



SAMOA PENINSULA ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD)

Prepared by:
The Humboldt County Economic Development Division

Outline



OVERVIEW & BACKGROUND



INFRASTRUCTURE
FINANCING PLAN CONTENTS



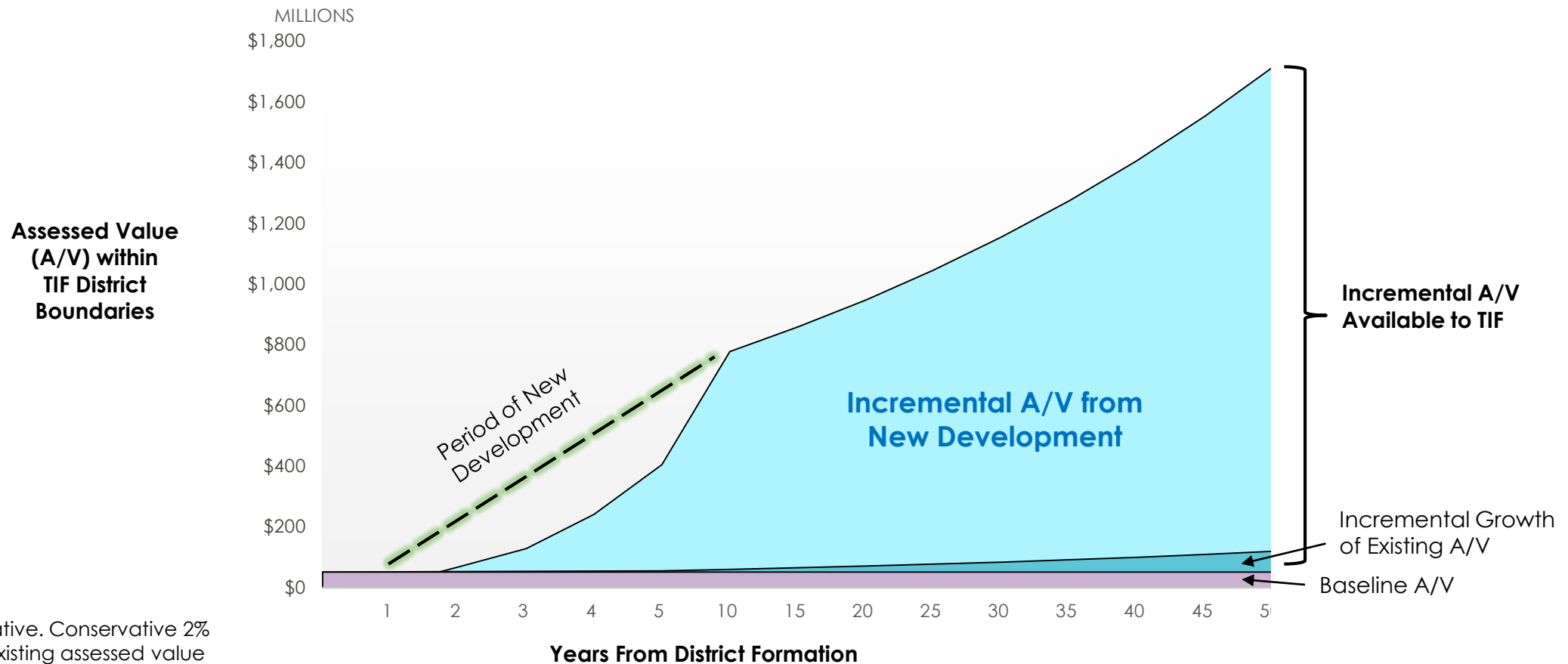
NEXT STEPS AND TIMING

Overview & Background

- Humboldt County is well positioned for growth and private sector investment in multiple areas, particularly on the Samoa Peninsula; however, infrastructure deficiencies have hindered development
- The Humboldt County Board of Supervisors 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 to reinvest in community infrastructure
- The EIFD is governed by an entity called a Public Financing Authority (PFA) according to a document called an Infrastructure Financing Plan (IFP) – PFA oversees revisions to the IFP, eventual debt issuances, etc.
- Goal of today's meeting is to present the draft IFP, answer questions, and consider public comments (no formal action to be taken)
- Next steps include three public hearings, 30 days apart, to hear and incorporate additional feedback prior to EIFD formation (with support by the community); The Board of Supervisors must also approve the IFP
- All EIFD documents available at <https://www.gohumco.com/273/Samoa-Peninsula-EIFD>

Review of Tax Increment Mechanic

Not a New Tax



Note: Illustrative. Conservative 2% growth of existing assessed value (A/V) shown

EIFDS vs Traditional IFDs and RDAs

	RDAS	Traditional IFDs	EIFD
Governance	County Board	County Board	Public Finance Authority
Projects	Any projects "in the interest of general welfare."	Limited infrastructure projects of "communitywide significance."	Expanded infrastructure projects of "communitywide significance."
Voter Approval for Formation	None	2/3 rd approval	None
Voter Approval for Bonding	None	2/3 rd approval	55% approval
Term	30 years from creation of district	30 years from creation of district	45 years from bond issuance
CEQA	Yes - EIR	Yes (May be covered by CEQA documentation for project)	Yes (May be covered by CEQA documentation for project)

Contents of the Infrastructure Financing Plan (IFP)

- Description of District
- Description of Proposed Facilities and Development
- Finding of Communitywide Significance
- Financing Section
- Goals of the District
- Appendices (e.g. Legal Description, Fiscal Impact Analysis, Incremental Revenue Analysis)

Map of Draft EFD Boundary



Note: For Illustrative Purposes Only

Source: ESRI, Humboldt Gov. GIS Data

District Background by the Numbers

- Approximately 2,243 acres (approx. 0.08% of County Total 2.6 million acres)
 - Approximately 1,600 acres in commercially zoned property
 - Approximately 30 acres in residentially zoned property
 - There are an estimated 20 private businesses, all with less than 50 employees
 - There are approximately 150 residential units and 450 residents (*Not including recent developments*)
- Approximately \$49.5 million in existing assessed value (approx. 0.32% of County total \$15.25 billion)
- Approximately \$724.7 million in new development value within the next 10 years

Future Development Assumptions

Over Next 10 Years

Development Type	Number of Units	Net Taxable Value Per Unit (\$)	Estimated Assessed Value at Buildout (\$)
Aquaculture Project	1	350,000,000	350,000,000
Home Rehabilitation	99 units	75,000	7,425,000
Hostel	30 rooms	50,000	1,500,000
Residential Buildings	198 units	350,000	69,300,000
Coastal Industrial	609,840 sq ft	33	20,000,000
Mixed Commercial	117,612 sq ft	234	27,500,000
Commercial Recreational	63,707 sq ft	275	17,500,000
Multipurpose Dock	1	182,000,000	182,000,000
Terminal Improvements	1	25,000,000	25,000,000
Terminal Support facilities	1	10,000,000	10,000,000
			Total \$ 724,725,000

Regional and Communitywide Significance

- Implementation of the District promotes economic prosperity, achievement of energy goals, promotion of environmental sustainability, creation of jobs, and enhancement of quality of place and life in Humboldt County.
- The District additionally supports the Board of Supervisors Strategic Framework of providing for and maintaining infrastructure, and by supporting business, workforce development and creation of private-sector jobs.

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

- \$52.8 million in net fiscal impact to County over 50 years (on a present-value basis)
- 198 housing units within the District
- 7,088 direct, indirect, and induced temporary, construction job years over the construction period
- 805 direct, permanent jobs in the County
- 987 additional indirect and induced permanent jobs in the County (total of 1792 direct, indirect, and induced jobs)
- \$989.1 million in economic output from construction in the County
- \$261.1 in annual ongoing economic output in the County.

Stake Holder Feed Back

Interviews of Stake Holders done by California Center for Rural Policy (CCRP) were used to help determine the infrastructure to be funded by the EIFD. Some of those takeaways are as follows.

- Infrastructure which encourages investment, such as advanced permitting and the placement of easements.
- Water infrastructure upgrades
- Green energy opportunities and climate change mitigation strategies
- Green energy projects which align with local and state goals for energy resiliency, innovation, and independence
- Community and recreational infrastructure

Proposed Facilities

Development Type	Location	Estimated Time Horizon	Estimated Cost	Description	Examples (not limited to)
Energy Infrastructure	<i>District-wide</i>	<i>Near-term</i>	\$2.5 - \$5 million	Projects which align with local and state goals for energy resiliency, innovation, and independence	Green energy opportunities. Infrastructure which helps expand access to utilities. Facilities for the transfer and disposal of solid waste.
Climate Infrastructure	<i>District-wide & Beyond</i>	<i>Near-term / Long-term</i>	\$2.5 - \$5 million / \$10 - \$25 million	Projects and which align with climate change mitigation strategies, including sea level rise and tsunami mitigation as well as earthquake and fire mitigation	Emerging value-added forest product industries, such as torrefied pellet and mass timber manufacturers, that increase the demand for and market value of small diameter timber and biomass in order to fuel forest thinning, reduce risks to communities from overstocked forests, and combat climate change by sequestering carbon
Community Infrastructure	<i>Samoa, Fairhaven, Finntown</i>	<i>Long-term</i>	\$10 - \$25 million	Projects which enhance quality of life for district residents and visitors	Affordable Housing, Libraries, Child Care Facilities, facilities for nonprofit organizations, broadband internet access service
Business Infrastructure	<i>District-wide & Beyond</i>	<i>Near-term</i>	\$2.5 - \$5 million	Projects which enhance coastal dependent industries and aquaculture projects or which will aid in the development of existing and growing industries on the Samoa Peninsula.	Acquisition, construction, repair of industrial structures for private use. Brownfield restoration and other environmental mitigation. COVID relief for small businesses
Entitlement Infrastructure	<i>District-wide</i>	<i>Near-term</i>	\$2.5 - \$5 million	Projects which support planning, building, zoning, and permitting activities for ongoing and new development projects.	Pre-permitting and coastal development plans, development agreements,

Note:

Time horizon priority based on project's ability to foster economic growth

Estimated cost based on increment revenue analysis determination cumulative funds in year 15 (Near-term, estimated \$20 million) and year 30 (long-term estimated \$55 million)

Estimated cost subject to change based on actual fund revenues

Proposed Facilities

- **Projects may also include, but are not limited to:**
 - Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities
 - Sewage treatment and water reclamation plants and interceptor pipes
 - Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles
 - Brownfield restoration and other environmental mitigation
 - Projects that enable communities to adapt to the impacts of climate change
 - Acquisition, construction, or repair of industrial structures for private use.
 - The acquisition, construction, or improvement of broadband Internet access service.
 - 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.
 - Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.

Port & Harbor Infrastructure

Primary implications of funding Port or harbor infrastructure (as defined by Section 1698 of the Harbors and Navigation Code):

- District formation and ongoing governance must be overseen by the Harbor District in place of a PFA (Gov Code Section 53398.62(b))
- Future debt issuance(s) must be approved by the Harbor District and the State Lands Commission prior to issuance (Gov Code Section 53398.78)

For these reasons, infrastructure funded with property tax revenues derived from the Samoa Peninsula Enhanced Infrastructure Financing District (EIFD) shall not be improvements of primary or predominant use to, or for direct benefit to, the port or harbor, but rather shall be used for some other primary or predominant use for a public purpose (as identified in Section 7 of IFP) such as sustainability, quality of life, and economic development improvements for the local community and current and future residents on the Peninsula.

Financing Section

✓ Financing Scenario – 75% of County increment

- County of Humboldt contributes ~ 12.75 cents of property tax increment (approx. 75% of average collection)
- County also contributes equivalent of ~ 10.5 cents (approx. 75%) of its incremental property tax in lieu of MVLF
- No other taxing entities contributing (at this time)

✓ Revenues available to EIFD

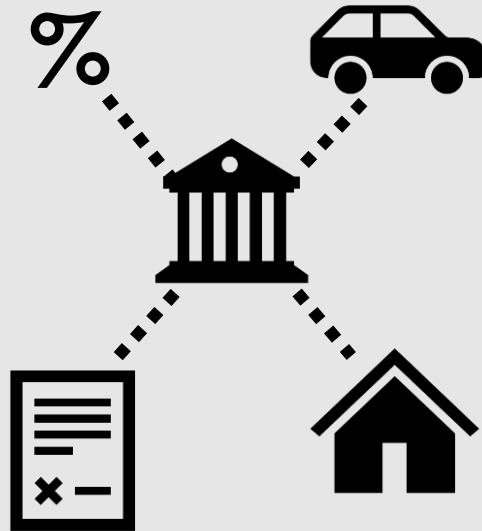
	County Prop. Tax	City MVLF Prop. Tax	Total Annual Revenue	Cumulative Revenue	Bonding Capacity (Net Proceeds)*
Year 5	\$ 573,773	\$ 430,330	\$ 955,122	\$ 2,006,701	\$ 9,437,919
Year 10	\$ 1,012,319	\$ 830,102	\$ 1,842,420	\$ 9,488,638	\$ 18,838,366
Year 15	\$ 1,123,086	\$ 920,931	\$ 2,044,017	\$ 17,290,847	\$ 20,974,176
Year 20	\$ 1,245,383	\$ 1,021,214	\$ 2,266,597	\$ 30,176,559	\$ 23,332,283

Utilizing the EIFD to Attract Complementary Funding

- EIFD will additionally be leveraged to seek grant funding and additional complementary funding

Federal & State Sources

- Federal EDA / DOT / EPA Funding
- State grant & loan programs
 - AHSC, IIG, TCC
- Prop 1 Water/Sewer Funds
- Prop 68 Open Space Funding



Other Potential Funding Sources

- Development Agreement / impact fee contributions
- Benefit Assessments (e.g. contribution form CFD)
- Private Investment Via Federal Opportunity Zone Designation

Next Steps and Timing

- Today: Answer questions, consider public comments on draft IFP (no formal action to be taken)
- Revise IFP accordingly
- Three additional PFA public hearings to hear and incorporate additional feedback:
 - Public Hearing #1: **December 14th, 2021 @ 10:30am**
 - Public Hearing #2: **February, 2022 (to be confirmed)**
 - Public Hearing #3: **March, 2022 (to be confirmed)**
- Board of Supervisors consideration of IFP (Before Public Hearing # 2)
- Finalize district formation, continue to pursue complementary funding sources (e.g. grants), promote development opportunity sites to Opportunity Zone and other private sector partners
- All EIFD documents available at: <https://www.gohumco.com/273/Samoa-Peninsula-EIFD>