

City of Lakewood
Enhanced Infrastructure Financing District (EIFD)
Public Financing Authority (PFA)
Introductory Presentation

July 9, 2024

CITY OF
LAKEWOOD



California

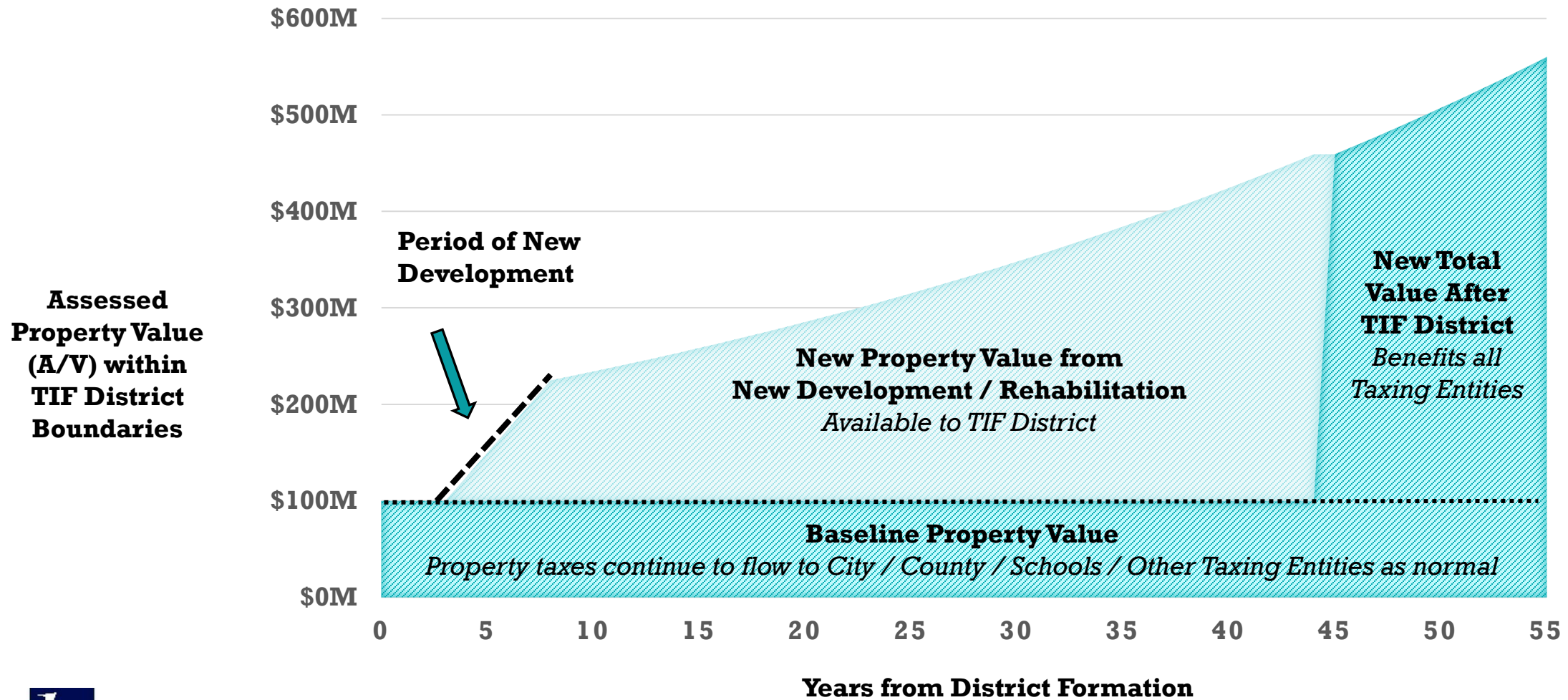
Prepared by:
Kosmont Companies



Introduction and Background

- Lakewood has evaluated EIFD as a financing tool to facilitate economic development in Lakewood Center and select other development opportunity sites via investment into critical infrastructure
- City Council adopted a Resolution of Intention (ROI) to form the EIFD on May 28, 2024
- County Board of Supervisors adopted a Resolution of Intention (ROI) to participate in the EIFD on June 25, 2024
- Purpose of today’s meeting is to review “EIFD 101”, consider PFA Bylaws, and direct preparation of the guiding Infrastructure Financing Plan (IFP)
- Next steps include drafting of the IFP, presentation of the IFP at a series of PFA public meetings and hearings, separate City Council and County Board of Supervisors approval – completion targeted before December 2024

What is Tax Increment Financing (TIF) – Not a New Tax



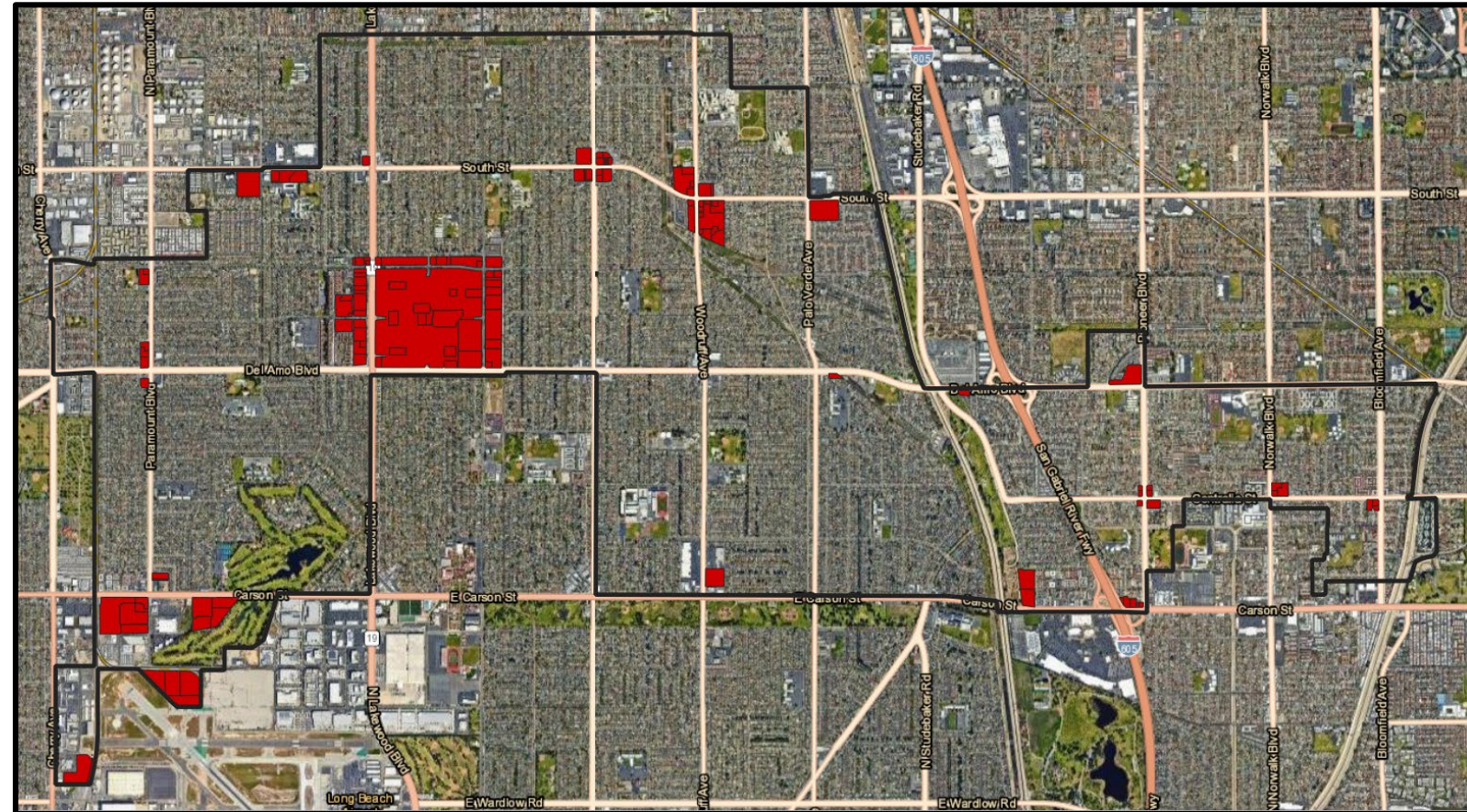
Note: Illustrative. Conservative 2% growth of existing assessed value (A/V) shown; does not include mark-to-market increases associated with property sales.

Contents of the Infrastructure Financing Plan (IFP)

- A. Description of the District
- B. Description of Proposed Facilities and Development
- C. Finding of Communitywide Significance
- D. Financing Section
- E. Goals of the District
- F. Appendices (e.g., Legal Description, Financial Analysis Detail)

Proposed Lakewood EIFD Map

- Lakewood Center Mall and select other Housing Element and commercial development opportunity sites are areas being studied for a potential EIFD
- Approx. 352 acres in total (~5.8% of City-wide acreage)
- Approx. \$1.03B in existing assessed value (~9.3% of City-wide A/V)



Future Development Assumptions

Absorption Assumed over 20 Years

Area	# SF or Units	Estimated AV Factor	Estimated Total AV at Buildout
Residential	1,950 units	\$450K per unit	\$878 million
Retail / Commercial	50,000 SF	\$350 per SF	\$18 million
Industrial / Flex	574,500 SF	\$175 per SF	\$101 million
Total New Development Assumed within EIFD Study Area			\$996 million



Note: AV at buildout values in current 2024 dollars.
Sources: City of Lakewood Housing Element; CoStar

Potential Targeted Investments for EIFD Funding

- a) Water, sewer, and other utility capacity enhancements for new development and rehabilitation of aging commercial sites
- b) Affordable housing
- c) Water reclamation improvements
- d) Parking / circulation improvements
- e) Lakewood Boulevard Corridor Smart Streets (utility undergrounding, bike lanes, bus rapid transit infrastructure)
- f) Remediation of contaminated sites
- g) Broadband

20% of tax increment proposed to be set aside for affordable housing uses

Regional and Communitywide Significance

Draft Findings

- Housing: **1,950+ units**
- Job creation, wages:
 - **540+ permanent, direct jobs** in Lakewood + **270** additional indirect and induced jobs in the County, related ~**\$54M** in wage income
 - **9,300+ temporary construction-related jobs*** in City and County, **\$693M+** related wage income
- Acceleration of development and related fiscal revenues:
 - **\$11 million** in present value **fiscal benefit** for CITY general fund over 50 years, net of tax increment contribution to EIFD and net of estimated fiscal expenditures
 - **\$43 million** in present value **fiscal benefit** for COUNTY general fund over 50 years, net of tax increment contribution to EIFD and net of estimated fiscal expenditures
- Catalyze economic development and attract other money (e.g., grants)

Draft Financing Section Terms

- City commits **50%** of its future property tax increment within the boundary for approx. 50 years (remaining portion flows to General Fund)
- County commits **21%** of its future property tax increment within the boundary for approx. 50 years as a dollar-for-dollar match of the City’s allocation (remaining portion flows to General Fund)

EIFD Revenue Allocation Scenario	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present-Value @ 3% Discount Rate	50-Year Nominal Total
City 50% + County Dollar Match (~21% of County share)	\$9,858,000	\$19,900,000	\$60,272,000	\$147,311,000

City allocation includes allocation from both AB8 + MVLF in-lieu. County allocation does not include MVLF in-lieu.

** Bonding capacity assumes Year 5 is first bond issuance for EIFD. “Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 150% debt service coverage. 6.5% interest rate; 30-year term. Proceeds net of 2% underwriter’s discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at \$350,000. Source: Kosmont Financial Services (KFS), registered municipal advisor.*

Potential EIFD Formation Schedule

Target Date	Task
COMPLETE May 28, 2024	a) City Council adopts Resolution of Intention (ROI) to form EIFD and formally establish PFA Board
COMPLETE June 25, 2024	b) County Board of Supervisors adopts ROI to participate with the City in the EIFD
TODAY July 9, 2024	c) PFA directs the drafting of the Infrastructure Financing Plan (IFP)
August 2024	d) Distribute draft IFP to property owners, affected taxing entities, City Council, County Board of Supervisors, planning commission
August 2024	e) PFA holds an initial public meeting to present the draft IFP to the public and property owners
September 2024	f) PFA holds first “official” public hearing to hear written and oral comments but take no action
October 2024	g) City Council / legislative bodies of other affected taxing entity contributing increment adopt resolution(s) approving IFP
October 2024	h) PFA holds second public hearing to hear additional comments and take action to modify or reject IFP
November 2024	i) PFA holds third public hearing to consider oral and written protests and take action to terminate proceedings or adopt IFP and form the EIFD by resolution j) Filings with State Board of Equalization (BOE)

- Tax increment allocation begins fiscal year following district formation
- Debt issuance, if desired, would occur after a stabilized level of tax increment has been established (may be 3-5 years)

Next Steps / Actions Items

- For tonight:
 - a) Hear and address PFA questions and comments
 - b) Consider PFA Bylaws
 - c) Direct preparation of the Infrastructure Financing Plan (IFP)
- Targeting August 13th 2024 for the presentation of the draft IFP

THANK YOU

Questions?

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