



“REINVEST ANTIOCH” ECONOMIC DEVELOPMENT PROGRAM ACTION PLAN AND TOOL KIT

Prepared for:
City of Antioch

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1. Introduction

This document outlines a “tool kit” of economic incentives, policies and other resources that the City of Antioch can potentially apply to achieve its primary economic development objectives of:

- Creating good-paying jobs
- Attracting real estate and business investment
- Increasing City fiscal revenue
- Encouraging a land use mix that supports an economically vibrant, high-amenity community
- Prioritizing economic development investments that promote social equity and enhance economic opportunities for historically disadvantaged persons, businesses and neighborhoods¹

Recognizing that the ultimate effectiveness of the City’s investment in economic development “tools” will largely depend on the strength of the City’s overall economic development program, the Action Plan positions the tool kit within a larger set of strategic actions and policies. Figure 1 on the following page depicts the overall Action Plan as a pyramid with the following levels:

1. Job Creation (top of the pyramid, representing the ultimate goal of the Plan)
2. “Tool Kit” of game-changing City investments and policies (second level of the pyramid, representing strategies that directly result in job creation)
3. Foundational policies and investments (third level of the pyramid, representing policy and investment decisions that will indirectly affect the City’s long-term effectiveness at economic development)
4. Funding and organizational support (bottom level of the pyramid, reflecting the need for substantially expanded financial and organizational resources to effectively support the Action Plan initiatives over time)

Consistent with the expected focus on social equity, the overall Action Plan is designed to facilitate an economic development process and other City resource decisions that are equitable and inclusive of the full range of affected stakeholders, ensuring that all Antioch residents have meaningful opportunities to benefit from the economic investments and other community improvements that result from implementation of the Plan.

This Action Plan is the culmination of an economic development strategic planning process that began in early 2020. Given the onset of the COVID-19 pandemic shortly after the process started, the strategic

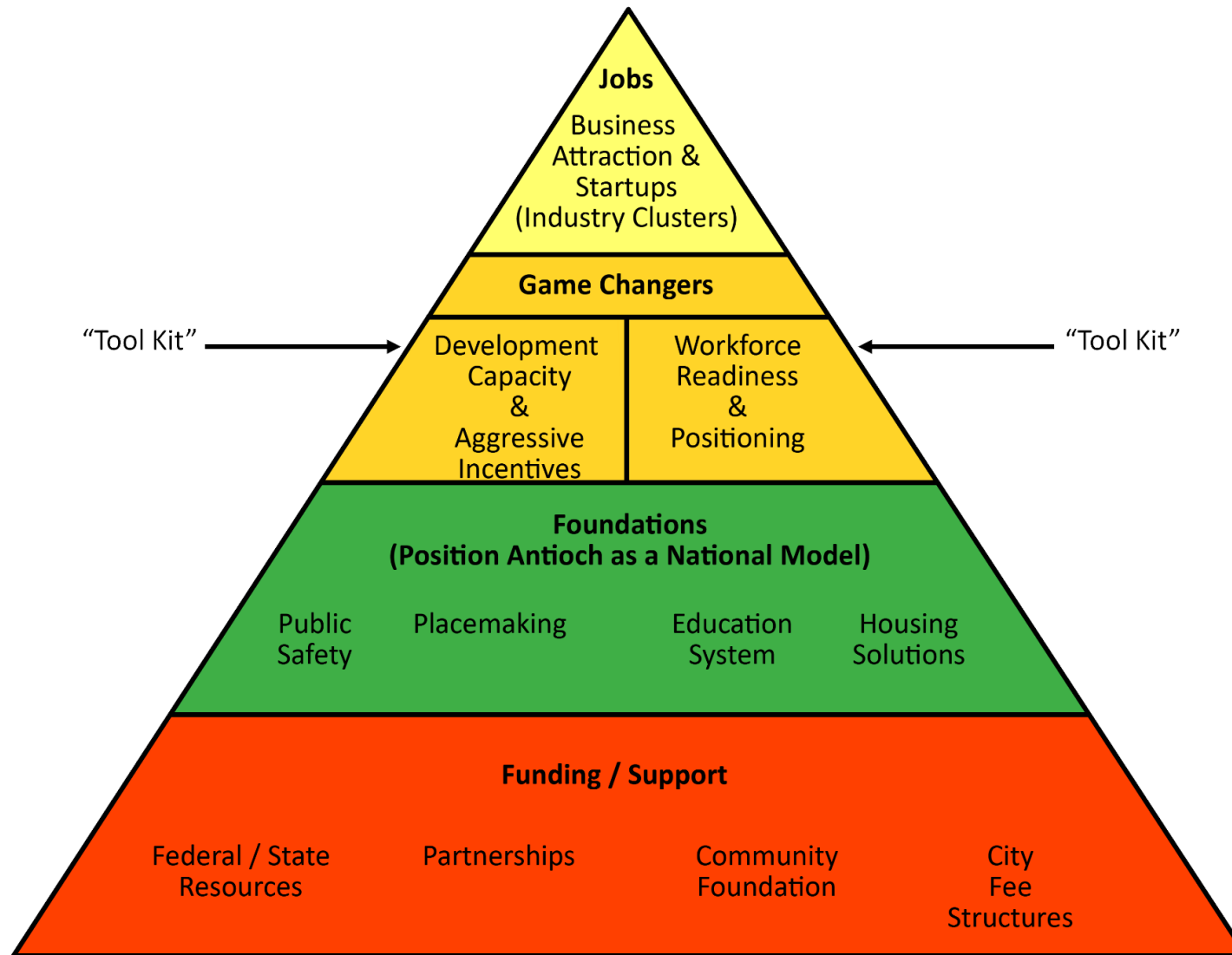
¹ As a starting point for tracking the unique needs and opportunities of disadvantaged communities, the City of Antioch has recently begin collecting information as part of its business licensing process that identifies a firm’s status as a Minority Business Enterprise (MBE), Women’s Business Enterprise (WBE), or Disabled Veteran Business Enterprise (DVBE).

planning effort “pivoted” to recognize a number of important socioeconomic issues and opportunities that emerged (or became more evident) during the pandemic. These issues included the following:

- A dramatic increase in “remote work” in response to stay-at-home orders, potentially paving the way for more permanent (i.e., post-pandemic) opportunities for remote workers and the communities where they live;
- An acceleration of the ongoing shift from brick-and-mortar retail to online shopping;
- Exacerbation of California’s housing affordability crisis;
- Changing patterns of land use demand in response to the above trends;
- Heightened concerns over social equity issues, including homelessness, community safety, and the need to expand economic opportunities for historically disadvantaged groups and places; and
- Fiscal strains on municipalities (and the availability of federal relief funds to mitigate these impacts).

The evolution of the strategic planning process is documented in a series of interim work products that are provided in a separate volume (Volume 2). Together, the Action Plan and Volume 2 constitute a comprehensive Economic Development Strategic Plan (EDSP) for the City of Antioch.

Figure 1. Positioning of City of Antioch's Economic Development "Tool Kit" within Larger Action Plan



"Reinvest Antioch" Action Plan and Tool Kit
The Natelson Dale Group, Inc.

Framework for Prioritizing City Investments

The Action Plan places significant emphasis on expanding resources for direct and indirect City investment in Antioch's economic future. Once resources are secured, they can be selectively applied to a range of Action Items (including specific "tools" such as financial incentives to developers, property owners and businesses) requiring financial resources in order to have a meaningful impact.

The intent of the fund development effort is to create a "war chest" of resources that would enable the City to be responsive to a range of possible funding requests (the nature of which cannot be realistically predicted in advance). Unless required by a particular funding source (e.g., a grantmaking agency), it is recommended that the City not pre-determine budget allocations to specific Action Plan tools. Rather, the overall "war chest" should be structured to allow the City a maximum level of flexibility in providing incentive packages that can be customized to respond to the needs of targeted projects as the market emerges.

Whereas it is important for the City to maintain flexibility in applying program resources in response to emerging needs and opportunities, the Action Plan provides a framework for prioritizing and allocating City investments, based on the following types of criteria:

- Market opportunities (i.e., number and types of projects requesting incentives)
- Potential returns on investment (ROI) for alternative uses of City funds
- Acceptable levels of risk exposure for the City
- Need to balance the potential catalytic impacts of larger projects with the opportunities to support smaller businesses and startups
- Appropriate requirements for equity and inclusion (i.e., requiring funding recipients to meet specified objectives)
- Ability to shift program priorities based on the degree of success achieved by early investments or pilot projects

The City's incentive programs should be structured around a competitive proposal/application process whereby applicants would need to fully demonstrate the feasibility of proposed projects as well as the expected outcomes in terms of job creation and social equity. Overall, the incentive programs should convey a strong message that Antioch:

- Invites new ideas
- Funds innovation
- Incentivizes community-enhancing development
- Prioritizes projects that directly expand opportunities for the resident workforce
- Is open to a range of incentive packages and deal structures, depending on the needs of (and potential community benefits from) individual projects

2. Overview of Proposed Initiatives

The recommended Action Plan is organized around nine major initiatives:

- Initiative 1: Business Development (Job Creation) Pipeline
- Initiative 2: Real Estate Development Capacity / Site Readiness
- Initiative 3: Workforce Opportunity Initiative
- Initiative 4: Entrepreneurial Development / Startup Assistance
- Initiative 5: Direct Project Investment / Public-Private Partnerships
- Initiative 6: Leveraging Housing Demand to Promote Economic Development
- Initiative 7: Regional Interface/Advocacy
- Initiative 8: Funding/Resource Expansion
- Initiative 9: Coordination with City (and Other) Foundational Functions

Outline of Program Components

The potential program components for each initiative are outlined below and further detailed on the tables in Chapter 3. (Programs with a recommended social equity component are noted parenthetically.)

1. Business Development (Job Creation) Pipeline

- a. Local business outreach focused on identifying actionable opportunities to support new job creation through growth of existing firms (social equity focus: targeted outreach to historically disadvantaged businesses, business owners and business districts)
- b. Near-term marketing focused on business attraction in Antioch's existing core industries (e.g., Health Care, Retail, Cannabis)
- c. Interface with regional industry cluster initiatives to cultivate business attraction opportunities, consistent with Antioch's niche in regional supply chains
- d. Expanded (longer-term) marketing focused on attraction of target industry clusters not currently well represented in Antioch (social equity focus: targeted outreach to regional firms with strong track records in promoting social equity)

2. Real Estate Development Capacity / Site Readiness

- a. Flexible zoning to accommodate a range of employment-generating land uses
- b. Streamlined entitlement/permitting process for targeted land use and business types
- c. Specific Plan preparation (including program-level CEQA processes) for high-priority employment centers (social equity focus: prioritize specific plan preparation in Antioch's most distressed business districts)
- d. Strategic infrastructure investments and funding mechanisms (social equity focus: prioritize infrastructure investments in Antioch's most distressed business districts)

- e. Land assembly (limited application in response to specific, high-ROI opportunities)
- f. Marketing of special status areas (e.g., Opportunity Zones, cannabis zones, TOD sites, etc.)

3. Workforce Opportunity Initiative

- a. Commuter survey to collect strategic data on industries, occupations, remote-work status, and entrepreneurial propensities of out-commuting Antioch residents (social equity focus: as an optional/voluntary component of the survey, allow respondents to identify their race/ethnicity/socioeconomic status for purposes of identifying unique opportunities/needs of these communities)
- b. Interface with regional workforce development organizations to maximize participation of Antioch residents in current training/retraining programs focused on East Bay technology sectors (social equity focus: identify opportunities to promote training opportunities for historically disadvantaged persons and neighborhoods)
- c. Regional advocacy to expand availability of regional workforce development programs (and satellite facilities) within Antioch, ultimately positioning Antioch as a “center of excellence” for training within key Bay Area growth sectors (social equity focus: identify opportunities to promote training opportunities for historically disadvantaged persons and neighborhoods)
- d. Facilitation role to expand connection between targeted industry clusters and workforce development/education system (focusing training resources, internships, job postings, etc.) (social equity focus: identify options to promote training, internship and employment opportunities for historically disadvantaged persons and neighborhoods)

4. Entrepreneurial Development / Startup Assistance

- a. Business incubation/acceleration program focused on packaging of startup assistance resources offered by other entities within region (social equity focus: identify opportunities for partnerships with regional organizations focused on startup assistance for historically disadvantaged persons and neighborhoods)
- b. Development of brick-and-mortar incubator facility (this ultimately should be positioned as part of a “center of excellence” for a specific targeted industry cluster)
- c. Venture capital fund development (social equity focus: evaluate options and potential funding sources for venture capital assistance specific to MBE/WBE/DVBE firms)
- d. Networking within East Bay industry cluster initiatives to cultivate “deal flow” of potential startups in Antioch
- e. Initiative to facilitate startups by Antioch residents (social equity focus: evaluate options and potential funding sources for startup assistance specific to MBE/WBE/DVBE firms)

5. Direct Project Investment / Public-Private Partnerships

- a. Development impact fee waivers for targeted land uses and business types
- b. Land/building purchase for (e.g.) incubator facility

- c. Partnerships with targeted businesses/tenants to retrofit existing buildings for employment-generating uses (social equity focus: prioritize partnerships that promote reinvestment in Antioch’s most distressed business districts)
- d. Partnership with institutional entity (e.g., university) to establish research center or tech park

6. Leveraging Housing Demand to Promote Economic Development

- a. Incentives to encourage development of mixed-use villages (e.g., density bonuses for residential projects opting to include commercial/industrial components)
- b. Development agreements to require “economic development investments” for housing proposed on land zoned for commercial/industrial development (social equity focus: evaluate options for directing developer-generated funds to programs/investments that directly benefit Antioch’s most distressed neighborhoods)

7. Regional Interface/Advocacy (ensure “fair share” participation/funding for Antioch)

- a. Industry cluster initiatives
- b. Workforce development initiatives
- c. Special initiatives (e.g., Northern Waterfront Economic Development Initiative, East Bay Innovation Cluster projects, etc.)

8. Funding/Resource Expansion

- a. Expand City’s capacity to pursue Federal/State funding resources on an ongoing basis (to support sustained investment in economic development incentives and other investments)
- b. Leverage City’s partnership with the existing Antioch Community Foundation and investigate options for expanding the Foundation’s direct investment in Antioch economic development projects and related foundational issues (see Initiative 9 below)
- c. Establish Antioch Economic Development Corporation (nonprofit organization), allowing for expanded options/flexibility for fund development and project deal structuring
- d. Allocate a portion of residential development impact fees (or community benefit payments derived from residential development agreements) to investment in economic development (social equity focus: evaluate options for directing these funding resources to programs/investments that directly benefit Antioch’s most distressed neighborhoods)
- e. Earmark a portion of cannabis-generated City revenue for reinvestment in economic development (social equity focus: evaluate options for directing these funding resources to programs/investments that directly benefit Antioch’s most distressed neighborhoods)

9. Coordination with City (and Other) Foundational Functions

- a. Public safety
- b. Placemaking (Downtown, waterfront, etc.) (social equity focus: prioritize placemaking initiatives and investments in Antioch’s most distressed business districts)

- c. K-12 education system (social equity focus: identify options to promote educational opportunities for historically disadvantaged persons and neighborhoods)
- d. Housing solutions (addressing full spectrum of housing/homeless issues)

The nine initiatives, outlined in detail in the next chapter, both stand alone as distinct categories and interact with one another in various ways. Selected “high level” interactions are summarized in the matrix on the following page.

Initiative Interaction Matrix

| Initiatives | 1. Business Development Pipeline | 2. Real Estate Development Capacity | 3. Workforce Opportunity Initiative | 4. Entrepreneurial Development | 5. Direct Project Investment /PPP | 6. Leveraging Housing Demand to Promote ED | 7. Regional Interface/ Advocacy | 8. Funding/ Resource Expansion | 9. Coord. with City (and Other) Foundational Functions |
|--|----------------------------------|--|-------------------------------------|--|-----------------------------------|--|------------------------------------|--|--|
| 1. Business Development (Job Creation) Pipeline | | Expands options for accommodating businesses | Align efforts | Supports entrepreneurs & entr. help expand | Options for accomm. bus. | Align efforts | Leverage regional resources, image | Build momentum | Options for accom. bus. |
| 2. Real Estate Development Capacity / Site Readiness | | | | Expands market options, both ways | Expands development options | Expands devel. options | Region as market | Expands devel. options | Expands devel. options |
| 3. Workforce Opportunity Initiative | | | | Complementary efforts | | Coordinated complementarity | Coordinate efforts | Program support | Expands options for workers |
| 4. Entrepreneurial Development / Startup Assistance | | | | | Expands opportunities for entr. | Market segment | Coordinate efforts | Program support | Placemaking helps attract |
| 5. Direct Project Investment / Public-Private Partnerships` | | | | | | Complementary efforts | Leverage regional assets | Key interface | Complementary efforts |
| 6. Leveraging Housing Demand to Promote Economic Development | | | | | | | Regional coord. issue | Key interface | Key interface |
| 7. Regional Interface/Advocacy | | | | | | | | Leverage power of region in seeking \$ | Leverage power of region for programs |
| 8. Funding/Resource Expansion | | | | | | | | | Key interface |
| 9. Coordination with City (and Other) Foundational Functions | | | | | | | | | |

3. Action Plan Program Summaries

The tables below outline implementation parameters for each of the nine proposed initiatives.

| INITIATIVE 1: Business Development (Job Creation) Pipeline | |
|---|--|
| <p><i>Brief Description of Initiative</i></p> <p>This initiative embodies the core economic development activities of business retention/expansion (BRE) and business attraction. Within the context of this Action Plan, the City’s BRE and attraction functions are expected to include both a near-term focus on opportunities stemming from Antioch’s existing market strengths and a longer-term “cultivation” of opportunities not currently present in the city. Collectively, these immediate and longer-term activities are intended to create a “pipeline” of business attraction leads, to which the City will respond with the expanded “tool kit” of incentives and deal-structure options (as outlined in the other initiatives below).</p> <p>Whereas the specific target industries is expected to evolve over time in response to emerging market opportunities, the Action Plan (Chapter 4) provides an initial working list of candidate industry clusters.</p> | <p><i>Potential Program Components</i></p> <ul style="list-style-type: none"> A. Local business outreach focused on identifying actionable opportunities to support new job creation through growth of existing firms B. Near-term marketing focused on business attraction in Antioch’s existing core industries (e.g., Health Care, Retail, Cannabis) C. Interface with regional industry cluster initiatives to cultivate business attraction opportunities, consistent with Antioch’s niche in regional supply chains D. Expanded (longer-term) marketing focused on attraction of target industry clusters not currently well represented in Antioch |
| City’s Roles in Implementation | This initiative will be a core, in-house function of the City’s Economic Development Department |
| Potential Partners | Antioch Chamber of Commerce, East Bay Economic Development Alliance (“East Bay EDA”), Contra Costa Economic Partnership (CCEP) |
| Priority Action Steps (Years 1-2) | Establish the framework of/for an effective BRE program; identify best practices and key performance indicators (KPIs), including social equity measures |
| Model Programs | East Bay Innovation Cluster (EBiC) – see Appendix A; Northern Waterfront Economic Development Initiative – see Appendix B; Ventura County Business Turnaround Assistance Program (https://edcollaborative.com/wp-content/uploads/2018/10/09-28-2018-Business-Turn-Around-Assistance-Program.pdf) |

| INITIATIVE 2: Real Estate Development Capacity / Site Readiness | |
|--|--|
| <p>Brief Description of Initiative</p> <p>This initiative focuses on positioning Antioch to attract the commercial and industrial development investment needed for employment creation. The recommended program components include varying degrees of City “intervention” to address the availability and cost competitiveness of commercial/industrial development sites.</p> | <p>Potential Program Components</p> <ul style="list-style-type: none"> A. Flexible zoning to accommodate a range of employment-generating land uses B. Streamlined entitlement/permitting process for targeted land use and business types C. Specific Plan preparation (including program-level CEQA processes) for high-priority employment centers D. Strategic infrastructure investments and funding mechanisms (potentially including formation of an Enhanced Infrastructure Financing District) E. Land assembly (limited application in response to specific, high-ROI opportunities) F. Marketing of special status areas (e.g., Opportunity Zones, cannabis zones, TOD sites, etc.) G. Social equity measures to accommodate and promote reinvestment in Antioch’s most distressed neighborhoods and business districts |
| City’s Roles in Implementation | This initiative will be coordinated by the City’s Economic Development Department in collaboration with the Community Development and Public Works Departments |
| Potential Partners | East Bay EDA, GoBiz, Commercial Brokers |
| Priority Action Steps (Years 1-2) | Place emphasis on existing employment centers; create industry specific marketing materials |
| Model Programs | Greater Portland Inc. (GPI) Development Roadmaps (community site readiness tool kit) – see: https://greaterportlandinc.com/assets/documents/Communities/Task-4-development-roadmaps-final-report-20200728.pdf |

| INITIATIVE 3: Workforce Opportunity Initiative | |
|---|--|
| <p><i>Brief Description of Initiative</i></p> <p>This initiative is intended to enhance the employment opportunities of Antioch’s resident workforce while simultaneously leveraging Antioch’s substantial population of out-commuters as a selling point for business attraction and entrepreneurial development. Designing the Workforce Opportunity Initiative around one or more targeted industry clusters would help to position Antioch as a “center of excellence” for those clusters.</p> | <p><i>Potential Program Components</i></p> <ul style="list-style-type: none"> A. Commuter survey to collect strategic data on industries, occupations, remote-work status, and entrepreneurial propensities of out-commuting Antioch residents B. Interface with regional workforce development organizations to maximize participation of Antioch residents in current training/retraining programs focused on East Bay technology sectors C. Regional advocacy to expand availability of regional workforce development programs (and satellite facilities) within Antioch, ultimately positioning Antioch as a “center of excellence” for training within key Bay Area growth sectors D. Facilitation role to expand connection between targeted industry clusters and workforce development/education system (focusing training resources, internships, job postings, etc.) E. Social equity measures to prioritize workforce development opportunities for historically disadvantaged persons, businesses and neighborhoods |
| <p>City’s Roles in Implementation</p> | <p>The City will primarily serve in coordination and advocacy roles. The core services would be provided by non-City entities; the City would partner with these entities to ensure that: 1) Antioch residents and employers take full advantage of available programs, and 2) Antioch receives a fair share of regional resources invested in new programs and facilities.</p> |
| <p>Potential Partners</p> | <p>Contra Costa Workforce Development Board, City of Antioch's Youth/Young Adult apprenticeship program</p> |
| <p>Priority Action Steps (Years 1-2)</p> | <p>Build the foundation of the program, focusing on direct connections to the existing programs of regional partners</p> |
| <p>Model Programs</p> | <p>East Bay Innovation Cluster (EBiC) – see Appendix A</p> |

| INITIATIVE 4: Entrepreneurial Development / Startup Assistance | |
|--|--|
| <p>Brief Description of Initiative</p> <p>This initiative recognizes the reality that Antioch will likely need to proactively cultivate business development opportunities in order to meaningful expand the presence of targeted industry clusters not currently well established in the City. In this regard, direct City investment in a business incubator would provide an early, highly visible anchor for a “center of excellence” associated with a targeted industry cluster.</p> <p>City investment in an incubator facility could also provide immediate opportunities to put into productive use existing vacant or underutilized commercial buildings, thereby minimizing the potential for blight and reducing the likelihood of properties being rezoned for other uses such as housing.</p> | <p>Potential Program Components</p> <ul style="list-style-type: none"> A. Business incubation/acceleration program focused on packaging of startup assistance resources offered by other entities within region B. Development of brick-and-mortar incubator facility (this ultimately should be positioned as part of a “center of excellence” for a specific targeted industry cluster) C. Venture capital fund development D. Networking within East Bay industry cluster initiatives to cultivate “deal flow” of potential startups in Antioch E. Initiative to facilitate startups by Antioch residents F. Social equity measures to prioritize entrepreneurial development opportunities for MBE/WBE/DVBE firms |
| City’s Roles in Implementation | This program would be funded through the City but run by a third party (i.e., the City would potentially partner with a private developer and/or operator for the development of incubator facilities and programs). |
| Potential Partners | East bay EDA, GoBiz, CALED, SBDC |
| Priority Action Steps (Years 1-2) | Issue RFQ to develop local business incubation program focused on Antioch's key/target industries |
| Model Programs | <p>East Bay Innovation Cluster (EBiC) – see Appendix A</p> <p>Ventura County EDC Grow program (https://edcollaborative.com/edc-grow/) – partnership with SBDC</p> |

| INITIATIVE 5: Direct Project Investment / Public-Private Partnerships | |
|--|--|
| <p>Brief Description of Initiative</p> <p>This initiative is intended to complement and augment the real estate capacity and site-readiness strategies outlined under Initiative 2 above. Whereas Initiative 2 primarily focuses on the City’s traditional roles in zoning land and entitling development, Initiative 5 represents more intensive roles in which the City would provide direct financial support to key development projects and businesses.</p> <p>The City’s financial participation in development could be structured as grants, low-interest loans, or equity stakes, depending on the level of City resources available and the needs of specific targeted projects.</p> <p>In some instances, there may be operational advantages to carrying out the City’s development investments through a third-party development entity (such as the local Economic Development Corporation envisioned as part of Initiative 8).</p> | <p>Potential Program Components</p> <ul style="list-style-type: none"> A. Development impact fee waivers for targeted land uses and business types B. Land/building purchase for (e.g.) incubator facility C. Partnerships with targeted businesses/tenants to retrofit existing buildings for employment-generating uses D. Partnership with institutional entity (e.g., university) to establish research center or tech park |
| <p>City’s Roles in Implementation</p> | <p>The City’s Economic Development Department will be responsible for soliciting potential “deals” for City financial participation and recommending selected projects for funding approval by the City Council (reflecting investment criteria adopted by the City). Actual development activities will be carried out by private partners.</p> |
| <p>Potential Partners</p> | <p>Chamber, CCEP, East Bay EDA, and East Bay Leadership Council (EBLC)</p> |
| <p>Priority Action Steps (Years 1-2)</p> | <p>Establish an EDO/C (corporation)</p> <p>Develop “site readiness” incentive packages for targeted development sites (see Greater Portland model referenced under Initiative 2); prioritized incentives to promote reinvestment in Antioch’s most distressed business districts</p> |
| <p>Model Programs</p> | <p>San Pablo EDC and others</p> |

| INITIATIVE 6: Leveraging Housing Demand to Promote Economic Development | |
|--|---|
| <p>Brief Description of Initiative</p> <p>Current market trends suggest that there will be increasing pressure for the City to rezone commercial and industrial land for residential development. While the City recognizes the substantial need for additional housing in the region, the potential loss of future non-residential development could significantly undermine the City’s longstanding efforts to improve its jobs/housing balance.</p> <p>This initiative seeks to achieve a balance between residential and employment land uses whereby the enhanced land value (to a property owner) associated with rezoning (or up-zoning) land can be leveraged as a tool to encourage or require concurrent investment in non-residential development.</p> | <p>Potential Program Components</p> <ul style="list-style-type: none"> A. Incentives to encourage development of mixed-use villages (e.g., density bonuses for residential projects opting to include commercial/industrial components) B. Development agreements to require “economic development investments” for housing proposed on land zoned for commercial/industrial development |
| <p>City’s Roles in Implementation</p> | <p>The City’s Economic Development Department will take the lead in crafting policies for the City Council’s approval; implementation of the policies and negotiation of development agreements would be carried out by the Economic Development and Community Development Departments.</p> |
| <p>Potential Partners</p> | <p>ABAG, EBLC, CCEP</p> |
| <p>Priority Action Steps (Years 1-2)</p> | <p>Identify key characteristics of qualified properties with maximum potential</p> <p>Evaluate options for directing developer-generated funds to programs/investments that directly benefit Antioch’s most distressed neighborhoods)</p> |
| <p>Model Programs</p> | <p>City of Santa Monica development agreement / “value capture” practices (see Appendix C)</p> |

| INITIATIVE 7: Regional Interface/Advocacy (ensure “fair share” participation/funding for Antioch) | |
|--|--|
| <p>Brief Description of Initiative</p> <p>A number of existing and planned economic development initiatives in the East Bay region can potentially benefit Antioch. These programs can be viewed as networking opportunities through which Antioch can augment its “pipeline” of business development and investment leads.</p> <p>Whereas regional initiatives offer potential collaborative benefits, they also realistically involve some degree of competition among the individual jurisdictions within the region (some of which may have inherent advantages over Antioch by virtue of their size and location). Antioch’s ability to effectively capture “fair shares” of the resources and development opportunities generated by these regional initiatives will require active/ongoing participation by City representatives.</p> <p>Antioch’s direct participation in regional initiatives can also help to ensure that strategic focus of the initiatives (e.g., selection of target industries) are aligned with Antioch’s economic development potentials.</p> | <p>Potential Program Components</p> <ul style="list-style-type: none"> A. Industry cluster initiatives B. Workforce development initiatives C. Special initiatives (e.g., Northern Waterfront Economic Development Initiative, East Bay Innovation Cluster projects, etc.) |
| City’s Roles in Implementation | The City will primarily serve in coordination and advocacy roles; the Economic Development Department will be the main point of contact with these regional initiatives. |
| Potential Partners | CALED, GoBiz, EBLC, CCEP, Northern Waterfront Economic Development Initiative |
| Priority Action Steps (Years 1-2) | Convene “working group meeting” of key partners and establish priorities for mutual action/advocacy |
| Model Programs | The Central Coast Economic Recovery Initiative (https://cceri.org/) |

| INITIATIVE 8: Funding/Resource Expansion | |
|--|--|
| <p><i>Brief Description of Initiative</i></p> <p>This initiative is arguably the cornerstone of the overall Action Plan. The most significant “tools” for job creation in Antioch (as outlined in Initiatives 4 and 5) will require substantial financial investment in order to have a meaningful impact.</p> <p>Through Initiative 8, the City will systematically pursue external funding to support sustained investment in economic development incentives and other investments.</p> <p>Initiative 8 also seeks to augment the City’s organizational structure to include two non-profit entities that can expand the available range of funding sources and also provide more flexibility in terms of the types of deal structures possible for economic development investment.</p> | <p><i>Potential Program Components</i></p> <ul style="list-style-type: none"> A. Expand City’s capacity to pursue Federal/State funding resources on an ongoing basis (to support sustained investment in economic development incentives and other investments) B. Leverage City’s partnership with the existing Antioch Community Foundation and investigate options for expanding the Foundation’s direct investment in Antioch economic development projects and related foundational issues (see Initiative 9 below) C. Establish Antioch Economic Development Corporation (nonprofit organization), allowing for expanded options/flexibility for fund development and project deal structuring D. Allocate a portion of residential development impact fees (or community benefit payments derived from residential development agreements) to investment in economic development E. Earmark a portion of cannabis-generated City revenue for reinvestment in economic development F. Evaluate options for new economic development funds to programs and investments that directly benefit Antioch’s most distressed neighborhoods) |
| City’s Roles in Implementation | The City’s Economic Development Department will lead expanded efforts to pursue relevant Federal and State Funding; the Economic Development Department will also lead initial investigations of the desirability and feasibility of launching the Economic Development Corporation (which would ultimately be a separate, non-City entity). |
| Potential Partners | Community Foundation, GoBiz, CALED, EBLC |
| Priority Action Steps (Years 1-2) | Implement ED Financial Toolkit including establishing framework for EIFDs |
| Model Programs | (See additional details in Chapter 4 and the report appendices). |

| INITIATIVE 9: Coordination with City (and Other) Foundational Functions | |
|--|--|
| <p>Brief Description of Initiative</p> <p>This initiative addresses “foundational” topics that are beyond the scope of traditional/core economic development programming, but which are nevertheless crucial to the City’s potential success in attracting development and business investment. These topics include:</p> <ul style="list-style-type: none"> • The perception that Antioch is a high-crime community • The need to mitigate existing or potential blight in older areas of Antioch • Concerns about the quality of the K-12 education system (which affect both the workforce development pipeline and Antioch’s attractiveness as a place to live) • The image and practical challenges associated with a large homeless population • The need to create a full spectrum of housing choices that supports the City’s larger economic and workforce development objectives | <p>Potential Program Components</p> <p>The City’s Economic Development Staff will systemically coordinate with other City departments (and external entities) to support resource augmentation (and effective public messaging about progress) on the following fronts:</p> <ul style="list-style-type: none"> A. Public safety B. Placemaking (Downtown, waterfront, etc.) C. K-12 education system D. Housing solutions (addressing full spectrum of housing/homeless issues) <p>Consistent with the “center of excellence” theme emphasized in other parts of the Action Plan, the Economic Development Department should seek to position these foundational programs as national models for addressing pervasive urban challenges.</p> |
| City’s Roles in Implementation | The City’s Economic Development Department will primarily serve in coordination and advocacy roles; the Department’s role in expanding Federal and State Resources could potentially be applied to these foundational issues |
| Potential Partners | Housing advocates, marketing team, PIO, AUSD, Chamber |
| Priority Action Steps (Years 1-2) | Convene “working group meeting” of key partners/stakeholders and establish priorities for foundational programs and investments undergirding Antioch’s economic development potentials; within this context, identify options for prioritizing placemaking investments in Antioch’s most distressed business districts and promoting educational opportunities for historically disadvantaged persons and neighborhoods |
| Model Programs | The Central Coast Economic Recovery Initiative (https://cceri.org/) |

4. Potential Funding Sources/Financing Mechanisms

This chapter outlines funding sources and financing mechanisms that the City of Antioch could potentially pursue in order to establish the resource levels realistically necessary to incentivize private commercial and industrial investment in targeted employment centers. In particular, the following programs have been evaluated by the consultant team:

Potential Seed Money for “Antioch Economic Development War Chest” Concept

- American Rescue Plan Act (ARPA) funds (Federal)
- Community Economic Resilience Fund (CERF) (State of California)
- California Infrastructure and Economic Development Bank (IBank)
- Developer fees and/or public benefits payments (to applied to residential development to funded associated needs for employment generation)

Tax Increment Financing Mechanisms

- Enhanced Infrastructure Financing Districts (EIFDs)
- Community Revitalization Investment Authorities (CRIAs)

Table 1 on the next page provides an overview of the potential applicability of these programs to Antioch’s economic development efforts). The subsequent pages provide additional details for the programs deemed to be the highest priority action items for the City: IBank and EIFD’s.

TABLE 1. OVERVIEW OF POTENTIAL FUNDING SOURCES AND FINANCING MECHANISMS

| Program/Funding Source | Eligible Uses | Strategic Advantages to Antioch | Next Steps for City |
|--|---|--|--|
| <i>Potential funding sources to underwrite “Antioch Economic Development War Chest” concept</i> | | | |
| American Rescue Plan Act (ARPA) funds (Federal) | Existing (time-limited) discretionary funds that can potentially be used for a wide variety of economic development investments | Can potentially directly incentivize targeted private investment in the near-term | Seek input from community and City Council on priority uses for these funds; commit a portion to “war chest” |
| Community Economic Resilience Fund (CERF) (State of California) | Current regional funding opportunity from the State of California; planning grants of \$5million per region; statewide implementation funding of \$500 million | Opportunity to align City with regional funding consortium (applications are not accepted from individual cities – the relevant region for application purposes is the overall Bay Area). | Determine status of regional application(s) for CERF funds and identify opportunities for Antioch to participate in funded programs |
| California Infrastructure and Economic Development Bank (IBank) | Generally applies to bondable investments in infrastructure supporting economic development and sustainability; some programs can be used to incentivize private manufacturing investment | City can position itself as a “concierge” connecting local projects and firms to prospective funding | Allocate City staff time to further research most relevant IBank programs and position City to submit funding applications as Action Plan priorities are established |
| Developer fees and/or public benefits payments (see City of Santa Monica example in Appendix C) | Potential source of discretionary funds to support economic development programs/incentives | Positions housing entitlements (especially on land zoned for non-residential use) as a “value enhancement” benefit provided to landowners; program concept is to capture community benefit payments (to be earmarked for economic development) based | Investigate potential program guidelines (with input from City Council and development community) |

| Program/Funding Source | Eligible Uses | Strategic Advantages to Antioch | Next Steps for City |
|--|---|---|---|
| | | on the recognition of the nexus between housing development and the need for local employment opportunities | |
| <i>Current (post-redevelopment) tax-increment financing tools (potentially useful in funding infrastructure improvements as a catalyst/incentive for private investment in targeted employment centers)</i> | | | |
| Enhanced Infrastructure Financing Districts (EIFDs) | Infrastructure financing; land acquisition (financing but not ownership); environmental remediation; affordable housing | Limited use of eminent domain; potential tax increment can apply to more than property taxes; can issue bonds without voter authority | Need to develop tools to encourage other taxing agencies (especially Contra Costa County) to participate; initiate feasibility/ planning studies to establish EIFD (potentially use ARPA funds to underwrite this effort) |
| Community Revitalization Investment Authorities (CRIAs) | Infrastructure financing; land acquisition (broader powers than EIFD); environmental remediation; affordable housing | Broader use (compared to EIFD) of eminent domain); can issue bonds without voter authority | N/A – EIFD is a better option for Antioch |

IBANK PROGRAMS

The California Infrastructure and Economic Development Bank (IBank) was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. IBank's current programs include the Infrastructure State Revolving Fund (ISRF) Loan Program, California Lending for Energy and Environmental Needs (CLEEN) Center, the Climate Catalyst Revolving Loan fund [currently focused on forest thinning], Small Business Finance Center, and the Bond Financing Program.

Table 2 on the next page highlights the IBank programs that are potentially most relevant to Antioch.

TABLE 2. SELECTED CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK) PROGRAMS AND POTENTIAL LINK TO ANTIOCH INITIATIVES

| IBank program | Examples of relevant program eligibility | Initiatives | |
|---|---|-------------|--|
| | | # | Description |
| All programs | Apply generally | 8 | Funding sources |
| Infrastructure State Revolving Fund | Drainage, water supply and flood control | 9.b; 2.d | Placemaking; real estate development strategic infrastructure |
| | Port facilities | 9.b; 7.c | Placemaking; regional special initiatives |
| | Educational, cultural and social facilities | 4.b; 5; 2.d | Develop incubator; direct project investment; real estate development strategic infrastructure |
| | Power and communications facilities (energy efficiency) | 4.b; 5 | Develop incubator; direct project investment |
| Industrial Development Bonds (tax-exempt) | Funds to support development of manufacturing and processing facilities for private companies | 1 | Business development |
| 501 (c) (3) Bonds (tax-exempt) | Funding for nonprofit public benefit corporations | 9.b; 4.b | Placemaking; develop incubator |
| Public Agency Revenue Bonds | Projects that enhance infrastructure, or the economic, social or cultural quality of life | 9.b; 2.d | Placemaking; real estate development strategic infrastructure |
| Exempt Facility Bonds (tax-exempt) | Airports, docs and wharves (government owned and privately used properties) | 9.b | Placemaking |
| Small Business Programs: Loan Guarantees | For assisting small businesses that experience capital access barriers | 4 | Entrepreneurial development |
| Climate catalyst program: CLEEN Program | Building technological upgrades that support energy/ resource efficiency | 5 | Direct project investment |

CALIFORNIA CURRENT TAX INCREMENT FINANCING TOOLS

The California Association for Local Economic Development (CALED), in their 2020 flyer, *California Economic Development Financing Tools*, compared the financing tools under the former redevelopment agencies (RDAs) with the “replacement” tax increment financing capabilities represented by Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Authorities (CRIAs). Part of CALED’s mission in doing this was to highlight the gaps in forming and using EIFDs and CRIAs that limit their usefulness to cities. In response to input from CALED and others, the State Legislature has enacted measures to facilitate the formation and other details related to EIFDs and CRIAs (e.g. SB 780), although these refinements have not necessarily resolved all issues related to these tools.

In their flyer, CALED states that, “our members have found that EIFDs and CRIAs are only feasible for a small number of cities who have a larger share of property tax revenues [compared to many cities that have minimal shares of property taxes] and significant new development in the proposed district.” A related issue is the cities’ burden of commitments related to former redevelopment agencies and holdings.

Otherwise (based on the CALED flyer), the powers and financing options associated with EIFDs and CRIAs closely parallel those of the RDA, albeit with restrictions on capture of tax increments associated with school districts and other entities (where consent to participate is required). Some key differences between EIFDs and CRIAs include the fact that land conveyance is not available through EIFD but is in a limited sense possible with CRIA. Maintenance of improvements financed by EIFD is permitted under that program but not under CRIA (and was also not a power associated with RDA). Of the two programs, CRIA has a stronger focus on affordable housing.

The issue of municipal property tax share would seem to be minimal for Antioch, which has a share of property tax receipts at the upper end of the typical municipality range. From our review of the budget, commitments to the former redevelopment agency appear to be manageable. Some cities that are attempting to implement EIFD programs have designated very large districts, including scattered, non-contiguous sites. This approach would appear to be compatible with Antioch’s development interests in multiple locations.

City of Carson (Los Angeles County) EIFD Example

The City of Carson is currently embarked on setting up an EIFD program, and an overview of the characteristics of their program² is instructive (and contextually relevant to Antioch):

- The proposed Carson EIFD encompasses 1,735 acres of land, representing 14% of the City's area. The attached map illustrates the “scattered sites” (and multiple-sized sites) nature of Carson’s proposed District area, which could be an approach also adopted by Antioch (i.e., spread across the multiple, non-contiguous employment centers that are the focus of this Action Plan).

² <https://ci.carson.ca.us/communitydevelopment/EIFD.aspx>

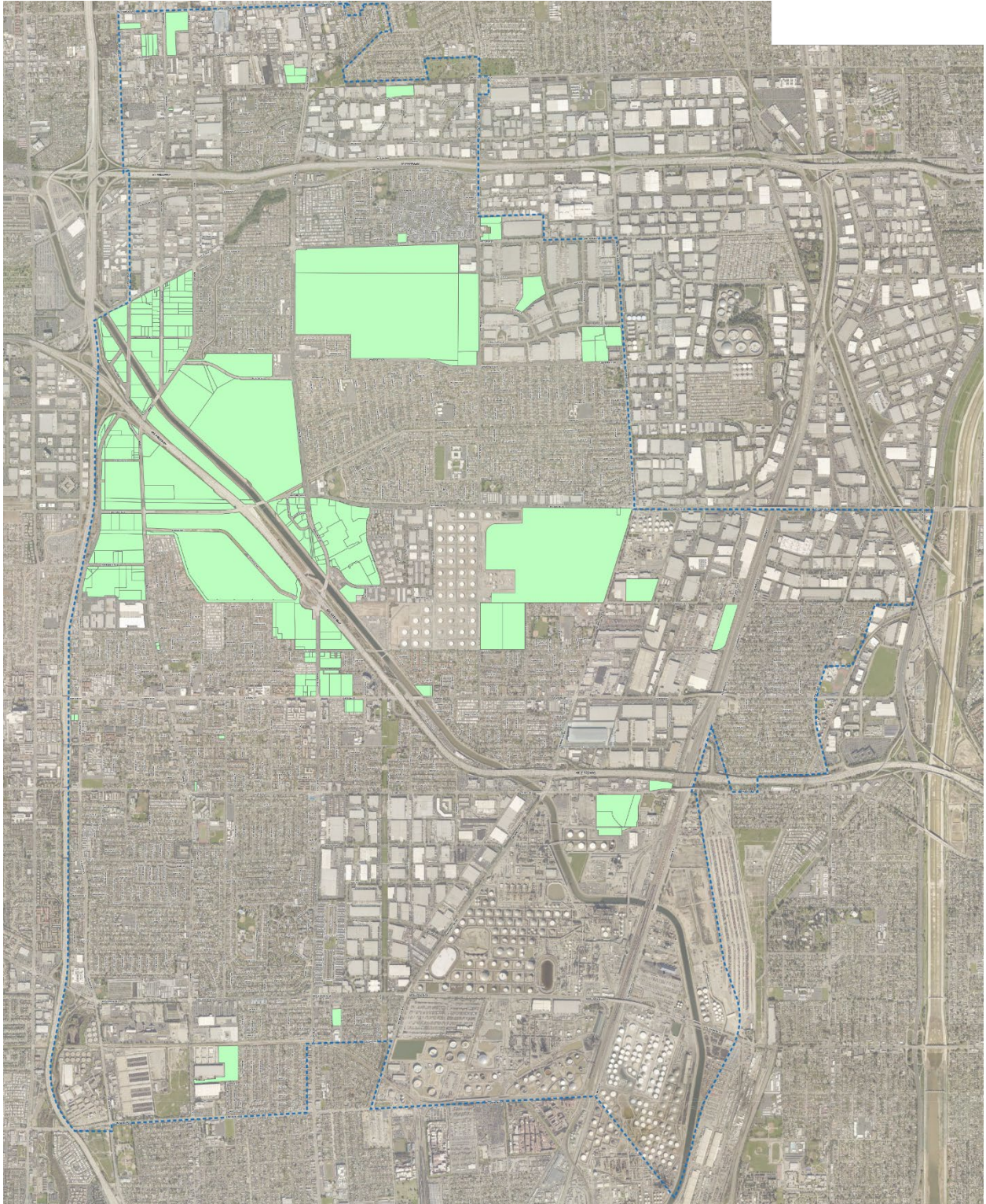
- The program is being formulated in partnership with the County of Los Angeles. (Participation by Contra Costa County would significantly expanding the property tax increment that would be generated by an EIFD in Antioch.)
- The overall objective is “to support needed public infrastructure, low and moderate income and workforce housing, rehabilitation, and environmental mitigation and remediation of brownfields of [certain] properties.”
- The City established a separate entity, the Public Financing Authority (PFA), that will oversee the creation and management of the Carson EIFD. (Antioch already has such an entity in place, which could potentially be adapted to address the needs of an EIFD.)

Entities forming an EIFD must prepare an Infrastructure Financing Plan (IFP) that includes descriptive material, various findings required for District formulation, goals related to specific District components, and other details. The heart of the IFP is a Financing Section addressing the following (in the Carson IFP and also statutorily required):

- A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district, for each year.
- A projection of the amount of tax revenues expected to be received by the District in each year.
- A plan for financing the public facilities to be assisted by the District, including a detailed description of any intention to incur debt.
- A limit on the total number of dollars of taxes that may be allocated to the District pursuant to the plan.
- A date on which the District will cease to exist.
- An analysis of the costs to the city or county of providing facilities and services to the area of the District while the area is being developed and after the area is developed.
- An analysis of the projected fiscal impact of the District and the associated development upon each affected taxing entity.
- A plan for financing any potential costs that may be incurred by reimbursing a developer of a project [meeting certain criteria].

As may be clear from the preceding, preparation of the IFP is a major undertaking on its own, and represents only a portion of the effort (and cost) required to establish and manage an EIFD. Ideally, Antioch could apply federal (e.g., ARPA) funds to establishing the EIFD, if the City chose to establish a District.

City of Carson (Los Angeles County) EIFD Boundary Map



5. Potential Target Industries

As part of the process of preparing this Action Plan, the City commissioned an industry cluster study (detailed in a separate document) to identify potential employment growth targets for Antioch. In addition, the City sought input from key stakeholders (including TRI Commercial) to identify potential emerging industries that do not currently show up as strong in traditional industry cluster data. Based on these sources, potential target industries for Antioch are summarized on Table 3 on the following page.

It should be emphasized that the list of “candidate” industries is intended to provide a general indication of the types of activities that Antioch is well-positioned to pursue. It is not intended to define “winners and losers” for purposes of prioritizing the City’s project investments. It is entirely possible that viable funding requests from business types not listed on the table will present attractive opportunities for the City.

TABLE 3. LIST OF CANDIDATE CLUSTERS FOR ANTIOCH’S TARGET INDUSTRY PROGRAM

| Strategic Approach | Local-serving Clusters | “Traded” Clusters |
|--|---|---|
| Build on (or facilitate repositioning of) Antioch’s existing core strengths | <ul style="list-style-type: none"> • Health services • Retail/personal services • Hospitality • Local real estate and construction services • Food and beverage processing/distribution • Local utilities | <ul style="list-style-type: none"> • Construction products (manufacturing) • Water transportation • Environmental services (waste management) • Distribution/electronic commerce |
| Tap into dominant East Bay industry clusters that are not currently well represented in the city | | <ul style="list-style-type: none"> • IT and analytical instruments • Medical devices mfg. • Automotive mfg. • Biopharmaceuticals • Education and knowledge creation • Business services |
| Cultivate or respond to emerging industries that do not currently show up as strong in industry cluster data | | <ul style="list-style-type: none"> • Cannabis-related • Biosynthetic and or advanced food manufacturing • MakerTech (including possible focus on Drones/Robotics) • Logistics • Wholesale trade for value-added industries (e.g., value added food industries, biosynthetic construction materials, agricultural products from East County and Central Valley) • R&D facilities (e.g., life science, biosynthetic building materials) • University/community college field stations related to onsite R&D activities |

Source: TNDG; TRI Commercial

APPENDIX A

East Bay Innovation Cluster (EBiC)

Application for Build Back Better Regional Challenge
(EBiC has been selected as a finalist for funding)

East Bay Innovation Cluster Vision

The East Bay Innovation Cluster (EBiC) consists of four complementary projects that strategically position the East Bay as an innovation hub in Life Sciences, Technology, Mobility/Smart City Infrastructure and Artificial Intelligence (AI). All of the proposed projects will strategically leverage BART's infrastructure and developable land, as well as support BART's core mission as the region's premiere public transit agency.

Critical to our region's ability to achieve maximum industry-sector growth is the concurrent evolution of the built environment to meet the infrastructure, facility and workforce housing needs. EBiC programs will be housed in state-of-the-art facilities to be constructed or retrofitted at or near BART's urban-core stations. Our experienced proposal partners will leverage their regional industry strengths – in Life Sciences and Technology – that exist today - but have been predominantly absent from the marginalized communities of color found in the East Bay.

Our goal is to promote equity and inclusion as well as the acceleration of the Life Sciences and Technology that will drive our future growth. We will create career/employment, small business and wealth building opportunities through comprehensive educational, workforce development, mobility, early childcare support and other human infrastructure initiatives. We plan to bring cutting-edge mobility and life sciences innovations to market by positioning supercomputer data processing near BART's region-wide fiber optic and uninterrupted power supply network.

BART, as one of the largest landowners in the region, has proactively advanced the public-private development of its land with a goal (among others) to grow the jobs base in the East Bay. The EBiC will initially engage three privately entitled Transit-Oriented Development (TOD) sites (Mandela Station, Lake Merritt and 19th St./Eastline) to accommodate industry growth and drive equitable outcomes through immediate private sector investment. BART is currently completing an FTA-funded jobs-attraction strategy for a segment of its land further south in the East Bay that expands the reach of this cluster, ultimately connecting to Silicon Valley.

We are a coalition of doers with undisputable experience, broad community and stakeholder relationships, global business leadership and an unwavering sense of duty to rectify the absence of financial stability in underserved communities.

Key Projects To Develop the East Bay Innovation Cluster (EBiC)

Project 1 – Develop a unified life sciences incubation/acceleration program to foster innovation and emerging technologies - while integrating entrepreneur and workforce development and internship programs to advance diversity, equity and inclusion in the Life Science industry.

CLSI and QB3 will together build a new life sciences workforce development and internship program and expand on their existing incubation/accelerator programs providing opportunities to East Bay residents who have had little to no previous access to the life sciences industry.

The Mandela Station Life Sciences Workforce Development and Internship Program will be a collaboration with QB3, CLSI and the Oakland Private Industry Council (PIC), a 501(c)(3) with over 30 years of innovation in East Bay workforce development initiatives. Program leadership and operations will be led by CLSI. Their strong relationships with Bay Area regional colleges and universities are valuable resources when engaging students to join the life sciences industry. The program will build hands-on, industry-relevant training opportunities connecting their students to careers in the life sciences industry.

The initial pilot of the EBiC Life Sciences Incubator/Accelerator will be housed at the centrally located West Oakland BART Transit Oriented Development (TOD) known as Mandela Station.

The site is accessible from UC Berkeley, a source of some of the most significant scientific advances of the era, as well as UC San Francisco, the UC system's core life sciences research facility. Mandela Station will house an ecosystem to support diverse and nimble early/mid-stage life sciences companies, such as graduates of QB3's incubators and also more mature life sciences companies. The fully equipped facility will be designed to exploit the Bay Area's unique convergence of life science and digital technology - housing a unique array of high-performance computing capability.

The incubation/accelerator initiative is intended to capture companies graduating from QB3 startup facilities in Berkeley and other regional locations and provide them with transit-oriented, affordable, research and development (R&D) facilities specifically designed to facilitate biotech research. By capturing companies graduating from QB3, companies are retained inside the EBiC and contribute to the regional economic growth and intellectual property development.

Mandela Station's design will include the provision of and access to a state-of-the-art suite of tools such as supercomputing, software applications, AI and high-speed data transmission infrastructure. These facilities and technology resources will significantly increase time-to-market capabilities of early-stage entrepreneurs, as well as established life sciences companies. The intent is to tap into the wealth of intellectual property being generated by University of California, Stanford and the greater Bay Area private life sciences ecosystem. Recent growth in this industry sector has created a tremendous demand for services and space and the state's needs to maintain its leadership in life science innovation.

As later discussed in Project 4, Mandela Station plans to install a central supercomputing resource and tap into the existing fiber optic network installed throughout the BART system right(s) of way. The EBiC Life Sciences Incubator/Accelerator will establish strategic differentiation and long-term global competitiveness for the region. The project will showcase a model for transforming data from curriculums and research into a quantifiable benefit for local communities. The design, construction and ownership of the facilities will also adopt the Leadership in Engineering Equitable Participation (LEEP) initiative best practices to achieve socially responsible, equitable and inclusive development of the facility.

Mandela Station and its EBiC Incubator will have a significant impact on the overall East Bay economy. We calculate that over five years, we will house approximately 132 companies generating over 1,100 new jobs yielding direct added regional economic growth of \$258M. The workforce development component will serve 800 clients from the local community and, at an 85% placement rate in positions with a \$60,000+ starting salary (typical for the life sciences industry in the Bay Area), it will yield \$65M in salaries and benefits going directly into this severely disadvantaged demographic. The multiplier effect of these job placements will drive the total to approximately \$140M in new economic activity for West Oakland residents.

Summary of Project 1 Benefits: 1) practical workforce development training, an internship program and a biotech incubator for primarily people of color that result in high paying jobs in the Bay Area's fastest growing industry, 2) royalty revenue streams for University of California, 3) small business enterprises providing a pathway of access for entrepreneurs of color to new innovations in the markets of the future, 4) bringing life sciences cluster uses to Mandela Station and its adjacent West Oakland development sites and 5) approximately 132 companies generating over 1,100 new jobs yielding \$65M in salaries and benefits.

Matching Funds: Life sciences industry partners, California State, U.C. Office of the President, and Enhanced Infrastructure Financing District (EIFD) Funding

Project 2 – Develop an innovative mobility ecosystem that leverages BART’s infrastructure and smart city technologies to enhance the mobility connecting the Life Sciences and Tech clusters

As the lead applicant and head of this initiative, BART provides the critical infrastructure asset that physically links multiple Bay Area economic clusters together - including the emergent life sciences, academic and tech clusters in the East Bay. The EBiC will focus on incubating holistic, cutting-edge and scalable mobility solutions that complement the BART regional system.

For example, EBiC solutions will involve the deployment of distributed AI enabled computing systems tied to advanced sensor technologies (i.e., radar, lidar and ultrasonic) to incorporate AI enabled vehicle-to-infrastructure technologies to enhance fields-of-vision and facilitate safe adoption of autonomous vehicle technologies. Among many benefits, this automated technology will enable more robust last-mile connectivity to BART – including assisting those with disabilities. The technology also enables the future integration of multiple public transit modalities that connect to BART as well as regional automated delivery of goods and services.

These systems will also evaluate roadway, parking conditions and traffic patterns to achieve safer, and more efficient roadways. Safe driving, walking and cycling programs (already partially funded by a recent \$28M climate grant from the State to the City of Oakland) will incorporate these new mobility solutions.

Another example is the evolution of Mobility-as-a-Service (MaaS) which involves integrating various modes of public and private transport into a single mobility service accessible on demand. MaaS uses hardware and app-based data solutions to improve operational management, access efficiencies and facilitate manned and autonomous shuttle services to link neighborhoods, including specific industry clusters, with BART stations. Other Mobility/Smart City solutions include electric vehicle innovations for cars/bikes, related energy/charging infrastructure and providing community Wi-Fi Access.

This project will both catalyze private investment by removing critical barriers associated with BART’s aging infrastructure and create high paying permanent jobs in sought-after fields related to operating and servicing new mobility infrastructure. In addition to enhancements to BART’s aging transportation infrastructure to support private investment in new commercial development, a new Mobility workforce development program will be created to upskill, train and employ new workers to install, operate and oversee these new technologies.

Summary of Project 2 Benefits: 1) systems and services that leverage BART’s rail and data networks, 2) new long-term revenue generation and resilience to BART, 3) private investment in the region by enhancing and extending BART’s service area and connectivity, 4) new entrepreneurial opportunities and high paying permanent jobs in sought-after fields related to installing, operating and servicing new mobility infrastructure, 5) accelerate the safety, adoption and implementation of autonomous technologies of the future and 6) enhancement of BART’s aging system and advance goals of increasing ridership and customer satisfaction.

One challenge for the project will be the time needed to realize and measure the benefits related to changes in travel behavior and job connectivity. Also, aligning the project to community needs will be very important. Our team will initiate a thoughtful stakeholder engagement strategy to understand the community’s needs, concerns and aspirations.

Matching Funds: State of California grants, Private Capital and Enhanced Infrastructure Financing District (EIFD), Institutional Investors

Project 3 – Develop complementary technology workforce development and Early Childhood Education & Care programs that foster diversity, equity and inclusion

The Mandela Station Technology Workforce Development Program will be co-led by Generation USA, ConSol USA, the Oakland Private Industry Council (PIC) and Mills College. The four entities will launch a variety of services from within the EBiC that recruit, train, directly employ and provide early childhood education and care for individuals from the regional cluster areas to work in various technology functional areas – Cybersecurity, Data Analytics, Database Management, Application Support, Network Engineering and IT Support.

Generation USA will lead technology vocational and professional training. They are the fastest scaling and largest global employment program as measured by annual volume for training and placing learners in sustainable careers. Generation has almost 3,800 employer partners and has shown Return-On-Investment gains – 80% of its graduates are employed in first job 6 months after job start, 3-5X increase in wages post-graduation and an 81% graduation rate.

ConSol will employ and manage the workforce and also contract with private/public sector companies and organizations to deliver outsourced technology services to them. ConSol customers may be located within the EBiC, in the region or nationally, since in many instances, outsourced technology services are rendered remotely. The goal is within 5 years to employ at least 1,000 people who have traditionally not had access to in-demand technology-based jobs. As full-time employees of ConSol, trained participants work for ConSol's clients as outsourced contract technology workers. In turn, ConSol provides support for long-term upwardly mobile careers with substantial income generating potential, full benefits, continued training and further up-skilling as needed. The work starts with the Oakland PIC who will handle on-the-ground community organization and outreach, engagement, recruitment, prospect intake and readiness triage. During the pilot, Mandela Station and/or Mills College will provide needed facilities.

In support of all aspects of the EBiC projects, Mills College will be providing Early Childhood Education And Care Services (ECEC) for students and staffs associated with the entrepreneur and workforce development initiatives. The pilot program includes two satellite lab schools located in two traditionally underserved communities in Oakland, CA – West Oakland, the site of the Mandela Station and an East Oakland location (to be determined). Both locales will make available early childhood education and care using a cross subsidization financial model to neighborhood families and EBiC participants to ensure equitable and sustainable childcare access for families across the income spectrum. ECEC centers will create 101 competitively paid teaching and administrative positions to support a student population of 264 children ages 0-5. The program locations become training sites for ECEC educators/practitioners (placement for Mills students) while advancing a national model for early childhood education and care workforce development and professionalization. The availability of these schools allows program participants with access to high-quality early childhood education and care at the same time they are experiencing upskilling.

Summary of Project 3 Benefits: 1) on-site training, virtual learning, internships at Mandela Station or another cluster location, 2) employment for at least 1,000 people over the course of 5 years to work in various high paying technology functional areas, 3) early childhood education and care using a cross subsidization financial model and 4) creation of 101 competitively paid teaching and administrative positions to support a student population of 264 children ages 0-5.

Matching Funds: Technology industry clients, Philanthropic Partners, Early Head Start, EIFD Funding

Project 4: Create an AI (Artificial Intelligence) Data Center & Innovation Hub

Another really exciting component of developing our Life Sciences/Tech Hubs, Mobility Ecosystem and small business and workforce development programs is the EBiC AI Supercomputing Data Processing Centers. These centers facilitate data transfer to/from the built-environment and everyday users, process complex large data sets and perform concurrent computations to enable effective decision-making.

These centers will meet an increasing global demand for sophisticated AI-enabled services to support bio-medical research and data/application services required for the smart city mobility initiatives (e.g., image and speech recognition, natural language processing, visual search and personalized recommendations). The initial pilot location will again be Mandela Station (which is currently under development by EBiC partner Strategic Urban Development Alliance, LLC), with other future data centers to be strategically implemented at or near BART TOD locations as deemed feasible and appropriate. The EBiC supercomputing systems, services and suite of software applications will provide life science tenants at Mandela Station the ability to process and transform complex data sets into new products and capabilities. These efficiencies materialize into economic benefit. This is a key advantage for smaller labs to ultimately become more competitive in the Biotech industry. The systems will also be tied to BART's regional fiber optic network and uninterrupted power supply to maximize the capabilities of system users. The supercomputer will also be made available to all life sciences and mobility partners to create AI hubs in other underserved communities that facilitate enhanced education and research.

We will use the data centers to facilitate the data services required to support the Smart City Mobility platforms and initiatives as described in Project 2 by allowing the coordination of transit solutions and connectivity throughout BART's 50 stations and its 131.4 miles of track. Additionally, the centers will give the education, small business and workforce development tenants as outlined in Project 3 a powerful high-performance computing, research and educational cyberinfrastructure. All this will take place in underserved communities of color.

This effort will also be sponsored by NVIDIA, a pioneer in accelerated computing who has the task of creating the pilot data center and expanding its successful NVIDIA Inception program to the EBiC. NVIDIA Inception is an incubation/acceleration platform for AI, data science and high-performance computing startups, providing critical go-to-market support, expertise and technology to over 400 AI start-ups. EBiC will likely be among the nation's first comprehensive incubator/accelerator to make AI a ubiquitous part of its economic development enterprise.

Summary of Project 4 Benefits: 1) support the incubation of bio-medical research and computational technologies as described in Project 1 above, 2) facilitate the data services as described in Project 2 needed to support the Smart City Mobility platforms and initiatives, 3) support education, small business and workforce development objectives as outlined in Project 3 and 4) provide supercomputer and AI data services to potential users throughout the region and particularly in underserved communities.

Matching Funds: Life Sciences and Technology industry partners

Appendix***Regional Assets***

| | |
|---|---|
| Bay Area Rapid Transit District (“BART”) | <p>The San Francisco Bay Area Rapid Transit District (BART) is a heavy-rail public transit system that connects the San Francisco Peninsula with communities in the East Bay and South Bay. For more than 45 years BART has provided fast, reliable transportation to downtown offices, shopping centers, tourist attractions, entertainment venues, universities and other destinations for Bay Area residents and visitors alike. It comprises of over 131 miles of track covering 50 stations and a fleet of 916 train cars.</p> <p>BART is the EBiC’s lead applicant and is co-leading the Mobility, Infrastructure Improvement and Smart City Technology project.</p> |
| California Institute for Quantitative Biosciences (QB3) | <p>QB3 is the leading state institute dedicated to supporting the California innovation bio-economy with operations at the UC campuses at Berkeley, San Francisco, and Santa Cruz. The institute supports UC researchers and empowers Bay Area entrepreneurs to launch startup companies and partner with industry. Over its almost eighteen year of existence QB3 has brought in billions in external funding into the Bay Area economy and helped many hundreds of companies get started. With its affiliates, it has started three venture funds and run several incubators. Three of the companies it has funded or housed in its incubators (Zymergen, 4D Therapeutics, Caribou) are located in the East Bay and have had successful IPOs in the last year alone.</p> <p>QB3 will co-lead the development of the new combined life sciences workforce development/internship/incubation/accelerator program.</p> |
| California Life Sciences Institute (CLSI) | <p>CLSI is a non-profit (501(c)(3)) dedicated to the support of entrepreneurship, education, and workforce development in the life sciences. CLSI is the nonprofit arm of California Life Sciences, the state’s most influential and impactful life sciences membership organization (with over 400 member firms), advocating for the sector and its diverse innovation pipeline. For the last eight years, CLSI’s core advisory program has graduated 85 companies that have collectively raised over \$1.9B and have added almost 600 new life sciences jobs to the economy.</p> <p>CLSI will co-lead the development of the new combined life sciences workforce development/internship/incubation/accelerator program.</p> |
| Mills College | <p>Founded in 1852 and located in East Oakland, Mills College is the first women's college west of the Rockies and the oldest undergraduate college for women in the West. It proudly serves a diverse student body composed of 66% undergraduate students of color and 44% first-generation undergraduate students.</p> <p>As an institution of higher learning, Mills sponsors The Center for Transformative Action at Mills College. The Center for Transformative Action brings together students, thought and practice leaders, policy makers, and others to share ideas for building profitable, sustainable</p> |

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| | <p>organizations and effective nonprofits to address social, environmental, and policy problems. The center hosts a high-profile annual conference in partnership with the Lokey School of Business and Public Policy chapter of Net Impact, an international organization of MBA students and professionals who are working for a sustainable future. The EBiC will work with The Center for Transformative Action to bring together and connect people and organizations to build a strong social enterprise ecosystem in the East Bay and greater San Francisco Bay Area.</p> <p>As one of the eligible applicants in this Phase 1 NOFO application, Mills will create the early childhood education and care centers in the EBiC to help support the workforce development programs in Life Sciences and Technology.</p> |
| Peralta Community College District | <p>Founded in 1964, the Peralta Community College District (PCCD) is a collaborative community of colleges comprised of Berkeley City College, College of Alameda, and Laney and Merritt colleges in Oakland, CA. The Peralta Colleges provide a dynamic multicultural learning environment offering accessible, high-quality educational programs and services, including two-year degrees, certificates and university transfer programs, to more than 30,000 students.</p> <p>The Peralta Colleges will work with all EBiC projects across internships, workforce development and early childhood education and care initiatives. Peralta strongly supports the EBiC's NOFO application but, unfortunately, a Letter of Support was not available before the NOFO application submission deadline.</p> |
| University of San Francisco School of Management | <p>Professor William (Billy) Riggs, PhD, AICP, LEED AP is a global expert and thought leader in the areas of autonomy and smart transportation, housing, economics and urban development. He has over 100 publications in these areas and has held additional academic appointments in city planning and transportation engineering from Cal Poly San Luis Obispo, UC Berkeley, San Jose State University, and the University of Louisville. In addition to his academic roles, Riggs also has almost two decades of experience working as an urban planner, policy maker, economist, and engineer. Riggs currently sits on the City of Palo Alto's Planning and Transportation Commission, is a member of the Transportation Research Board (TRB) Committee on Transportation Economics and provides strategy and consulting to multiple companies on smart mobility and urban development.</p> |
| Oakland Unified School District (OUSD) | <p>Local school district comprised of over 2,300 teachers and ~1,800 school staff responsible for ~52,000 students ranging from TK to 12th Grade that span across 124 schools and represent ~89% students of color.</p> <p>OUSD's students will benefit from the internship, educational and potential workforce development programs being offered through the EBiC. OUSD teachers and staff may benefit from the early childhood education and care services being offered by the EBiC.</p> |

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| East Bay Economic Development Alliance (EDA) | <p>Founded in 1990, the East Bay EDA is a 150⁺ member organization that serves as the regional voice and networking resource for strengthening the economy, building the workforce and enhancing the quality of life in the East Bay.</p> <p>The East Bay EDA is a contractor to BART and will serve as the Regional Economic Competitiveness Officer.</p> |
| Association of Bay Area Governments (ABAG) | <p>ABAG is part regional planning agency and part local government service provider that provides research and analysis, education and outreach, and regional coalition coordination. ABAG's membership consists of all 9 Bay Area counties and associated cities. ABAG co-sponsored the Comprehensive Economic Development Strategy for the San Francisco Bay Area.</p> <p>ABAG strongly supports the EBiC's NOFO application and will help to build awareness and consensus across its East Bay constituencies.</p> |
| Building and Construction Trades Council of Alameda County (BTCA) | <p>The Building and Construction Trades Council of Alameda County is a coalition of 28 affiliated unions representing workers in various construction trades.</p> <p>The BTCA realizes the transformational value of the EBiC and its impact on labor union jobs.</p> |
| Cypress Mandela | <p>Cypress Mandela Training Center has provided high quality construction industry employment training, job preparation and job placement services in Alameda and Contra Costa Counties for more than 30 years.</p> <p>Cypress Mandela will facilitate and actively support the workforce development initiative related to the Mobility Ecosystem initiative.</p> |

Industry Leadership

Project 1 – Life Sciences Innovation Hub

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| Sutro BioPharma | Member company of California Life Sciences. Committed to hiring BIPOC students who finish the EBiC workforce development training program, make Sutro's employees available to participate in EBiC's workforce development program, provide mentoring support for life science innovators in the EBiC incubator to translate their innovation into real-world products and create learning opportunities for future biotech professionals through education and internship programs. |
| nkarta Therapeutics | Member company of California Life Sciences. Committed to hiring BIPOC students who finish the EBiC workforce development training program, make Nkarta employees available to participate in EBiC's workforce development program, provide mentoring support for life science innovators in the EBiC incubator to translate their innovation into real-world products and create learning opportunities for future biotech professionals through education and internship programs. |

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| | and ensure sustainability goals are met. TESIAC brings an experienced and interdisciplinary team and partners together with new and innovative technologies. TESIAC's integrated solution approach helps communities and corporate participants achieve their goals – Climate, Social Equity, Job Creation and Sustainable Development. |
| Star America Fund II GP, LLC/ Tikehau Capital | Star America is a wholly-owned subsidiary of Tikehau Capital SCA, a publicly listed entity on the regulated market Euronext Paris. Tikehau Capital SCA has €30.9 billion of assets under management (as of June 30, 2021) including €10.9 billion in its growing Real Assets platform (as of June 30, 2021). Star America's Fund II is providing an Equity Letter of Support to TESIAC Corp. as it pertains to matching share investment in the proposed infrastructure project related to mobility, energy, and smart city technology for the East Bay Innovation Cluster ("EBiC"). |
| Loop Capital | Loop Capital is a full-service investment bank, brokerage and advisory firm that provides creative capital solutions for corporate, governmental and institutional entities across the globe. Loop Capital was founded in 1997 and is now one of the largest privately-held investment banks in the U.S. and the largest minority or women-owned investment banking firm in the world. Loop Capital is a strategic infrastructure capital partner for the development of the East Bay Innovation Cluster. |
| Acumen Building Enterprise | Acumen has participated in early brainstorming sessions. Headquartered and grown in Oakland, Acumen has been working in the transportation, mobility, and infrastructure space across the nation for more than 25 years. Acumen has gained experience, delivered, and been involved in transportation and infrastructure projects BART, Alameda County Transportation Commission (implementation of highway projects) and the City of Oakland (street improvement projects). Acumen will co-lead the Mobility initiative with BART, TESIAC and SUDA. Acumen has committed to interface with Oakland Unified School District and the Peralta Community College District to create job opportunities and mentoring and coaching programs. |
| SparkCharge | SparkCharge was founded in 2017 with the goal to build the world's largest mobile electric vehicle charging network through hardware, software, and partnerships. It's Roadie Charging System is a portable modular charging solution that makes charging accessible regardless of infrastructure. SparkCharge has committed to work with other EBiC industry partners to bring good-paying cleantech jobs to the EBiC. |
| AEKO Consulting | AEKO Consulting has participated in early brainstorming sessions. Oakland-based solutions integration firm specializing in the development, implementation, and maintenance of secure communication, mobility and renewable energy technology infrastructure. AEKO will provide program management and technology implementation services. Committed to hiring local talent as part of this initiative. |

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| Beam Global | Beam Global is part of the TESIAC consortium. Based in San Diego, Beam produces sustainable Made in America patented products for electric vehicle charging, energy security and outdoor media. Beam is publicly traded on Nasdaq under the ticker BEEM. Beam Global is prepared to advance economic development within the region through local job creation, resilient infrastructure investment, and job access to disadvantage and underserved communities. TESIAC is one of the co-leads for the Mobility Ecosystem initiative and has helped to define the project's scope, approach and deliverables. |
| Arcimoto | Arcimoto is part of the TESIAC consortium and has agreed to provide their products and expertise to develop a cohesive mobility ecosystem strategy for the EBiC. Arcimoto (NASDAQ: FUV) develops and manufactures ultra-efficient and affordable electric vehicles to help the world shift to a sustainable transportation system. Arcimoto's flagship vehicle, the Arcimoto FUV®, is purpose-built for everyday driving and transforms ordinary trips into pure-electric joyrides. |
| OODA | OODA is part of the TESIAC consortium and has agreed to provide their products and expertise to develop a cohesive mobility ecosystem strategy for the EBiC. OODA is a global strategic advisory firm with deep DNA in global security, technology, and intelligence issues. OODA is comprised of a unique team of international experts lead by co-founders Matt Devost and Bob Gourley. Matt and Bob have been collaborating for two decades on advanced technology, intelligence, and security issues. |
| Via Mobility | Via is part of the TESIAC consortium and has agreed to provide their products and expertise to develop a cohesive mobility ecosystem strategy for the EBiC. Via Mobility is a pioneer in the TransitTech industry. Via's software provides an end-to-end solution to plan, optimize, and operate efficient and equitable transit systems - unlocking opportunity for all, and building resilient cities for the future. With over 500 transit partners, Via Mobility is present in 5 continents and its powerful digital infrastructure is responsible for over 90 million transit rides. Via Mobility's technology enables partners to create end-to-end transit systems: from planning better networks and streets to operating efficient public transit and student transportation. |
| Dannar | Dannar is part of the TESIAC consortium and has agreed to provide their products and expertise to develop a cohesive mobility ecosystem strategy for the EBiC. DANNAR is an Original Equipment Manufacturer (OEM) of the first-ever mobile, off-road energy platform, providing off-grid export power for planned daily and seasonal needs and unexpected emergency response. Headquartered in Indiana, DANNAR is changing the way we work, build, repair and use electricity. |
| Juicebar EV | Juicebar is part of the TESIAC consortium and has agreed to provide their products and expertise to develop a cohesive mobility ecosystem strategy for the EBiC. JuiceBar is a pioneer in EV Charging stations and has been committed to building a global EV charging infrastructure since 2009. |

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| | JuiceBar chargers are manufactured and assembled in America and can be found in hundreds of cities throughout North America. Their latest 300 Series ‘Gen 3’ chargers offer charge times that are 60-250% faster than the industry's standard Level 2 charger, offer unique safety features, and are network agnostic. |
| SF Bay Area CEDS Alignment – Goal 1: Objectives 1.2, 1.3, 1.4; Goal 2: Objectives 2.1, 2.2, 2.3, 2.4; Goal 3: Objectives 3.1; Goal 4: Objectives 4.1, 4.2, 4.4, 4.5 | |

Project 3 – Technology Workforce Development

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| Consol USA | ConSol will co-lead the Tech Workforce Development project and has helped to define the project’s scope, approach and deliverables. Based in Oakland, Consol is a minority-founded, owned, and led for-profit social enterprise that operates nationally, and is focused on providing outsourced technology services and staff augmentation to major corporations in the U.S. with talent drawn from underserved diverse populations. ConSol and Generation (the eligible applicant and co-lead) have entered into a national partnership to develop outsourced services in the rapidly growing technology sector that provides robust upward career mobility, economic opportunity, and wealth creation for people irrespective of gender, socio-economic background, or ethnicity. ConSol has committed to training and hiring the graduates of the Tech Workforce Development project. |
| SF Bay Area CEDS Alignment – Goal 1: Objectives 1.1, 1.2, 1.3, 1.4; Goal 2: Objectives 2.1, 2.2, 2.3, 2.4; Goal 3: Objectives 3.1; Goal 4: Objectives 4.2 | |

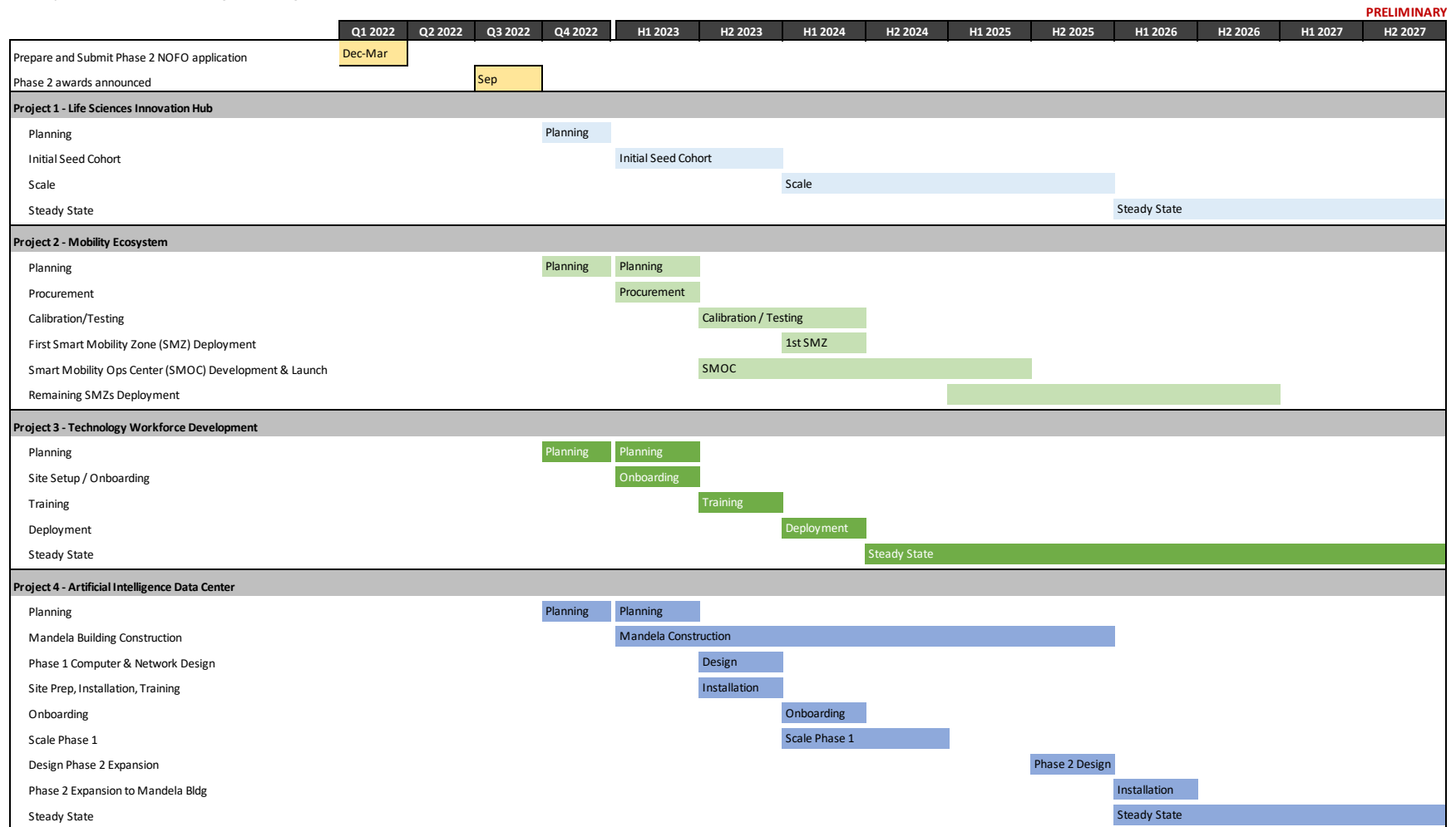
Project 4 – Artificial Intelligence Data Center

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| NVIDIA | NVIDIA (NASDAQ: NVDA) has created platforms for scientific computing, artificial intelligence, data science, autonomous vehicles, robotics, and augmented and virtual reality. In the life sciences and healthcare industries, NVIDIA is powering healthcare solutions across drug discovery, genomics, medical imaging and smart hospitals and medical instruments. NVIDIA’s Metropolis platform maintains and improves city infrastructure, parking spaces, buildings, and public services via intelligent traffic systems, access controls, public transit and smart buildings. NVIDIA will be installing an Artificial Intelligence (AI) data center at Mandela Station and provide additional support services via its NVIDIA Inception program to help spur AI innovations in life sciences and smart city technologies. NVIDIA will collaborate on developing Tech workforce development initiatives that help bridge the access gap and create a more inclusive workforce and help to identify potential partners in industry and educational institutions to provide exposure to education and research innovation. |
| SF Bay Area CEDS Alignment – Goal 1: Objectives 1.1, 1.2, 1.3, 1.4, 1.5; Goal 2: Objectives 2.1, 2.2, 2.3, 2.4; Goal 3: Objectives 3.1; Goal 4: Objectives 4.2, 4.5 | |

Indicative Program Timeline

The EBiC coalition and private sector industry partners submit this high level indicative timeline to form an initial view into the overall timing of the program's workstreams and phases.

East Bay Innovation Cluster (EBiC) High Level Program Timeline



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| CytomX Therapeutics | Member company of California Life Sciences. Committed to hiring BIPOC students who finish the EBiC workforce development training program, make CytomX employees available to participate in EBiC's workforce development program, provide mentoring support for life science innovators in the EBiC incubator to translate their innovation into real-world products and create learning opportunities for future biotech professionals through education and internship programs. |
| Global Blood Therapeutics ("GBT") | Member company of California Life Sciences. Committed to hiring BIPOC students who finish the EBiC workforce development training program, make Global Blood Therapeutics employees available to participate in EBiC's workforce development program, provide mentoring support for life science innovators in the EBiC incubator to translate their innovation into real-world products and create learning opportunities for future biotech professionals through education and internship programs. |
| Strategic Urban Development Alliance ("SUDA") | Based in Oakland, Strategic Urban Development Alliance, LLC, ("SUDA") is a boutique real estate development firm specializing in large-scale, innovative, public agency projects and mixed-use development. SUDA, has been involved in some of Oakland's signature projects, starting from the Thomas Berkely Building (the current home of the Social Services Agency) to the Eastline project (a 2.4M SF urban Transit Oriented Development in Downtown Oakland), and the West Oakland BART Station redevelopment (Mandela Station), also a Transit Oriented Development with ~1 million SF of office space, 550 housing units and ~100K SF of retail space. |
| Beacon Rose Partners | San Francisco-based Beacon Rose Partners is a real estate investment and advisory firm focused on developing and repositioning urban properties across geographies. Beacon Rose is currently working with SUDA in the development of the Life Sciences building at Mandela Station. Beacon Rose assisted in developing the Phase 1 NOFO application and coordinated activities with the various stakeholders. Beacon Rose plans to support the development of the Phase 2 EBiC application, provide access to its investor group to provide capital to the Life Sciences Innovation Hub and Mobility Ecosystem projects and provide technical support and program coordination and advisory services to the EBiC coalition members and industry partners. |
| SF Bay Area CEDS Alignment – Goal 1: Objectives 1.1, 1.2, 1.3, 1.4; Goal 2: Objectives 2.1, 2.2, 2.3, 2.4; Goal 3: Objectives 3.1; Goal 4: Objectives 4.2 | |

Project 2 – Mobility Ecosystem

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| TESIAC Corp., | TESIAC will co-lead the Mobility Ecosystem project and has helped to define the project's scope, approach and deliverables. Based in Boston, TESIAC is an Economic Development and Managed Services Platform Company which aggregates mobility, energy, technology, and private capital to deliver integrated and interoperable infrastructure to accelerate |
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EBiC Private Sector Engagement Approach

The EBiC plans to cast a large net to include the participation of all its coalition members, private industry partners, government agencies and capital partners to engage the private sector:

- East Bay EDA will be contracted by BART to take on the Regional Economic Competitiveness Officer role for the East Bay Innovation Cluster. The East Bay EDA is a 150+ member organization that serves as the regional voice and networking resource for strengthening the economy, building the workforce and enhancing the quality of life in the East Bay. As the central economic development organization in the East Bay, the East Bay EDA is well positioned to help the EBiC engage the private industry sector. Through its membership, East Bay EDA understands the needs of major employers in the region and is aware of key projects and strategic initiatives being contemplated by the private sector.
- From a life sciences perspective, by virtue of their organization's roles in the life sciences ecosystem in the state, California Life Sciences and QB3 have tremendous industry reach that will benefit the EBiC. California Life Sciences is the largest state and regional life sciences advocacy group in the country, with more than 797 members across biotechnology, pharmaceutical, medical device, and diagnostics companies, research universities and institutes, investors, and service providers. QB3 is the University of California's life sciences incubator and has pioneered incubators and venture investing in biotech startups, fulfilling its mission of laying the foundations of entrepreneurship, community building and scientific discovery and innovation. QB3 is responsible for supporting 500+ early-stage companies and currently has six incubator sites in the greater Bay Area.
- From a technology perspective, the EBiC plans to call upon its broad network of relationships at leading technology providers and professional services firms – NVIDIA, Google, Intel, VMware, World Wide Technology, Accenture, PwC, Oliver Wyman to name a few.
- As one of the oldest workforce development organizations in the East Bay, the Oakland Private Industry Council has built a wide network of employers interested to hire employees from under-represented communities.
- From a real estate perspective, the EBiC is supported by a number of seasoned and accomplished real estate development firms, professional service providers (e.g., architects, engineers, consultants, attorneys, brokers, etc.), construction companies and capital providers (e.g., banks, family offices, pension funds and high net worth investors).
- Lastly, the EBiC will closely work and collaborate with the City of Oakland's Economic & Workforce Development Department to help support Oakland businesses, train the workforce, reduce employment barriers, and create jobs by attracting new investment and capital sources.

Sustainability of the EBiC

After the first five years, the programs will be mature enough to continue well beyond the ARPA awards period. To assure sustainability, EBiC is preparing to improve the cluster's economic growth. For example, the QB3 and California Life Sciences will leverage their industry sector relationships to provide funding for the incubation, accelerator and workforce development program. Prospective life sciences employers will also financially support the workforce development initiative to ensure long-term financial sustainability. Also, for the Early Childhood Education & Care, Mills College will work with California Head Start and major philanthropies to explore funding sources to reduce or eliminate costs for qualifying families. Additionally, as part of the integrated workforce development initiatives, we are exploring cross-subsidization strategies across the EBiC to help bridge funding gaps for early childhood education and care. Our sustainability plan includes an overall capital strategy for Mandela Station with the creation of an Enhanced Infrastructure Financial District to help fund infrastructure costs and economic development related expenses.

Other key elements of the steady-state economic resilience plans are:

Affordable Housing – Poverty and housing go hand in hand. A roof over the family becomes a pressing concern when there is a decrease in salary/hours or a lost job. Covid-19 only exacerbated the problem. However, the Mandela Station project was predicated upon building sustainable and affordable housing to mitigate poverty - 240 affordable housing units with one-third dedicated to those previously homeless. EBiC connects housing, expanded employment and early childhood education – a recipe for long term success and the foundation to sustaining EBiC's vision for economic growth.

Expanded funding and policies emerging from the state, county and cities will support sustainability. Mandela Station received the 2020 CA Affordable Sustainable Housing Grant of \$29.6M – nearby Fruitvale Station also received this grant. In 2016, Oakland voters approved Bond Measure KK- \$600,000M for affordable housing and the city launched its affordable housing impact fee. In 2021, California Comeback Plan's \$22 billion housing and homelessness investment will fund 84,000 new housing units. The Newsom administration recently advanced \$800 million to build affordable infrastructure and housing. Funding opportunities like these and private sources will continue to be resources for affordable housing. When coupled with the occupants' wage growth, affordable housing sustainability can definitely be realized.

Transportation – EBiC has at its core the ability to maximize housing near transit and improve transportation options. As a TOD we are well suited to continue the viability of the four proposed projects. EBiC projects are primarily housed at Mandela Station, the regional hub serving all BART lines with AC Transit bus operations for connections and nearby Amtrak where 30 trains operate daily between Sacramento and San Jose. Adding driverless and other automated options as technology develops and matures, increase mobility choices for East Bay residents helping to foster project longevity and increased asset utilization and ridership levels. Non-auto transportation modes along with walking and biking will remain available for participant training, placement and nonvirtual work assignments. BART, as the lead applicant, provides EBiC economic development practitioners as a transportation resource. Also, EBiC tech transportation innovator, TESIAC, secured an Equity Letter of Support from Star America, an infrastructure investment fund sponsored by Tikehau Capital, a European asset manager with €30.9 billion of assets under management. They have agreed to provide matching funds for the Phase 2 Build Back Better Regional Challenge application - see attached Equity Letter of Support. Additionally,

the Public-Private Partnerships established with the city of Oakland and local transit agencies yield private investment capital to fund the Mobility Ecosystem initiative. Finally, revenue opportunities exist when BART monetizes their fiber optic and uninterrupted power supply.

BART Policies – BART owns over 250 acres of developable land at 27 stations in four counties, largely parking lots for BART riders. BART engaged in comprehensive planning efforts involving extensive engagement with the communities surrounding BART stations, local government agencies and land use advocacy organizations such as Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) to define and implement a collective vision for resilience. BART board adopted Affordable Housing Policy (2016), TOD Policy (2019), Development Principles Assembly Bill 2993 (2020) and Sustainability Principles in (2020). BART’s TOD projects will conform to locally adopted goals and objectives for TOD identified in local specific plans or other efforts, so long as zoning of BART property allows for densities and heights that are the highest possible under local economic and funding conditions and are consistent with Plan Bay Area 2050 and the Regional Housing Needs Allocation. Having BART on the EBiC team is critical to maximizing resources to for project sustainability.

Private developers with BART owned sites (West Oakland Mandela Station, Lake Merritt Station and Eastline at 19th St Station) are approved by the City of Oakland for 3 million square of commercial space and 1,310 homes aligning with BART’s current TOD policy goals. These projects can be built without displacement for they utilize BART real estate formally reserved for station parking. Like Mandela Station all are comprised of expanded mixed-use and affordable housing criteria including density. The build-out will aid EBiC in sustaining the regional cluster reach. Further, BART’s TOD Program creates and sustains jobs in California: Every housing unit constructed on BART’s property generates 4.5 direct and indirect jobs in California. Every 1,000 square feet of commercial space generates 4.3 direct and indirect jobs in California. BART’s TOD program could generate 85,000 direct and indirect jobs in California between 2020 and 2030. Also, 62% of these jobs are “middle skill” jobs – requiring on the job training rather than a college degree but offering a living wage (BART TOD Work Plan- 2020).

Work Force Expansion & Integration – The Oakland Private Industry Council (OPIC) provides funding for vocational training, employment services and supportive services offered under the Workforce Innovation and Opportunity Act Program (WIOA). It is a source of ongoing workforce public funding and “boots on the ground” with one-stop employment services in local East Bay communities. Industry partner California Institute of Quantitative Biosciences (QB3) will establish a life sciences incubation and accelerator program to develop entrepreneurs in Bioscience at the Mandela Station TOD and The California Life Sciences (CLSI) will provide programs in STEM education, entrepreneurship and workforce development. This public- private partnership is an investment in the economic future of California’s life sciences industry and will assure the sustainability of the programs to improve the cluster’s economic growth and shared prosperity. To address the lack of diversity and inclusion in Biotech Industry, California Life Sciences Institute’s Racial & Social Equity Initiative is a unified effort to do more for the historically excluded Black, Indigenous and other People of Color (BIPOC) populations in California. Coalition partners will focus on small businesses’ growth to drive industry growth which in turn expands the market to place our trainees/participants by outsource staff augmentation using ConSol’s national partnerships model. ConSol’s goal is to train and employ at least 1,000 people within life sciences over the course of 5 years creating an ecosystem to yield on exponential impact of sustainability and shared prosperity.

Ensuring Equity in the EBiC

The regional cluster for EBiC is found within the San Francisco Bay Area, known globally as an economic powerhouse. We know it to be a study in economic contrasts. In 2018, the San Francisco and Silicon Valley life science clusters enjoyed a 5.7% expansion of the labor force while the East Bay clusters experienced a contraction of 0.7% in employment¹.

Clearly the Bay Area's economic prosperity has come at a cost. The Bay Area is ranked third nationally in economic inequality. High-income families earn 11x more than families on the lower end of the income scale. Despite the regional economic boom, income inequality is on the rise with African American and Latinx families overrepresented among the lowest-earning households². The poverty rate for African Americans is more than double the regional poverty rate. This is exacerbated when adjusted for high housing costs. Rents continue to rise while wages have stagnated, deepening inequality.

Our ambitious innovation program, the East Bay Innovation Cluster (EBiC) will leverage our key strengths – Life Sciences and Technology – that exist today in the Bay Area but have been predominantly absent from the community of color found in the East Bay. Our goal is to promote an equitable and inclusive growth strategy in the East Bay, engaging marginalized communities and creating opportunities through comprehensive educational, workforce development, mobility and human infrastructure initiatives. We will do so by implementing the principles of “Leadership in Enhancing Equitable Participation” (LEEP).

LEEP engages in practices that engineer equity from the ground up. The goal of LEEP is to “help foster a more equitable and socially responsible real estate development landscape; one where local communities can benefit from and shape how their regions feel. Creating a trusted standard of practice and certification platform will allow all to *do good while doing well*.”

While targeted for the real estate industry, key Members of the EBiC coalition are in the early stages of developing the LEEP initiative. The official LEEP nonprofit organization has been recently formed and we intend for the EBiC to serve as a pilot – and an early example of the benefits of adopting state-of-the-art equity practices. We will measure and document the results of the pilot.

LEEP will help ensure that equitable-development outcomes are attainable and accessible to underserved communities of color. To facilitate this objective, the program will offer project partners a variety of (currently available and to be developed) tools and resources across the broad spectrum of development activities. Over the next several years, the program is generally intended to establish:

- A. A comprehensive, and curated, set of guidelines and best practices (i.e., the means and methods) for achieving equitable development outcomes; and
- B. A nationally recognized **Rating and Certification** process that **effectively communicates a project's implementation of socially responsible development practices** (e.g., Bronze, Gold, Silver, Platinum, etc.).

The key areas of focus of LEEP certification will include:

- a) Employment and Career Development for under-represented populations;
- b) Small Business Utilization;

¹ PwC CLSA 2020 California Life Sciences Sector Report

² Mendiola, Ángel and Treuhaft, Ross and Sarah. *Who is Low-Income and Very Low Income in the Bay Area?*, Bay Area Equity Atlas, September 21, 2020

- c) Ownership of businesses and/or real estate assets (with a focus on achieving greater intergenerational wealth creation and transfer)
- d) Workforce Housing & Affordability
- e) Environmental Sustainability
- f) Mental & Physical Health and Well-Being,

LEEP PROGRAMATIC MEANS AND METHODOLOGY:

1. **Early Community Outreach:** LEEP project organizers will adopt and contribute resources for undertaking early and ongoing community outreach through every stage of a project. The outreach process will solicit early community feedback which is taken into consideration as development strategies and project designs are formulated. The outreach process will also serve to; a) clearly articulate the LEEP projects' social equity goals, b) familiarize the community with the project's design/engineering/financial specifications; c) advise of business and career opportunities associated with the project, and d) solicit feedback on, and support for, the planned strategies for meeting the social equity goals.
2. **Training and Education:** LEEP project participants leverage their respective, and combined, large-scale project opportunities to provide diverse communities with access to educational resources for vocational/professional training. Equity recipients will have the best chance to take full advantage of life-changing opportunities to meet and exceed their personal and business goals.
3. **Funding Support:** Successful implementation of the Engineering Equity initiative requires both identifying and securing funding resources. However, adoption of LEEP initiative practices will also serve as a "lightning rod" to attract community-building social-equity capital such as, grants, New Markets Tax Credits, Opportunity Zone Tax Credits, Cap & Trade Funding, Enhanced Infrastructure Finance District (EIFD), etc. LEEP project sponsors will develop plans, and provide resources, to identify and analyze available funding sources.
4. **Transactional Structuring:** The success and sustainability of a LEEP initiative requires the thoughtful consideration and inclusion of community-oriented objectives while structuring the various contractual and financing transactions associated with the project enterprise. When intentionally conceived, creatively structured, and properly implemented, community-oriented equity participation policies and objectives do not financially burden projects, but indeed – become tools that generate enhanced financial value and equitable participation.
5. **Technology Deployment:** Developing large-scale, state-of-the-art facilities involves the utilization (and often pilot- deployment) of cutting-edge technology during the building design, construction, and operational cycle. The deployment of these technologies on, and within, large-scale development projects provide numerous gateway career/employment opportunities for local residents and historically underutilized small businesses. LEEP projects will ultimately incentivize specific measures to support making cutting-edge technologies accessible to underutilized workers and businesses.

The EBiC team believes the LEEP approach is a tool for reaching populations who are historically excluded from the economic success so prevalent in the Bay Area. Our vision is uniquely positioned to create the connectivity and conditions for long term economic benefits emerging from high paying positions found in existing and emerging technologies. We will use this opportunity to leapfrog other cities and establish the East Bay as a leading innovation growth cluster and an equity attainment national model for others to follow.

APPENDIX B

Advanced Manufacturing as an Engine for Equity and Wealth Building along the Northern Waterfront communities of Contra Costa County

Application for Build Back Better Regional Challenge

Title:

Advanced Manufacturing as an Engine for Equity and Wealth Building along the Northern Waterfront communities of Contra Costa County

Introduction:

The Northern Waterfront Economic Development Initiative™ is a regional cluster-based economic development strategy with the goals of creating more good jobs closer to home for residents, while revitalizing older industrial areas and reinvigorating legacy industries. The Initiative leverages existing competitive advantages and assets by focusing on production in five targeted clusters (Advanced Manufacturing, Biosciences, Agriscience & Specialty Foods, Transportation Technologies, Clean Tech). The initiative is a collaboration between the County and seven partner cities, who work together on diverse actions to enhance the economic vitality of the region. The eight partners have signed a Memorandum of Understanding to implement the Initiative as a team. The Initiative has been formalized in a Strategic Action Plan, adopted by the County Board of Supervisors in 2019. This grant proposal implements the Strategic Action Plan.

Rationale:

This Build Back Better Regional Challenge grant seeks to boost the opportunities for disadvantaged communities and residents, particularly those disproportionately affected by the COVID-19 pandemic, and the Northern Waterfront communities contain census tracts identified as SB1000 communities and Opportunity Zones (previously designated areas of concern targeted for investment). Building upon this multi-jurisdictionally approved framework, while incorporating a pandemic recognition that we can do better, and utilizing commitments from across the private-public and civic sectors, this grant will bring together additionally and timely federal stimulus funding and a required stimulus council for the purposes of accelerating development projects which tackle long-term economic distress, invest in racial justice and equity in historically disadvantaged communities along the Northern Waterfront.

Organization:

The Department of Conservation and Development (DCD) is the planning and permitting agency for unincorporated Contra Costa County, and serves a coordinating role for economic development, affordable housing, and community investment countywide. DCD staff will serve as the grant lead and primary point of contact.

Project Description:

Identify compelling industrial development projects within the footprint and economic development framework of the Northern Waterfront Economic Development Initiative™. These projects should have broad-base support, environmental and historical documents in hand, and incorporate the ability to quickly galvanize the community around four tentpoles of: establish a green economy, tackle climate change, advance racial equity, and restore our global competitiveness.

The identified projects are taken from the existing, approved Strategic Action Plan (SAP), except for the analytic data update – which the need is, of course, an outcome of the pandemic. The SAP and Northern Waterfront MOU were completed in 2019, just before onset of the pandemic, and have needed an influx of resources to regroup and reignite the partnership in the wake of the changing business landscape.

The Build Back Better Regional Challenge grant will serve that catalyst role, directly serving Objectives and Action Items in the SAP supporting three of the target industries: Bioscience, Transportation Technologies, and Advanced Manufacturing. These three are deliberately selected to be the targets for the Build Back Better Regional Challenge grant because they are the most in need of a boost coming out of pandemic conditions, and least resourced from other funding streams.

Budget:

The total cost of Phase One of the Northern Waterfront Build Back Better Regional Challenge grant proposal is projected to be \$500,000 for technical assistance in four areas, which will cover:

- Support business development efforts aimed at growing the Advanced Manufacturing cluster through the acquisition of up-to-date business and industry data reflecting post-pandemic conditions (Action 1.1.1, 1.1.2, 3.1.1., and 5.1.3): \$100,000
- Conduct a Bioscience incubator feasibility study on County-owned land in Hercules (Action 4.1.1): \$100,000
- Develop a Regional Northern Waterfront target industry-orientated marketing materials including unified website, branding, and collateral (Actions 5.1.1 and 5.1.2): \$150,000
- Advance transportation technology cluster support at one or both of two sites in the Northern Waterfront area to foster an environment that can retain and attract this cluster in future regional development: GoMentum Station (privately owned vehicle technology testing site) on the Concord Naval Weapons Station (CNWS) and Buchanan Airport (publicly owned commercial airport with aviation technology space available) (Actions 1.1.2 and 4.1.2): \$150,000

Summary:

Northern Waterfront Economic Development Initiative™ is a private-public-civic sector led initiative aimed at spurring bottom-up economic rejuvenation and revitalization focused on the emerging industrial clusters of the future, while concentrating the tangible socio-economic benefits for long-time residents of the communities along the 55-mile Northern Waterfront that are experiencing disproportionate job loss, economic underinvestment, and excessive commute times.

APPENDIX C

Description of City of Santa Monica's Development Agreement / "Value Capture" Practices



City of
**Santa
Monica**



**FHWA Value Capture Webinar
March 24, 2021**

Santa Monica Context - DAs

- **City of Santa Monica**
 - Development Agreements approved since 1981
 - Over 40 DAs, last approval Sept 2020, two pending 2021
- **DAs as a community development tool**
 - *Why, Who, How, What to Keep in Mind*
 - Opportunities and challenges for smaller cities
- **Project types**
 - Larger scale office campus: ~1M SF (early years)
 - Office and hotel development
 - Private school and church expansion
 - Hospital campus rebuild/expansion
 - Biotech
 - Housing projects, all sizes



What is a DA?

- **Established by California law** (Gov't Code § 65864 – 65869.5)
- **Negotiated contract** between City and Applicant
 - Legislative Act – broad discretion
 - Vested right for developer
 - Individually negotiated, not precedent setting
 - Shared outcomes – strategic negotiation
- **General Plan/Specific Plan consistency**
- **Voluntary**
 - No need to establish nexus or rough proportionality between community benefits and project, within limits
- **Tailor community benefits**
 - Suit location, context, development proposal
 - Range and magnitude of benefits varies by project
 - Informed by community values/priorities



Why Pursue a DA?

- Provides highest level of community control over projects

| Project Characteristics | By-Right | Discretionary | DA |
|--|----------|---------------|----|
| Zoning Code Technical Review | X | X | X |
| Public Process (Community Mtgs, Public Hearings) | | X | X |
| Environmental Review | | X | X |
| Community Benefits – broad range | | Voluntary | X |
| Ground Level Open Space | | | X |
| Coordination between properties | | | X |
| TDM Programs | Limited | Limited | X |
| Transit or Infrastructure Improvements | | | X |
| Exceed Zoning Development Standards | | Limited | X |
| Building Mass and Scale | | Limited | X |
| Building Design, Colors, Materials | X | X | X |



Who Should be Involved?

- **Who will lead** negotiations, *set direction*, project manage?
 - Negotiating on behalf of City Council, community
 - Technical expertise – project review
 - Policy depth
 - Political awareness
 - Negotiation skills
 - Consider strengths: should be well-suited for lengthy, intense process
- **City team**
 - Project Manager (Santa Monica: City Planning Division)
 - City Attorney representative (land use law/CEQA, negotiations, contracts)
 - Internal review groups: PW, Community Services, Sustainability, Mobility
 - Environmental consultant
 - Fiscal/economic consultant
- **Applicant team**
 - Level of interaction will vary based on City/Agency's culture and approach
 - High level of interaction in Santa Monica



How to Start Negotiations

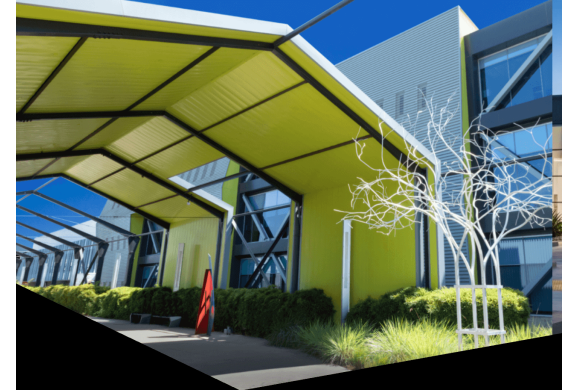
- **Shape project proposal**

- Applicant's project concept + City's land use policies
- What mix of uses and where?
- *Project value + community benefits*
- What development parameters will be considered via DA?
 - Santa Monica has been focused on building height & density
- Early community feedback
 - Anticipate potential controversy, city staff & applicant must make meaningful adjustments during early and later stages of review
- Seek Council authorization to proceed with negotiations
- Expect significant, comprehensive project review - multiple rounds:
 - site planning, design, historic preservation, mobility, public works utilities/engineering, sustainability



How to Identify Community Benefits

- **Start with baseline requirements**
 - General Plan/Specific Plan priorities
 - Impact fees & code
 - Inclusionary housing
 - *Starting points for negotiations not requirements, will need to weigh trade-offs*
- **Identify other community priorities**
 - Difficult-to-fund infrastructure
 - Programs that impact fees do not fund (e.g., child care facilities vs. child care subsidies)
 - Unmet community needs
 - Current needs for Santa Monica in 2020-2021 & beyond, include: addressing economic recovery, affordable housing, homelessness



Community Benefit Examples

- **Affordable Housing**
 - On-site/off-site above base requirement
- **Congestion Management**
 - New vehicle, ped, bike linkages
 - Land dedications
 - Transp. Infrastructure contribution
 - Enhanced TDM programs
 - Bicycle facilities
 - Shared parking
- **Historic Preservation**
- **Social/Health Services: in-kind & grants**
- **Sustainability**
 - EV chargers & stub outs
 - LEED Platinum or equivalent
 - Solar and Purple Pipe
 - Rainwater/grey water capture/re-use
- **Child Care**
 - Tuition or operating subsidies
 - Physical facility
- **Arts Programming and Installations**
- **Open Space**
 - Public park
 - Publicly-accessible private open space
 - Wider sidewalks, courtyards, landscaping
- **Education and Training**
 - Internships & job training programs
 - First Source Hiring
 - Economic equity funds
- **Enhanced revenue/tax payments**
- **Community meeting space**
- **Community programming**
- **Wi-Fi access for seniors**



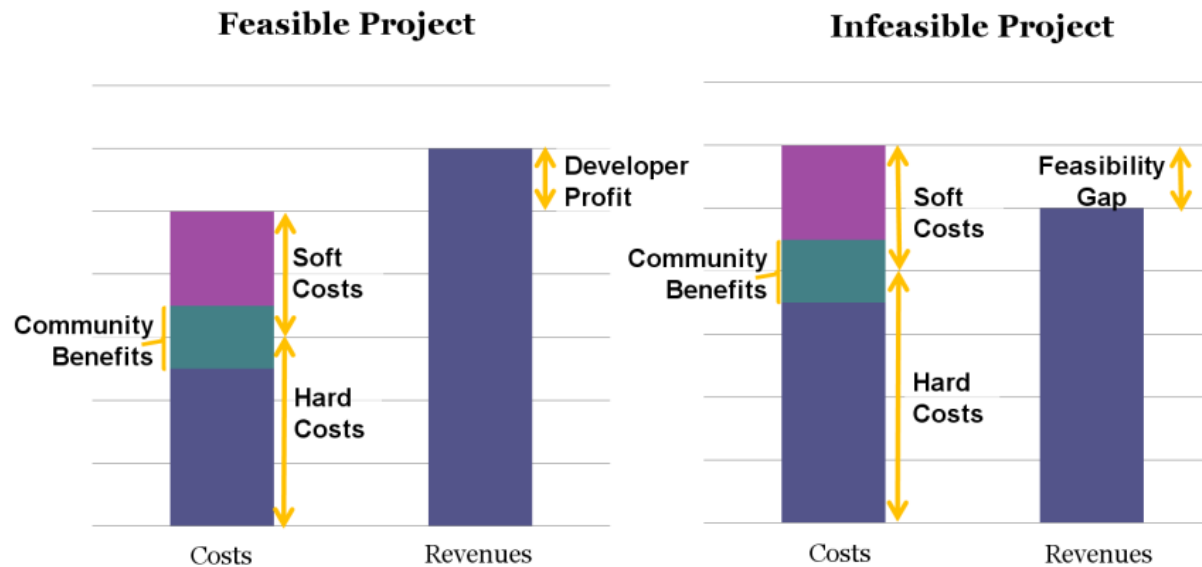
How to Evaluate Community Benefits

- **Be clear about what value project creates**
 - Consider value of additional development potential (vested rights and/or bigger development envelope) vs. project's overall value to City
- **Prioritize & address community needs**
 - Set by community, decision-makers, land use policy/plans
 - Have realistic expectations about magnitude of benefits
 - Combine financing mechanisms and individually-negotiated DAs to achieve City's overall vision
 - e.g., new light rail station upgrades, new streets
 - Term of community benefit obligations vs. term of DA
- **Use economic analyses to inform decisions**
 - Expect to spend substantial time on this step
 - Complex analysis; data collection, vet assumptions/metrics with applicant



Economic Analyses

- **Fiscal Impact Analysis & Economic Impact Analysis**
- **Value Enhancement Analysis** – Santa Monica customized to inform negotiations
 - assess ‘value’ of additional development potential derived from DA
- **Feasibility Analysis** – Project + community benefits vs. cost and reasonable rate of return
 - Regardless of measurement technique, a project is feasible, or achieves enhanced value, only if completed project value exceeds development costs



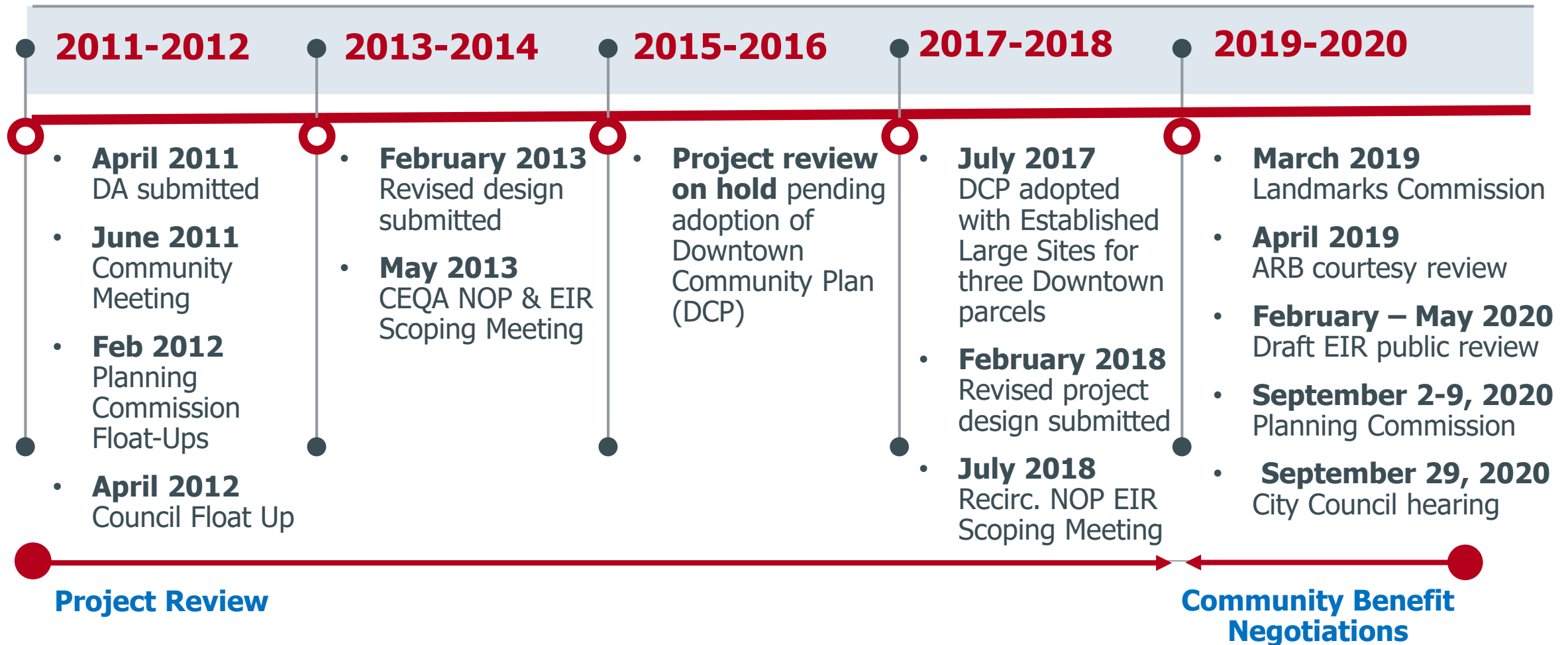
Case Study DA

- **Mixed-Use Hotel, Retail, Residential Project**
 - Redevelop existing hotel on 4.5-acre site
 - ~506,000 SF above grade, ~240,000 SF net new
 - Up to 130' tall building, varying heights
 - 2.6 FAR
 - *Area Plan: DA requirement for up to 130' and 3.0 FAR*
- 312 hotel guest rooms (11 net new)
- Preserve two Landmark features (tree and building)
- New food/bev space, meeting/banquet space, spa/fitness, retail
- 60 for-sale residential condominium units
- 14,000 SF publicly-accessible open space
- ~428 parking spaces in on-site subterranean garage
- Funding and land for 42 deed-restricted affordable apartments



Case Study DA - Project Timeline

Public Review Process – smaller/less controversial projects do not take as long



| Community Benefits - Enhanced Fees/Contributions | Negotiated Amount | Base Fee per Code | Incremental Enhancement |
|--|--------------------|--------------------|-------------------------|
| Affordable Housing Commercial Linkage Fee Contribution | \$770,000 | \$440,000 | \$330,000 |
| Enhanced Transportation Infrastructure Contribution | \$1,400,000 | \$890,000 | \$510,000 |
| Reed Park Ambassadors Program Contribution | \$200,000 | \$0 | \$200,000 |
| Affordable Lodging Contribution | \$75,000 | \$0 | \$75,000 |
| Parks and Recreation Contribution | \$250,000 | \$880,000 | \$0 |
| Early Childhood Initiatives Contribution | \$1,350,000 | \$1,350,000 | \$0 |
| Economic Equity/Opportunity Fund Contribution | \$550,000 | \$0 | \$550,000 |
| Historic Preservation Palisades Park Contribution | \$50,000 | \$0 | \$50,000 |
| Total | \$4,645,000 | \$3,560,000 | \$1,715,000 |

| Community Benefits - Other Monetized Items | With 9% TCAC Gap Financing | With 4% TCAC Gap Financing | Without TCAC Financing |
|---|----------------------------|----------------------------|------------------------|
| Affordable Housing - 2nd Street Land Value | \$12,750,000 | \$12,750,000 | \$12,750,000 |
| Minimum 42 units - gap financing | \$3,041,000 | \$14,720,000 | \$27,550,000 |
| Affordable Housing - Services \$10,000/yr @ 55 years | \$550,000 | \$550,000 | \$550,000 |
| Affordable Housing - Transportation Passes @ 55 years | TBD | TBD | TBD |
| Publicly-Accessible Open Space - direct costs* | \$752,000 | \$752,000 | \$752,000 |
| Public Art - minimum \$750,000 value | \$750,000 | \$750,000 | \$750,000 |
| Historic Preservation - direct costs | \$11,600,000 | \$11,600,000 | \$11,600,000 |
| Historic Preservation - Interpretive Feature | TBD | TBD | TBD |
| Community Support - meeting space/other discounts \$25,000 value @ 55 years | \$1,375,000 | \$1,375,000 | \$1,375,000 |
| Sustainability - on-site capture/reuse water systems | \$2,100,000 | \$2,100,000 | \$2,100,000 |
| Total | \$32,918,000 | \$44,597,000 | \$57,427,000 |
| Total Value - Monetized Community Benefits | \$37,563,000 | \$49,242,000 | \$62,072,000 |

Key Points & Policy Considerations

- **Managing development interest**

- Flexibility due to case-by-case review/negotiation
- Adaptable over time, development standards tailored for each site

Policy Considerations:

- Flexibility = lack of predictability for developers and community
- How to prioritize project types
(e.g., housing for whom – unit mix, affordability? Hotel? Office? How much retail?)

- **Which community benefits – at what magnitude to justify increased height/FAR?**

- Seek decision-maker and community input
- Use whole city/organization's expertise, seek outside support for specific areas
- Staff's best judgement in negotiations

Policy Considerations:

- Effectiveness of outreach process – how to improve?
- How to ensure community benefits address needs of underserved and underrepresented communities?
- How to respond to changing community priorities?

Key Points & Policy Considerations

- **Complex economic analyses**

- May dominate discussion at public hearings; analysis will be disputed
 - do not spend all your time defending the numbers

Policy Considerations:

- How much should feasibility analysis matter? Value to community and developer doesn't always translate to dollars/revenue

- **Time-consuming process**

- Intense, lengthy process: *do not lose sight of shared outcomes*
- Negotiate best deal on community's behalf; remember both parties must agree on terms
- Controversial projects may be litigated

Policy Considerations:

- Is there a more equitable, predictable, easily-administered alternative to DAs?

- **Monitoring**

- Demonstrate 'good faith compliance' annually; recoup costs for staff time
- Transparency, maintain community trust in process



City of
**Santa
Monica**

Thank you!

APPENDIX D

City of Carson EIFD Infrastructure Financing Plan

CITY OF CARSON ENHANCED INFRASTRUCTURE FINANCING DISTRICT

INFRASTRUCTURE FINANCING PLAN

Prepared For:

The City of Carson and the County of Los Angeles



Prepared By:



APRIL 2022

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- Appendix B: Legal Description of the Carson EIFD
- Appendix C: Projected Tax Increment Revenue Analysis
- Appendix D: Fiscal Impact Analysis
- Appendix E: General Plan Environmental Impact Report

1.0 Introduction

1.1 Background & Purpose

The proposed Carson Enhanced Infrastructure Financing District (“Carson EIFD” or “District”) will serve as a catalyst for private development and critical regional infrastructure with transformative potential for the City of Carson (“City”) and the South Bay region of Los Angeles County (“County”). The Carson EIFD encompasses approximately 1,735 acres of land, representing approximately 14% of the City’s total approximately 12,141 acres. The Carson EIFD includes the City’s Vision Plan area, the Civic Center area, the campus of California State Dominguez Hills (“CSUDH”), and various other targeted opportunity site areas within the City that stand to benefit from catalytic infrastructure improvements with communitywide and regional benefit. The District represents a partnership between the City and the County, and as such, will be funded by property tax increment from both taxing entities.

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

Pursuant to Government Code Sections 53398.59 through 53398.74, this IFP comprises 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 under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance. [This information is included in Section 3 of this IFP.](#)
- c) If funding from affected taxing entities is incorporated into the financing plan, 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 shall contain all of the following information:
 - a. A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue.

The portion need not be the same for all affected taxing entities. The portion may change over time. The maximum portion of the City's property tax increment to be committed to the District will be 52% throughout the duration of the District lifetime. For the County, the maximum portion of the County's property tax increment to be committed to the District will be 25% throughout duration of the District lifetime, which is projected to be forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the Public Financing Authority ("PFA").

- b. 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, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year. Section 5.3 of this IFP includes a projection of tax revenues to be received by the District by year over the course of forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA. 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.
- c. A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt. Section 5.4 of this IFP includes a plan for financing the public facilities to be assisted by the District. The PFA governing the District intends to incur debt only when it is financially prudent to do so. It is estimated at this time that the EIFD will contribute approximately \$134 million (in present value dollars) to public improvements and affordable housing projects from a combination of bond or loan proceeds (multiple issuances may be necessary) and pay-as-you-go funding over the District lifetime. This is equivalent to approximately \$313 million (nominal dollars).
- d. 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 or taxes that may be allocated to the District shall not exceed \$313,000,000 (nominal dollars). This represents a maximum allocation of \$156,500,000 from the City and \$156,500,000 from the County over the District lifetime (nominal dollars).
- e. 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 the earlier of: (i) forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA, or (ii) June 30, 2099. 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.

- f. An analysis of the costs to the city or county 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 or county 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 and County for providing facilities and services to the area of the District. 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 \$14.2 million, and annual costs to the County will be approximately \$7.6 million to service the area of the District.
- g. An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity. Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon both the City and the County, as the only two affected taxing entities that are contributing tax increment revenues to the District. It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of \$3.0 million to the City and an annual net fiscal surplus of \$22.4 million to the County.
- h. 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.](#)

DRAFT

2.0 Description of the Proposed District

The Carson EIFD encompasses approximately 1,735 acres of land, representing approximately 14% of the City's total 12,141 acres. The Carson EIFD includes the City's Vision Plan area, the Civic Center area, the campus of CSUDH, and various other targeted opportunity site areas within the City that stand to benefit from catalytic infrastructure improvements with communitywide and regional benefit.

Land use designations in the District primarily include industrial and residential uses, and to a lesser extent, retail, office, and recreational designations. The EIFD includes a significant amount of former landfill property with potential for remediation and future development. 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 is summarized in Table 1 below, anticipated to occur across the Vision Plan area, Civic Center area, the CSUDH campus, and other targeted opportunity site areas as identified on the map in Appendix A. 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\$) |
|------------------------|--------------|--------------------|-----------------------------------|
| Rental Residential | 2,619 units | \$300,000 per unit | \$785,700,000 |
| For Sale Residential | 662 units | \$400,000 per unit | \$264,800,000 |
| Commercial / Retail | 965,348 SF | \$285 PSF | \$275,124,180 |
| Office | 780,000 SF | \$225 PSF | \$175,500,000 |
| Hotel | 118 rooms | \$200,000 per room | \$23,600,000 |
| Recreational | 598,500 SF | \$350 PSF | \$209,475,000 |
| Industrial | 5,632,961 SF | \$160 PSF | \$901,273,760 |
| Estimated Total | | | \$2,635,472,940 |

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

The PFA intends to utilize the District to contribute approximately \$134 million (in present value dollars) of funding to infrastructure and affordable housing projects of communitywide and regional significance over the District lifetime. This is equivalent to approximately \$313 million (nominal dollars). Table 2 outlines an estimate of anticipated EIFD budget allocation over the District's lifetime.

Table 2: Estimated EIFD Funding Allocation

| # | PROJECT | ESTIMATED ALLOCATION | ESTIMATED TIMING |
|----|--|------------------------------|--|
| 1 | Affordable Housing Development in Carson (20% Minimum County Requirement) | \$26,800,000 | Year 1 to Year 50 |
| 2 | Victoria Golf Course Approved Remediation and Infrastructure Projects | \$10,000,000 | Year 1 to Year 20 (up to \$10,000,000) |
| 3* | Brownfield Site Remediation | \$10,000,000 to \$75,000,000 | Year 1 to Year 50 |
| 4* | Park and Recreational Development | \$5,000,000 to \$15,000,000 | Year 10 to Year 50 |
| 5* | Dominguez Channel / Bicycle Master Plan Improvements / Pedestrian Networks | \$2,500,000 to \$5,000,000 | Year 15 to Year 50 |
| 6* | Future City Street / Road Improvements and Other Infrastructure | \$10,000,000 to \$30,000,000 | Year 15 to Year 50 |
| 7* | Commercial Façade Program | \$2,500,000 to \$5,000,000 | Year 15 to Year 50 |
| | Estimated Total EIFD Budget Allocation | \$134,000,000 | (present value dollars) |

*The above conceptual budget provides a snapshot of current infrastructure needs and may be modified by City Council recommendations or County Board of Supervisors recommendations and approval by the PFA. Funds may be adjusted depending on future needs, project costs, and/or funding availability from other sources. No funds shall be used to support ongoing operations of oil refinery activities.

- (5) Affordable Housing Projects: The EIFD will implement a 20% affordable housing set-aside for the acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the Health and Safety Code, for rent or purchase in the City. The PFA will coordinate with the Carson Housing Authority for implementation and administration of these funds and projects subject to the approval of the City Council. The sequence in which EIFD revenues shall be allocated annually shall prioritize this affordable housing set-aside as the first priority. The PFA may additionally elect to coordinate with the County of Los Angeles Affordable Housing Trust Fund or another entity as an alternative or in addition to the Carson Housing Authority for the acquisition, construction, or rehabilitation of affordable housing in the City, subject to

the approval of the City of Carson City Council. Funds dedicated to these projects will be tracked and delineated specifically in the required annual reporting for the EIFD.

(2) Victoria Golf Course Approved Remediation and Infrastructure Projects¹: Certain on-site infrastructure and remediation projects for development of the Victoria Golf Course property pursuant to the project list agreed upon in advance by City and County (the “Victoria Golf Course Approved Remediation and Infrastructure Projects”). After the allocation of the affordable housing set-aside, fifty percent (50%) of all annual EIFD revenues will be allocated to the Victoria Golf Course Approved Remediation and Infrastructure Projects up to \$10,000,000. Disbursement of funding for Victoria Golf Course Approved Remediation and Infrastructure Projects shall be contingent on and commence from the receipt by The Creek at Dominguez Hills of the Remedial Action Completion Report by the Department of Toxics and Substance Control and shall be based on eligible costs incurred. The County and City have agreed to enter into an agreement describing various obligations should the ground lease of the Golf Course Property between Plenitude Holdings, LLC (“Plenitude”) and the County be terminated or the County enters into an agreement with another developer. If Plenitude pays for the costs of any Victoria Golf Course Approved Remediation and Infrastructure Projects prior to the availability of EIFD funding, then Plenitude will be reimbursed such costs from EIFD funds once such funds become available, subject to the terms outlined above. If The Creek at Dominguez Hills or another vertical development on the Golf Course site explicitly agreed upon by the City and the County is not substantially completed by December 31, 2032, any funds remaining from the allocation outlined above shall be remitted back to the EIFD, and the EIFD will be released from any obligation related to the Victoria Golf Course property as described above, and such funds may be expended on projects mutually agreed to by the County and City other than the Victoria Golf Course Approved Remediation and Infrastructure Projects. Funds dedicated to this project will be tracked and delineated specifically in the required annual reporting for the EIFD. The described funding obligation in this paragraph (2) may be adjusted or revised by agreement between the City and the County and still qualify for EIFD funding so long as the projects constitute infrastructure, housing and/or remediation projects described in this Section 3.0.

(3) Brownfield Site Remediation*: Provide funding or partial funding to clean up various project sites to leverage future development that could include but is not limited to the 157-Acre Carson Reclamation Properties. These projects will spur economic development to accelerate tax increment revenues to the Carson EIFD and separately to the County and City. Specific project(s) funding subject to City Council recommendations and approval by the PFA.

(4) Park and Recreational Development*: Develop a park within the city of Carson. Potential park development sites could include but is not limited to the 18-acre Shell site and/or Sanitation

¹ For the purposes of the PFA Bylaws, Victoria Golf Course Approved Remediation and Infrastructure Projects are to be considered “County Projects”.

District new park site adjacent to Carriage Crest Park. Specific project funding subject to City Council recommendations and approval by the PFA.

(5) Dominguez Channel Improvements / City's Bicycle Master Plan/ Pedestrian Networks*: Provide neighborhood connectivity (e.g., pedestrian and bicycle networks), create a continuous Riverwalk park / trail along the Dominguez Channel. Projects related to the City's Bicycle Master Plan or General Plan would also be eligible under this category. Specific project(s) funding subject to City Council recommendations and approval by the PFA.

(6) Future City Street / Road Improvements and Other Infrastructure*: Installation, reconstruction, and beautification of various streets and roads within city of Carson, as well as new on-site and off-site infrastructure to support future project development (e.g., utilities, sidewalks, drainage). Beautification amenities may include road/sidewalk installation / extension / repairs, wayfinding signs, streetlights, utility wraps, benches, street banners, art, and landscaping similar to the recent Carson Street Improvement. Main Street could be a potential site for a beautification project. Martin Luther King Jr. Street could also be a potential site for a road reconstruction project. It should be noted that County Board of Supervisors previously approved funding for Martin Luther King Jr. Street reconstruction via the approved Memorandum of Agreement among the City, the County and the Kimmelman Foundation for the proposed Carol Kimmelman Athletic and Academic Campus (CKAAC) dated July 2019 (Section II. C. Infrastructure Investments/Improvements).² The Kimmelman Foundation, however, has since opted to not proceed with the CAAKC project. Accordingly, County funding is no longer available for this project. If another entity (e.g., City or County) advances the funding for Martin Luther King Jr. Street road improvements, that entity will be eligible for reimbursement from EIFD proceeds.

Other Improvements may also include intersection improvements to interchanges such as Avalon & I-405, construction of freeway entrance along I-405 & Main Street, I-405 by Wilmington Blvd and/or other intersections. Other road improvements may be funded based on road conditions, subject to recommendations from the City Council and approval by PFA.

(7) Commercial Façade Program*: Develop program(s) to financially assist local businesses and property owners with improvements to exterior facades or other beautification improvements (e.g., paint, signage). Specific project(s) funding subject to City Council recommendations and approval by the PFA.

² The Memorandum of Agreement provided that the County would fund the "Base Road Reconstruction" of Martin Luther King Jr. Road with an estimated cost of \$4.5 million, additionally committing to payment of any cost overruns to complete the Base Road Reconstruction, which is no longer moving forward.

Funds allocated under projects item numbers 3 through 7 may be reallocated to any eligible projects under the IFP and EIFD law based on future infrastructure needs. Specific project funding subject to City Council recommendations and approval by the PFA.

The EIFD will not include funds to support ongoing operations of oil refinery activities.

Additional expenditures by the EIFD, including any use of potential future EIFD bond proceeds, will be subject to City Council recommendations and approval by the PFA. Targeted improvements would conform to established guidelines in existing, adopted planning documentation, such as the City General Plan. 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. The EIFD may finance planning and design activities that are directly related to the purchase, construction, expansion, or rehabilitation of these projects. Example projects may include, but not be limited to, the following:

- a) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities
- b) Sewage treatment and water reclamation plants and interceptor pipes
- c) Facilities for the collection and treatment of water for urban uses
- d) Flood control levees and dams, retention basins, and drainage channels
- e) Childcare facilities, libraries, and other government facilities
- f) Parks, recreational facilities, and open space
- g) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles
- h) Brownfield restoration and other environmental mitigation
- i) The acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the Health and Safety Code, for rent or purchase
- j) 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
- k) The acquisition, construction, or improvement of broadband Internet access service
- l) 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
- m) Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.

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, impact fees, private sector investment incentivized by the formation of the EIFD itself, and/or other sources. The City has already formed a Community Facilities District (“CFD”) with a Citywide annexation area for new and/or intensified development to assist with ongoing services and maintenance needs in the City.

Private sector developers will be responsible for funding project-specific / fair-share / in-tract infrastructure, unless otherwise outlined in this IFP. Some public facilities included in the 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 such as brownfield site remediation, with anticipation to be partially reimbursed with EIFD proceeds. Such case-specific agreements would come before the PFA for approval at the appropriate time.

4.0 Finding of Communitywide Significance

Implementation of the District promotes the goals of the City's General Plan, facilitates the cleanup and reuse of former landfill sites serving the larger County region, supports implementation of regional connectivity through active transportation, and facilitates the growth of a regional educational institution in CSUDH.

The District additionally supports numerous County economic development objectives, including job creation, workforce development, affordable housing, homeless prevention, improvement of quality of life, and promotion of environmental sustainability, all in an area predominantly designated as Disadvantaged Community (DAC) census tracts based on the California Environmental Protection Agency (CalEPA) CalEnviroScreen tool (version 3.0).

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

- \$75 million in net fiscal surplus to the City over 50 years (on a present-value basis)
- \$529 million in net fiscal impact to County over 50 years (on a present-value basis), including additional direct property tax revenue to County Fire and County Library
- 3,281 housing units within the District, including affordable housing a multiple income levels
- 21,781 direct, indirect, and induced temporary, construction-related jobs in the City and County
- 9,349 direct, permanent jobs in the City
- 4,269 additional indirect and induced permanent jobs in the City and County (total of 14,349 direct, indirect, and induced jobs)
- \$3.7 billion in economic output from construction in the City and County
- \$1.8 billion in annual ongoing economic output in the City and County.

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.

The Carson EIFD represents a partnership between the City and County, and as such, will be funded by property tax increment from both taxing entities. No other taxing entity is contributing 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.

Portions of the Carson EIFD are located within the boundaries of the former Redevelopment Project Area of the former Redevelopment Agency of Carson, 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 (currently anticipated in 2041). Redevelopment Property Tax Trust Fund (“RPTTF”) residual revenues are intended to be contributed by the City and County to the District as part of the maximum allocations outlined in the following sections.

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(1) in addition and in proportion to incremental AB8 property tax.

5.1 Maximum Portion of Incremental Tax Revenue Dedicated to the District

The maximum portion of the City’s property tax increment to be committed to the District will be 52% throughout the District lifetime. The maximum portion of the County’s property tax increment to be committed to the District will be 25% 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 and County contributions to the District over the District lifetime. It is expected that a total of \$156,266,930 of incremental tax revenues will be allocated to the District by the City, and a total of \$156,266,930 of incremental tax revenues will be allocated to the District by the County, for a total allocation of taxes revenues to the EIFD of \$312,533,860. Table 4 illustrates the accumulation of affordable housing set-side funding.

Table 3: Projection of District Revenues by Year

| | Fiscal Year | Incremental Assessed Value | Property Tax Increment @ 1% General Levy | Average City Share Available (AB8+VLF) | City Increment Available | Portion of City Share Allocated | City Increment Allocated | Average County Share Available | County Increment Available | Portion of County Share Allocated | County Increment Allocated | Total Taxes Allocated to EIFD |
|---------------|-------------|----------------------------|--|--|--------------------------|---------------------------------|--------------------------|--------------------------------|----------------------------|-----------------------------------|----------------------------|-------------------------------|
| 0 | 2021 / 2022 | \$0 | \$0 | 11.87% | \$0 | 52% | \$0 | 24.7% | \$0 | 25% | \$0 | \$0 |
| 1 | 2022 / 2023 | \$420,809,462 | \$4,208,095 | 11.87% | \$499,468 | 52% | \$259,639 | 24.7% | \$1,038,558 | 25% | \$259,639 | \$519,279 |
| 2 | 2023 / 2024 | \$953,315,091 | \$9,533,151 | 11.87% | \$1,131,511 | 52% | \$588,195 | 24.7% | \$2,352,782 | 25% | \$588,195 | \$1,176,391 |
| 3 | 2024 / 2025 | \$1,225,684,360 | \$12,256,844 | 11.87% | \$1,454,792 | 52% | \$756,247 | 24.7% | \$3,024,989 | 25% | \$756,247 | \$1,512,494 |
| 4 | 2025 / 2026 | \$1,588,758,230 | \$15,887,582 | 11.87% | \$1,885,733 | 52% | \$980,264 | 24.7% | \$3,921,055 | 25% | \$980,264 | \$1,960,528 |
| 5 | 2026 / 2027 | \$2,218,486,210 | \$22,184,862 | 11.87% | \$2,633,171 | 52% | \$1,368,806 | 24.7% | \$5,475,224 | 25% | \$1,368,806 | \$2,737,612 |
| 6 | 2027 / 2028 | \$2,432,710,118 | \$24,327,101 | 11.87% | \$2,887,439 | 52% | \$1,500,982 | 24.7% | \$6,003,929 | 25% | \$1,500,982 | \$3,001,964 |
| 7 | 2028 / 2029 | \$2,609,863,141 | \$26,098,631 | 11.87% | \$3,097,705 | 52% | \$1,610,286 | 24.7% | \$6,441,142 | 25% | \$1,610,286 | \$3,220,571 |
| 8 | 2029 / 2030 | \$2,851,182,832 | \$28,511,828 | 11.87% | \$3,384,133 | 52% | \$1,759,180 | 24.7% | \$7,036,719 | 25% | \$1,759,180 | \$3,518,360 |
| 9 | 2030 / 2031 | \$3,009,340,228 | \$30,093,402 | 11.87% | \$3,571,854 | 52% | \$1,856,763 | 24.7% | \$7,427,052 | 25% | \$1,856,763 | \$3,713,526 |
| 10 | 2031 / 2032 | \$3,172,336,888 | \$31,723,369 | 11.87% | \$3,765,318 | 52% | \$1,957,332 | 24.7% | \$7,829,327 | 25% | \$1,957,332 | \$3,914,664 |
| 11 | 2032 / 2033 | \$3,397,374,003 | \$33,973,740 | 11.87% | \$4,032,420 | 52% | \$2,096,180 | 24.7% | \$8,384,719 | 25% | \$2,096,180 | \$4,192,360 |
| 12 | 2033 / 2034 | \$3,608,452,600 | \$36,084,526 | 11.87% | \$4,282,954 | 52% | \$2,226,415 | 24.7% | \$8,905,661 | 25% | \$2,226,415 | \$4,452,831 |
| 13 | 2034 / 2035 | \$3,721,106,377 | \$37,211,064 | 11.87% | \$4,416,665 | 52% | \$2,295,923 | 24.7% | \$9,183,691 | 25% | \$2,295,923 | \$4,591,845 |
| 14 | 2035 / 2036 | \$3,836,476,366 | \$38,364,764 | 11.87% | \$4,553,600 | 52% | \$2,367,106 | 24.7% | \$9,468,424 | 25% | \$2,367,106 | \$4,734,212 |
| 15 | 2036 / 2037 | \$3,930,533,765 | \$39,305,338 | 11.87% | \$4,665,239 | 52% | \$2,425,139 | 24.7% | \$9,700,557 | 25% | \$2,425,139 | \$4,850,279 |
| 16 | 2037 / 2038 | \$4,026,472,313 | \$40,264,723 | 11.87% | \$4,779,111 | 52% | \$2,484,333 | 24.7% | \$9,937,334 | 25% | \$2,484,333 | \$4,968,667 |
| 17 | 2038 / 2039 | \$4,124,329,632 | \$41,243,296 | 11.87% | \$4,895,260 | 52% | \$2,544,711 | 24.7% | \$10,178,846 | 25% | \$2,544,711 | \$5,089,423 |
| 18 | 2039 / 2040 | \$4,224,144,097 | \$42,241,441 | 11.87% | \$5,013,732 | 52% | \$2,606,297 | 24.7% | \$10,425,188 | 25% | \$2,606,297 | \$5,212,594 |
| 19 | 2040 / 2041 | \$4,325,954,851 | \$43,259,549 | 11.87% | \$5,134,573 | 52% | \$2,669,114 | 24.7% | \$10,676,457 | 25% | \$2,669,114 | \$5,338,228 |
| 20 | 2041 / 2042 | \$4,429,801,820 | \$44,298,018 | 11.87% | \$5,257,832 | 52% | \$2,733,188 | 24.7% | \$10,932,751 | 25% | \$2,733,188 | \$5,466,375 |
| 21 | 2042 / 2043 | \$4,535,725,729 | \$45,357,257 | 11.87% | \$5,383,555 | 52% | \$2,798,543 | 24.7% | \$11,194,171 | 25% | \$2,798,543 | \$5,597,086 |
| 22 | 2043 / 2044 | \$4,643,768,116 | \$46,437,681 | 11.87% | \$5,511,793 | 52% | \$2,865,205 | 24.7% | \$11,460,820 | 25% | \$2,865,205 | \$5,730,410 |
| 23 | 2044 / 2045 | \$4,753,971,351 | \$47,539,714 | 11.87% | \$5,642,596 | 52% | \$2,933,200 | 24.7% | \$11,732,801 | 25% | \$2,933,200 | \$5,866,401 |
| 24 | 2045 / 2046 | \$4,866,378,650 | \$48,663,787 | 11.87% | \$5,776,015 | 52% | \$3,002,556 | 24.7% | \$12,010,223 | 25% | \$3,002,556 | \$6,005,111 |
| 25 | 2046 / 2047 | \$4,981,034,096 | \$49,810,341 | 11.87% | \$5,912,102 | 52% | \$3,073,298 | 24.7% | \$12,293,192 | 25% | \$3,073,298 | \$6,146,596 |
| 26 | 2047 / 2048 | \$5,097,982,650 | \$50,979,826 | 11.87% | \$6,050,911 | 52% | \$3,145,455 | 24.7% | \$12,581,821 | 25% | \$3,145,455 | \$6,290,911 |
| 27 | 2048 / 2049 | \$5,217,270,175 | \$52,172,702 | 11.87% | \$6,192,496 | 52% | \$3,219,056 | 24.7% | \$12,876,223 | 25% | \$3,219,056 | \$6,438,111 |
| 28 | 2049 / 2050 | \$5,338,943,451 | \$53,389,435 | 11.87% | \$6,336,912 | 52% | \$3,294,128 | 24.7% | \$13,176,512 | 25% | \$3,294,128 | \$6,588,256 |
| 29 | 2050 / 2051 | \$5,463,050,192 | \$54,630,502 | 11.87% | \$6,484,218 | 52% | \$3,370,702 | 24.7% | \$13,482,808 | 25% | \$3,370,702 | \$6,741,404 |
| 30 | 2051 / 2052 | \$5,589,639,069 | \$55,896,391 | 11.87% | \$6,634,469 | 52% | \$3,448,807 | 24.7% | \$13,795,229 | 25% | \$3,448,807 | \$6,897,615 |
| 31 | 2052 / 2053 | \$5,718,759,722 | \$57,187,597 | 11.87% | \$6,787,725 | 52% | \$3,528,475 | 24.7% | \$14,113,899 | 25% | \$3,528,475 | \$7,056,949 |
| 32 | 2053 / 2054 | \$5,850,462,789 | \$58,504,628 | 11.87% | \$6,944,046 | 52% | \$3,609,736 | 24.7% | \$14,438,942 | 25% | \$3,609,736 | \$7,219,471 |
| 33 | 2054 / 2055 | \$5,984,799,917 | \$59,847,999 | 11.87% | \$7,103,494 | 52% | \$3,692,622 | 24.7% | \$14,770,486 | 25% | \$3,692,622 | \$7,385,243 |
| 34 | 2055 / 2056 | \$6,121,823,788 | \$61,218,238 | 11.87% | \$7,266,131 | 52% | \$3,777,165 | 24.7% | \$15,108,661 | 25% | \$3,777,165 | \$7,554,331 |
| 35 | 2056 / 2057 | \$6,261,588,136 | \$62,615,881 | 11.87% | \$7,432,020 | 52% | \$3,863,400 | 24.7% | \$15,453,600 | 25% | \$3,863,400 | \$7,726,800 |
| 36 | 2057 / 2058 | \$6,404,147,771 | \$64,041,478 | 11.87% | \$7,601,227 | 52% | \$3,951,359 | 24.7% | \$15,805,437 | 25% | \$3,951,359 | \$7,902,718 |
| 37 | 2058 / 2059 | \$6,549,558,599 | \$65,495,586 | 11.87% | \$7,773,819 | 52% | \$4,041,078 | 24.7% | \$16,164,311 | 25% | \$4,041,078 | \$8,082,155 |
| 38 | 2059 / 2060 | \$6,697,877,643 | \$66,978,776 | 11.87% | \$7,949,862 | 52% | \$4,132,590 | 24.7% | \$16,530,362 | 25% | \$4,132,591 | \$8,265,181 |
| 39 | 2060 / 2061 | \$6,849,163,069 | \$68,491,631 | 11.87% | \$8,129,426 | 52% | \$4,225,934 | 24.7% | \$16,903,734 | 25% | \$4,225,934 | \$8,451,867 |
| 40 | 2061 / 2062 | \$7,003,474,202 | \$70,034,742 | 11.87% | \$8,312,582 | 52% | \$4,321,144 | 24.7% | \$17,284,574 | 25% | \$4,321,144 | \$8,642,287 |
| 41 | 2062 / 2063 | \$7,160,871,559 | \$71,608,716 | 11.87% | \$8,499,400 | 52% | \$4,418,258 | 24.7% | \$17,673,031 | 25% | \$4,418,258 | \$8,836,515 |
| 42 | 2063 / 2064 | \$7,321,416,862 | \$73,214,169 | 11.87% | \$8,689,955 | 52% | \$4,517,314 | 24.7% | \$18,069,257 | 25% | \$4,517,314 | \$9,034,628 |
| 43 | 2064 / 2065 | \$7,485,173,072 | \$74,851,731 | 11.87% | \$8,884,321 | 52% | \$4,618,352 | 24.7% | \$18,473,407 | 25% | \$4,618,352 | \$9,236,704 |
| 44 | 2065 / 2066 | \$7,652,204,406 | \$76,522,044 | 11.87% | \$9,082,574 | 52% | \$4,721,410 | 24.7% | \$18,885,640 | 25% | \$4,721,410 | \$9,442,820 |
| 45 | 2066 / 2067 | \$7,822,576,366 | \$78,225,764 | 11.87% | \$9,284,792 | 52% | \$4,826,530 | 24.7% | \$19,306,118 | 25% | \$4,826,530 | \$9,653,059 |
| 46 | 2067 / 2068 | \$7,996,355,766 | \$79,963,558 | 11.87% | \$9,491,055 | 52% | \$4,933,751 | 24.7% | \$19,735,006 | 25% | \$4,933,752 | \$9,867,503 |
| 47 | 2068 / 2069 | \$8,173,610,753 | \$81,736,108 | 11.87% | \$9,701,443 | 52% | \$5,043,118 | 24.7% | \$20,172,471 | 25% | \$5,043,118 | \$10,086,236 |
| 48 | 2069 / 2070 | \$8,354,410,841 | \$83,544,108 | 11.87% | \$9,916,039 | 52% | \$5,154,671 | 24.7% | \$20,618,686 | 25% | \$5,154,671 | \$10,309,343 |
| 49 | 2070 / 2071 | \$8,538,826,930 | \$85,388,269 | 11.87% | \$10,134,926 | 52% | \$5,268,456 | 24.7% | \$21,073,825 | 25% | \$5,268,456 | \$10,536,912 |
| 50 | 2071 / 2072 | \$8,726,931,341 | \$87,269,313 | 11.87% | \$10,358,192 | 52% | \$5,384,517 | 24.7% | \$21,538,067 | 25% | \$5,384,517 | \$10,769,033 |
| Total | | | \$2,532,689,294 | | \$300,610,605 | 52% | \$156,266,929 | | \$625,067,718 | 25% | \$156,266,929 | \$312,533,858 |
| Present Value | | | \$1,083,076,794 | | \$128,552,828 | 52% | \$66,825,838 | | \$267,303,353 | 25% | \$66,825,838 | \$133,651,676 |

Note: Present value at 3% discount rate.

Table 4: Projection of Affordable Housing Set-Aside Funds

| | Fiscal Year | Total Taxes Allocated to EIFD | Affordable Housing Set- Aside |
|---------------|-------------|-------------------------------------|-------------------------------------|
| 0 | 2021 / 2022 | \$0 | \$0 |
| 1 | 2022 / 2023 | \$519,279 | \$103,856 |
| 2 | 2023 / 2024 | \$1,176,391 | \$235,278 |
| 3 | 2024 / 2025 | \$1,512,494 | \$302,499 |
| 4 | 2025 / 2026 | \$1,960,528 | \$392,106 |
| 5 | 2026 / 2027 | \$2,737,612 | \$547,522 |
| 6 | 2027 / 2028 | \$3,001,964 | \$600,393 |
| 7 | 2028 / 2029 | \$3,220,571 | \$644,114 |
| 8 | 2029 / 2030 | \$3,518,360 | \$703,672 |
| 9 | 2030 / 2031 | \$3,713,526 | \$742,705 |
| 10 | 2031 / 2032 | \$3,914,664 | \$782,933 |
| 11 | 2032 / 2033 | \$4,192,360 | \$838,472 |
| 12 | 2033 / 2034 | \$4,452,831 | \$890,566 |
| 13 | 2034 / 2035 | \$4,591,845 | \$918,369 |
| 14 | 2035 / 2036 | \$4,734,212 | \$946,842 |
| 15 | 2036 / 2037 | \$4,850,279 | \$970,056 |
| 16 | 2037 / 2038 | \$4,968,667 | \$993,733 |
| 17 | 2038 / 2039 | \$5,089,423 | \$1,017,885 |
| 18 | 2039 / 2040 | \$5,212,594 | \$1,042,519 |
| 19 | 2040 / 2041 | \$5,338,228 | \$1,067,646 |
| 20 | 2041 / 2042 | \$5,466,375 | \$1,093,275 |
| 21 | 2042 / 2043 | \$5,597,086 | \$1,119,417 |
| 22 | 2043 / 2044 | \$5,730,410 | \$1,146,082 |
| 23 | 2044 / 2045 | \$5,866,401 | \$1,173,280 |
| 24 | 2045 / 2046 | \$6,005,111 | \$1,201,022 |
| 25 | 2046 / 2047 | \$6,146,596 | \$1,229,319 |
| 26 | 2047 / 2048 | \$6,290,911 | \$1,258,182 |
| 27 | 2048 / 2049 | \$6,438,111 | \$1,287,622 |
| 28 | 2049 / 2050 | \$6,588,256 | \$1,317,651 |
| 29 | 2050 / 2051 | \$6,741,404 | \$1,348,281 |
| 30 | 2051 / 2052 | \$6,897,615 | \$1,379,523 |
| 31 | 2052 / 2053 | \$7,056,949 | \$1,411,390 |
| 32 | 2053 / 2054 | \$7,219,471 | \$1,443,894 |
| 33 | 2054 / 2055 | \$7,385,243 | \$1,477,049 |
| 34 | 2055 / 2056 | \$7,554,331 | \$1,510,866 |
| 35 | 2056 / 2057 | \$7,726,800 | \$1,545,360 |
| 36 | 2057 / 2058 | \$7,902,718 | \$1,580,544 |
| 37 | 2058 / 2059 | \$8,082,155 | \$1,616,431 |
| 38 | 2059 / 2060 | \$8,265,181 | \$1,653,036 |
| 39 | 2060 / 2061 | \$8,451,867 | \$1,690,373 |
| 40 | 2061 / 2062 | \$8,642,287 | \$1,728,457 |
| 41 | 2062 / 2063 | \$8,836,515 | \$1,767,303 |
| 42 | 2063 / 2064 | \$9,034,628 | \$1,806,926 |
| 43 | 2064 / 2065 | \$9,236,704 | \$1,847,341 |
| 44 | 2065 / 2066 | \$9,442,820 | \$1,888,564 |
| 45 | 2066 / 2067 | \$9,653,059 | \$1,930,612 |
| 46 | 2067 / 2068 | \$9,867,503 | \$1,973,501 |
| 47 | 2068 / 2069 | \$10,086,236 | \$2,017,247 |
| 48 | 2069 / 2070 | \$10,309,343 | \$2,061,869 |
| 49 | 2070 / 2071 | \$10,536,912 | \$2,107,382 |
| 50 | 2071 / 2072 | \$10,769,033 | \$2,153,807 |
| Total | | \$312,533,858 | \$62,506,772 |
| Present Value | | \$133,651,676 | \$26,730,335 |

Note: Funding may not be expended each year, may be accumulated until the PFA has determined an efficient use / expenditure of such funding.

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 projects identified in Section 3.2, potentially including District tax increment, grant sources, impact fees, private sector investment, and/or other sources. Separate from its participation in the District, the City has implemented a CFD to assist with ongoing services and maintenance of public improvements within the District.

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. It is estimated at this time that approximately \$134 million of EIFD funding (in present value dollars) will be made available through bond or loan proceeds and pay-as-you-go proceeds over the District lifetime. It is estimated that approximately \$50 million will be available in the first 20 years of the District lifetime. It may be the case that multiple debt issuances will be necessary to achieve the targeted funding capacity.

5.4 Limit on Total Dollars Allocated to the District

The total number of dollars or taxes that may be allocated to the District shall not exceed \$313,000,000 (nominal dollars). This represents a maximum allocation of \$156,500,000 from the City and \$156,500,000 from the County over the District lifetime.

The limit on the total number of dollars that the City and County will contribute to the EIFD shall be defined as the annual amount of the City and County contributions that is needed to pay bond payments, or otherwise fund the approved list of infrastructure and other projects and expenses of the District, with an estimated cost of approximately \$50 million (in present value dollars) over the first 20 years of the District lifetime and approximately \$134 million (in present value dollars) over the entire District lifetime. The infrastructure and other projects shall be considered fully funded when all projects have been financed by bonds, excess tax increment, or other funds. In the following fiscal year after the projects have been fully funded, and any year thereafter up to the time limit, any City and County contributions in excess of remaining bond payments shall be returned by the EIFD to the City and County according to their respective proportions. The EIFD shall provide the County an annual accounting of the status of the funding of the approved infrastructure projects and notify the County when they have been fully funded.

To the extent a computation of the limit on total dollars allocated to the district is needed in future dollars at some time in the future, the analysis shall utilize as a benchmark index the California Department of General Services (DGS) California Construction Cost Index (CCCI).

The PFA authorizes the County, throughout the existence of the PFA and the District, to review the PFA's calculations to determine if excess property tax increment revenue exists, as defined above, in any given year. The PFA shall cooperate with such review by providing reasonable access, inspection privileges, and copies of the PFA's and/or District's records to County staff upon request, as necessary to review the PFA's calculations. In the event a County review

determines excess property tax increment revenue exists, the PFA shall return such excess back to the City and County in proportion to those entities' contributions to the excess amount.

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 first issuance of bonds or acquisition of a loan is approved by the PFA, or (ii) June 30, 2099. 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 and County for providing facilities and services to the area of the District. 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 \$14.2 million, and annual costs to the County will be approximately \$7.6 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 both the City and the County, as the only two affected taxing entities that are contributing tax increment revenues to the District. Table 5 presents an overview of fiscal impacts to the City and County.

Table 5: Overview of Fiscal Impacts to City and County

| | Annual (Stablized Year 20) | Year 0-50 Nominal Total | Year 0-50 Present Value @ 3.0% |
|--|----------------------------------|-------------------------------|--------------------------------------|
| City of Carson | | | |
| Estimated Fiscal Revenues (Net of EIFD Contribution) | \$17,219,617 | \$1,054,660,400 | \$427,417,900 |
| Estimated Fiscal Expenditures | \$14,193,500 | \$879,816,000 | \$352,870,800 |
| Estimated Net Fiscal Impact to City | \$3,026,117 | \$174,844,400 | \$74,547,100 |
| County of Los Angeles | | | |
| Estimated Fiscal Revenues (Net of EIFD Contribution) | \$29,958,550 | \$1,728,056,400 | \$718,604,900 |
| Estimated Fiscal Expenditures | \$7,568,100 | \$471,059,500 | \$189,721,600 |
| Estimated Net Fiscal Impact to County | \$22,390,450 | \$1,256,996,900 | \$528,883,300 |

It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of \$3.0 million to the City and an annual net fiscal surplus of \$22.4 million the County. Over 50 years, District activity will generate a positive net fiscal impact of approximately \$74.5 million for the City and \$528.9 million for the County on a present-value basis. This is in addition to the Community economic benefits outlined in Section 4 of this IFP (e.g. jobs, housing, remediation of contamination, connectivity, active transportation).

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.

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6.0 Removal of Dwelling Units and Replacement Housing Plan

The PFA does not anticipated 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.

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7.0 Goals of the District

The goals of the District's implementation of the public facilities outlined in Section 3.2 is to support the City's General Plan, facilitate the cleanup and reuse of former landfill sites serving the larger County region, support implementation of regional connectivity through active transportation, and facilitate the growth of a regional educational institution in CSUDH. The District additionally aims to implement Statewide policy goals of housing supply and sustainable infrastructure investment.

The underlying objectives include economic development in the form of fiscal revenue generation for the City, County, and other taxing entities, job creation, provision of new housing supply at multiple income levels, improvement of quality of life, and promotion of environmental sustainability. The District will be utilized to address critical infrastructure and affordable housing project funding, which are needed to catalyze private sector investment and development.

8.0 Appendices

Appendix A: Map of Boundaries of the Carson EIFD

Appendix B: Legal Description of the Carson EIFD

Appendix C: Projected Tax Increment Revenue Analysis

Appendix D: Fiscal Impact Analysis

Appendix E: General Plan Environmental Impact Report

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APPENDIX E

Program Overview Community Economic Resilience Fund (CERF)



COMMUNITY ECONOMIC RESILIENCE FUND (CERF)

OVERVIEW: CERF's planning phase will establish regional, inclusive planning tables to develop blueprints and align resources for each region's economic future. These regional tables will result in recommended investments throughout the region that will support economic recovery from COVID-19, bolster equity outcomes, and facilitate the transition to carbon neutrality.

PROGRAM VISION: Deliver a sustainable and equitable recovery from the economic distress of COVID-19 that meets communities and regions where they are by supporting new regional plans and investing in strategies and projects that help diversify regional economies and develop or expand environmentally sustainable industries that create high-quality, broadly accessible jobs for all Californians.

Program Objectives

- Support the development of meaningfully inclusive regional planning processes that produce regional roadmaps for economic recovery from COVID-19 that prioritize the creation of accessible, high-quality jobs in sustainable industries.
- Invest in projects proposed by regional planning tables that respond to negative economic impacts of COVID-19 and meet criteria for equity, job quality, and sustainability, among others.
- Align and leverage state investments (e.g., High Road Training Partnerships, community capacity building programs), federal investments (e.g., Infrastructure Investment and Jobs Act), and philanthropic and private-sector investments in regions to maximize COVID-19 recovery efforts.

What Does Success Look Like?

- **Planning phase.** Inclusive, diverse, transparent, and accountable regional planning that results in a holistic strategy and recommended series of investments to recover from COVID-19, grow sustainable industries, diversify regional economies, and increase access to high quality jobs.
- **Implementation phase.** Projects throughout the region that advance globally competitive and sustainable industries and high-quality jobs with clear employment pathways for underserved and incumbent workers facing industry disruption after COVID-19.

Program Detail

1. Phase 1—Regional Planning Grants:

- a. Create 13 Regional Collaboratives that will receive ~\$5M each.



- b. Establish new, inclusive regional planning tables starting in spring/summer 2022. Much like a “team of teams,” they will incorporate existing local efforts to address planning on a broader regional scale.
- c. Develop localized integrated recovery and transition plans that meet regions where they are. Plans will include analysis of industry sectors and labor markets, with actionable research and consultation from expert institutions.
- d. Embed locally-hired coordinators to facilitate ongoing engagement, partnership, and relationship-building activities with business, labor, community, government, education, economic development, federally and non-federally recognized tribes, and other key stakeholder groups.
- e. Support participants to increase access and broaden participation in the planning process.
- f. Provide technical assistance to guide convening, evaluation, research priorities, and other needs during the planning phase.
- g. Create holistic investment strategies that address disproportionate impacts of COVID-19 by diversifying the economy, and developing or growing sustainable industries that create accessible, well-paying jobs. Strategies should complement, incorporate, or expand on existing plans such as Comprehensive Economic Development Strategies (CEDS), as applicable and relevant.

2. Phase 2—Implementation Grants:

- a. Provide approximately \$500M in rolling, competitive grants from Fall 2022 to June 2024. Includes reserve funding for each region for competitive bidding.
- b. Fund projects in localities across the regions based on regional plans developed and criteria outlined.
- c. In cases with prior inclusive planning processes, regions may be eligible to apply for “early implementation” pilot projects. More details forthcoming regarding eligibility and criteria.
- d. Ensure projects support economic recovery and transition for populations and/or industries disproportionately impacted by COVID-19, while promoting economic diversification, sustainability, and equity. Outcomes will drive the growth of globally competitive, sustainable industries with well-paying, accessible jobs and bolster equity outcomes by race, ethnicity, gender, and geography.



Best-Case Scenario Timelines

| Month | Program Progress |
|---------------|--|
| December 2021 | Release of finalized regions |
| December 2021 | Draft guidelines for Planning Grants released for public comment |
| January 2022 | Listening-session webinar for public feedback |
| February 2022 | Planning Grant solicitation released |
| March 2022 | Draft guidelines for implementation grants released |
| April 2022 | Planning Grant finalists selected and grants awarded |
| August 2022 | Implementation grant solicitation released |
| October 2022 | Begin awarding implementation grants |
| June 2024 | Funds must be encumbered |
| October 2026 | Funds must be expended |

Resources

- [SB-162 Community Economic Resilience Fund Program](#)
- [Community Economic Resilience Fund - Office of Planning and Research \(ca.gov\)](#)

Contact Information

- Mary Collins, Governor's Office of Planning and Research. Mary.Collins@opr.ca.gov



Finalized CERF Regions and Responses to Frequently Asked Questions

We thank everyone for submitting comments and voicing your suggestions and concerns. The CERF Team has thoroughly reviewed all comments submitted, and below we provide finalized economic regions with high-level responses to some common themes and questions.

Final CERF Regions:





Economic Regions and Corresponding Counties:

| Economic Regions | Counties |
|-----------------------------|---|
| Southern Border | <ul style="list-style-type: none"> • Imperial • San Diego |
| Inland Empire | <ul style="list-style-type: none"> • Riverside • San Bernardino |
| Los Angeles County | |
| Orange County | |
| Central Coast | <ul style="list-style-type: none"> • Monterey • San Benito • Santa Barbara • Santa Cruz • San Luis Obispo • Ventura |
| Northern San Joaquin Valley | <ul style="list-style-type: none"> • Merced • San Joaquin • Stanislaus |
| Central San Joaquin Valley | <ul style="list-style-type: none"> • Fresno • Kings • Madera • Tulare |
| Kern County | |
| Eastern Sierra | <ul style="list-style-type: none"> • Alpine • Amador • Calaveras • Inyo • Mariposa • Mono • Tuolumne |
| Bay Area | <ul style="list-style-type: none"> • Alameda • Contra Costa • Marin • Napa • San Francisco • San Mateo • Santa Clara |



| Economic Regions | Counties |
|------------------|--|
| | <ul style="list-style-type: none"> • Solano • Sonoma |
| Sacramento | <ul style="list-style-type: none"> • Colusa • El Dorado • Nevada • Placer • Sacramento • Sutter • Yolo • Yuba |
| Redwood Coast | <ul style="list-style-type: none"> • Del Norte • Humboldt • Lake • Mendocino |
| North State | <ul style="list-style-type: none"> • Butte • Glenn • Lassen • Modoc • Plumas • Shasta • Sierra • Siskiyou • Tehama • Trinity |

Frequently Asked Questions:

1. Q: My region already has some existing economic development planning efforts. Will the CERF-funded regional planning table overtake or erase our efforts? In other words, how will subregional efforts tie into the CERF economic regions?
 - a. CERF seeks to build on, not overtake existing economic development efforts. Think of these new, regional planning tables as a “team of teams.” Existing local planning efforts (e.g., Comprehensive Economic Development Strategies, High Road Training Partnerships, recovery task forces, etc.) will be incorporated into the larger planning table, alongside representatives from other voices and/or corners of the region that



may have not been involved in prior planning efforts. The organization that serves as the “neutral intermediary” or “convener” will help facilitate setting these new, inclusive planning tables. The momentum and activities of more localized planning efforts will be able to continue.

2. Q: My region is large and diverse. The delineation of regions does not reflect the reality of many communities and economies, and I worry that rural, tribal, and minority communities will not be meaningfully included in the process.
 - a. The aim of this program is to create meaningfully inclusive planning tables to collaborate in the design of a blueprint for a region’s recovery from COVID-19 and transition to a carbon-neutral economy. Just like a “team of teams,” representatives from various community groups throughout the CERF economic region—from urban to rural to tribal—must be at the table to provide their input, perspective, and expertise. That’s what makes this program so transformational and meaningful: a community and worker-centered approach to economic development planning.
3. Q: Industries don’t fit neatly within the CERF economic regions. How do we accommodate for this in our processes?
 - a. We understand that industries may exist in several regions, and/or industries may cross regional borders. The planning phase may account for this, and implementation projects can support projects that cross regional boundaries. During the planning process, you are encouraged to collaborate with any of the other economic regions, especially those who have similar industries and/or economic challenges. To the extent feasible, the state team can help support making these connections among economic regions.
4. Q: You mentioned specific examples of local and regional economic development planning efforts that have been taking place in California. If I’m located in the same region as one of these planning processes but am not already part of that effort, have we already missed the opportunity to be at the table?
 - a. No, these regional tables will be new tables and there will be opportunity to engage regardless of what previous activity has occurred in your area. The CERF economic planning process is an opportunity to engage many new voices and communities who may not have previously participated in economic development efforts in your region.



5. Q: Your memo failed to highlight the uniqueness of my county or region, and/or did not include the specific efforts that my organization is doing.
 - a. A: We understand that each locality, county, and region is unique. Moreover, we realize there are impressive efforts happening around the state, ranging from High Road Training Partnerships to Economic Development Councils, among others. We certainly did not attempt to touch on all the unique localities and partnerships in our large and diverse state, and instead we opted for a more manageable, higher-level memo.
6. Q: Why will regions receive the same amount for planning efforts?
 - a. We are providing all regions with the same amount for planning because each region faces different types of difficulties as it relates to recovery from COVID-19, and we aim to provide resources to all parts of the state.
7. Q: This all seems to be moving very quickly. Why?
 - a. The funds are from the American Rescue Plan Act and must be encumbered by June 30, 2024 for both the planning and implementation phases. Therefore, we aim to strike a balance between providing enough time for public comments and feedback on the program, while also ensuring that each region has enough time to come together to work on planning processes.
8. Q: I have questions about the planning phase, such as what entities are eligible to apply.
 - a. A: We welcome your questions and feedback on the planning phase. Draft guidelines will be available for public comment in December 2021.

APPENDIX F

CALED Flyer on Financing Tools

California Economic Development Financing Tools



The dissolution of redevelopment eliminated one of California's most powerful tools for economic development at the local level. Today, Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Authorities (CRIAs) are the tax increment financing tools to accomplish redevelopment. While EIFDs and CRIAs have many useful powers, they remain limited compared to former redevelopment agencies (RDAs).

The following chart compares the powers and financing tools under RDAs, EIFDs, and CRIAs, and highlights the gaps that remain compared to what economic development practitioners need today.

We are grateful for legislators' hard work creating and improving these and other tools, such as AB 806. We also need further changes to make these tools effective for fostering economic growth in California.

TAX INCREMENT FINANCING TOOLS COMPARISON CHART

POWERS

| TOPIC | RDA | EIFD | CRIA | WHAT'S NEEDED |
|--------------------------------------|---|---|---|--------------------------------|
| Infrastructure Financing | ● Yes — if no other reasonable means of financing available | ● Yes — for public capital facilities and projects of community-wide significance | ● Yes | |
| Land Acquisition | ● Yes — may acquire itself or finance acquisition | ● Yes — finance acquisition only | ● Yes — may acquire itself or finance acquisition | Permit EIFDs to acquire itself |
| Eminent Domain | ● Yes — 12 year limit | ● Under Gatto only for environmental remediation | ● Yes — 12 year limit | Permit under EIFD |
| Land Conveyance | ● Yes | ○ No | ● Yes — may convey surplus properties | Permit under EIFD |
| Environmental Remediation | ● Yes | ● Yes | ● Yes | |
| Affordable Housing | ● Yes — 20% set-aside | ● Yes — no set-aside but any housing units assisted must be affordable | ● Yes — 25% set-aside | |
| Maintenance, Operations and Services | ○ No | ● Yes — maintenance of improvements financed by EIFD | ○ No | Permit under CRIA |

FINANCING

| TOPIC | RDA | EIFD | CRIA | WHAT'S NEEDED |
|----------------------------------|--|---|---|---|
| Property Tax Increment | ● Yes — mandatory for all taxing agencies | ● Yes — Only for consenting taxing agencies based on shares designated in plan. Education districts may not consent | ● Yes — Only for consenting taxing agencies based on shares designated in plan. Education districts may not consent | Develop tools to encourage participation from other taxing agencies. Allow school districts to voluntarily participate. |
| Other Tax Revenues | ○ No | ● Yes — only for consenting agencies to fund housing and infrastructure | ○ No | Permit under CRIA |
| Issuance of Tax Allocation Bonds | ● Yes — with Board approval | ● Yes — no voter approval required | ● Yes — no voter approval required | |
| Term | ● Up to 45 years of receipt of taxes to repay debt | ● Up to 45 years from issuance of bonds | ● Up to 45 years from district formation | |

● Full Power ● Limited Power ○ No Power



EIFDs and CRIAs are Not Viable Tools for Many Cities

Revenues generated under EIFDs and CRIAs are much smaller compared to RDAs because they are limited to participating agency shares, schools are not permitted to participate, and in many cases there are not enough revenues remaining after fulfilling former redevelopment agency obligations. Unless another agency voluntarily participates, EIFDs and CRIAs are limited to City shares of property tax revenue and do not generate a new funding source for economic development.

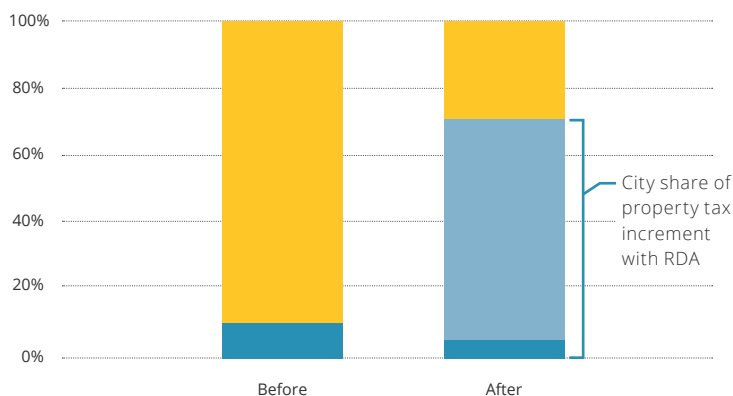
Many cities receive a small share of property tax revenues that range from as little as 3 to 10 percent. Our members have found that EIFDs and CRIAs are only feasible for a small number of cities who have a larger share of property tax revenues and significant new development in the proposed district. Additionally, many cities have lost their internal capacity to pursue an EIFD or CRIA due to limited personnel and budget constraints. The process to form an EIFD or CRIA can be too challenging if it requires full CEQA review (versus a programmatic EIR permitted for RDAs) and voter approval to form the district or issue bonds.

Potential solutions could be to develop tools to encourage other taxing agencies to participate if demonstrated that they benefit financially from new tax revenues generated by the district, or to allow school districts to voluntarily participate if projects are mutually beneficial, such as affordable housing for teachers.

TIF FINANCING TODAY

WITH REDEVELOPMENT

Share of Future Tax Revenues

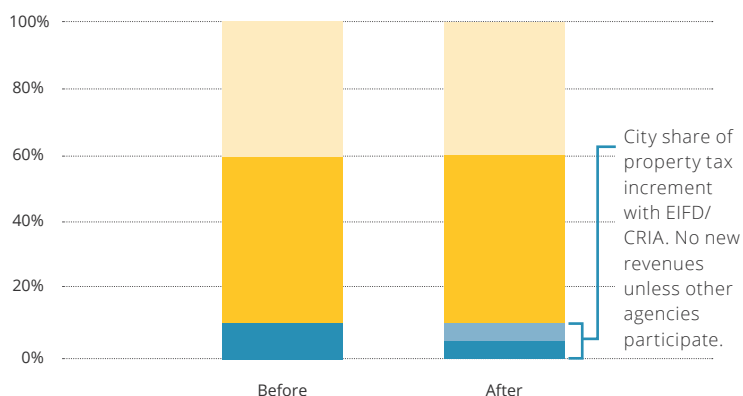


Significant, unilateral increase in local tax revenues

■ City Share ■ TIF ■ Other Agencies ■ Schools

TODAY WITH EIFD/CRIA

Share of Future Tax Revenues



School or community college districts may not participate.
No increase in local tax revenues, unless agencies elect to participate.

CALED and our Economic Development Finance and Real Estate experts are ready to work with legislators and the Administration to identify ways to address these gaps. Please contact us today.