



Investigating an EIFD for Mammoth Lakes

Jamie Licko, Centro Inc.
February 26, 2015

+ Town of Mammoth Lakes

Main Street Plan (February 2014)

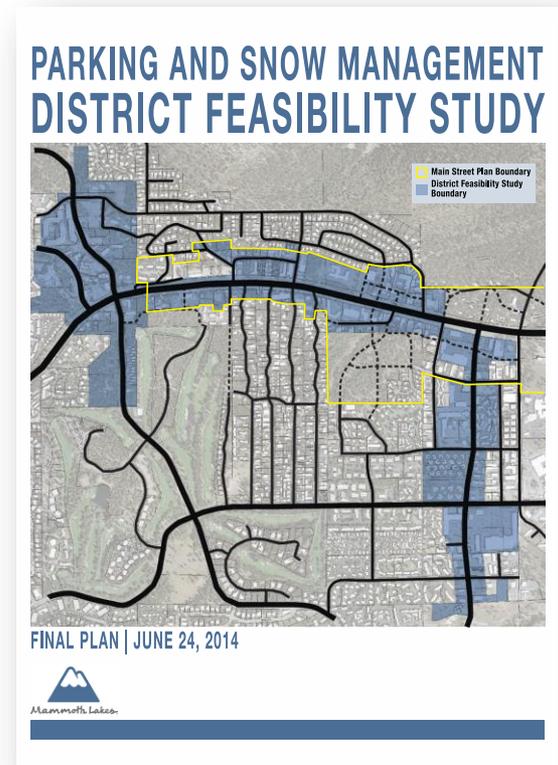
- Transform the Main Street corridor from an auto-dominated state highway that passes *through* downtown into a pedestrian-first, world-class mountain resort street that *is* downtown
- Focused on refinement of previous broad-based concepts and offered solutions for the design of Main Street as well as potential funding sources and implementation and phasing strategies
- Addressed...
 - **Parks and open space**
 - **Character of new development**
 - **Accommodation for all modes of travel**
 - **Creation of an identity for downtown**
 - **Solutions to parking, snow maintenance**





Parking and Snow Management District Feasibility Study (June 2014)

- **Focus on snow management/parking with other issues studied**
- **Explored 4 most promising funding tools identified in Main St. Plan**
 - **Infrastructure Financing District (IFD)**
 - Property-Based Improvement District (PBID)
 - Community Development Corporation (CDC)
 - Community Facilities District (CFD)
- **Key Findings**
 - Financial barriers to good development, in-line with the vision of the Plan, must be overcome to ultimately achieve the vision of the Plan – “prime the pump for development”
 - Market opportunities are emerging
 - Desire to move beyond a weather-dependent economy – diversify and strengthen
 - Coordination and cooperation are key to success



+ And then in September 2014...

Senate Bill No. 628 (Ch. 785): Enhanced IFDs (EIFDs)

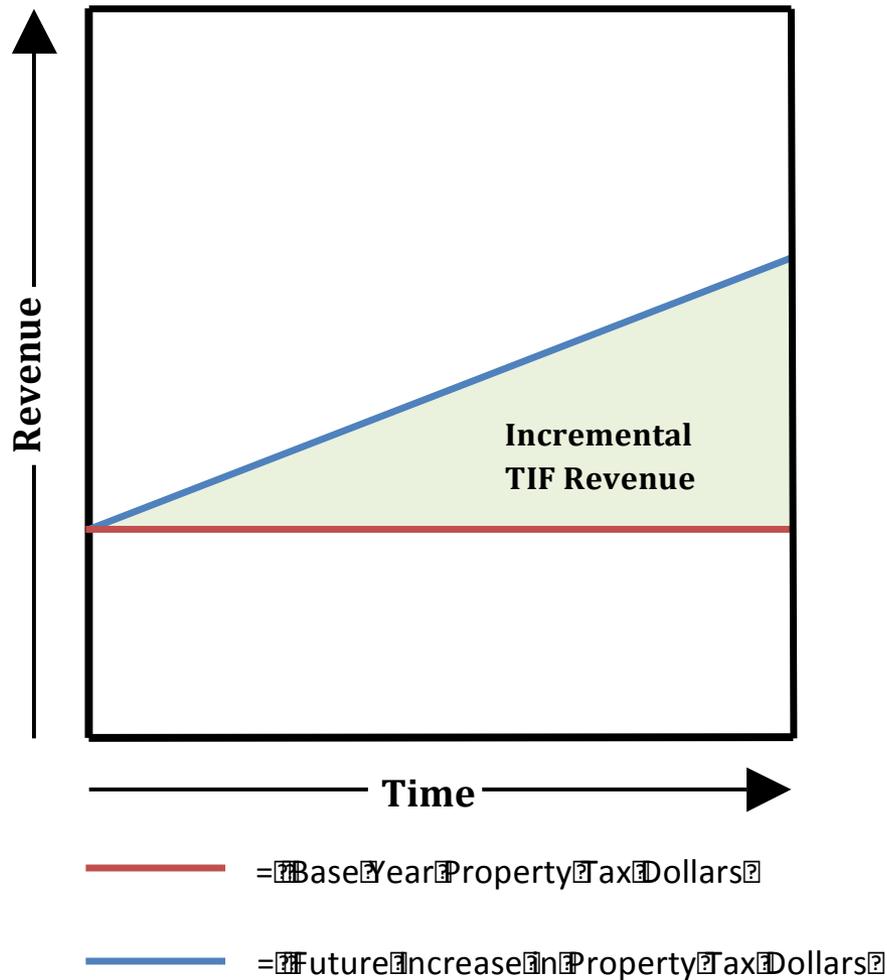
- Approved by the Governor 9/29/14
- No EIFDs yet exist, and only a handful of IFDs exist
- Some key differences...

IFD (1990 law)	EIFD (2014 law)
<ul style="list-style-type: none">• Required 2/3 voters to create and to bond	<ul style="list-style-type: none">• Requires no vote to create and 55% vote to bond
<ul style="list-style-type: none">• Allowed to exist for 30 years from date of adoption	<ul style="list-style-type: none">• Allowed to exist from 45 years from date of issuance of bonds
<ul style="list-style-type: none">• Town Council is governing body	<ul style="list-style-type: none">• Separate authority is governing body

+ Why the EIFD is an Important First Step

- No real **capacity** to assess/tax more
- Need leveraged **bonding capacity** to be able to expend dollars now that will **stimulate investment**
- **Collaboration, creativity** are going to be important – the EIFD’s flexibility allows us that
- The **potential for return** is great for everyone in the county... particularly if we have projects positioned to build relatively quickly

+ EIFDs are TIF Districts



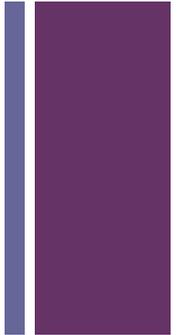
TIFs are NOT a special assessment...

Rather they redirect future incremental increases in property tax revenue, to be reinvested in a place.



Where EIFD Money Comes From

- Primary participants in EIFDs are cities/towns, counties and special districts
- **EIFDs do not automatically get all incremental property taxes**
 - Each public agency/district must agree to the amount of tax increment they will contribute
- EIFDs cannot take revenue from:
 - K-12 school districts
 - Community college districts
 - County offices of education

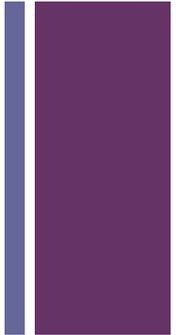


+ How is an EIFD Created?

- **Finding of blight not required**
- **Step 1: Create an EIFD Authority**
 - Members of taxing bodies participating plus at least 2 members of the public
- **Step 2: Adopt Resolution of Intent to Form an EIFD**
 - Goals, need, boundaries and what the district will fund
 - Public hearing
- **Step 3: Develop an Infrastructure Financing Plan**
 - Detailed project, financing, bonding plan
 - Legislative bodies of all taxing bodies participating must pass resolution of support
 - Public hearing
 - District created, can start collecting increment



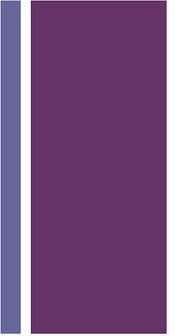
Bonding Against EIFD Funds



- Bonds may be issued **if 55% of the qualified electors voting on the proposition vote in favor of issuing the bonds.** 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 land owned within the district
- If the bond issue fails, cannot go to the voters again for at least one year
- The bonds are not a debt of the town, county, state or other political subdivisions – only the district

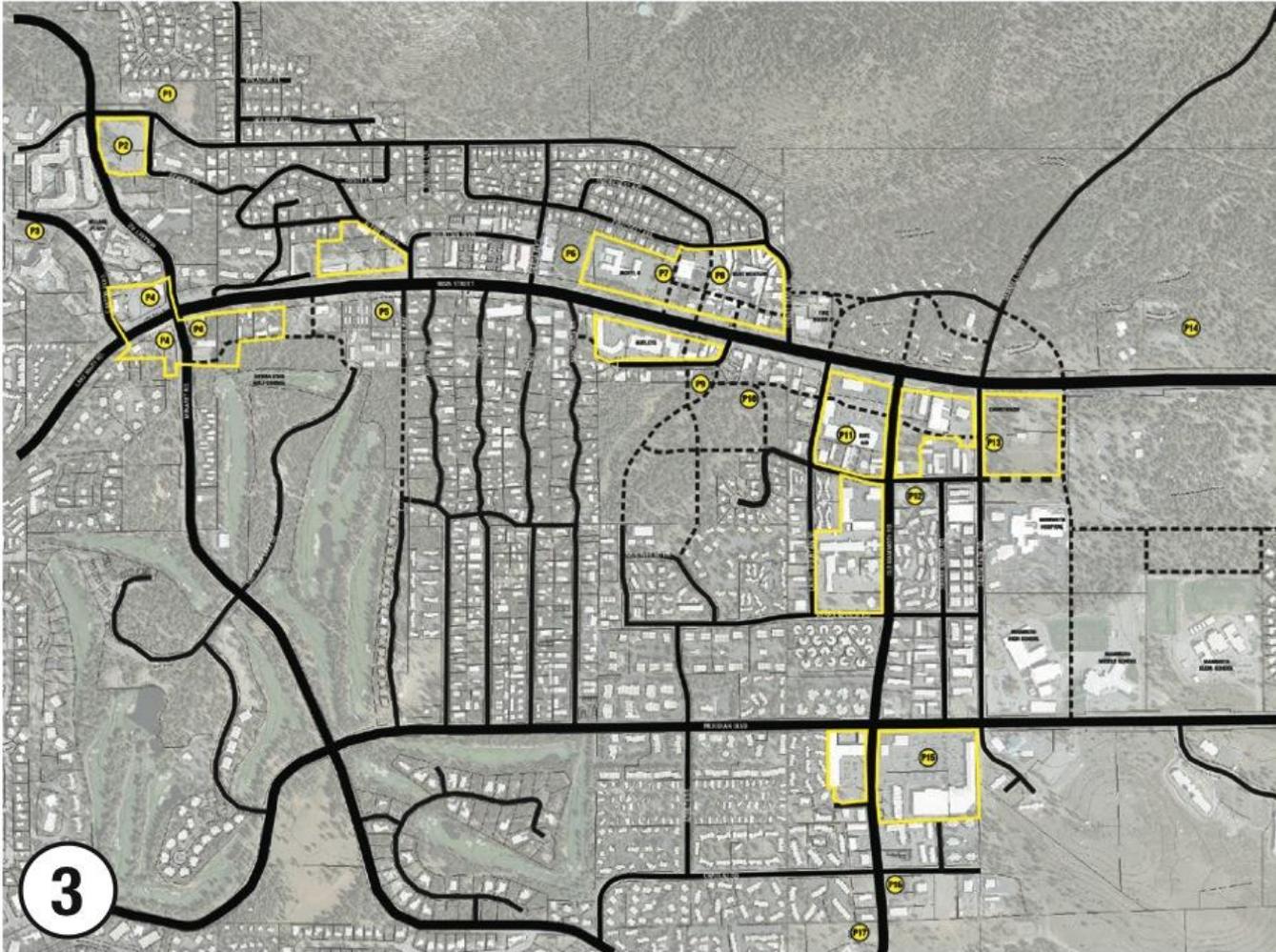
+ The discussion begins with a boundary...

- Areas don't have to be contiguous
- Boundary considerations:
 - Receptivity of stakeholders (i.e. voters – residents vs. landowners)
 - Receptivity of taxing bodies to these approaches
 - A high-level look at revenue generation potential from each
 - Timing of new development coming out of the ground



+ From the Feasibility Study...

Option 3: Select Project Sites



EAGLE LODGE BASE AREA



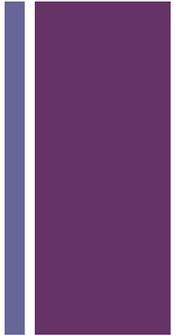
CANYON LODGE BASE AREA



MAIN LODGE BASE AREA

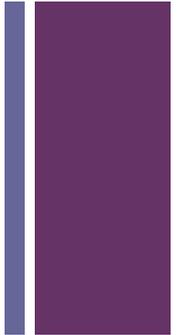
+ What an EIFD Can Fund

- Public facilities or other specified projects of **communitywide significance** that provide benefits to the district or the surrounding community
 - The district **CAN FUND** planning and design work
 - The district **CANNOT FUND** routine maintenance, repair work, or the costs of ongoing operations or providing services of any kind
- Facilities **need not be physically located within the boundaries** of the district.





What Would an EIFD Fund Here?



“Prime the Pump” Projects

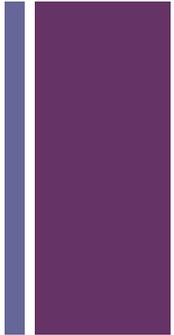
- Parking (partnership opportunities?)
- Digital 395
- Utility upgrades
- Other?

Enhancement Projects

- Sidewalks and accessibility
- Parks and open space
- Wayfinding/gateways
- Lighting
- Street improvements/medians
- Roundabouts
- Other?



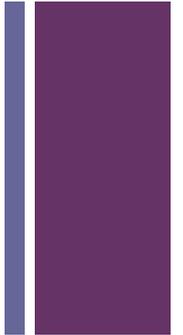
What We've Heard This Week



- **“Not interested in build it and they will come projects...”**
 - Need to identify projects that are shovel-ready, need a gap filled to move forward that the EIFD can participate in (i.e. that has public purpose)
- **Districts won't be interested in long-term waits for a return**
 - First projects must have a real tax impact
- **Cost-benefit analysis will be critical** to getting a green light
- Interest in creating a **compelling community case** that we are doing something collaborative, different and working together to solve challenges
 - “The more we put in, the more we have”

+ What's Next?

- Dig deep into **revenue generation potential**
- **Identify potential “shovel ready” projects and the “gap”**
- **Presentation to boards** of taxing districts in April
- **After that... a red or green light to move ahead**
 - More resources required (legal, bond counsel)
 - Plan likely will have to be developed before authority is formed
 - At least a year, likely, to get it all done





Thank You!!!

Jamie Licko

Centro Inc.

jamie@becentro.com

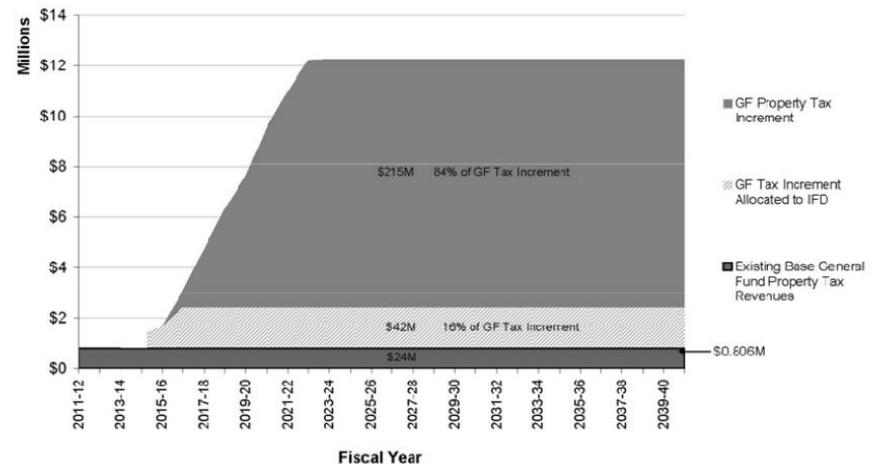
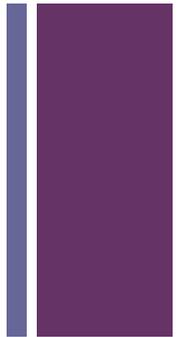
303.345.8285





Case Study: Rincon Hill IFD (2010/2011)

- New infrastructure to support residential and commercial development (streets, alleys, parks)
- Property value of \$142m in 2010/2011 (base year); \$2billion aggregated property value after new development
- IFD would divert 16% cumulative over 3-year life
 - 100% at first (to jumpstart investment)
 - 30% by year 8
 - 14% by year 12
- Use of IFD funds limited to projects where source of long-term maintenance is identified



+ How is EIFD Different From Redevelopment?

- No finding of blight required
- No money can be used on ongoing operations/administration/staff
- Participation of all taxing districts is negotiated
- No money can be taken from education districts

