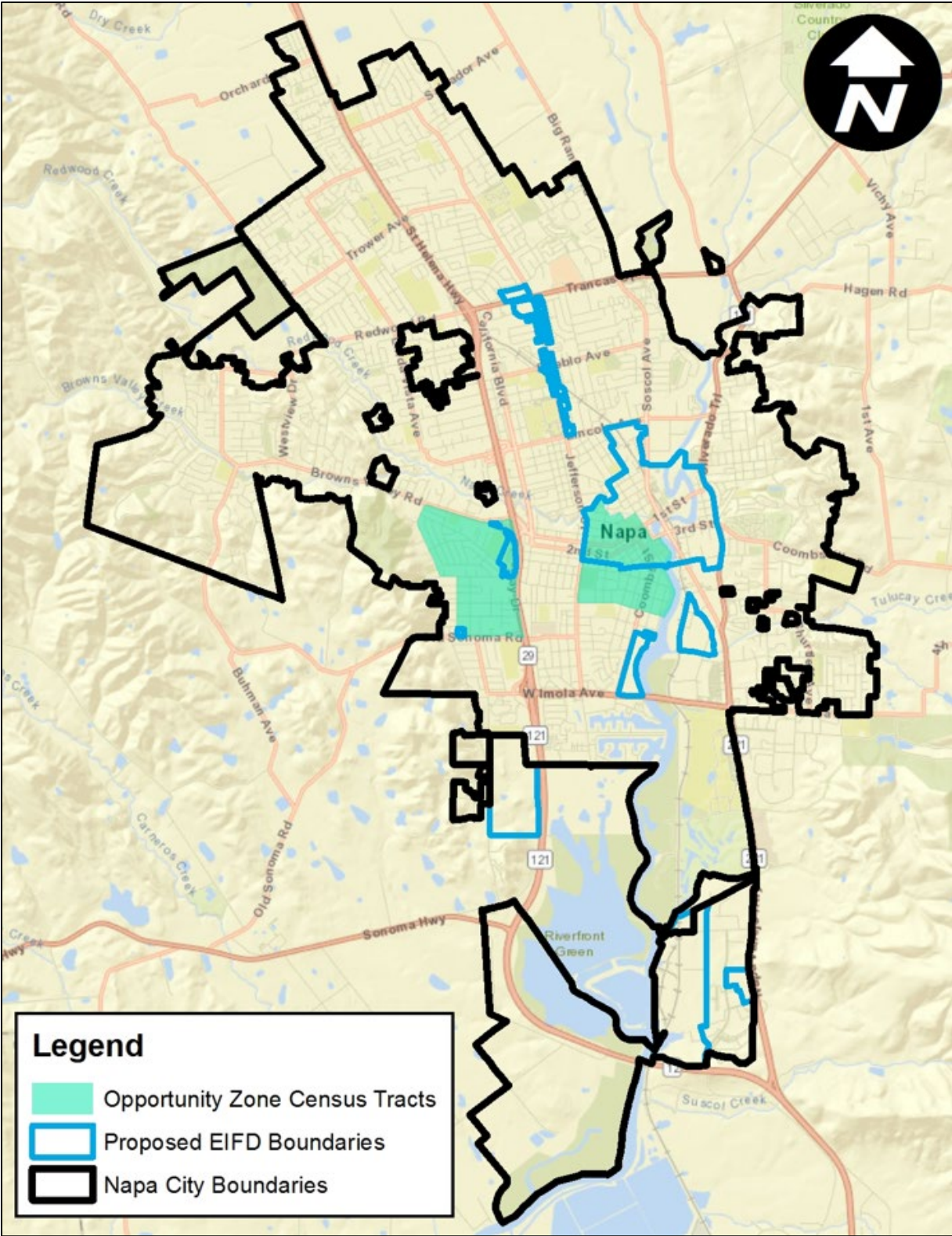
Other Expenses: In addition to the direct costs of the above facilities, the Napa EIFD may finance the costs of planning and design work that is directly related to the purchase, construction, expansion or rehabilitation of property, including, but not limited to, the cost of environmental evaluation and engineering and surveying costs; environmental remediation costs; construction staking costs; utility relocation and demolition costs incidental to the construction of the facilities; costs of legal services; and costs of project/construction management.

In addition, the Napa EIFD may finance any other expenses incidental to the formation, administration and implementation of the Napa EIFD and to the construction, completion, inspection and acquisition of the authorized facilities, including, but not limited to, the costs of creation and administration of the Napa EIFD; costs of issuance of bonds or other debt of the Napa EIFD or of any other public agency (including a community facilities district) that finances authorized facilities, and payment of debt service thereon; financing costs of improvements incurred by developers until reimbursement for the costs of the improvements from the Napa EIFD; costs incurred by the City or the Napa EIFD in connection with the division of taxes pursuant to Government Code section 53398.75; and legal costs.

Targeted improvements would conform to established guidelines in adopted planning documentation, such as the City General Plan.

The PFA intends to continue to identify, evaluate, and pursue additional funding sources and financing mechanisms aside from District tax increment to implement the improvements identified above, potentially including grant sources, complementary district formation (e.g., Mello-Roos Community Facilities District), impact fees, private sector investment incentivized by the formation of the Napa EIFD itself and the Napa EIFD's overlap with federal Opportunity Zone census tracts, federal American Rescue Plan Act (ARPA) funding allocations, and/or other sources.

Exhibit 1: Napa EIFD Overlap with Opportunity Zone Census Tracts



Private sector developers will be responsible for funding project-specific / fair-share / in-tract infrastructure. Some public facilities included in the Napa EIFD area are anticipated to be provided by governmental entities without assistance from the District. There are no public facilities anticipated to be provided jointly by the private sector and governmental entities; however, it is possible that private sector developers may advance funding for improvements, and those advances may be partially reimbursed with EIFD proceeds. Such case-specific agreements would come before the PFA for approval at the appropriate time.

In accordance with Government Code Section 53398.69, the Napa EIFD may expend up to 10 percent of any accrued tax increment in the first two years of the effective date of the Napa EIFD on planning and dissemination of information to the residents within the Napa EIFD boundaries about the IFP and planned activities to be funded by the Napa EIFD, including reimbursement of the City's advanced funding of such eligible costs.

In addition, in accordance with Government Code Section 53398.76, costs incurred by the County of Napa in connection with the division of taxes for the Napa EIFD are eligible to be paid by the Napa EIFD. This IFP estimates administrative costs at approximately \$25,000 annually.

4.0 Finding of Communitywide Significance

Implementation of the District promotes the goals of and is consistent with the City's General Plan, facilitates implementation of regional connectivity through various modes of transportation, and provides the infrastructure foundation for the development of critically needed housing in the community and greater region.

The District supports job creation, affordable housing, improvement of quality of life, and promotion of environmental sustainability.

Specific communitywide and regional benefits anticipated to be generated by the District include:

- Approx. \$338 million in net fiscal impact to the City over 50 years (on a present-value basis)
- Approx. 1,350 housing units within the District, including affordable housing
- 12,042 direct, indirect, and induced temporary, construction-related job-years¹ in the City and County
- 1,762 direct, permanent jobs in the City
- 536 additional indirect and induced permanent jobs in the City and County (total of 2,298 direct, indirect, and induced jobs)
- \$740 million in economic output from construction in the City and County
- \$93 million in annual ongoing economic output in the City and County.

¹ A job-year is defined as one year of employment for one employee.

5.0 Financing Section

Projections included in this IFP are based on research and analysis of available data at the time of IFP for purposes of planning and illustration. Actual results may differ from those expressed in this document.

Aside from the City, no other taxing entity is allocating property tax increment to the District. It is anticipated that property tax increment will be utilized on both a “pay-as-you-go” basis as well as security for tax increment bond issuance or loan acquisition.

Definition of Tax Increment. For purposes of clarity, the phrases “tax increment,” “incremental property tax” and “incremental tax revenue”, as used in this IFP and the EIFD Law, refer to the portion of future property tax revenue described in Section 53398.75(a)(2) of the EIFD Law, i.e., the difference between (A) and (B) in the following formula:

(A) the taxes that would be produced by the rate upon which the tax is levied each year during the term of the Napa EIFD upon the total sum of the assessed value of the taxable property in the EIFD in each such year **minus**

(B) the taxes that would be produced by the rate upon which the tax is levied upon the total sum of the assessed value of the taxable property in the Napa EIFD as shown upon the last equalized roll prior to the effective date of the resolution adopted pursuant to Section 53398.69 of the EIFD Law to create the Napa EIFD.

In the case of the Napa EIFD, the resolution adopted pursuant to Section 53398.69 was adopted on March 8, 2022, and the last equalized roll prior to the effective date of that resolution is the roll for Fiscal Year 2021-2022. Fiscal Year 2021-22 is referred to as the “base year.” The assessed value of the taxable property shown in such last equalized roll is approximately \$1.34 billion. This value is referred to as the “base year value”.

The tax rate applied to the assessed value to generate tax increment is expected to be approximately 0.123%.

For illustration purposes only, if the assessed value of the taxable property within the Napa EIFD increased from a base year value of \$1.34 billion to a value of \$2.48 billion over a period of five years (through Fiscal Year 2026-27), the “tax increment,” “incremental property tax” and “incremental tax revenue” in Fiscal Year 2026-27 would be the amount produced by the following formula:

0.123% x Fiscal Year 2026-27 assessed value (\$3,051,000)

minus

0.123% x base year value (\$1,651,200)

equals

\$1,399,800.

Overlap with Boundaries of former Napa Redevelopment Agency. The Napa EIFD includes overlap with former Redevelopment Project Area boundaries of the former Napa Redevelopment Agency, and so property tax revenues generated by the properties within the overlapping area will flow according to the Redevelopment Agency dissolution statutes until all of the Successor Agency's obligations are retired and the Successor Agency is dissolved (currently anticipated by 2022). The City does not anticipate allocating Redevelopment Property Tax Trust Fund ("RPTTF") residual revenues to the District as part of the maximum allocations outlined in the following sections. Because the City does not anticipate the allocation of RPTTF residual revenues, the exhibits included in this plan do not reflect such allocations.

Where the District boundaries overlap with the boundaries of the former Redevelopment Project Area, any debt or obligation of a District shall be subordinate to any and all enforceable obligations of the former Redevelopment Agency, as approved by the Oversight Board and the Department of Finance.

The analysis and projections herein reflect the City's intention to dedicate incremental property tax revenue allocated to the City in lieu of motor vehicle license fees to the District pursuant to Government Code Section 53398.75(e)(1) in addition and in proportion to incremental "AB8" property tax.

Contingent Nature of Annual Allocation of Tax Revenues by City. The annual allocation of tax revenues to the Napa EIFD by the City, as the sole affected taxing entity allocating tax revenues to the Napa EIFD, is contingent upon the Public Financing Authority's use of such increment to pay for the costs of authorized facilities, projects, or services, and to accomplish other authorized Napa EIFD purposes, including to pay debt service on bonds issued to accomplish such purposes. Each annual allocation of tax revenues to the Napa EIFD by the City under this IFP shall be subject to this condition, and in no event may future allocations of tax revenues be accelerated. For the avoidance of doubt, nothing in the paragraph is intended to require the tax revenues to be immediately spent on such authorized Napa EIFD purposes, it being specifically contemplated that tax revenues may be accumulated and spent for authorized Napa EIFD purposes over a period of time.

5.1 Maximum Portion of Incremental Tax Revenue Dedicated to the District

The maximum portion of the City's property tax increment (including the incremental tax revenue described in the previous sentence) to be committed to the District will be 50% in each year throughout the District lifetime.

5.2 Projection of District Tax Revenues by Year

Table 3 provides an overview of the projected growth of assessed value, property tax increment, and City allocations to the District over the District lifetime. It is expected that a total of approximately \$154,900,000 of incremental tax revenues will be allocated to the District by the City.

These projections are based on research and analysis of available data at the time of IFP preparation for purposes of illustration. Actual results may differ from those expressed in this document. Appendix C provides additional detail for the projected revenue analysis.

5.3 Plan for Financing Public Facilities

The PFA intends to utilize numerous funding sources and financing mechanisms to implement the improvements identified in Section 3.2, potentially including District tax increment, grant sources, complementary district formation (e.g. Community Facilities District), impact fees, private sector investment incentivized by the formation of the Napa EIFD itself and its federal Opportunity Zone designation, federal ARPA funding allocations, and/or other sources.

As it pertains to the use of District tax increment, the PFA intends to incur debt only when it is financially prudent to do so. Issuance of debt by the PFA will conform with the City's Debt Management Policy (per GC 8855(i)(2)).

It is estimated at this time that approximately \$65 million of EIFD funding (in present value dollars) will be made available through tax increment bond or loan proceeds (multiple debt issuances may be necessary) and pay-as-you-go tax increment funding over the District lifetime.

5.4 Limit on Total Dollars Allocated to the District

The total number of dollars of taxes that may be allocated to the District shall not exceed \$250,000,000 over the District lifetime.

Subject to the final paragraph of Section 5.0, the City hereby irrevocably allocates all of the City's share of tax increment as characterized herein to the Napa EIFD to the extent that: (i) the City's share of increment is necessary to repay bonds, notes or related agreements or to meet contractual obligations that the Napa EIFD is obligated to satisfy with Napa EIFD tax increment, and (ii) prior to the PFA incurring an obligation under subsection (i), such bonds, notes, agreements or obligations have been approved by the City Council.

Table 3: Projection of District Revenues by Year

Fiscal Year	Incremental Assessed Value	Property Tax Increment @ 1% General Levy	City AB8 Contribution				City MVLF Contribution				Total Taxes Allocated to EIFD
			Weighted Average City Share Available	City Increment Available	City Share Allocated	City Increment Allocated	Approx. Equivalent City MVLF Share Available	City MVLF Increment Available	City MVLF Share Allocated	City MVLF Increment Allocated	
0 2021 / 2022	\$0	\$0	17.8%	\$0	50%	\$0	6.8%	\$0	50%	\$0	\$0
1 2022 / 2023	\$153,454,122	\$1,534,541	17.8%	\$273,302	50%	\$136,651	6.8%	\$105,025	50%	\$52,513	\$189,163
2 2023 / 2024	\$312,024,233	\$3,120,242	17.8%	\$555,715	50%	\$277,858	6.8%	\$213,552	50%	\$106,776	\$384,633
3 2024 / 2025	\$638,959,497	\$6,389,595	17.8%	\$1,137,987	50%	\$568,993	6.8%	\$437,309	50%	\$218,654	\$787,648
4 2025 / 2026	\$888,911,908	\$8,889,119	17.8%	\$1,583,152	50%	\$791,576	6.8%	\$608,378	50%	\$304,189	\$1,095,765
5 2026 / 2027	\$1,135,514,307	\$11,355,143	17.8%	\$2,022,351	50%	\$1,011,175	6.8%	\$777,155	50%	\$388,577	\$1,399,753
6 2027 / 2028	\$1,189,753,546	\$11,897,535	17.8%	\$2,118,951	50%	\$1,059,476	6.8%	\$814,277	50%	\$407,138	\$1,466,614
7 2028 / 2029	\$1,245,172,335	\$12,451,723	17.8%	\$2,217,652	50%	\$1,108,826	6.8%	\$852,206	50%	\$426,103	\$1,534,929
8 2029 / 2030	\$1,301,796,162	\$13,017,962	17.8%	\$2,318,499	50%	\$1,159,249	6.8%	\$890,959	50%	\$445,480	\$1,604,729
9 2030 / 2031	\$1,359,315,837	\$13,593,158	17.8%	\$2,420,942	50%	\$1,210,471	6.8%	\$930,326	50%	\$465,163	\$1,675,634
10 2031 / 2032	\$1,413,292,778	\$14,132,928	17.8%	\$2,517,074	50%	\$1,258,537	6.8%	\$967,269	50%	\$483,634	\$1,742,171
11 2032 / 2033	\$1,468,349,257	\$14,683,493	17.8%	\$2,615,130	50%	\$1,307,565	6.8%	\$1,004,950	50%	\$502,475	\$1,810,040
12 2033 / 2034	\$1,524,506,865	\$15,245,069	17.8%	\$2,715,147	50%	\$1,357,573	6.8%	\$1,043,384	50%	\$521,692	\$1,879,266
13 2034 / 2035	\$1,581,787,626	\$15,817,876	17.8%	\$2,817,164	50%	\$1,408,582	6.8%	\$1,082,588	50%	\$541,294	\$1,949,876
14 2035 / 2036	\$1,640,214,002	\$16,402,140	17.8%	\$2,921,221	50%	\$1,460,611	6.8%	\$1,122,575	50%	\$561,288	\$2,021,898
15 2036 / 2037	\$1,699,808,906	\$16,998,089	17.8%	\$3,027,360	50%	\$1,513,680	6.8%	\$1,163,362	50%	\$581,681	\$2,095,361
16 2037 / 2038	\$1,760,595,708	\$17,605,957	17.8%	\$3,135,621	50%	\$1,567,810	6.8%	\$1,204,965	50%	\$602,483	\$2,170,293
17 2038 / 2039	\$1,822,598,245	\$18,225,982	17.8%	\$3,246,047	50%	\$1,623,024	6.8%	\$1,247,400	50%	\$623,700	\$2,246,724
18 2039 / 2040	\$1,885,840,834	\$18,858,408	17.8%	\$3,358,683	50%	\$1,679,341	6.8%	\$1,290,684	50%	\$645,342	\$2,324,683
19 2040 / 2041	\$1,950,348,274	\$19,503,483	17.8%	\$3,473,570	50%	\$1,736,785	6.8%	\$1,334,833	50%	\$667,417	\$2,404,202
20 2041 / 2042	\$2,016,145,863	\$20,161,459	17.8%	\$3,590,756	50%	\$1,795,378	6.8%	\$1,379,866	50%	\$689,933	\$2,485,311
21 2042 / 2043	\$2,083,259,404	\$20,832,594	17.8%	\$3,710,285	50%	\$1,855,142	6.8%	\$1,425,799	50%	\$712,899	\$2,568,042
22 2043 / 2044	\$2,151,715,215	\$21,517,152	17.8%	\$3,832,205	50%	\$1,916,102	6.8%	\$1,472,651	50%	\$736,325	\$2,652,428
23 2044 / 2045	\$2,221,540,143	\$22,215,401	17.8%	\$3,956,563	50%	\$1,978,281	6.8%	\$1,520,439	50%	\$760,220	\$2,738,501
24 2045 / 2046	\$2,292,761,570	\$22,927,616	17.8%	\$4,083,408	50%	\$2,041,704	6.8%	\$1,569,184	50%	\$784,592	\$2,826,296
25 2046 / 2047	\$2,365,407,425	\$23,654,074	17.8%	\$4,212,791	50%	\$2,106,395	6.8%	\$1,618,903	50%	\$809,452	\$2,915,847
26 2047 / 2048	\$2,439,506,197	\$24,395,062	17.8%	\$4,344,761	50%	\$2,172,380	6.8%	\$1,669,617	50%	\$834,808	\$3,007,189
27 2048 / 2049	\$2,515,086,944	\$25,150,869	17.8%	\$4,479,370	50%	\$2,239,685	6.8%	\$1,721,345	50%	\$860,673	\$3,100,357
28 2049 / 2050	\$2,592,179,307	\$25,921,793	17.8%	\$4,616,671	50%	\$2,308,336	6.8%	\$1,774,108	50%	\$887,054	\$3,195,389
29 2050 / 2051	\$2,670,813,516	\$26,708,135	17.8%	\$4,756,719	50%	\$2,378,359	6.8%	\$1,827,925	50%	\$913,963	\$3,292,322
30 2051 / 2052	\$2,751,020,410	\$27,510,204	17.8%	\$4,899,567	50%	\$2,449,784	6.8%	\$1,882,820	50%	\$941,410	\$3,391,194
31 2052 / 2053	\$2,832,831,442	\$28,328,314	17.8%	\$5,045,273	50%	\$2,522,636	6.8%	\$1,938,812	50%	\$969,406	\$3,492,042
32 2053 / 2054	\$2,916,278,694	\$29,162,787	17.8%	\$5,193,892	50%	\$2,596,946	6.8%	\$1,995,924	50%	\$997,962	\$3,594,908
33 2054 / 2055	\$3,001,394,892	\$30,013,949	17.8%	\$5,345,484	50%	\$2,672,742	6.8%	\$2,054,178	50%	\$1,027,089	\$3,699,831
34 2055 / 2056	\$3,088,213,413	\$30,882,134	17.8%	\$5,500,108	50%	\$2,750,054	6.8%	\$2,113,597	50%	\$1,056,799	\$3,806,853
35 2056 / 2057	\$3,176,768,305	\$31,767,683	17.8%	\$5,657,824	50%	\$2,828,912	6.8%	\$2,174,205	50%	\$1,087,102	\$3,916,015
36 2057 / 2058	\$3,267,094,294	\$32,670,943	17.8%	\$5,818,695	50%	\$2,909,347	6.8%	\$2,236,025	50%	\$1,118,012	\$4,027,360
37 2058 / 2059	\$3,359,226,804	\$33,592,268	17.8%	\$5,982,783	50%	\$2,991,391	6.8%	\$2,299,081	50%	\$1,149,540	\$4,140,932
38 2059 / 2060	\$3,453,201,963	\$34,532,020	17.8%	\$6,150,153	50%	\$3,075,076	6.8%	\$2,363,398	50%	\$1,181,699	\$4,256,775
39 2060 / 2061	\$3,549,056,626	\$35,490,566	17.8%	\$6,320,870	50%	\$3,160,435	6.8%	\$2,429,002	50%	\$1,214,501	\$4,374,936
40 2061 / 2062	\$3,646,828,382	\$36,468,284	17.8%	\$6,495,001	50%	\$3,247,501	6.8%	\$2,495,918	50%	\$1,247,959	\$4,495,459
41 2062 / 2063	\$3,746,555,574	\$37,465,556	17.8%	\$6,672,615	50%	\$3,336,308	6.8%	\$2,564,172	50%	\$1,282,086	\$4,618,394
42 2063 / 2064	\$3,848,277,309	\$38,482,773	17.8%	\$6,853,782	50%	\$3,426,891	6.8%	\$2,633,791	50%	\$1,316,895	\$4,743,786
43 2064 / 2065	\$3,952,033,478	\$39,520,335	17.8%	\$7,038,572	50%	\$3,519,286	6.8%	\$2,704,802	50%	\$1,352,401	\$4,871,687
44 2065 / 2066	\$4,057,864,771	\$40,578,648	17.8%	\$7,227,057	50%	\$3,613,529	6.8%	\$2,777,234	50%	\$1,388,617	\$5,002,146
45 2066 / 2067	\$4,165,812,690	\$41,658,127	17.8%	\$7,419,312	50%	\$3,709,656	6.8%	\$2,851,115	50%	\$1,425,557	\$5,135,213
46 2067 / 2068	\$4,275,919,568	\$42,759,196	17.8%	\$7,615,413	50%	\$3,807,706	6.8%	\$2,926,473	50%	\$1,463,236	\$5,270,943
47 2068 / 2069	\$4,388,228,583	\$43,882,286	17.8%	\$7,815,435	50%	\$3,907,718	6.8%	\$3,003,338	50%	\$1,501,669	\$5,409,386
48 2069 / 2070	\$4,502,783,778	\$45,027,838	17.8%	\$8,019,458	50%	\$4,009,729	6.8%	\$3,081,740	50%	\$1,540,870	\$5,550,599
49 2070 / 2071	\$4,619,630,077	\$46,196,301	17.8%	\$8,227,561	50%	\$4,113,781	6.8%	\$3,161,711	50%	\$1,580,855	\$5,694,636
50 2071 / 2072	\$4,738,813,302	\$47,388,133	17.8%	\$8,439,826	50%	\$4,219,913	6.8%	\$3,243,281	50%	\$1,621,640	\$5,841,554
Total		\$1,256,584,944		\$223,797,778		\$111,898,889		\$86,001,648		\$43,000,824	\$154,899,713
Present Value @ 3.0%		\$523,959,992		\$93,317,275		\$46,658,637		\$35,860,228		\$17,930,114	\$64,588,751



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.

5.5 District Termination Date

The District will cease to exist the earlier of: (i) forty five (45) years from the date on which the issuance of bonds is approved by the PFA, or (ii) June 30, 2072. This IFP assumes that the District will be formed in Fiscal Year 2021-2022 and will begin receiving tax revenues in Fiscal Year 2022-2023.

5.6 Analysis of Costs to Provide Facilities and Services

Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City for providing facilities and services to the area of the District while the area is being developed and after the area is developed. It is estimated that, at Year 20 of the District lifetime (assumed stabilized buildout of District area), annual costs to the City will be approximately \$6.9 million to service the area of the District.

5.7 Fiscal Impact Analysis

Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon the City, as the only affected taxing entity that is allocating tax increment revenues to the District. Table 4 presents an overview of fiscal impacts to the City.

Table 4: Overview of Fiscal Impacts to City

	Annual (Stablized Year 20)	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
City of Napa			
Estimated Fiscal Revenues (Net of Allocation of TI to EIFD)	\$20,321,200	\$1,265,675,400	\$516,407,100
Estimated Fiscal Expenditures	\$6,896,300	\$435,793,500	\$178,184,500
Estimated Net Fiscal Impact to City	\$13,424,900	\$829,881,900	\$338,222,600

It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of approximately \$13.4 million to the City. Over 50 years, District activity will generate a positive net fiscal impact of approximately \$338 million for the City on a present-value basis. This is in addition to the Community economic benefits outlined in Section 4 of this IFP (e.g. housing, jobs, mobility and connectivity, quality of life, environmental sustainability).

5.8 Developer Reimbursement for Transit Priority Project

The PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470. To the extent that a developer is willing to fund Transit Priority Project infrastructure expenditures beyond and in advance of said

developer's fair share (not contemplated at this time), the PFA may consider and evaluate such reimbursement at the appropriate time.

6.0 Removal of Dwelling Units and Replacement Housing Plan

The PFA does not anticipate that any housing units will be removed as a result of any public works construction within the area of the District or private development within the area of the District that is subject to a written agreement with the District or that is financed in whole or in part by the District. However, if any relocation of dwelling units is deemed to be required in the future for a project financed by the District, the PFA will comply with the requirements of Government Code Section 53398.56.

7.0 Goals of the District

As stated in the Resolution of Intention, the goal of the Napa EIFD is to assist in the provision of public facilities of communitywide significance that provide significant benefits and promote economic development within the boundaries of the Napa EIFD or the surrounding community and, for those facilities located outside the Napa EIFD boundaries which also have a tangible connection to the Napa EIFD.

More specifically, the goals of the District's implementation of the public facilities outlined in Section 3.2 are to support the City's General Plan, facilitate implementation of regional connectivity through various modes of transportation, and to provide the infrastructure foundation for the development of critically-needed housing in the community and greater region. The District additionally aims to implement Statewide policy goals of housing supply and sustainable infrastructure investment.

Additional objectives include economic development in the form of fiscal revenue generation for the City and other taxing entities, job creation, affordable housing, improvement of quality of life, and promotion of environmental sustainability. The District will be utilized to address critical infrastructure and affordable housing project funding needs, which are critical to catalyze private sector investment and development.

8.0 Appendices

Appendix A: Map of Boundaries of the Napa EIFD (attached)

Appendix B: Legal Description of the Napa EIFD (attached)

Appendix C: Projected Tax Increment Revenue Analysis (attached)

Appendix D: Fiscal Impact Analysis (attached)

Appendix E: General Plan Environmental Impact Report (EIR): Available at the following link:

<https://napa2040.com/>

9.0 Glossary

Assessed Valuation: The value of real property for the purpose of taxation.

Assessment Roll: A record of taxable property in a city or county prepared by the county tax assessor. An assessment roll of a city, for example, includes each individual parcel within its taxing jurisdiction and shows the assessed value of each.

Assessor: A county government official who determines the value of a property for local real estate taxation purposes.

Auditor Controller: The chief accounting officer of a county responsible for budget control, disbursements and receipts, and financial reporting.

Base Year: The fiscal year that is the starting point that is used to calculate annual property tax growth in the years following the formation of a tax increment financing district.

EIFD Law: Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, as it may be amended from time to time.

Enhanced Infrastructure Financing District (EIFD): A legally constituted governmental entity separate and distinct from the city or county that established it pursuant to the EIFD Law for the sole purpose of financing public facilities or other projects as authorized by the EIFD Law..

Fiscal Year: The period designated by a city for the beginning and ending of financial transactions. For the City of Napa, all fiscal years begin on July 1 and end June 30 of the following year.

General Levy: The general ad valorem property tax rate levied by counties, which shall not exceed 1% under Section 1 of Article XIII A of the California Constitution.

Increment: The incremental increase in property taxes above the base year level derived from increases in land value resulting from new development, land transactions, or the 2% inflationary rate.

Inflationary Rate: The inflationary rate at which property taxes increase from year to year. In California, this rate is limited to no greater than 2% per year pursuant to Section 2(b) of Article XIII A of the California Constitution.

“Pay-As-You-Go”: Concept of paying for capital projects when the initial cost is incurred, rather than over time through the use of debt financing.

Property Tax In Lieu of Motor Vehicle License Fees (MVLFF): The ad valorem property tax revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code and that corresponds to the increase in the assessed valuation of taxable property in the EIFD. These revenues represent property tax revenues allocated to cities and counties

beginning in FY 2004–05 as compensation for Vehicle License Fee (VLF) revenues previously allocated to cities and counties by the State.

Secured Assessed Value: The assessed value of property on the secured property tax roll, including land and improvements such as buildings, structures, fences, and fixtures that are permanently attached to the land.

Tax Increment Financing (TIF): A funding mechanism designed to fund infrastructure and attract private investment by dedicating to the project area the new property tax revenues generated by increases in the assessed value as a result of redevelopment. The increase in revenues (increment) is used to finance eligible costs in that district.

Taxing Entity: A government entity, such as a city, county, school district, or special district that receives a designated portion of property tax.

Unsecured Assessed Value: The assessed value of property on the unsecured property tax roll, including any tangible, movable property that is not designated as real property such as aircraft, boats, factory equipment, computers and other office equipment, and improvements on the real estate of others