

AGENDA
PUBLIC FINANCING AUTHORITY
ENHANCED INFRASTRUCTURE FINANCING DISTRICT NO. 1
Wednesday, September 4, 2019 – 5:00 pm
REDONDO BEACH CITY COUNCIL CHAMBERS
415 DIAMOND STREET
REDONDO BEACH, CALIFORNIA

A. CALL MEETING TO ORDER

B. ROLL CALL

C. SALUTE TO THE FLAG

D. APPROVE ORDER OF AGENDA

E. BLUE FOLDER ITEMS

Blue folder items are additional backup material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

F. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Authority Members may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion.

F.1 APPROVE THE MINUTES FOR THE AUGUST 13, 2019 EIFD BOARD MEETING

G. EXCLUDED CONSENT CALENDAR ITEMS

I. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Commission. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

H. EX PARTE COMMUNICATIONS

I. PUBLIC HEARINGS

J. ITEMS CONTINUED FROM PREVIOUS AGENDAS

K. ITEMS FOR DISCUSSION PRIOR TO ACTION

**K.1 DISCUSSION AND POSSIBLE ACTION REGARDING THE
INFRASTRUCTURE FINANCING PLAN (IFP) FOR ENHANCED
INFRASTRUCTURE FINANCING DISTRICT NO. 1**

RECOMMENDATION:

- a. Review and Provide Comments on Draft IFP
- b. Authorize Staff to Distribute the IFP to Property Owners within the Enhanced Infrastructure Financing District
- c. Authorize Staff to Distribute the IFP to the City Council and Planning Commission

K.2 SET DATE FOR NEXT PUBLIC FINANCING AUTHORITY MEETING

L. MEMBERS ITEMS AND REFERRALS TO STAFF

M. ADJOURNMENT

It is the intention of the City of Redondo Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (310) 318-0656 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

An Agenda Packet is available at www.redondo.org under the City Clerk. Agenda packets are available at the Redondo Beach Main Library during Library Hours, at the Reference Desk and during City Hall hours in the Office of the City Clerk. Any writings or documents provided to a majority of the Public Financing Authority regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall located at 415 Diamond Street, Door C, Redondo Beach, CA during normal business hours.

A. CALL TO ORDER

A Regular Meeting of the Public Financing Authority Enhanced Infrastructure Financing District No. 1 was called to order by Waterfront and Economic Development Director Stephen Proud at 6:42 p.m. in the City Hall Council Chamber, 415 Diamond Street.

B. ROLL CALL

Board Members Present: Brand, Horvath, Loewenstein, Waller (RBUSD)
Board Members Absent: Bholad (BCHD)
Officials Present: Stephen Proud, Waterfront & Economic Development Director
Marni Ruhland, Finance Director
Laurie Koike, Waterfront & Economic Development Manager
Elizabeth Hause, Waterfront & Economic Development Sr. Analyst
Diane Cleary, Minutes Clerk

C. SALUTE TO THE FLAG

At the request of Waterfront and Economic Development Director Stephen Proud, the audience and Members rose to salute the flag.

D. APPROVE ORDER OF AGENDA

It was the consensus of the Board to approve the Order of Agenda as presented.

E. BLUE FOLDER ITEMS – NONE

F. CONSENT CALENDAR – NONE

G. EXCLUDED CONSENT CALENDAR ITEMS – NONE

H. EX PARTE COMMUNICATIONS – NONE

I. PUBLIC HEARINGS – NONE

J. ITEMS CONTINUED FROM PREVIOUS AGENDAS – NONE

K. ITEMS FOR DISCUSSION PRIOR TO ACTION

K.1 APPOINTMENT OF PUBLIC FINANCING AUTHORITY CHAIRPERSON

Motion by Board Member Horvath, seconded by Board Member Loewenstein, to appoint Board Member Brand as Chair. Motion carried unanimously.

K.2 DISCUSSION AND POSSIBLE ACTION REGARDING ENHANCED INFRASTRUCTURE FINANCING DISTRICT NO. 1 AND THE PREPARATION OF AN INFRASTRUCTURE FINANCING PLAN FOR THE DISTRICT

Waterfront and Economic Development Director Proud gave a report, reviewed the schedule of the upcoming meetings, and introduced staff and the consultants.

Larry Kosmont, Kosmont and Associates gave a report and reviewed the following:

- AES Site – History
 - 50.1 acre site adjacent to waterfront – used for industrial uses since 1907
 - AES Redondo Beach power plant not authorized to operate beyond December 31, 2020, due to State water regulations
 - Potential redevelopment of AES Site
 - Voters approved June 2018 Proposition 68 ballot measure
 - New “sustainability” districts (e.g. EIFD) authorized by State create funding mechanism for park and related infrastructure
- AES Site – Current Status
 - Next Century Power, LLC, under contract to acquire AES site
 - City submitted Proposition 68 grant application in February 2019
 - City resolution to establish EIFD and form Public Financing Authority May 2019
- EIFD Resolution of Intent: Approved 5/7/19
 - Established Redondo Beach EIFD
 - Formed Public Financing Authority
- PFA and IFP Overview
 - Public Financing Authority (PFA)
 - Infrastructure Financing Plan (IFP)
- Tax Increment Financing in CA
 - TIF in California
 - State has approved new “sustainability districts”
- Tax Increment Mechanics
 - Property taxes are a major source of revenue for local governments
 - Incremental growth funds improvements
- District Fundamentals
 - Enhanced Infrastructure Financing District (EIFD) – created by SB628 (2014), AB313 (2015), AB1568 (2017), SB1145 (2018)
 - Buy land for a public park
- Types of Projects Districts can fund
- EIFD Boundaries
- Potential EIFD Infrastructure List
- EIFD Timeline
- Next Steps
 - Continue discussions with LA County as potential taxing agency
 - Prepare infrastructure financing plan
 - Distribute infrastructure finance plan for public review
 - Formal adoption of infrastructure financing plan and creation of EIFD

In response to Chairman Brand, Mr. Kosmont stated the \$150M is being used as an example.

In response to Board Member Loewenstein regarding bonds not being issued for five years, Mr. Kosmont explained that bonds are expensive to issue, noting it takes 3.5 to 4 years before having a baseline of value that is approved, then 3 or 4 years for onsite cleanup, and there may not be a real spike in value for 5 to 6 years. He said it's important to wait for that uptake in value before going to the bond market.

Board Member Horvath also pointed out that any potential planning and rezoning will have a direct effect on the potential on how it's evaluated in five years.

Board Member Horvath stated the IFP document should be very comprehensive to allow future Councils to use increment toward public amenities, etc. Mr. Kosmont stated it is better to be more expansive to avoid going through amendments but amendments can take place later on if needed. He also believed they have enough of an understanding of the property regarding what it will be needed for improvements and placeholder numbers.

In response to Board Member Horvath regarding October being a reasonable timeline, Mr. Kosmont stated the goal is getting this to the Board by November and approved.

In response to Board Member Waller regarding restrictions on the money and used for maintenance, Mr. Kosmont stated maintenance cost would be paid for by tax increment as long as the project was installed using tax increment off the IFP.

In response to Board Member Waller regarding using a bond oversight committee when there is a bond involved, Mr. Kosmont stated tax increment bonds from an EIFD will be a new financial instrument when it gets to the market. He believed a court validation may have to take place and there will be some request for oversight. He also believed that the first couple of bonds will require extreme levels of scrutiny and process.

Chairman Brand believed that the City and the PFA will need to complete the district formation steps by the end of the year to capture any tax increment from the existing value to the new value. He asked if the county has to decide by the end of the year to join the EIFD. Mr. Kosmont stated the county EIFD application may happen after October, and the BOE has stated that the whole EIFD for both the county and City could still rely on the base year established by the City so long as the county auditor controller agreed, trying to avoid two step ups.

In response to Chairman Brand, Mr. Kosmont stated the City can do the EIFD on its own and would need to complete the timeline by the end of the year. He also said there is no required annual meeting.

In response to Chairman Brand regarding what will be used as the base line, Mr. Kosmont stated this is unknown yet, requiring an appraisal and county assessor.

Felicia Williams, Kosmont and Associates, explained that the current assessed value from the State Board of Equalization and LA County is \$157M as the base for the entire 90 acres. She said the County's portion of the power plant is approximately \$18M and the state's portion is about \$58M. She also said the SCE has \$66M of value which is land and revenues, AES has \$76.5M of land and revenues and the other properties are around \$15M. She said these numbers will change again next year and believed the numbers could be challenged.

In response to Board Member Horvath regarding the increment realized, Mr. Kosmont confirmed that if the City can get the paperwork in by December to the BOE but the sale of the AES site

closes in August/September, the City would still realize the increment from the 18-19 roll as the base year, and said it is important to not miss the deadline.

Chairman Brand called for public comment. There being no one wishing to comment, Chairman Brand closed the public comment period.

Motion by Board Member Horvath, seconded by Board Member Waller, to direct staff to prepare the Infrastructure Financing Plan for the EIFD No. 1. Motion carried unanimously.

K.3 SET DATES FOR UPCOMING PUBLIC FINANCING AUTHORITY MEETINGS

Waterfront and Economic Development Director Proud requested setting a couple of dates.

Motion by Board Member Horvath, seconded by Board Member Loewenstein, to set September 4, 2019, at 5 p.m. and November 13, 2019, at 5 p.m. as the next meeting dates. Motion carried unanimously.

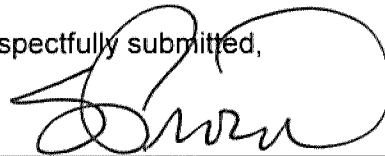
Chairman Brand called for public comment. There being no one wishing to comment, Chairman Brand closed the public comment period.

L. MEMBER ITEMS AND REFERRALS TO STAFF – NONE

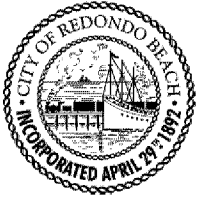
M. ADJOURNMENT: 7:30 p.m.

Motion by Member Horvath, seconded by Member Loewenstein, to adjourn at 7:30 p.m. Motion carried unanimously. The next meeting of the Redondo Beach Public Financing Authority Enhanced Infrastructure Financing District No. 1 will be a regular meeting to be held at 5:00 p.m. on Wednesday, September 4, 2019 in the Redondo Beach City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California.

Respectfully submitted,



Stephen Proud, Waterfront and Economic
Development Director



Administrative Report

Board Action Date: September 04, 2019

To: EIFD PUBLIC FINANCING AUTHORITY BOARD MEMBERS

From: STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

Subject: DISCUSSION AND POSSIBLE ACTION REGARDING THE INFRASTRUCTURE FINANCING PLAN FOR ENHANCED INFRASTRUCTURE FINANCING DISTRICT NO. 1

RECOMMENDATION

- a) Review and Provide Comments on Draft IFP; and
- b) Authorize Staff to Distribute the IFP to Property Owners within the Enhanced Infrastructure Financing District; and
- c) Authorize Staff to Distribute the IFP to the City Council and Planning Commission.

BACKGROUND

The City of Redondo Beach has a unique opportunity to participate in the repurposing of the 50-acre Redondo AES powerplant site, which includes the creation of a coastal park and a significant wetlands restoration project. Portions of the site were acquired by a private party buyer in October 2018 with a sale for the balance of the site estimated to close by the end of September 2019. In order to effectuate public improvements to the site, including but not limited to the coastal park (e.g. infrastructure, wetlands, other public amenities), the Redondo Beach City Council adopted Resolution 1905-024 on May 7, 2019 which set forth the City Council's intent to form an Enhanced Infrastructure Financing District ("EIFD"). Creation of EIFDs were enabled by State legislation in 2015 and permit the use of tax increment financing (TIF) primarily from new private sector development projects within the EIFD to pay for sustainable infrastructure projects such as parks, wetlands restoration, site clean-up, and other related public amenities. The creation of an EIFD also supports the City's grant applications for acquisition of up to 25 acres of the site for use as a coastal park by providing a local funding mechanism for redevelopment of a portion or all of the site.

The creation of an EIFD requires the preparation and adoption of an Infrastructure Financing Plan ("IFP") for the proposed District. On August 13, 2019, the EIFD Public Financing Authority directed the preparation of the IFP and a copy of the draft document is attached as Exhibit A. The Draft IFP includes tax increment revenue projection updates, proposed infrastructure to be financed with EIFD funds, caps to the maximum

tax increment revenue and bond authorization, and district formation and election cost information.

At a later date, and prior to final approval of the IFP by the EIFD Public Financing Authority, the City Council will have an opportunity to review and approve the Plan, as an affected taxing entity of the Redondo Beach EIFD. City Council approval of the Infrastructure Financing Plan is required under the EIFD law for allocation of City property tax revenues to the Redondo Beach EIFD.

Public Outreach

The Redondo Beach EIFD formation process requires that the Draft IFP be distributed to the public for a 60-day review and that the EIFD Board hold a public hearing on the proposed IFP. Stakeholders will have the opportunity to voice their opinion to the Public Financing Authority at the Public Hearing. Additionally, any issuance of bonds by the Redondo Beach EIFD in the future will involve public outreach.

Next Steps

The following are the key next steps involved in forming the proposed Redondo Beach EIFD:

- Draft IFP distributed to property owners and affected taxing entities;
- PFA conducts public hearing to approve IFP and form EIFD; and
- Filings with Board of Equalization (BOE) per guidelines from Board for Change of Jurisdictional Boundaries.

Exhibit A
Draft Infrastructure Financing Plan for
Enhanced Infrastructure Financing District No. 1

CITY OF REDONDO BEACH ENHANCED INFRASTRUCTURE FINANCING DISTRICT

INFRASTRUCTURE FINANCING PLAN

Prepared For:

The City of Redondo Beach



Prepared By:



Kosmont Companies

SEPTEMBER 2019

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Appendix A: Location Map of the Redondo Beach EIFD

Appendix B: Legal Description of the Redondo Beach EIFD

Appendix C: Projected Tax Increment Revenue Analysis

Appendix D: Fiscal Impact Analysis

1.0 Introduction

1.1 Background & Purpose

The overarching goal of the Redondo Beach Enhanced Infrastructure Financing District (“Redondo Beach EIFD” or “District”) is to fund the improvements necessary to acquire all or a portion of the Redondo AES power plant site and deliver a regional park with cultural, recreational, and natural amenities, including wetlands restoration, in the City of Redondo Beach (“City”) and the South Bay region located in the County of Los Angeles (“County”). Similar to the Redondo Beach waterfront and seaside lagoon, the wetlands and park will serve as a regional resource for residents and visitors from the South Bay to the Gateway and points north through Downtown and the Valley. The park fulfills State, regional, and city goals of sustainability, as well as a critical need for open space – Redondo Beach’s 1.4 acres of parkland per 1,000 residents is far below LA County at 3.3 acres per 1,000 residents and the City’s goal of 3.0 acres per 1,000 residents. By implementing the public facilities outlined in Section 3.2, the District supports the environmental remediation of an historically industrial site with associated environmental contamination and utility visual blight. The District’s infrastructure investments that support the creation of the regional park will in turn stimulate private investment in and around the District to revitalize the waterfront area and create vehicular and active transportation connectivity to the rest of the City and the region, thereby creating local revenues from a site that has low current economic or community value.

The Redondo Beach EIFD encompasses 82 acres of land, including the 50-acre Redondo AES power plant site and 32 acres of adjacent property that will benefit from infrastructure investments, such as Southern California Edison transmission/distribution right of way and private, undeveloped or under-developed property. The purpose of the EIFD is to fund infrastructure investments that will be needed to support the development of a regional park, including land acquisition, wetlands restoration, open space and recreational amenities, circulation, public parking, and utility improvements. If additional infrastructure needs not yet identified in this IFP are later identified, or additional taxing entities resolve to contribute property tax increment to the District, legislative actions by the City (and the legislative bodies of additional potential taxing entities) and IFP amendments may be required.

The Infrastructure Financing Plan identifies possible future infrastructure projects and how they would be funded. Each project would require its own environmental review as outlined by the California Environmental Quality Act (“CEQA”) guidelines.

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 proposed District are 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 with the private sector. 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 will be 100% to be committed to the District throughout the duration of the District lifetime.
 - 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. These projections are based on research and analysis of available data at the time of IFP preparation and are for purposes of illustration. Actual results may differ from those expressed in this document. Appendix B 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 Public Financing Authority (“PFA”) governing the District intends to incur debt only when

it is financially prudent to do so in order to fund the estimated infrastructure costs of \$97 million over the District lifetime (multiple issuances may be necessary).

- d. A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan. The total amount of property taxes that may be allocated to the District shall not exceed \$100 million over the District's lifetime.
- 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) 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, 2090. This IFP assumes that the District will be formed in Fiscal Year 2019-2020 and will begin receiving tax revenues in Fiscal Year 2020-2021. It is assumed in the financial projections that the first approval for the issuance of bonds or acquisition of a loan will occur in Fiscal Year 2024-25.
- 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 for providing facilities and services to the area of the District. It is estimated that, at Year 20 of the District lifetime, annual costs to the City will be approximately \$559,400 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 the City, as the only affected taxing entity 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 \$6,982,500 to the City.
- 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. 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 projects to be financed by the District.

2.0 Description of the Proposed District

The Redondo Beach EIFD encompasses approximately 82 acres of land. The District is located in the vicinity of the Redondo Beach Pier and King Harbor, and can be characterized as the existing Redondo AES power plant and up to 32 acres of adjacent property that could benefit from infrastructure investments, such as Southern California Edison transmission/distribution right of way and private, undeveloped or under-developed property.

Land use designations in the District include a power generating plant, coastal commercial, commercial, industrial, mixed use, and public right of way. The District's close proximity to the California coast and King Harbor make it an ideal location for a regional park and associated private development. However, more than 100 years of industrial uses on the site create a high need for infrastructure investment.

Appendix A includes a map and **Appendix B** includes a legal description of the proposed District.

3.0 Description of Proposed Facilities and Development

3.1 Anticipated Future Private Development

A conceptual land use plan for the site was developed and used to create tax increment projections and a list of infrastructure needed to support a regional park. Future plans for the District may vary based on the market and a community outreach and approval process. The development projections contained in Table 1 were based on one of many possible hypothetical build out scenarios driven by residual land value and demand for various land use types in the South Bay market. A public/private hybrid structure was assumed where up to 25 acres of the Redondo AES power plant site was purchased by a public agency from a private developer. Buildout and absorption of these land uses are forecasted to occur during the first 10 years of the District's lifetime. Development assumptions contained herein are only used for the purpose of projecting tax increment revenues in the District. Private development is not considered part of the regional park project contemplated in this Infrastructure Financing Plan.

Table 1: Estimated Future Private Development

Redondo Beach EIFD Area Development Assumptions			
Development Type	SF / Units / Keys	Assessed Value (AV) Per SF / Unit / Keys	Estimated AV at Buildout
Coastal Park	25 acres	N/A	Exempt
Office	100,000 SF	\$600/sf	\$60 MM
Retail/Restaurant	50,000SF	\$600/sf	\$30 MM
Hotel	350 Keys	\$500,000/Key	\$175 MM
Estimated Total			\$265 MM

Note: AV at buildout values in 2019 dollars

3.2 Public Facilities to be Financed with Assistance from the Redondo Beach EIFD

The PFA and the City believe that the creation of open space, a regional park, and connectivity to the waterfront will stimulate private development within the District. The PFA intends to utilize the District to assist the funding of infrastructure to build a regional park, including land acquisition, wetlands restoration, utility improvements, streets and circulation, public parking, passive/active recreational amenities with an estimated cost of approximately \$97 million in current 2019 dollars. Table 2 is a summary of infrastructure needs for a regional park based on the conceptual site plan used for the build out scenario above. Future plans for the District may result in a change in timing or cost of anticipated infrastructure.



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

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Table 2: District Public Facilities and Infrastructure List for Regional Park

Item/Description	Timing	Estimated Cost
Land Acquisition		\$10,000,000
Second phase land acquisition	1-5 years	\$10,000,000
Utilities		\$20,047,200
SCE Method of Service Study - power line removal / undergrounding	1-5 years	\$20,000,000
Gas pipe removal	1-5 years	\$47,200
Streets/Circulation/Parking		\$22,250,000
Street closures, extensions, re-direction	5-10 years	\$2,000,000
Driveways, roundabouts, intersections	5-10 years	\$3,600,000
Pedestrian / bike improvements	5-10 years	\$2,900,000
Parking structure(s) - 500 spaces connected to waterfront	5-10 years	\$13,750,000
Regional Park, Wetlands		\$44,294,650
Wetlands restoration	5-15 years	\$347,150
Park amenities - restrooms, picnic areas, athletic field, lighting, trails, signage, beach and waterfront access/pathways	5-15 years	\$29,947,500
Community center - Sea Lab, aquatics	5-15 years	\$9,000,000
Amphitheater	5-15 years	\$5,000,000
TOTAL CAPITAL:		\$96,591,850
Regional park annual maintenance		\$400,000

The PFA intends to continue to identify, evaluate, and pursue additional funding sources in addition to District tax increment to implement the improvements identified above, potentially including grant sources, impact fees, private sector investment incentivized by the investment by the District, and/or other sources.

Private sector developers will be responsible for funding project-specific / fair-share / in-tract infrastructure within the boundary of the District. Some public facilities within the boundary of the District may 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.

4.0 Finding of Communitywide Significance

Implementation of the District promotes local, regional, and state goals of environmental sustainability through the restoration of wetlands and creation of a regional park from land that has been used for industrial purposes for more than 100 years.

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

- \$158 million in net fiscal impact to the City over 50 years (on a present-value basis)
- 2,738+ construction jobs in the City and County
- 1,092+ jobs from ongoing operation in the City and County – 760 direct/on-site permanent jobs from ongoing operation (excluding regional park operations and maintenance), and 332 indirect and induced jobs elsewhere in the City and County
- \$416+ million in economic output from construction in the City and County
- \$119+ million in annual ongoing economic output in the City and County
- Site remediation and removal of utility infrastructure visual blight
- Creation of a regional coastal park in a park-poor area (1.4 acres of parkland per 1,000 residents compared to 3.3 in LA County)
- Wetlands restoration and urban greening

5.0 Financing Section

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

The Redondo Beach EIFD will be funded by property tax increment from the City as taxing entity, including incremental property tax revenue allocated to the City in lieu of motor vehicle license fees pursuant to Government Code Section 53398.75(e)(1). 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. No portions of the Redondo Beach EIFD are located within the boundaries of the former Redevelopment Project Area of the former Redondo Beach Redevelopment Agency.

5.1 Maximum Portion of Incremental Tax Revenue Dedicated to the District

The maximum portion of the City’s property tax increment will be 100% to be committed to the District throughout the District’s 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 contributions to the District over the District lifetime. Based on the development scenario set forth in Section 3.1, it is expected that a total of \$67 million of incremental tax revenues will be allocated to the District by the City.

Table 3: Projected Property Tax Increment Revenue to the District

Fiscal Year	Incremental Assessed Value	Property Tax Increment @ 1% General Levy	Property Tax - General Levy		Property Tax - in lieu of MVLF		Total Taxes Allocated to EIFD
			Average City Share Available	City General Levy Allocated (100%)	Property Tax Increment in lieu of MVLF Rate	City MVLF Allocated (100%)	
2019-20	106,694,418	1,066,944	16.3%	173,830	4.68%	49,921	223,751
2020-21	111,983,282	1,119,833	16.3%	182,447	4.68%	52,396	234,843
2021-22	67,377,924	673,779	16.3%	109,774	4.68%	31,525	141,300
2022-23	71,880,458	718,805	16.3%	117,110	4.68%	33,632	150,742
2023-24	76,473,044	764,730	16.3%	124,592	4.68%	35,781	160,373
2024-25	180,524,753	1,805,248	16.3%	294,117	4.68%	84,465	378,582
2025-26	187,290,224	1,872,902	16.3%	305,140	4.68%	87,631	392,770
2026-27	194,191,004	1,941,910	16.3%	316,383	4.68%	90,860	407,242
2027-28	201,229,800	2,012,298	16.3%	327,850	4.68%	94,153	422,003
2028-29	417,550,572	4,175,506	16.3%	680,288	4.68%	195,367	875,655
2029-30	429,056,559	4,290,566	16.3%	699,033	4.68%	200,751	899,784
2030-31	440,792,666	4,407,927	16.3%	718,154	4.68%	206,242	924,396
2031-32	452,763,496	4,527,635	16.3%	737,658	4.68%	211,843	949,500
2032-33	464,973,742	4,649,737	16.3%	757,551	4.68%	217,556	975,107
2033-34	477,428,192	4,774,282	16.3%	777,842	4.68%	223,383	1,001,225
2034-35	490,131,732	4,901,317	16.3%	798,539	4.68%	229,327	1,027,866
2035-36	503,089,343	5,030,893	16.3%	819,650	4.68%	235,390	1,055,040
2036-37	516,306,106	5,163,061	16.3%	841,183	4.68%	241,574	1,082,757
2037-38	529,787,204	5,297,872	16.3%	863,147	4.68%	247,881	1,111,028
2038-39	543,537,924	5,435,379	16.3%	885,550	4.68%	254,315	1,139,865
2039-40	557,563,658	5,575,637	16.3%	908,402	4.68%	260,877	1,169,279
2040-41	571,869,907	5,718,699	16.3%	931,710	4.68%	267,571	1,199,281
2041-42	586,462,281	5,864,623	16.3%	955,484	4.68%	274,399	1,229,883
2042-43	601,346,503	6,013,465	16.3%	979,734	4.68%	281,363	1,261,097
2043-44	616,528,409	6,165,284	16.3%	1,004,469	4.68%	288,466	1,292,935
2044-45	632,013,953	6,320,140	16.3%	1,029,698	4.68%	295,712	1,325,410
2045-46	647,809,208	6,478,092	16.3%	1,055,433	4.68%	303,102	1,358,535
2046-47	663,920,368	6,639,204	16.3%	1,081,681	4.68%	310,641	1,392,322
2047-48	680,353,752	6,803,538	16.3%	1,108,455	4.68%	318,330	1,426,785
2048-49	697,115,803	6,971,158	16.3%	1,135,765	4.68%	326,172	1,461,937
2049-50	714,213,095	7,142,131	16.3%	1,163,620	4.68%	334,172	1,497,792
2050-51	731,652,333	7,316,523	16.3%	1,192,033	4.68%	342,332	1,534,364
2051-52	749,440,355	7,494,404	16.3%	1,221,014	4.68%	350,654	1,571,668
2052-53	767,584,138	7,675,841	16.3%	1,250,574	4.68%	359,144	1,609,718
2053-54	786,090,797	7,860,908	16.3%	1,280,726	4.68%	367,803	1,648,528
2054-55	804,967,589	8,049,676	16.3%	1,311,480	4.68%	376,635	1,688,115
2055-56	824,221,917	8,242,219	16.3%	1,342,850	4.68%	385,644	1,728,494
2056-57	843,861,331	8,438,613	16.3%	1,374,847	4.68%	394,833	1,769,680
2057-58	863,893,534	8,638,935	16.3%	1,407,485	4.68%	404,206	1,811,690
2058-59	884,326,381	8,843,264	16.3%	1,440,774	4.68%	413,766	1,854,540
2059-60	905,167,884	9,051,679	16.3%	1,474,730	4.68%	423,517	1,898,248
2060-61	926,426,218	9,264,262	16.3%	1,509,365	4.68%	433,464	1,942,829
2061-62	948,109,718	9,481,097	16.3%	1,544,692	4.68%	443,609	1,988,302
2062-63	970,226,888	9,702,269	16.3%	1,580,726	4.68%	453,958	2,034,684
2063-64	992,786,402	9,927,864	16.3%	1,617,481	4.68%	464,513	2,081,994
2064-65	1,015,797,106	10,157,971	16.3%	1,654,971	4.68%	475,280	2,130,250
2065-66	1,039,268,024	10,392,680	16.3%	1,693,211	4.68%	486,261	2,179,472
2066-67	1,063,208,361	10,632,084	16.3%	1,732,215	4.68%	497,463	2,229,678
2067-68	1,087,627,504	10,876,275	16.3%	1,771,999	4.68%	508,888	2,280,888
2068-69	1,112,535,030	11,125,350	16.3%	1,812,580	4.68%	520,542	2,333,122
2069-70	1,137,940,707	11,379,407	16.3%	1,853,971	4.68%	532,429	2,386,401
Total		\$318,873,916		\$51,952,016		\$14,919,736	\$66,871,752
Present Value		\$129,693,595		\$21,130,119		\$6,068,211	\$27,198,330

Note: Present value at 3% discount rate.



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

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

5.3 Plan for Financing Public Facilities

The PFA intends to utilize numerous funding sources and financing mechanisms to implement the improvements identified in Section 3.2, potentially including District tax increment, grant sources, impact fees, private sector investment, and/or other sources.

As it pertains to the use of District tax increment, the PFA intends to incur debt only when it is financially prudent to do so in order to fund the estimated infrastructure costs of \$97 million. It is assumed in the financial projections that the first approval for the issuance of bonds or acquisition of a loan will occur in Fiscal Year 2024-25.

5.4 Limit on Total Dollars Allocated to the District

The total property tax revenues that may be allocated by the City to the District shall not exceed \$100 million over the District's lifetime. This maximum has been set based on preliminary underwriting of various debt issuance alternatives evaluated to fund approximately \$97 million in required infrastructure improvements.

5.5 District Termination Date

The District will cease to exist the earlier of: (i) 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, 2090. This IFP assumes that the District will be formed in Fiscal Year 2019-2020 and will begin receiving tax revenues in Fiscal Year 2020-2021. It is assumed in the financial projections that the first approval for the issuance of bonds or acquisition of a loan will occur in Fiscal Year 2024-25.

5.6 Analysis of Costs to Provide Facilities and Services

Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City for providing facilities and services to the area of the District. It is estimated that, at Year 20 of the District lifetime, annual costs to the City will be approximately \$559,400 to service the area of the District.

5.7 Fiscal Impact Analysis

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

Table 4: Overview of Fiscal Impacts to City

Key Land Use Assumptions (Stabilized Year 20)

Project Component	
Commercial / Retail	150,000 SF
Hotel	350 rooms
Residential	0 DU

Overview of Fiscal Impacts

	Annual (Stabilized Year 20)	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
City of Redondo Beach			
Estimated Fiscal Revenues (Net of EIFD Contribution)	\$7,541,900	\$448,648,400	\$171,881,400
Estimated Fiscal Expenditures	(\$559,400)	(\$34,130,800)	(\$13,416,800)
Estimated Net Fiscal Impact to City	\$6,982,500	\$414,517,600	\$158,464,600

Notes:

Estimated impacts upon Project build-out & stabilization in Year 20 (estimated in 2039)

Assumes installation of necessary public infrastructure

Values in 2019 dollars

It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of \$6,982,500 to the City. Over 50 years, District activity will generate a positive net fiscal impact of approximately \$158 million for the City on a present-value basis. This is in addition to the Community economic benefits outlined in Section 4 of this IFP (e.g. regional park, wetlands restoration, site remediation).

5.8 Developer Reimbursement for Transit Priority Project

The PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470. To the extent that a developer is willing to fund Transit Priority Project infrastructure expenditures beyond and in advance of said developer's fair share (not contemplated at this time), the PFA may consider and evaluate such reimbursement at the appropriate time.

6.0 Removal of Dwelling Units and Replacement Housing Plan

The PFA does not 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.

7.0 Goals of the District

The overarching goal of the District is to fund the improvements necessary to acquire all or a portion of the Redondo AES power plant site and redevelop the site to fulfill State, regional, and city goals of sustainability through wetlands restoration and the creation of a regional park with cultural and recreational amenities. Similar to the Redondo Beach waterfront and seaside lagoon, this wetlands and park will serve the region from the South Bay to the Gateway and points north through Downtown and the Valley. The park fulfills a critical need for open space – Redondo Beach 1.4 acres of parkland per 1,000 residents, is far below LA County 3.3 acres per 1,000 residents and the City’s goal of 3.0 acres per 1,000 residents. By implementing the public facilities outlined in Section 3.2, the District supports the environmental remediation of an historically industrial site with associated environmental contamination and utility visual blight. The District’s infrastructure investments will stimulate private investment in and around the District to revitalize the waterfront area and create vehicular and active transportation connectivity to the rest of the City and the region, thereby creating local revenues from a site that has low current economic or community value.

8.0 Appendices

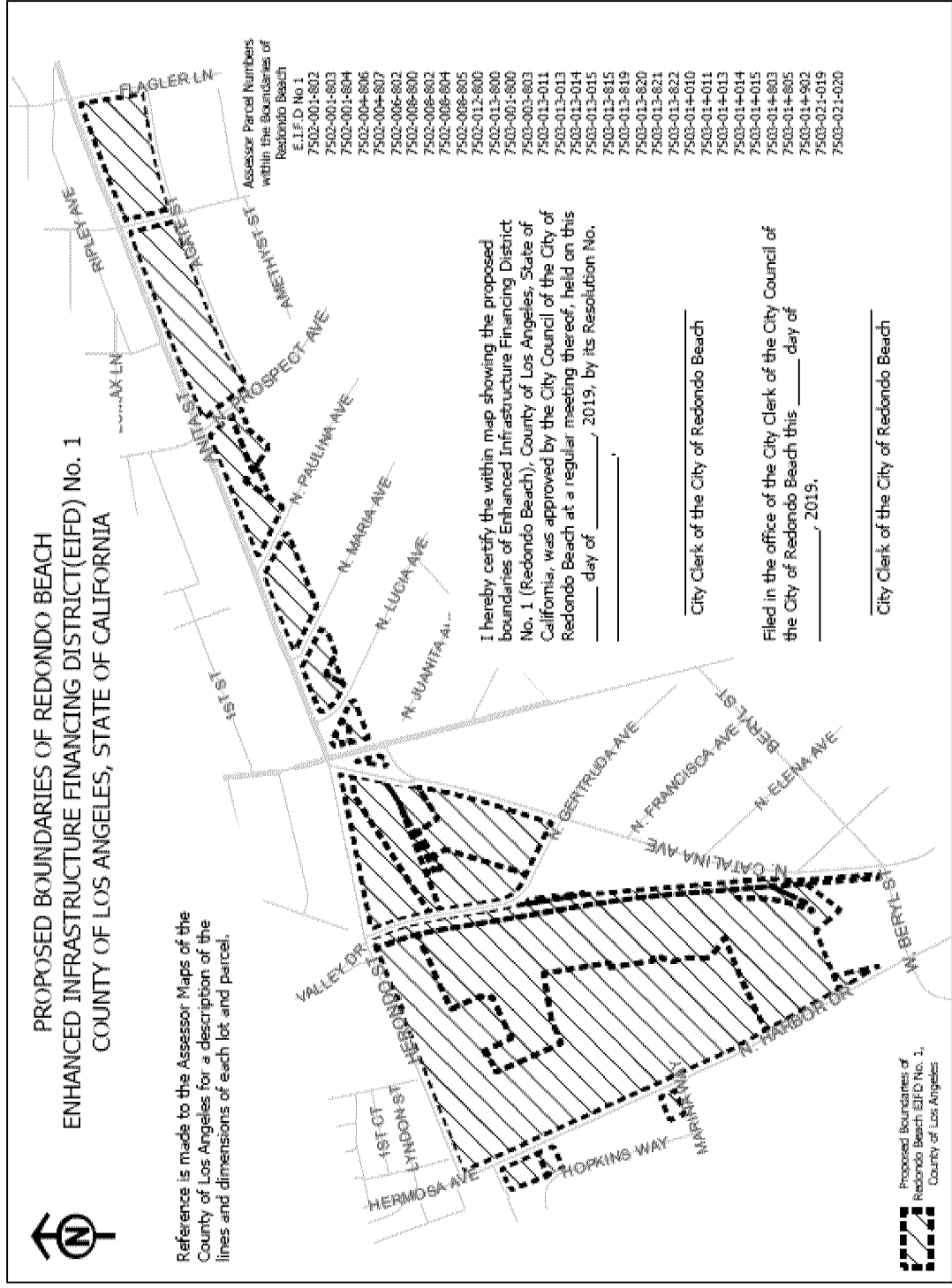
Appendix A: Location Map of the Redondo Beach EIFD

Appendix B: Legal Description of the Redondo Beach EIFD

Appendix C: Projected Tax Increment Revenue Analysis

Appendix D: Fiscal Impact Analysis

Appendix B: Legal Description of the Redondo Beach EIFD



Appendix C: Projected Tax Increment Revenue Analysis

20-Year Property Tax Increment Projections

	50 Year Total	Base 2018	EIFD est. 0 2019	1 2020	2 2021	3 2022	4 2023	5 2024	6 2025
Acquisition - Incremental Value									
New Development									
Office			-	-	-	-	-	66,244,848	-
Retail/Restaurant			-	-	-	-	-	33,122,424	-
Hotel			-	-	-	-	-	-	-
Residential									
Subtotal Value Add	\$362,047,914	\$157,748,799	103,539,442	-	(50,000,000)	-	-	99,367,272	-
Total Assessed value			264,443,217	269,732,081	225,126,723	229,629,257	234,221,843	338,273,552	345,039,023
Incremental AV			106,694,418	111,983,282	67,377,924	71,880,458	76,473,044	180,524,753	187,290,224
Total Incremental Property Tax @ 1%	\$318,873,916		1,066,944	1,119,833	673,779	718,805	764,730	1,805,248	1,872,902
City Tax Share Contribution - Base + VLF			223,751	234,843	141,300	150,742	160,373	378,582	392,770
PV @ 3%	\$27,198,330								

Notes:

Assessed value adjusted for appreciation assuming 2% annual
escalation rate (statutory maximum)
Selected years shown for illustration
Value in 2019 dollars

Appendix C: Projected Tax Increment Revenue Analysis

20-Year Property Tax Increment Projections		50 Year Total	7 2026	8 2027	9 2028	10 2029	11 2030	12 2031	13 2032	14 2033
Acquisition - Incremental Value New Development Office Retail/Restaurant Hotel Residential										
	Subtotal Value Add	\$362,047,914			209,141,200					
	Total Assessed value		351,939,803	358,978,599	575,299,371	586,805,358	598,541,465	610,512,295	622,722,541	635,176,991
	Incremental AV		194,191,004	201,229,800	417,550,572	429,056,559	440,792,666	452,763,496	464,973,742	477,428,192
	Total Incremental Property Tax @ 1%	\$318,873,916	1,941,910	2,012,298	4,175,506	4,290,566	4,407,927	4,527,635	4,649,737	4,774,282
City Tax Share Contribution - Base + VLF			407,242	422,003	875,655	899,784	924,396	949,500	975,107	1,001,225
PV @ 3%		\$66,871,752								
		\$27,198,330								

Notes:
Assessed value adjusted for appreciation assuming 2% annual
escalation rate (statutory maximum)
Select years shown for illustration
Value in 2019 dollars

Appendix C: Projected Tax Increment Revenue Analysis

20-Year Property Tax Increment Projections											
	50 Year Total	15 2034	16 2035	17 2036	18 2037	19 2038	20 2039	21 2040	22 2041	23 2042	24 2043
Acquisition - Incremental Value											
New Development											
Office		-	-	-	-	-	-	-	-	-	-
Retail/Restaurant		-	-	-	-	-	-	-	-	-	-
Hotel		-	-	-	-	-	-	-	-	-	-
Residential		-	-	-	-	-	-	-	-	-	-
Subtotal Value Add	\$362,047,914	-	-	-	-	-	-	-	-	-	-
Total Assessed value	647,880,531	660,838,142	674,054,905	687,536,003	701,286,723	715,312,457	729,618,706	744,211,080	759,095,302	774,277,208	
Incremental AV	490,131,732	503,089,343	516,306,106	529,787,204	543,537,924	557,563,658	571,869,907	586,462,281	601,346,503	616,528,409	
Total Incremental Property Tax @ 1%	\$318,873,916	4,901,317	5,030,893	5,163,061	5,297,872	5,435,379	5,575,637	5,718,699	5,864,623	6,013,465	6,165,284
City Tax Share Contribution - Base + VLF	0.2097	1,027,866	1,055,040	1,082,757	1,111,028	1,139,865	1,169,279	1,199,281	1,229,883	1,261,097	1,292,935
PV @ 3%	\$27,198,330										
Notes:											
Assessed value adjusted for appreciation assuming 2% annual escalation rate (statutory maximum)											
Select years shown for illustration											
Value in 2019 dollars											

Notes:
Assessed value adjusted for appreciation assuming 2% annual
escalation rate (statutory maximum)
Select years shown for illustration
Value in 2019 dollars

Appendix D: Fiscal Impact Analysis

Summary of Estimated Fiscal Impacts to City

Stabilized

	Year 5	Year 10	Year 20	Year 30	Year 40	Year 50	Stabilized Escalation Rate	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
City of Redondo Beach Revenues									
Property Tax	\$277,900	\$689,100	\$840,000	\$1,023,955	\$1,248,196	\$1,521,544	2.0%	\$45,593,800	\$19,906,300
Property Tax In-Lieu of MVL	\$75,200	\$182,800	\$222,800	\$271,592	\$331,069	\$403,571	2.0%	\$12,113,700	\$5,032,300
Property Tax Contribution to EIFD	(\$353,100)	(\$871,900)	(\$1,062,800)	(\$1,295,547)	(\$1,579,265)	(\$1,925,115)	2.0%	(\$57,707,000)	(\$23,938,700)
Property Transfer Tax	\$17,700	\$43,000	\$52,400	\$63,875	\$77,864	\$94,915	2.0%	\$2,848,500	\$1,183,300
Sales and Use Tax - Direct / On-Site	\$387,800	\$449,500	\$604,100	\$811,860	\$1,091,072	\$1,466,309	3.0%	\$37,418,700	\$14,938,000
Sales and Use Tax - Indirect / Off-Site	\$7,400	\$29,400	\$39,600	\$53,219	\$71,522	\$96,120	3.0%	\$2,377,000	\$918,500
Transient Occupancy Tax	\$0	\$4,944,500	\$6,645,000	\$8,930,324	\$12,001,609	\$16,129,159	3.0%	\$393,751,900	\$50,024,900
Fines and Forfeitures	\$4,800	\$8,500	\$11,400	\$15,321	\$20,590	\$27,671	3.0%	\$696,000	\$273,700
Franchise Fees	\$6,200	\$10,900	\$14,700	\$19,756	\$26,550	\$35,681	3.0%	\$897,000	\$352,700
Charges for Services	\$35,300	\$62,700	\$84,200	\$113,568	\$152,075	\$204,376	3.0%	\$5,137,700	\$2,019,400
Utility User Tax	\$24,300	\$43,200	\$58,000	\$77,947	\$104,754	\$140,781	3.0%	\$3,538,800	\$1,391,700
Business License Tax	\$13,700	\$24,200	\$32,500	\$43,677	\$58,699	\$78,886	3.0%	\$1,983,500	\$779,900
Estimated Total Revenues	\$497,200	\$5,615,900	\$7,541,900	\$10,129,137	\$13,604,734	\$18,273,898		#####	\$171,881,400
City of Redondo Beach Expenditures									
Public Safety - Police	\$106,400	\$168,700	\$253,600	\$340,817	\$458,030	\$615,554	3.0%	\$15,472,500	\$6,082,100
Public Safety - Fire	\$54,700	\$97,000	\$130,300	\$175,112	\$235,336	\$316,272	3.0%	\$7,949,900	\$3,125,700
Public Library	\$14,600	\$25,900	\$34,800	\$46,768	\$62,853	\$84,469	3.0%	\$2,122,900	\$834,400
Community Services	\$19,600	\$34,700	\$46,600	\$62,627	\$84,165	\$113,110	3.0%	\$2,843,600	\$1,118,000
Administration	\$24,900	\$44,100	\$59,300	\$79,694	\$107,102	\$143,937	3.0%	\$3,618,200	\$1,422,300
Financial Services	\$8,900	\$16,800	\$21,300	\$28,625	\$38,470	\$51,701	3.0%	\$1,299,000	\$510,500
Comm/Waterfront/Econ Development	\$10,600	\$18,800	\$25,300	\$34,001	\$45,695	\$61,410	3.0%	\$1,543,800	\$606,900
Public Works	\$17,500	\$31,000	\$41,700	\$56,041	\$75,315	\$101,217	3.0%	\$2,544,500	\$1,000,300
Transfers	(\$22,400)	(\$39,800)	(\$53,500)	(\$71,900)	(\$96,827)	(\$129,859)	3.0%	(\$3,263,600)	(\$1,282,800)
Estimated Total Expenditures	\$234,800	\$416,300	\$559,400	\$751,787	\$1,010,339	\$1,357,811		\$34,130,800	\$13,416,800
Estimated Annual Net Fiscal Impact	\$262,400	\$5,199,600	\$6,982,500	\$9,377,350	\$12,594,395	\$16,916,087		\$414,517,600	\$158,464,600
Revenue / Cost Ratio	2.12	13.49	13.48	13.47	13.47	13.46		13.14	12.81

Notes:

Regional park operations included in Public Works budget. Maintenance costs assumed to be paid from EIFD revenues.
Estimated impacts upon Project build-out & stabilization in Year 20 (estimated in 2039)

Assumes installation of necessary public infrastructure

Values in 2019 dollars

Select years shown for illustration



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

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Appendix D: Fiscal Impact Analysis

Project Description

Project Component	Year 5 2024	Year 10 2029	Year 20 2039
Hotel	0 rooms	350 rooms	350 rooms
Total Hotel - Rooms	0 rooms	350 rooms	350 rooms
Commercial - Office	100,000 SF	100,000 SF	100,000 SF
Total Commercial / Office - SF	100,000 SF	100,000 SF	100,000 SF
Commercial - Retail	50,000 SF	50,000 SF	50,000 SF
Total Commercial / Retail - SF	50,000 SF	50,000 SF	50,000 SF
Total Hotel - SF	0 SF	175,000 SF	175,000 SF
Total Building SF	150,000 SF	325,000 SF	325,000 SF
<i>Annual Escalation Factor</i>	2.0%	1.10	1.49
Estimated A/V - Acquisition	\$61,255,510	\$67,631,033	\$82,441,852
Estimated A/V - Hotel	\$500K Per Room	\$213,324,023	\$260,040,794
Estimated A/V - Commercial / Office	\$600 PSF	\$73,139,665	\$89,156,844
Estimated A/V - Commercial / Retail	\$600 PSF	\$36,569,833	\$44,578,422
Total Estimated Assessed Value	\$160,622,783	\$390,664,554	\$476,217,912

Notes:

Adjusted for value appreciation assuming 2% annual escalation rate (statutory maximum).
Conservatively assuming no mark-to-market valuations above 2% growth to account for property transfers
Select years shown for illustration
Values in 2019 dollars



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.
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Appendix D: Fiscal Impact Analysis

Project Employment and Occupants

Project Component	Year 5 2024	Year 10 2029	Year 20 2039
Commercial / Office - SF	100,000 SF	100,000 SF	100,000 SF
Commercial / Retail - SF	50,000 SF	50,000 SF	50,000 SF
Hotel - Rooms	0 Rooms	350 Rooms	350 Rooms
<u>Estimated # Employees (FTE)</u>			
Office	275 SF / emp	364	364
Retail	375 SF / emp	133	133
Hotel	1.3 room / emp	0	263
Total Estimated # Employees (FTE)	497	760	760
Employees Weighted at 50%	50%	380	380
Total Service Population (Residents + Empl.)	248	380	380
Occupied Hotel Rooms	80%	0 rooms	280 rooms
Hotel Guests	1.5 per room	0	420

Notes:

Select years shown for illustration
Values in 2019 dollars

Appendix D: Fiscal Impact Analysis

Property Tax

	Year 5 2024	Year 10 2029	Year 20 2039
AES Acquisition	\$61,255,510	\$67,631,033	\$82,441,852
Estimated Assessed Value - Non-Residential	\$99,367,272	\$323,033,521	\$393,776,060
Total Estimated Assessed Value	\$160,622,783	\$390,664,554	\$476,217,912
Total Secured Property Tax General Levy	\$1,606,228	\$3,906,646	\$4,762,179
Estimated Unsecured Property Tax as % of Secured Non-Residential Value	1.00%		
Total Estimated Secured + Unsecured Property Tax	\$1,705,595	\$4,229,679	\$5,155,955
Distributions to Taxing Entities			
City of Redondo Beach General Fund	\$277,900	\$689,100	\$840,000
City Contribution to EIFD	(\$277,900)	(\$689,100)	(\$840,000)
Net Property Tax to City	\$0	\$0	\$0

Notes:

General levy distributions primarily represent primary tax rate areas (TRAs) 08055, 08056, 08053, 08054, 13510, 13511
Does not include property tax overrides above 1% general levy
Select years shown for illustration
Values in 2019 dollars

Source: Los Angeles County Auditor-Controller (2018)



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Appendix D: Fiscal Impact Analysis

Property Tax In-Lieu of Motor Vehicle License Fees (MVLFF)

Total AV within CITY (FY 2017-18)	\$15,388,290,107				
Current Property Tax In-Lieu of MVLFF (2017-2018)	\$7,200,000				
Prop Tax In-Lieu of MVLFF per \$1M of AV	\$468				
	Year 1	Year 5	Year 10	Year 20	
	2020	2024	2029	2039	
Estimated Project Assessed Value	\$105,610,231	\$160,622,783	\$390,664,554	\$476,217,912	
Incremental Property Tax In-Lieu of MVLFF to City	\$49,400	\$75,200	\$182,800	\$222,800	
City Contribution to EIFD	(\$49,400)	(\$75,200)	(\$182,800)	(\$222,800)	
Net Incremental Property Tax In-Lieu of MVLFF to City	\$0	\$0	\$0	\$0	

Notes:

Property tax in lieu of MVLFF revenues are available for contribution to the EIFD by the City.

City is pledging 100% of property tax in lieu of MVLFF revenues to the EIFD.

Select years shown for illustration

Values in 2019 dollars

Source: City of Redondo Beach CAFR (2018)



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Appendix D: Fiscal Impact Analysis

Property Transfer Tax

	Year 5 2024	Year 10 2029	Year 20 2039
Estimated Assessed Value	\$160,622,783	\$390,664,554	\$476,217,912
Estimated Property Turnover Rate	5.0%	5.0%	5.0%
Estimated Value of Property Transferred	\$8,031,139	\$19,533,228	\$23,810,896
Total Transfer Tax	\$3.30 per \$1,000 \$26,500	\$64,500	\$78,600
Transfer Tax to City	\$2.20 per \$1,000 \$17,700	\$43,000	\$52,400

Notes:

Select years shown for illustration
Values in 2019 dollars

Source: Los Angeles County Auditor-Controller (2018)

Appendix D: Fiscal Impact Analysis

Sales Tax - Direct / On-Site

Project Component	Year 5 2024	Year 10 2029	Year 20 2039
Retail/Restaurant SF	50,000 SF	50,000 SF	50,000 SF
Total Sales-Generating SF	50,000 SF	50,000 SF	50,000 SF
Estimated Taxable Sales - Retail	\$600 PSF	\$34,778,222	\$40,317,491
Sales Tax to City	1.00%	\$347,782	\$403,175
Use Tax as % of Sales Tax	11.50%	\$39,995	\$46,365
Sales and Use Tax to City - Direct	\$387,800	\$449,500	\$604,100

Notes:

Does not include additional sales tax allocation for public safety from Proposition 172
(collected by State BOE and apportioned to counties based on proportionate share of taxable sales)
Taxable sales PSF factor escalated 3% annually
Select years shown for illustration.
Values in 2019 dollars.



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Appendix D: Fiscal Impact Analysis

Sales Tax - Indirect / Off-Site

	Year 5 2024	Year 10 2029	Year 20 2039
Estimated # Employees	497	760	760
Estimated Annual Taxable Retail Spending / Empl.	\$5,602	\$6,494	\$8,727
Estimated Employee Taxable Retail Spending	\$2,783,832	\$4,936,120	\$6,633,732
Estimated Capture within City	25.0%	\$1,234,030	\$1,658,433
Estimated # Occupied Hotel Rooms	0 rooms	280 rooms	280 rooms
Estimated Annual Taxable Retail Spending / Room	\$31,735	\$36,790	\$49,442
Estimated Guest Taxable Retail Spending	\$0	\$10,301,119	\$13,843,843
Estimated Capture within City	15.0%	\$1,545,168	\$2,076,576
Total Estimated Indirect Taxable Sales	\$695,958	\$2,779,198	\$3,735,009
Less Estimated Capture in Direct Sales Tax	(\$34,798)	(\$138,960)	(\$186,750)
Net Indirect Taxable Sales	\$661,160	\$2,640,238	\$3,548,259
Sales Tax to City			
Use Tax as % of Sales Tax	1.00%	\$26,402	\$35,483
	11.50%	\$3,036	\$4,080
Sales and Use Tax to City - Indirect	\$7,400	\$29,400	\$39,600

Notes:

Does not include additional sales tax allocation for public safety from Proposition 172 (collected by State BOE and apportioned to counties based on proportionate share of taxable sales)
Employee spending estimates based on "Office Worker Retail Spending Patterns: A Downtown and Suburban Area Study," ICSC (2004).
Hotel guest spending estimated based on American Hotel and Lodging Association (AHLA) data.
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2019 dollars.

Appendix D: Fiscal Impact Analysis

Transient Occupancy Tax ("TOT") to City

	Year 5		Year 10		Year 20
	2024		2029		2039
Estimated # Hotel Rooms	0 rooms		350 rooms		350 rooms
Average Daily Room Rate (ADR)	\$348		\$403		\$542
Average Occupancy Rate	80%		80%		80%
Annual Hotel Room Receipts	\$0		\$41,204,476		\$55,375,370
TOT to City	\$0	12.0%	\$4,944,500		\$6,645,000

Notes:

Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2019 dollars.



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Appendix D: Fiscal Impact Analysis

City Service Population

City Population	68,473
City Employee Population	26,362
Employee Weighting for Service Population	50%
Weighted # Employees	13,181
Total City Service Population	81,654

Source: CA Department of Finance (<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/>)
Source: U.S.Census Bureau, Center for Economic Studies (<https://onthemap.ces.census.gov/>)



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Appendix D: Fiscal Impact Analysis

City Multiplier Revenue and Expenditure Factors

Budget Category	Adopted City Budget	Allocation Basis	Relevant City Population	Per Capita Factor	Annual Escalation	Year 5			Year 10			Year 20		
General Fund Revenues														
Fines and Forfeitures	\$1,360,000	Service Population	81,654	\$16.66	3.0%									
Franchise Fees	\$1,750,000	Service Population	81,654	\$21.43	3.0%	\$19.31	\$22.38	\$30.08						
Charges for Services	\$8,398,755	Per Resident	68,473	\$122.66	3.0%	\$24.85	\$28.80	\$38.71						
Utility User Tax	\$6,900,000	Service Population	81,654	\$84.50	3.0%	\$142.19	\$164.84	\$221.53						
Business License Tax	\$1,250,000	Per Employee	26,362	\$47.42	3.0%	\$97.96	\$113.56	\$152.62						
Total Selected Revenues						\$19,658,755								
General Fund Expenditures														
Public Safety - Police	\$40,224,841	Service Population	81,654	\$369.47	3.0%	\$428.32	\$496.54	\$667.30						
Public Safety - Fire	\$20,669,245	Service Population	81,654	\$189.85	3.0%	\$220.09	\$255.14	\$342.89						
Public Library	\$4,624,830	Per Resident	68,473	\$50.66	3.0%	\$58.73	\$68.08	\$91.49						
Community Services	\$6,202,761	Per Resident	68,473	\$67.94	3.0%	\$78.76	\$91.31	\$122.71						
Administration	\$9,407,681	Service Population	81,654	\$86.41	3.0%	\$100.17	\$116.13	\$156.07						
Financial Services	\$3,370,388	Service Population	81,654	\$30.96	3.0%	\$35.89	\$41.60	\$55.91						
Comm/Waterfront/Econ Development	\$4,016,394	Service Population	81,654	\$36.89	3.0%	\$42.77	\$49.58	\$66.63						
Public Works	\$6,619,401	Service Population	81,654	\$60.80	3.0%	\$70.48	\$81.71	\$109.81						
Transfers	(\$8,481,011)	Service Population	81,654	(\$77.90)	3.0%	(\$90.31)	(\$104.69)	(\$140.69)						
Total Selected Expenditures						\$86,654,530								

Notes:

Regional park operations included in Public Works budget. Maintenance costs assumed to be paid from EIFD revenues.

Major case study revenues not shown include property tax, sales tax, transient occupancy tax

Adjusted for inflation assuming 3% annual inflation rate.

Select years shown for illustration.

Values in 2019 dollars.

Source: City of Redondo Beach 2019-2020 Adopted Budget



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Appendix D: Fiscal Impact Analysis

City Multiplier Revenues and Expenditures

	Year 5		Year 10		Year 20	
	2024	2039	2024	2039	2024	2039
Estimated # Residents	0	0	0	0	0	0
Estimated # Employees	497	760	497	760	497	760
Total Project Service Population	248	380	248	380	248	380
Budget Category	2024	2039	2024	2039	2024	2039
<i>General Fund Revenues</i>						
Fines and Forfeitures	\$4,800	\$8,500	\$4,800	\$8,500	\$4,800	\$11,400
Franchise Fees	\$6,200	\$10,900	\$6,200	\$10,900	\$6,200	\$14,700
Charges for Services	\$35,300	\$62,700	\$35,300	\$62,700	\$35,300	\$84,200
Utility User Tax	\$24,300	\$43,200	\$24,300	\$43,200	\$24,300	\$58,000
Business License Tax	\$13,700	\$24,200	\$13,700	\$24,200	\$13,700	\$32,500
Total Multiplier Revenues	\$84,300	\$149,500	\$84,300	\$149,500	\$84,300	\$200,800
<i>General Fund Expenditures</i>						
Public Safety - Police	\$106,400	\$188,700	\$106,400	\$188,700	\$106,400	\$253,600
Public Safety - Fire	\$54,700	\$97,000	\$54,700	\$97,000	\$54,700	\$130,300
Public Library	\$14,600	\$25,900	\$14,600	\$25,900	\$14,600	\$34,800
Community Services	\$19,600	\$34,700	\$19,600	\$34,700	\$19,600	\$46,600
Administration	\$24,900	\$44,100	\$24,900	\$44,100	\$24,900	\$59,300
Financial Services	\$8,900	\$15,800	\$8,900	\$15,800	\$8,900	\$21,300
Comm/Waterfront/Econ Development	\$10,600	\$18,800	\$10,600	\$18,800	\$10,600	\$25,300
Public Works	\$17,500	\$31,100	\$17,500	\$31,100	\$17,500	\$41,700
Transfers	(\$22,400)	(\$39,800)	(\$22,400)	(\$39,800)	(\$22,400)	(\$53,500)
Total Multiplier Expenditures	\$234,800	\$416,300	\$234,800	\$416,300	\$234,800	\$559,400

Notes:

Major case study revenues not shown include property tax, sales tax, transient occupancy tax
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2019 dollars.

Source: City of Redondo Beach 2019-2020 Adopted Budget



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