



**Mammoth Lakes Enhanced Infrastructure Financing District (EIFD)
Informational Piece – February 22, 2015**

What is an EIFD?

Senate Bill 628 (Beall), which authorizes the creation of a new governmental entity called an Enhanced Infrastructure Financing District (EIFD), was approved by Governor Jerry Brown in September 2014. An EIFD is defined as a governmental entity established by a city or county that carries out a plan within a defined area (boundaries of which do not need to be contiguous) to construct, improve and rehabilitate public- serving infrastructure. EIFDs CANNOT fund routine maintenance, repair work or the costs of ongoing operations, or provide services of any kind. An EIFD may fund these facilities and development with the property tax increment of those taxing agencies (cities, counties, special districts, but NOT schools) that consent. Amounts contributed to the district by taxing entities need not be the same for all taxing entities, and there is flexibility for amounts contributed to vary and change over time. Facilities financed by an EIFD need not be located within the boundaries of a district, but must have a “tangible connection” to the work of the district.

Process to Create an EIFD

The process to create the EIFD occurs through three primary steps:

- **Step 1: Create an EIFD Authority**
The legislative body must establish a public financing authority to be the governing board of the EIFD. This authority must be comprised of members of the legislative body of the participating entities and of the public (minimum 2 members of the public). This authority shall be a local public agency pursuant to open records acts. The EIFD Authority must be established prior to the adoption of a resolution to form an EIFD and infrastructure financing plan. Once established, the EIFD Authority would begin meeting regularly to support the development of the EIFD.
- **Step 2: Adopt a Resolution of Intent for Form an EIFD**
Once the EIFD Authority is established, the legislative body creating the district adopts a resolution of intent to form an EIFD. That resolution of intent includes, among other things, the boundaries of the district, the types of public facilities and development proposed to be financed or assisted by the district, the need for the district, and the goal the district proposes to achieve. Then, a time and place is fixed for public hearing on the EIFD (notice is sent to each land owner and taxing body).
- **Step 3: Develop an Infrastructure Financing Plan**
With the resolution of intent adopted, the legislative body facilitates the preparation of the EIFD infrastructure financing plan. The infrastructure financing plan includes a map of the district, a description of the types of facilities and development to be financed by the EIFD, the proposed timing, location and costs of development, and an overall financing plan.

The plan is then sent to each owner of land in the district, and each affected taxing entity as well as the planning commission and the legislative body. Meetings and consultation are held with each affected taxing entity, which may suggest revisions to the plan. A resolution approving the plan must be adopted by the governing body of each affected taxing entity

and filed with the legislative body prior to the hearing. The legislative body must conduct a public hearing prior to adopting the plan. Finally, a resolution is created adopting the plan.

The law notes that the legislative body of a city or county will adopt an infrastructure financing plan and a resolution proposing formation of an EIFD. Once created, the EIFD Authority would govern the EIFD. The Authority then implements the Infrastructure Financing Plan adopted by the legislative body.

Creation of the EIFD does not in and of itself required a public vote. The resolution creating the EIFD would state the date upon which increment would start being collected. This could happen immediately after the vote to establish the district or at an agreed upon future date.

A vote to bond the EIFD funds, however, is required. Bonds may be issued if 55% of the qualified electors voting on the proposition vote in favor of issuing the bonds (note that it's not 55% of the total voter pool, but rather 55% of the voters voting). Qualified electors are:

- If at least 12 persons are registered to vote within the territory of the district, they are the qualified electors, with each voter having one vote
- Otherwise, the landowners of the district are the voters, with each having one vote for each acre or portion of an acre of landowner within the district. A public agency is not considered a "landowner" unless all of the land in the district is owned by the public agency.

Every two years after the issuance of the bonds, the District must contract for an independent financing and performance audit conducted according to guidelines established by the controller. If the bond issue fails, it cannot go to the voters again for at least one year. EIFDs are allowed to exist from 45 years from date of issuance of bonds.

What is Mammoth Lakes' Overall Goal In Developing an EIFD

Mammoth Lakes could benefit from an EIFD in the following ways:

- The EIFD is envisioned as a tool to invest in much needed public infrastructure that primes the pump for new and enhanced private sector investment in Mammoth Lakes. The EIFD will be a tool to attract investment that improves the community and brings in additional revenues from property taxes and sales taxes that will in turn support and enhance the tax base of the taxing bodies participating in it.
- Mammoth Lakes is in competition with every major resort town in the U.S. and western Canada. Once people are drawn to Mammoth Lakes, it will be important to deliver an experience that is compelling and encourages return visits. The EIFD can fund improvements that make Mammoth Lakes more accessible and vibrant and provide a diversified experience, which will encourage visitors to come back again.
- Mammoth Lakes is an expensive place to develop property and do business. By investing in both critical infrastructure and enhancements, the community can create a competitive environment through which to lure the types of developments and uses we want here. And by making Mammoth Lakes a more affordable place to develop and do business, ideally developers will be convinced to bring their investment here versus other resort towns.

Boundaries

The boundary areas of an EIFD do NOT need to be contiguous, and an EIFD may fund facilities and improvements outside of its boundaries. Therefore the approach to identifying areas to include in the EIFD is best suited to identifying where the most increment can potentially be raised.

Potential Projects to be Funded by the EIFD

The determination of what projects should be funded by the EIFD, and in what priority order, should be driven by their alignment to the goals of the EIFD and by the projects most supported by stakeholders and the taxing bodies affected. The EIFD should look to develop projects that incentivize private sector development most quickly (and are most readily available to come out of the ground), thereby increasing property tax being generated by these sites as well as ultimately more TOT and Sales Tax revenue and, as a result, more increment which can be invested in other projects in the future.

Generally, the EIFD funds can support any type of public-serving infrastructure, and can pay for the planning fees associated with the infrastructure, but cannot pay for ongoing operational/maintenance fees.

Next Steps/Timelines

The following next steps are proposed to move discussions on the EIFD forward:

DATE	ACTIONS
Spring 2015	<ul style="list-style-type: none">▪ Stakeholder and taxing body engagement▪ Creation of the EIFD Authority
Summer 2015	<ul style="list-style-type: none">▪ Resolution of Intent to Form EIFD▪ Public Hearing▪ Development of Draft EIFD Infrastructure Financing Plan, including determination of EIFD project list
Fall/Winter 2015	<ul style="list-style-type: none">▪ Development of Final EIFD Infrastructure Financing Plan▪ Taxing bodies pass resolutions of support▪ Public hearing held
Winter 2015/2016	<ul style="list-style-type: none">▪ EIFD bond vote