How to create an Enhanced Infrastructure Financing District (EIFD)

MUNICIPALITY (CITY/COUNTY)



Form T

- 1. Municipality (city/county)
- 2. Legal Counsel
- 3. Financial Advisor



Evaluate EIFD Feasibility

- 1. Define/refine Boundaries
- 2. Estimate Future Assessed Property Values
- 3. Estimate Increment for Potential Taxing Agencies
- 4. Identify Public Facilities and Programs
- 5. Identify Funding Sources in Addition to Tax Increment

Best Practices Tips

- 1. Focus on areas with significant growth potential
- 2. Maximize area
- 3. Explore available RPTTF and MVLF revenues to kick-start the EIFD
- 4. Consider establishing project areas to maximize EIFD revenue





Conduct Outreach

- 1. Electeds
- 2. Other Taxing Entities
- 3. Affected Residents and Property Owners

Best Practices Tips

- Explore potential projects to be funded by the EIFD that would entice participation of the County or other taxing agencies
- 2. Educate stakeholders about EIFDs not a new tax, not a lien on property
- 3. Identify property owners who will advocate for formation



Initiate Formal Process

- 1. Select members of Public Financing
 Authority (PFA)
- 2. Establish PFA and adopt Resolution of Intention to establish proposed EIFD
- Mail Resolution of Intention (or alternate one-page notice) to PFA, each affected taxing entity, and property owners



You have now formed your PFA! PUBLIC FINANCING AUTHORITY





Prepare Infrastructure Financing Plan (IFP)

- 1. Map and Legal Description
- 2. List of Facilities and Programs
- 3. Tax Increment Revenue Projections
- 4. Financing Plan
- 5. Fiscal Impacts on Affected Taxing Entities
- 6. Date District will Cease
- 7. Replacement Housing Plan
- 8. District Goals
- 9. Tax Increment Limits



Best Practices Tips

- 1. Provide comprehensive list of projects and programs
- 2. Projects listed in General Plan are good starting point
- 3. Tax increment limits should provide large buffer above projections to minimize risk of need to amend limits



Pre-Adoption

- 1. Send IFP to all affected taxing entities and property owners
- 2. Notice initial PFA information meeting (10 days before meeting)
 - o Present Draft IFP
 - o Consider Comments



6



Public Hearings and Protest **Proceedings**

- 1. Notice 1st Public Hearing (No sooner than 30 days after initial PFA meeting)
- 2. Hold 1st Public Hearing (after 4 weeks of noticing) -
- 3. Notice and hold 2nd Public Hearing (at least 30 days after 1st hearing) - Consider comments, action to modify or reject IFP)
- 4. If IFP not rejected, notice 3rd Public Hearing and provide copy of IFP
- 5. Hold 3rd Public Hearing (at least 30 days after 2nd hearing) - Consider all protests and proceed as
 - o If majority protests, terminate EIFD proceedings
 - o If between 25% and 50% protest, then notice and hold Protest Election
 - o If less than 25% protest, the PFA may adopt the IFP at the close of the hearing
- 6. If Protest Election is held and majority votes against formation, then proceedings terminate. If majority does not vote against formation, the PFA may adopt



Approvals & Formation

- 1. All participating Taxing Entities must approve the IFP prior to PFA forming the EIFD (can be done before 3rd PFA Public
- 2. PFA enacts resolution forming the EIFD at close of 3rd Public Hearing (if less than 25% protest) or at close of Protest Election (if less than majority votes against formation)



THE OVERALL ADOPTION PROCESS TYPICALLY TAKES 12-18 MONTHS, HOWEVER EVERY COMMUNITY WILL BE DIFFERENT BASED ON LOCAL POLITICAL CONSIDERATIONS AND RESOURCES