

Aggie Square Public Financing Authority Report

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File ID: 2022-01180 June 21, 2022

Title: Fiscal Year (FY) 2021/22 Annual Report for the Aggie Square Enhanced Infrastructure Financing District and FY2022/23 Budget (Noticed 6/1/2022)

Location: Districts 5 and 6

Recommendation: Conduct a public hearing and upon conclusion, pass a Motion: 1) adopting the FY2021/22 Annual Report for the Aggie Square Enhanced Infrastructure Financing District (EIFD), 2) adopting the FY 2022/23 revenue and expense budget, and 3) finding that no amendments are necessary to the Aggie Square Infrastructure Financing Plan.

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Presenter: Sheri Smith, Special Districts Manager, (916) 808-7204, ssmith@cityofsacramento.org, Department of Finance

Attachments:

1-Description/Analysis 2-FY2021/22 Annual Report 3-FY2022/23 EIFD Budget 4-List of Facilities

Description/Analysis

Issue Detail: On April 13, 2021, the Aggies Square EIFD PFA established the Aggie Square EIFD near the University of California, Davis Sacramento Campus along the Stockton Blvd. corridor (Resolution No. 2021-0002). The EIFD was formed in accordance with Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (EIFD Law) for the purpose of financing certain public infrastructure improvements in support of a new mixed-use innovation and research center.

Annual Report: Section 53398.66(j)(2) of the EIFD Law requires that the PFA adopt an annual report prior to June 30 of each year after holding a public hearing. The attached *Aggie Square Enhanced Infrastructure Financing District Annual Report for the Year Ending June 30, 2022* (Annual Report) contains all the information required by the EIFD Law, and is Attachment 2 to the staff report. In addition, the Annual Report was made available to the public on May 20, 2022, and written notification of such availability was sent to each owner of land within the EIFD boundaries, all as required by the EIFD Law.

<u>FY 2022/23 EIFD Budget:</u> The first EIFD revenue will be received in 2023. Because construction had not begun when the equalized tax roll was completed, the increase in assessed value within the EIFD was two percent as expected in the early years. The estimated revenue from both property tax increment and vehicle in lieu fees for FY2022/23 is \$1,863 and is more detailed in Attachment 3 to the staff report. Staff is recommending holding revenues in fund balance and budgeting no expenditures for FY2022/23.

Infrastructure Financing Plan: Section 53398.66(3)(J)(1) requires that the PFA review the Infrastructure Financing Plan (IFP) and make any necessary and appropriate amendments. The IFP is unchanged from what was adopted via Resolution No. 2021-0002 which included the methodology to distribute revenue and the facilities to be funded as detailed in Attachments 3 and 4, respectively. Staff recommends making the finding that no amendments are necessary.

Policy Considerations: The recommended actions will satisfy the annual reporting, budgeting, and IFP review requirements outlined in the EIFD Law.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under CEQA Guidelines, administrative activities of the EIFD do not constitute a project and are therefore exempt from review (14 Cal. Code Regs. §15378(b)(2)).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: The actions in the staff report are necessary for administration of the EIFD.

Financial Considerations: Adoption of the Annual Report will allow the PFA to make expenditures of the funds collected in 2023. With the adoption of the FY2022/23 Budget, all revenues will remain in fund balance and be utilized for future expenditures.

Local Business Enterprise (LBE): Not applicable.

Aggie Square Enhanced Infrastructure Financing District

Annual Report For the Year Ending June 30, 2022

June 21, 2022

Aggie Square Public Financing Authority Enhanced Infrastructure Financing District Annual Report For the Year Ending June 30, 2022

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1. INTRODUCTION

The Aggie Square Enhanced Infrastructure Financing District (EIFD) was established on April 13, 2021, by the Aggie Square Public Financing Authority (PFA) pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (EIFD Law). The EIFD was formed to finance certain public infrastructure improvements in support of the Aggie Square Innovation and Research Center. The infrastructure improvements include roadway, storm water, water, and sewer improvements within and surrounding the Project, and affordable housing investments.

Section 53398.66(j)(2) of the EIFD Law requires that the PFA adopt this annual report on or before June 30 of each year after holding a public hearing. This Fiscal Year (FY) 2021/22 annual report presents the information required by the EIFD Law. To meet the reporting requirements of the EIFD Law, this report is organized as follows:

- **Section 2**: Provides a description of the projects undertaken in FY2021/22.
- **Section 3**: Compares actual revenues and expenses, including administrative costs, of the PFA to the budgeted revenues and expenses.
- **Section 4**: Includes the amount of tax increment revenues received in FY2021/22.
- <u>Section 5</u>: Contains an assessment of the status regarding completion of the EIFD's projects.
- **Section 6**: Provides the amount of revenues expended to assist private businesses.

2. PROJECTS UNDERTAKEN IN FY2021/22

As of the date this report was made available to the public, no projects anticipated to be financed through the EIFD have commenced construction. As discussed in Section 5, this project status meets the expected progress to be made during FY 2021/22.

3. ACTUAL VS. BUDGETED REVENUES AND EXPENSES

No tax increment revenues were budgeted as none will be collected during the fiscal year.

4. TAX INCREMENT RECEIVED

No tax increment revenues have been or will be received in FY2021/22. The first revenues are expected to be received in 2023.

5. PROJECT COMPLETION ASSESSMENT

As of the date this report was made available to the public, no projects anticipated to be financed through the EIFD have commenced construction. Construction is expected to commence in fall of 2022 .

6. REVENUES EXPENDED TO ASSIST PRIVATE BUSINESSES

As of the date this report was made available to the public, no revenues have been expended to assist any private business.

Attachment B Aggie Square EIFD FY 2022/23 Budget

Revenue

| Total Revenue | \$ 1,862.61 |
|------------------------|----------------|
| Vehicle in-lieu Fee | \$ 475.18 |
| Property Tax Increment | \$ 1,387.43 |

| | Administration | | Developer-Led Improvements | | Affordable Housing Improvements | |
|-------------------------|----------------|-------|-------------------------------|----------|---------------------------------------|--------|
| Prior Year Fund Balance | \$ | - | \$ | - | \$ | - |
| Revenue Distribution | \$ | 55.88 | \$ | 1,445.39 | \$ | 361.35 |
| Total Fund Balance | \$ | 55.88 | \$ | 1,445.39 | \$ | 361.35 |
| 5 B . l l | | | | | | |
| Expense Budget | \$ | - | \$ | - | \$ | - |

ATTACHMENT C

CITY OF SACRAMENTO AGGIE SQUARE ENHANCED INFRASTRUCTURE FINANCING DISTRICT

DESCRIPTION OF FACILITIES AND DEVELOPMENT TO BE FINANCED

The EIFD is authorized to finance the purchase, construction, expansion, improvement, or rehabilitation of the facilities described herein. These facilities have an estimated useful life of 15 years or longer and are projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community. Any facilities located outside the boundaries of the EIFD have a tangible connection to the work of the EIFD. The EIFD will also finance planning and design activities that are directly related to the purchase, construction, expansion, or rehabilitation of these facilities. Facilities authorized to be financed by the EIFD include the following:

I. <u>EIFD Public Facility and Development Projects</u>

- a. Aggie Square site work and site development including the following:
 - i. construction of 3rd Avenue from Stockton Boulevard to the parking garage including curbs, gutters, sidewalks, street lighting, and landscaping,
 - ii. Stockton Boulevard/3rd Avenue intersection improvements,
 - iii. extension of 45th Street from 2nd Avenue to 3rd Avenue including curbs, gutters, sidewalks, and landscaping,
 - iv. construction of access drive at Stockton Boulevard between 2nd Avenue and 3rd Avenue to provide access for loading and drop off to the mixed use/residential and West Science and Technology buildings,
 - v. Improvements to Stockton Boulevard including curbs, gutters, landscaping, and lighting,
 - vi. storm water management improvements, and
 - vii. utility (water, sewer) connections and relocations as required.
- b. Design and construction of transit, transportation, pedestrian, and connectivity improvements, including parking facilities.
- c. Design and construction of public gathering areas, education, and public open spaces (including but not limited to Aggie Square Plaza, Market Plaza, and the Alice Waters Edible Education Institute).
- d. Innovation infrastructure support, including but not limited to construction of Innovation Hall.
- e. Affordable housing development.

II. Other Expenses

In addition to the direct costs of the above facilities, other incidental expenses if, as, and to the extent authorized by the EIFD Law, including, but not limited to, the cost of engineering, planning, and surveying; construction staking; plan check and inspections; utility relocation and demolition costs incidental to the construction of the facilities; costs of project/construction management; financing costs of improvements incurred by developers until reimbursement from the EIFD; costs of issuance of bonds or other debt of the EIFD, of a community facilities district of the City, or of any other public agency for authorized facilities and payment of debt service thereon; costs incurred by the County of Sacramento or the EIFD in connection with the division of taxes pursuant to Government Code section 53398.75; costs otherwise incurred in order to carry out the authorized purposes of the EIFD; and any other expenses incidental to the EIFD and to the financing, construction, completion, inspection, and acquisition of the authorized facilities.