

Stadium Area Enhanced Infrastructure Financing District Public Financing Authority Report

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File ID: 2019-01180

September 24, 2019

Consent Item 01

Title: A Resolution Directing the Preparation of an Infrastructure Financing Plan, Adopting a Conflict of Interest Code, Establishing a Regular Meeting Date, and Adopting the State CEQA Guidelines for Use in Implementing CEQA

Location: District 3, Sacramento Railyards

Recommendation: Adopt a Resolution to direct the preparation of an Infrastructure Financing Plan (IFP), adopt a conflict of interest code, designate officials and disclosure categories, establish a time and place for holding regular meetings, and adopt California Environmental Quality Act (CEQA) guidelines.

Contact: Marco Gonzalez, Project Manager, (916) 808-5757, City Manager's Office of Innovation and Economic Development.

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A: EIFD Boundaries
- 4-2019 Stadium PFA Meeting Schedule DRAFT

Description/Analysis

Issue Detail: On April 9, 2019, City Council approved the Sacramento Major League Soccer Stadium Preliminary Term Sheet (Term Sheet) between the City and a private investor group (Resolution No. 2019-0112). One provision of the Term Sheet required the City and the investment group to work cooperatively to form an Enhanced Infrastructure Financing District (EIFD) to reimburse the soccer stadium developer for public infrastructure improvements that support broad development within the EIFD boundaries. The proposed EIFD consists of a 31-acre area within the Railyards (Exhibit A) that is anticipated to include a new stadium and ancillary development.

On July 23, 2019, the City Council adopted a Resolution of Intention (ROI) to form the EIFD. Section 53398.51.1(b) of the EIFD Law requires that the PFA be established at the same time Council adopts the ROI. The PFA will serve as the governing board of the EIFD and is to consist of three members of Council and two members of the public.

As part of the EIFD formation process, the PFA is required to direct the preparation of an IFP. The IFP is a legal document which describes the EIFD and specific requirements related to financing and implementing goals of the EIFD over the life of the EIFD (45-years from the first debt issuance).

Upon the completion of the IFP, it will be distributed to Council and other interested parties as identified in the EIFD Law. After the IFP is approved by Council, the PFA will conduct a public hearing on the formation of the EIFD and, upon conclusion, approve the IFP and officially establish the EIFD.

The IFP will include the following key components:

- A map of the area and a description of public facilities to be financed;
- A financing section that addresses the maximum amount of tax increment to be committed to the EIFD;
- An analysis of the fiscal impact to the City of committing tax increment to the EIFD.

In addition to ordering the preparation of the IFP, the PFA must also, at its first meeting, adopt a Conflict of Interest Code (per the Political Reform Act, Government Code section 81000 et seq.), establish a regular meeting place and time, and adopt local CEQA Guidelines.

Policy Considerations: This recommendation is consistent with the Council's policy direction provided in the approval of the Term Sheet on April 9, 2019. Establishing the EIFD is a necessary step towards the successful development of the public infrastructure necessary for a new stadium.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The City certified a supplemental environmental impact report (SEIR) for the Railyards Specific Plan Update, KP Medical Center, MLS Stadium and Stormwater Outfall on November 10, 2016. (SCH No. 2006032058; Resolution No. 2016-0379). The SEIR evaluated the environmental effects of the Major League Soccer Stadium project and related public infrastructure. The physical changes that would be facilitated by the funding activities proposed have been evaluated in the SEIR. No further CEQA review is required.

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: Formation of the EIFD is consistent with the terms outlined in the Term Sheet, and preparation of the IFP as well as adoption of the conflict of interest code and CEQA guidelines and establishment of a regular meeting place and time are necessary to the formation process pursuant to the EIFD Law.

Financial Considerations: The EIFD's funding of infrastructure costs (whether directly on a pay-as-you-go basis or through a financing and the payment of related debt service) will be limited to new incremental property tax revenue that is directly derived from the stadium and other development within the proposed EIFD boundaries.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION 2019-_____

Adopted by the Stadium Area Public Financing Authority

September 24, 2019

A Resolution Directing the Preparation of an Infrastructure Financing Plan, Adopting a Conflict of Interest Code, Establishing a Regular Meeting Date, Adopting the State CEQA Guidelines for Use in Implementing CEQA, and Making Various Appointments

BACKGROUND

- A. Pursuant to Resolution 2019-0282, the City Council (the “City Council”) of the City of Sacramento (the “City”) authorized the initiation of proceedings to establish the City of Sacramento Stadium Area Enhanced Infrastructure Financing District (the “EIFD”) and established the Public Financing Authority (the “Authority”).
- B. As part of the EIFD formation process, the Authority is required to direct the preparation of an infrastructure financing plan (the “Plan”).
- C. The Political Reform Act, Government Code section 81000, *et seq.*, requires every state or local government agency to adopt and promulgate a conflict of interest code.
- D. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regulations section 18730, setting forth the terms of a standard model conflict of interest code, which can be incorporated by reference, and which will be amended by the Fair Political Practices Commission to conform to any amendments in the Political Reform Act after public notice and hearing pursuant to the Administrative Procedures Act, Government Code section 11370, *et seq.*
- E. Incorporation by reference of the terms of the aforementioned regulation and amendments to it as the conflict of interest code of the Authority will minimize the actions required to keep the Authority’s conflict of interest code in conformity with state statutes and regulations.
- F. Pursuant to California Government Code Section 54954, the Authority must establish the time and place for holding its regular meetings.
- G. The California Environmental Quality Act (“CEQA”) requires the Authority to adopt, by resolution or rule, objectives, criteria, and procedures for the evaluation of projects and the preparing of environmental impact reports and negative declarations (Public Resources Code section 21082; 14 California Administrative Code section 15022).

- H. For purposes of adopting procedures to implement CEQA, Section 15022(d) of Title 14 of the California Administrative Code authorizes the Authority to adopt the State CEQA Guidelines through incorporation by reference.
- I. The Authority desires to adopt the State CEQA Guidelines through incorporation by reference.
- J. The Authority also needs to make various appointments to facilitate the proper functioning of the EIFD.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE GOVERNING BOARD OF THE AUTHORITY RESOLVES AS FOLLOWS:

- Section 1 Background Statements. The Governing Board of the Authority (the "Board") finds and determines that the background statements A through J are true.
- Section 2 Direction to Prepare Infrastructure Financing Plan. Pursuant to Government Code sections 53398.62, the Authority hereby designates and directs the City Manager to work with the necessary City staff and professionals to prepare and distribute the Plan.
- Section 3 Name of Authority. The Board hereby determines that the Authority shall be named "Stadium Area Public Financing Authority."
- Section 4 Adoption of Conflict of Interest Code. The terms of 2 Cal. Code of Regulations section 18730, and any amendments to it which may be duly adopted by the Fair Political Practices Commission, are hereby adopted by reference as the Conflict of Interest Code of the Authority.
- Section 5 Designated Officials and Disclosure Categories. The list of designated officials and disclosure categories specified in "Exhibit A" is hereby adopted as the Appendix of designated employees and disclosure categories referred to in 2 Cal. Code of Regulations section 18730(b)(2).
- Section 6 Effective Date of Conflict of Interest Code. This conflict of interest code shall become effective upon the date of approval by the City Council, the code reviewing body for the Authority.
- Section 7 Statement of Economic Interests. Designated officials shall file Statements of Economic Interest electronically with the Secretary of the Authority within thirty (30) days after the effective date of this conflict of interest code.
- Section 8 Establishment of Meeting Date. The Authority shall hold its regular meetings, commencing September 24th at 10:00 am, in the same location and on the same day as the City Council's regular meetings. If no agenda of a regular meeting of the Authority is posted at least 72 hours before the time of that regular meeting, then that regular meeting is cancelled.

- Section 9 Adoption of State CEQA Guidelines. The Board hereby adopts the State CEQA Guidelines, found at 14 California Administrative Code sections 15000 *et seq.*, as the same may be amended from time to time, as the District's procedures to implement CEQA pursuant to Section 21082 of the Public Resources Code and Section 15022 of Title 14 of the California Code of Regulations.
- Section 10 Appointment of Secretary. The Board hereby appoints the City Clerk of the City of Sacramento or his or her designee to be the Secretary of the Authority.
- Section 11 Appointment of Chair. The Board hereby appoints Councilmember Jeff Harris to be the Chair of the Authority through December 31, 2020. Chair of the Authority shall be appointed annually thereafter on or before December 31st.
- Section 12 Appointment of Vice-Chair. The Board hereby appoints Councilmember Eric Guerra to be the Vice-Chair of the Authority through December 31, 2020. Vice-Chair of the Authority shall be appointed annually thereafter on or before December 31st.
- Section 13 Appointment of Executive Director. The Board hereby appoints the City Manager or his or her designee to serve as Executive Director of the Authority.
- Section 14 Appointment of Legal Counsel. The Board hereby authorizes the Executive Director to retain outside counsel to serve as legal counsel to the Authority.
- Section 15 Appointment of Treasurer. The Board hereby appoints the City Treasurer or his or her designee to serve as Treasurer of the Authority.
- Section 16 Effective Date. This resolution shall take effect upon adoption.
- Section 17 Severability. 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.
- Section 18 General Authorization. The Secretary of the Authority and all other officers and agents of the Authority are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.
- Section 19 Exhibit A. Exhibit A is part of this resolution.

Table of Contents:

Exhibit A: The List of Designated Officials and Disclosure Categories

Exhibit A

The List of Designated Officials and Disclosure Categories

DISCLOSURE CATEGORIES
APPENDIX A TO CONFLICT OF INTEREST CODE

I. Designated Officials.

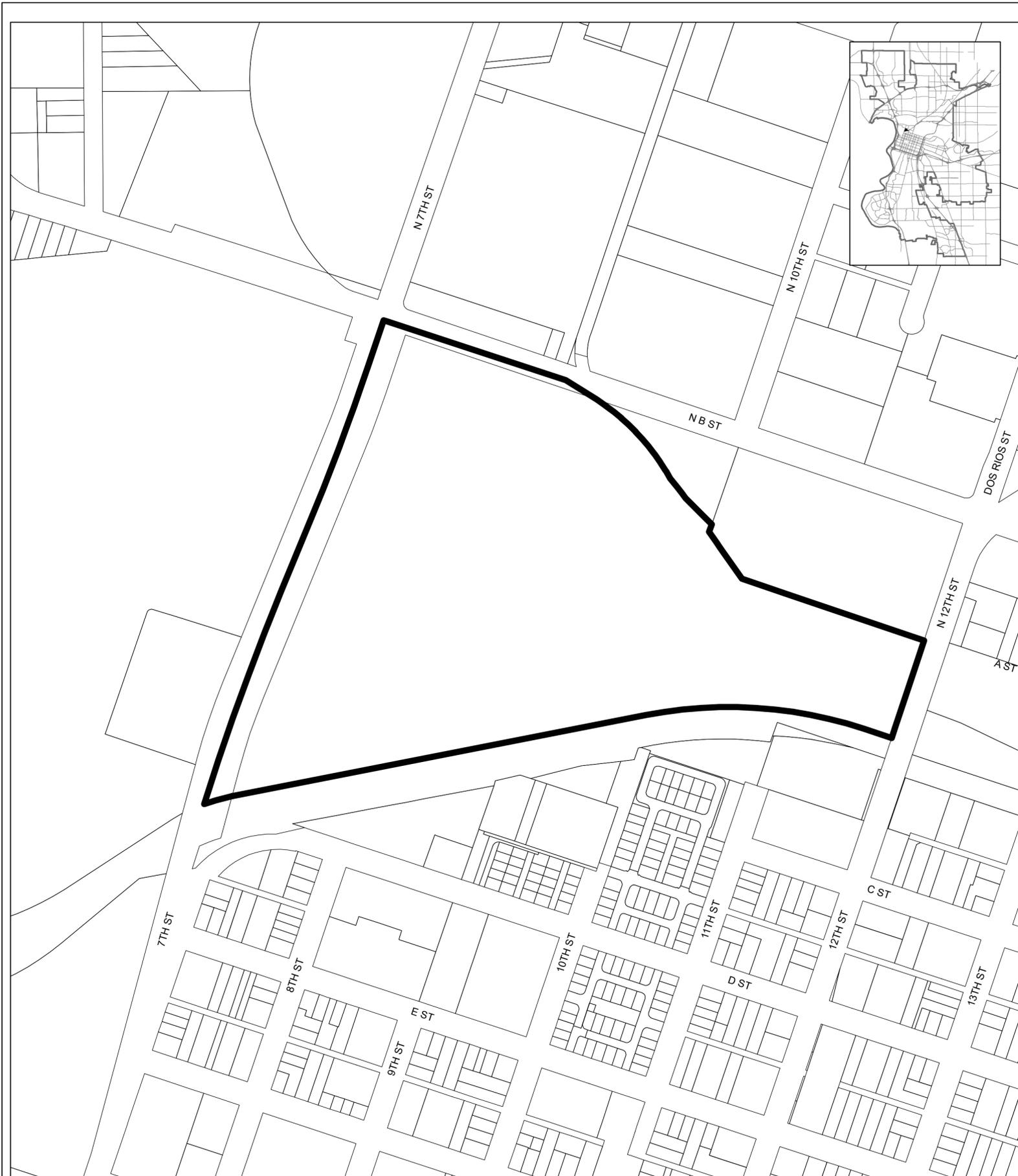
The positions listed below constitute the list of designated officials required by Section 18730. The individual occupying each position is deemed to make, or participate in the making of, decisions which may have a material effect on a financial interest of that individual. Designated officials shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in section III below.

<u>Designated Official</u>	<u>Disclosure Categories</u>
Member of the Board of Directors	1,2,3
Executive Director (City Manager)	1,2,3
Secretary of the Board (City Clerk)	1,2,3
Treasurer	1,2,3
Legal Counsel	1,2,3
Consultant ¹	1,2,3

II. Disclosure Categories.

1. All interests in real property located in whole or in part within or not more than two miles outside the boundaries of the City of Sacramento Stadium Area EIFD.
2. All investments, business positions in business entities, and sources of income, including gifts, loans, and travel payments, from sources located in, doing business in, or with an interest in real property located in the City of Sacramento Stadium Area EIFD.
3. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if the business entity or source provides goods, services, including consulting services, facilities, equipment, or machinery of the type used by the Authority.

¹ Disclosure by Consultants shall be subject to the following limitation: The Authority, through its legal counsel, may determine in writing that a particular Consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the Consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Authority's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.



**BOUNDARIES OF
 CITY OF SACRAMENTO
 STADIUM AREA
 ENHANCED INFRASTRUCTURE FINANCING DISTRICT
 COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

SHEET 1 OF 1

CLERK'S MAP FILING STATEMENT:

FILED IN THE OFFICE OF THE CLERK OF CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2019.

 CITY CLERK,
 CITY OF SACRAMENTO, CALIFORNIA

CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT THE MAP SHOWING THE BOUNDARIES OF, CITY OF SACRAMENTO STADIUM AREA ENHANCED INFRASTRUCTURE FINANCING DISTRICT, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____ 2019, BY ITS RESOLUTION NO. 2019-____.

 CITY CLERK,
 CITY OF SACRAMENTO, CALIFORNIA

COUNTY RECORDER'S FILING STATEMENT:

FILED THIS ____ DAY OF _____, 2019 AT THE HOUR OF ____ O'CLOCK __M., IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA,

 COUNTY RECORDER
 OF THE COUNTY OF SACRAMENTO, CALIFORNIA

BY: _____
 DEPUTY

DOCUMENT NO. _____



NOT TO SCALE

...SPECIAL DISTRICTS\SIMLS Stadium EIFD\Boundary Map.mxd BMueller 07/03/19



Exhibit A



2019

Meeting Calendar for Stadium Area Enhanced Infrastructure Financing District Public Financing Authority

- 10AM Meetings
- Holidays
- Council Recess

JANUARY 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
						1
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER 2019

Sun	Mon	Tue	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Approved xx/xx/xxxx