

COUNTY OF SISKIYOU
STAFF REPORT

MEETING DATE: December 12, 2023
TO: Siskiyou County Board of Supervisors
FROM: Sherry Lawson, Deputy County Administrator
SUBJECT: Mt. Shasta Enhanced Financing District Resolution of Intent

EXECUTIVE SUMMARY:

In September 2014, Governor Brown approved SB 628, ushering in the creation of Enhanced Infrastructure Financing Districts (EIFDs) in California. This legislative development empowered governmental entities to dedicate a portion of their future property tax revenues to specified projects, filling the void left by the dissolution of redevelopment agencies in 2012.

The City of Mount Shasta, in collaboration with the County of Siskiyou, is proposing the establishment of an EIFD to secure financing for vital infrastructure projects. This joint effort aims to foster development and enhance community well-being in Mount Shasta, aligning with the broader goals of EIFDs in supporting public infrastructure and incentivizing private investment in designated areas.

An EIFD freezes property tax revenues from a chosen project area at the current year's "base level," with future increments diverted for improvements or bond repayment. The primary objective is to provide a financial mechanism for local governments to undertake infrastructure projects that may otherwise be economically challenging.

BACKGROUND:

On August 8, 2023, the Siskiyou County Board of Supervisors voted 4-1 in favor of collaborating with the City of Mount Shasta to create an EIFD in the vicinity of Mount Shasta. The subsequent step involves the County adopting a Resolution of Intent (ROI) to outline its participation in the Mount Shasta City Enhanced Infrastructure Financing District and Public Finance Authority Board.

The initial Resolution of Intent was brought before the Board for approval on November 7, 2023. However, concerns were raised by Supervisor Kobseff regarding omitted parcels, representation on the Public Finance Authority Board, and the impact to General Fund. The matter was deferred, with staff instructed to provide the requested information.

Following a meeting with the Mt. Shasta City Manager and a Kosmont Representative, it was clarified that the Public Finance Authority Board need not be limited to five members. The suggested composition includes two City Councilmembers, one County Supervisor, and public members appointed by both entities. However, that is the minimum. The City and County may work together to decide how many member make up the Public Finance Authority Board as long as there are at least two members of the public appointed by the City and County.

Moreover, the requested parcels (APN's 057-231-120-000, 057-231-190-000, 057-091-070-000, and 057-231-180-000) can be incorporated into the EIFD Boundary map. Kosmont advised that most edits can be

accommodated throughout the Infrastructure Finance Plan adoption and EIFD formation process, including shrinking the boundary. However, the EIFD boundary cannot grow or have properties added after the Resolution of Intention (ROI) is adopted by the City Council and County Board of Supervisors. In order to include the requested parcels listed above, the Mt Shasta City Council will have to adopt their ROI again, with the updated EIFD Boundary Map.

Lastly, revenues from proposed properties within County jurisdiction have seen a \$23,000 increase over the last decade. If trends persist, a potential \$115,000 uptick in general fund revenue over the next 50 years is anticipated. This amount is predicted to grow upon successful implementation of the EIFD and subsequent development. We anticipate gaining a more comprehensive understanding of the implications to the general fund once the Infrastructure Financing Plan is finalized.

RECOMMENDED MOTION:

Staff is seeking direction from the County Board of Supervisors to either:

1. **Adoption of Original Resolution:** Move forward with the adoption of the Resolution of Intent, as initially presented on November 7, 2023, without modifications to the EIFD Boundary Map, OR
2. **Amendment of EIFD Boundary Map:** Amend the EIFD Boundary Map to include parcel APN's 057-231-120-000, 057-231-190-000, 057-091-070-000, and 057-231-180-000, OR
3. **Denial of Resolution of Intent:** Opt not to proceed with the Resolution of Intent and withdraw from participation in the Mt. Shasta Enhanced Financing District.