



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Administrator
Edward D. Reiskin
City Administrator

(510) 238-3301
FAX (510) 238-2223
TDD (510) 238-3254

May 24, 2021

Susan S. Muranishi
1221 Oak Street, Room 555,
Oakland, CA 94612

via email

Dear County Administrator Muranishi:

I am writing to invite the County of Alameda to join the City of Oakland and the Oakland Athletics in realizing a bold vision for our joint future – the Waterfront Ballpark District at Howard Terminal. This completely new urban neighborhood will keep the A’s “rooted in Oakland” – and Alameda County – for years to come, while also preserving our working waterfront, creating over 18 acres of new, publicly-accessible waterfront parks, and 3,000 units of critically-needed new housing units for the region, as well as commercial, entertainment and retail space. In addition, the project will provide a comprehensive package of community benefits, including new affordable housing on-site, a significant anti-displacement fund for use off-site, and thousands of new skilled jobs that pay prevailing and living wages.

Like most projects of this sort, the Waterfront Ballpark District requires a public-private partnership to be economically feasible. To this end, the City of Oakland will need to establish an Enhanced Infrastructure Financing District (EIFD) over the Howard Terminal site. Operating similarly to Redevelopment before its sunset in 2012, an EIFD allows participating taxing entities to contribute some of their new, “but for” taxes – specifically, the incremental property taxes created by new development – to pay for project-related infrastructure, open space and affordable housing over a period of 45 years. These are tax dollars that will only exist as a result of the overall development moving forward. **Our ask of you today – please seek authorization from the Board of Supervisors for the County to join the City of Oakland by “opting in” to the EIFD and contributing the County’s property tax increment to help fund affordable housing and new open space on the Oakland Estuary.**

An investment in the Waterfront Ballpark District over the project site only would repay the County many times over. By helping make this project possible, at full buildout, the County will see its current \$50,000 per year recurring tax revenues from the project site increase to an estimated \$6.3 million per year, *after* property taxes and property taxes in lieu of VLF are

contributed to the EIFD. This amount includes \$2.3 million *each* in new annual funds for provision of County essential health care and homeless services. In addition, after the County opts in, the project will create an additional \$4.6 million per year in new countywide transportation funding through the Alameda County Transportation Commission. Finally, the County is expected to receive an estimated \$47.8 million in one-time construction-period tax revenues. After the 45-year opt-in period, new annual revenues to the County would increase to approximately \$17 million (measured in today's dollars).

Without the County's participation, the State, the County and the City is very likely to lose all ballpark related tax revenues, as Major League Baseball has directed the A's to commence relocation talks out of state.

Attached to this letter, please find the following EIFD documentation for your further review and consideration:

- PFM Financial Advisors' summary of EIFDs
- Century Urban's preliminary projection of fiscal benefits to the County

As you get to know more about this project, I am certain you will find it as compelling as we do. I invite you to study the attached materials and reach out to me or Assistant City Administrator Betsy Lake with any questions or requests for more information. We stand ready to work with you and your staff to bring an item to the Board for their consideration. Due to the dynamic nature of the situation, we seek to work with the County as expeditiously as possible to secure approval.

I will follow up with you to discuss.

Sincerely,



Edward D. Reiskin
City Administrator

Attachments (2)

cc: Mayor Libby Schaaf
Oakland City Council



Enhanced Infrastructure Financing Districts

**City of Oakland
County of Alameda
State of California**

Robert Gamble, Managing Director, PFM Financial Advisors LLC

May 14, 2021

PFM Financial Advisors
LLC

Public Financial
Management, Inc.

50 California Street
Suite 2300
San Francisco, CA 94111

415.982.5544 office
415.982.4513 fax
pfm.com

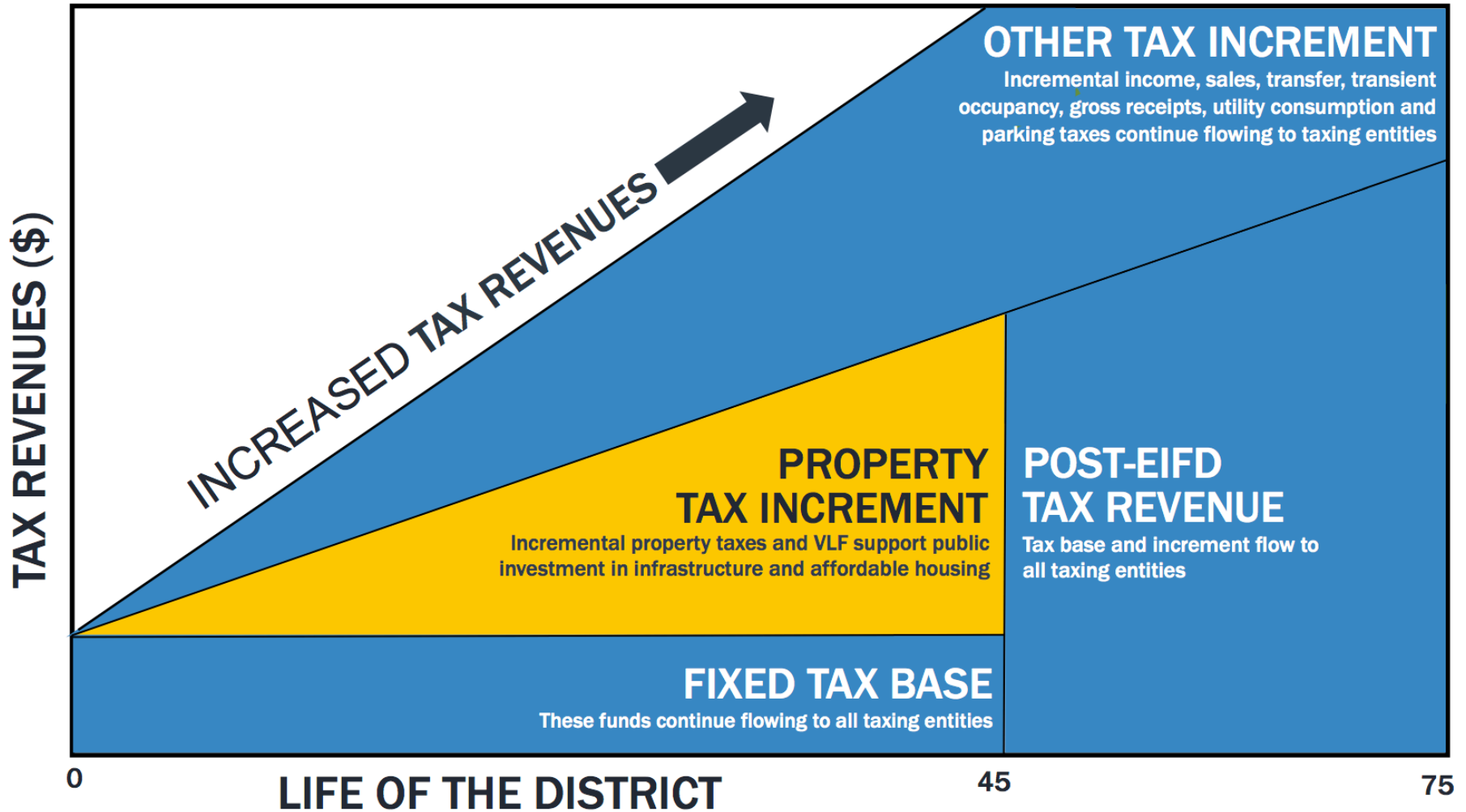


Executive Summary

- ◆ EIFDs replace redevelopment, which was repealed in 2011
- ◆ Districts collect and utilize incremental property tax and VLF revenues for up to 45 years to fund investment in public infrastructure and affordable housing
- ◆ Other incremental revenue streams, including sales and transfer taxes, continue to flow to all participating entities
- ◆ Unlike redevelopment, taxing entities are not required to participate, but may do so voluntarily
- ◆ Debt is issued once sufficient increment is in place to fund debt service
- ◆ No recourse to participating taxing entities' General Funds
- ◆ May be combined with CFDs and other mechanisms



Tax Increment Growth





Opportunities for Investment

- ◆ “Public capital facilities” OR other “projects of communitywide significance” – need not be within district as long as the project has a “tangible connection” to the work of the district

- ◆ Examples include (but are not limited to):
 - **Transportation** facilities including highways, parking and transit facilities
 - Community **parks**, open space and recreational facilities
 - **Brownfield** restoration and other environmental mitigation
 - Projects which implement a **Sustainable Community Strategy**, and
 - **Affordable housing**



EIFD Summary of Key Terms

1. Enhanced Infrastructure Financing District (EIFD)
 - Governmental entity established by a city or county that carries out a plan within a defined area to construct, improve and rehabilitate infrastructure and affordable housing
2. Public Financing Authority (PFA)
 - Legislative body that governs the EIFD
3. Infrastructure Financing Plan (IFP)
 - Plan adopted by city and/or county. Describes public facilities & affordable housing to be financed by the EIFD
 - Implemented by Public Financing Authority (PFA)



Process of Approval

1. Resolution of Intension approved by City Council and Board of Supervisors

2. Public Financing Authority is created by the participating entities

3. ROI is mailed to every affected taxing entity

4. Motor vehicle in lieu fees (VLF) can also be contributed

5. Plan is prepared



Plan Requirements

- Map and Legal Description
- Description of public facilities and other forms of development or financial assistance
- Specification of maximum amount of tax increment projected annually
- Limit on total number of dollars
- A financing plan, including debt
- Expiration date
- Fiscal impact analysis



Completion of Plan Approval

- Three public hearings are held at specified intervals

- At the third hearing, protests will be heard, and the PFA will terminate the proceedings if a majority of landowners and residents protest
- If 25-50% protest at the third hearing, an election is required.

- Otherwise, the PFA may adopt a resolution approving the plan and formation of the IFD

PROJECTED COUNTY REVENUES [1]

	Office	Apartments	Condominiums	Retail/Civic	Hotel	Performance Center	Ballpark	Total Project
ONE-TIME REVENUE								
1.) Transfer Tax [2]	\$ 30,000	\$ 120,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 40,000	\$ 290,000
2.) Property Taxes During Construction	1,700,000	1,780,000	2,010,000	270,000	440,000	60,000	1,530,000	7,790,000
3.) Sales Taxes During Construction - Discretionary [3]	2,190,000	2,760,000	2,470,000	350,000	540,000	80,000	1,130,000	9,520,000
4.) Sales Taxes During Construction - Measure AA [3]	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	2,250,000	19,040,000
5.) Sales Taxes During Construction - Measure W [3]	4,390,000	5,530,000	4,950,000	690,000	1,080,000	150,000	2,250,000	19,040,000
6.) Total One-Time Revenue	12,700,000	15,720,000	14,480,000	2,000,000	3,140,000	440,000	7,200,000	55,680,000
7.) Less: Property Taxes Contributed to IFD [4]	(1,700,000)	(1,780,000)	(2,010,000)	(270,000)	(440,000)	(60,000)	(1,530,000)	(7,790,000)
8.) Total One-Time Revenue to County	\$ 11,000,000	\$ 13,940,000	\$ 12,470,000	\$ 1,730,000	\$ 2,700,000	\$ 380,000	\$ 5,670,000	\$ 47,890,000
9.) Sales Taxes During Construction - ACTC [3]	8,780,000	11,060,000	9,900,000	1,380,000	2,160,000	300,000	4,500,000	38,080,000
RECURRING REVENUE PER YEAR								
10.) Property Taxes - Existing Tax Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
11.) Property Taxes New Development	1,810,000	1,500,000	2,580,000	230,000	230,000	-	1,110,000	7,460,000
12.) Property Tax In-Lieu of Vehicle License Fees	790,000	660,000	1,130,000	99,000	101,000	-	410,000	3,190,000
13.) Sales Taxes - Discretionary [3]	90,000	110,000	140,000	290,000	60,000	2,900	450,000	1,142,900
14.) Sales Taxes - Measure AA [3]	170,000	220,000	290,000	580,000	120,000	5,700	910,000	2,295,700
15.) Sales Taxes - Measure W [3]	170,000	220,000	290,000	580,000	120,000	5,700	910,000	2,295,700
16.) Transfer Tax Upon Resale [5]	140,000	110,000	240,000	17,000	20,000	-	-	527,000
17.) Total Recurring Revenue	\$ 3,170,000	\$ 2,820,000	\$ 4,670,000	\$ 1,796,000	\$ 651,000	\$ 14,300	\$ 3,790,000	\$ 16,961,300
18.) Less: Property Taxes Contributed to IFD [4]	(1,810,000)	(1,500,000)	(2,580,000)	(230,000)	(230,000)	-	(1,110,000)	(7,460,000)
19.) Less: Property Tax In-Lieu of Vehicle License Fees Contributed to IFD	(790,000)	(660,000)	(1,130,000)	(99,000)	(101,000)	-	(410,000)	(3,190,000)
20.) Total Recurring Revenue to County	\$ 570,000	\$ 660,000	\$ 960,000	\$ 1,467,000	\$ 320,000	\$ 14,300	\$ 2,270,000	\$ 6,311,300
21.) Sales Taxes - ACTC [3]	340,000	440,000	580,000	1,170,000	240,000	11,400	1,820,000	4,601,400

Notes:

- [1] All projections are estimated in today's dollar's assuming the project were built today and are provided for illustrative purposes. The project is phased and revenue projections are expected to be realized over time.
- [2] Assumes transfer tax rate of 0.11% on land value and Ballpark leasehold interest value.
- [3] County sales tax rate & allocation assumptions are preliminary and to be confirmed.
- [4] Approximately 37% of property tax revenue from 2021-2039 is captured by the RDA. Thereafter, all project-generated property tax increment would flow to the IFD.
- [5] Assumes 10-year hold period for office, retail and apartment uses and 7 years for condominiums.