



## Working Papers

# Moving Solano Forward—Phase II

Task 6: Funding

Task 6.2: & 6.3 Infrastructure Financing Potential Catalyst Sites

**October 2016**

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# Moving Solano Forward - Phase II

## Task 6: Funding

### Task 6.2 & 6.3: Financing Sources for Infrastructure to Serve Catalyst Sites

#### MSF II Task 6: Funding

I. Introduction.....	1
II. Special Assessment and Special tax Districts.....	3
III. Tax Increment.....	6
IV. Developer Funding, Financing and Incentives .....	13
V. Federal and State Programs .....	15
VI. Task 6.3 Potential Financing Plan for Solano County Catalyst Sites.....	25

#### Tables:

1. Funding Mechanism Overview.....	2
2. Structure and Requirements of Tax Increment Financing Tools.....	11
3. Eligible Uses of Tax Increment Financing .....	12
4. Summary of Federal & State Grant Programs.....	21
5. Eligible Census Tracts for New Market Tax Credits ....	22
6. EB-6 Regional Centers Serving Solano County .....	24

#### Exhibits:

1. Catalyst Sites.....	26
2. Target User Clusters .....	30
3. Hypothetical Development Programs .....	31
4. EIFD Funding Capacity .....	34
5. Conceptual Financing Plan.....	36

#### Appendix:

Attachment A: EIFD Financial Analysis – Tables 1-12
Appendix A: Assessor Data – Tables 1-4
Appendix B: Development Prototypes – Tables 1-8
Appendix C: Comparable Land Sales – Tables 1-3
Appendix D: Local Construction Costs – Tables 1-7





## MSF: Task 6: Funding

Task 6.2: Financing Sources for Infrastructure to Serve Catalyst Sites and Buildings

### I. INTRODUCTION

In accordance with Task 6.2 of the scope of work for the Moving Solano Forward, Phase II engagement, Keyser Marston Associates, Inc. has identified Federal, State, and local funding sources that may potentially be available to fund infrastructure improvements that are needed to induce private sector investment in Tier 2 and 3 catalyst sites. The funding sources and financing tools have been evaluated relative to their purpose, process of adoption and implementation, and capacity to fund various public facilities and private development projects. Funding mechanisms are organized under four broad categories:

1. Special assessment and special tax districts;
2. Tax increment financing;
3. Developer funding, financing, and incentives; and
4. Federal and state programs.

As Table 1 illustrates, the four categories differ in terms of the scope and scale of their targeted improvements. The appropriate set of funding mechanisms will depend on the needs of individual catalyst properties. The next phase of this effort will match the tools with the needs of a representative set of catalyst properties.



**Table 1 - Funding Mechanism Overview**

<b>Funding Mechanism</b>	<b>Target Improvements</b>	<b>Target Scale</b>
<b>SPECIAL ASSESSMENT AND SPECIAL TAX DISTRICTS</b>		
<b>Special Assessment Districts</b>	-Off-Site Infrastructure/Public Facilities -Certain Maintenance/Services	District
<b>Community Facilities Districts</b>	-Off-Site Infrastructure/Public Facilities -Certain Maintenance/Services	District
<b>TAX INCREMENT FINANCING</b>		
<b>Infrastructure Finance Districts (EIFD and IRFD)</b>	-Off-Site Infrastructure/Public Facilities -In-Tract Improvements -Brownfields Remediation -Vertical Improvements	District + Communitywide impact
<b>Community Revitalization and Investment Area (CRIA)</b>	-Off-Site Infrastructure/Public Facilities -In-Tract Improvements -Brownfields Remediation -Vertical Improvements -Property Acquisition/Transfer -Direct Business Assistance	District (must demonstrate economic need)
<b>DEVELOPER FUNDING, FINANCING AND INCENTIVES</b>		
<b>Impact Fees</b>	-Off-Site Infrastructure/Public Facilities	Project
<b>Developer Agreements</b>	-Off-Site Infrastructure/Public Facilities	Project
<b>Incentive Agreements</b>	-In-Tract Improvements -Vertical Improvements -Direct Business Assistance	Project
<b>FEDERAL/ STATE PROGRAMS</b>		
<b>Investment Incentives</b>	-In-Tract Improvements -Brownfields Remediation -Vertical Improvements -Property Acquisition/Transfer -Direct Business Assistance	Project
<b>Grant/ Loan Programs</b>	-Off-Site Infrastructure -In-Tract Improvements -Brownfields Remediation -Vertical Improvements -Property Acquisition/Transfer -Direct Business Assistance	Varies
<b>Brownfield Assistance</b>	-Brownfields Remediation	Scattered sites

## II. SPECIAL ASSESSMENT AND SPECIAL TAX DISTRICTS

The intent of special assessment and special tax districts is to fund public capital facilities to serve new development. Districts adopt a new special assessment or special tax paid by property owners within a defined area, which can be used to issue debt for capital improvements that benefit the district. Pursuant to Proposition 218, special assessments must be assigned to property owners in direct proportion to the benefits received from targeted improvements. Special tax formulas are not subject to the same standard and allow for a variety of property characteristics – other than property value – to determine tax apportionment. Both special assessments and special taxes are subject to approval by voters (if 12 or more are registered in the district) or affected property owners (in all other cases). A simple majority is required for special assessments, whereas special taxes must be approved by a two-thirds majority.

The scope of eligible activities in special tax districts is broader than in special assessment districts. While facilities or services funded by special assessment districts must confer “special benefits” upon affected property owners, special tax districts must only ensure that new capital facilities and services supplement, rather than supplant, existing levels of

service in the district. Due to their greater flexibility, special tax districts are more commonly utilized than special assessment districts.

Special tax districts are typically authorized under the Mello-Roos Communities Facilities Act of 1982<sup>1</sup> and are referred to as Community Facilities Districts (CFDs). A variety of special assessment districts are authorized under state law, including the Municipal Improvement Act of 1913, Landscape and Lighting Act of 1972, and Benefit Assessment Act of 1982. A comparison of the two structures follows.

### A. Mello Roos/Community Facilities Districts

- ❖ **PROCESS:** The process to establish a CFD may be initiated by two members of the sponsoring legislative body, 10 percent of district voters, or 10 percent of landholders (measured by acreage owned). Proposed districts may include non-contiguous areas. Adoption of the special tax requires a public hearing and an affirmative vote by two-thirds of the qualifying electorate. If there are twelve or more registered voters within the proposed geographic area of the district, then the formation election is an election of registered voters. If there are less

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<sup>1</sup> Government Code §53311

than 12 registered voters, then the formation election is an election of property owners, with each owner receiving one vote per acre of owned property. The same approval requirements apply to the issuance of bonds. Bonds are limited to a 40-year maturity and are paid concurrently with ad valorem property taxes. Throughout the life of the district, an annual report must be produced upon request of property owners.

- ❖ **USE OF FUNDS:** CFDs are eligible to fund the planning, design, construction, rehabilitation or acquisition of a broad range of public facilities. Examples of eligible improvements include:

- Streets and public right of way improvements;
- Park, recreation, and open-space facilities;
- School sites and structures;
- Libraries, childcare facilities;
- Water, wastewater and utility infrastructure;
- Flood infrastructure; and
- Seismic retrofitting.

In addition, districts may fund certain public services provided that services are not funded with bond proceeds and services do not supplant those offered prior to the formation of the district. Examples of eligible services include fire and police protection and the

maintenance of new infrastructure or parks.

- ❖ **EVALUATION:** CFDs have proven effective at funding broad-based capital projects in developing areas. They are most commonly used in circumstances in which approval is limited to a small group of land holders. The special tax creates a dedicated funding source suitable for bond financing but also an additional cost on property ownership.

## B. Special Assessment Districts

- ❖ **PROCESS:** Special assessments districts require the preparation of an engineer's report that demonstrates that planned improvements will confer a "special benefit" upon the district. The report must also allocate the costs of proposed improvements in proportion to benefits received from services and improvements. Affected property owners vote on the assessment, with voting weighted proportionally to each property owner's proposed assessment. A simple majority is required for the assessment to take effect. Once established, the sponsoring public agency may issue bonds secured against assessment revenue, pursuant to the Improvement Bond Act of 1915<sup>2</sup>.

- ❖ **USES OF FUNDS:** The many variants of special assessment districts under state law authorize

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<sup>2</sup> Streets & Highways Code §8500



the construction of public facilities such as landscaping, lighting, streets, water, wastewater and storm water infrastructure, parks and public facilities. Most assessment districts also allow funding of maintenance costs associated with public facilities. However, assessment bonds are not authorized to pay for ongoing services.

- ❖ **EVALUATION:** Special assessments are appropriate for funding maintenance and infrastructure when benefits can be clearly measured and apportioned among landholders. The revenue capacity of special assessment districts is relatively limited given that assessments may only account for benefits conferred on specific property owners that go beyond standard levels of service.



### III. TAX INCREMENT FINANCING

Tax increment financing permits local agencies to finance infrastructure and other community improvements by issuing bonds secured by growth in an area's property tax revenues. Tax increment financing was approved by California voters in 1952 and later became a widely used tool of redevelopment agencies. Following the dissolution of Redevelopment in 2012, the State has bolstered alternative means of tax increment finance, through the approval of legislation that permits the creation of "Enhanced Infrastructure Finance Districts" (EIFDs), Infrastructure and Revitalization Districts (IRFDs) and Community Revitalization and Investment Authorities (CRIAs).

While not as robust as Redevelopment, all three alternative tools can serve as an important funding source for public facilities as well as other eligible projects. Once established, infrastructure finance districts and CRIAs are authorized to receive tax increment revenues from a defined area with the consent of affected taxing entities, excluding school districts. The financing capacity of the districts is driven by the portion of the base 1% tax levy that is dedicated to the district. It is an effective tool when either a sponsoring city receives a large share of the 1% property tax levy or if counties agree to contribute a portion of the county increment to the district. San Francisco has used these tools because, as both a

county and a city, it receives approximately 65% of the base 1% property tax levy. The City of West Sacramento also receives a large share of the base 1% levy and has successfully adopted an IFD. To maximize the funding capacity of these districts for infrastructure improvements in Solano County, it would be beneficial for both municipalities and the County to participate in dedicating a portion of their shares of property tax increment.

The primary objective of infrastructure finance districts is to finance capital projects of "communitywide impact" Districts may include any area, including non-contiguous areas, within a sponsoring city or county. In contrast, CRIAs are specifically focused on improving conditions within disadvantaged communities. Eligible projects are generally restricted to the boundaries of the CRIA, and 25% of tax revenues must be allocated to affordable housing.

The adoption process, eligible uses of funds and terms of each tool are summarized in Tables 2 and 3.

#### A. Infrastructure Finance Districts (IFDs, EIFDs and IRFDs)

- ❖ **PROCESS:** Cities and counties may select from three distinct regulatory authorities to form an infrastructure finance district. Infrastructure

Finance District Act of 1990<sup>3</sup>. Enhanced Infrastructure Finance Districts (EIFDs)<sup>4</sup> and Infrastructure and Revitalization Financing Districts (IRFDs)<sup>5</sup> are recent variants of the base IFD legislation. Cities and counties with a redevelopment successor agency must receive a finding of completion from the Department of Finance (DOF) prior to forming an EIFD or IRFD; the same requirement applies to IFDs that overlap with the boundaries of a former redevelopment area. IRFD legislation also authorizes military base reuse authorities to propose an infrastructure finance district, subject to the same conditions.

The three alternative structures vary with respect to governance, process and term (see Table 2). IFDs and IRFDs are governed by the legislative body of the sponsoring local agency. EIFDs are governed by a separate entity known as the Public Finance Authority. Members of the Public Finance Authority are chosen by the sponsoring agency and are to include three members of the legislative body as well as two members of the public<sup>6</sup>. The governing entity oversees the preparation of the infrastructure limited to 30 years from adoption. IRFDs may continue up to 40 years or longer by

finance plan, which must specify the boundaries of the district, the projects to be financed, tax revenues to be captured over time, a plan for debt financing, a fiscal analysis, and the district term. The term of an IFD is ordinance and issue bonds with a maturity of no more than 30 years, while the term of an EIFD may extend 45 years from approval of bond issuance. To adopt the plan, there must be a public hearing, a vote of the governing body, and concurring resolutions by the legislative bodies of affected taxing entities. In addition, plans of IFDs and IRFDs are subject to a public vote of two-thirds of affected voters or landowners (if there are fewer than 12 registered voters). All three structures require a public vote to issue debt. Voting terms for IFDs and IRFDs are the same as those to adopt the district plan, and may be held concurrently with the vote to adopt the district. EIFDs require the support of 55% of voters or landowners in order to issue debt.

- ❖ **USE OF FUNDS:** At a minimum, infrastructure finance districts are eligible to fund public facilities of “communitywide significance” that are necessary to accommodate new development (see Table 3). Such facilities may

<sup>3</sup> Government Code §53395

<sup>4</sup> Government Code §53398.5

<sup>5</sup> Government Code §53369

<sup>6</sup> Additional legislative appointees may be added in cases where multiple taxing entities sponsor the district.



include transportation infrastructure, water and wastewater infrastructure, solid waste facilities, and community amenities including parks, libraries, and childcare centers. All three structures are also authorized to reimburse developers for permitting and affordable housing costs associated with a Transit Priority Project, pursuant to Government Code §65470<sup>7</sup>. The scope of EIFDs and IRFDs extends to other forms of private development assistance, including brownfield restoration, projects located on former military bases, Sustainable Communities Strategy projects, industrial structures for private use and affordable housing. IRFDs may additionally fund the construction or acquisition of commercial structures for private use and site work necessary for private development. While not required to build housing, infrastructure finance districts must replace any affordable units destroyed or removed in the course of the district's activities; a portion of market rate units that are removed must also be replaced as affordable units (20% for IFDs/IRFDs, 25% for EIFDs).

❖ **EVALUATION:** Which of the three structures is most suitable will depend on the situation. IFDs are the only structure available to jurisdictions whose successor agency has not received a finding of completion from DOF (as long as the district's boundaries do not overlap with the former redevelopment authority). IRFDs permit the broadest scope of eligible projects and are the only structure that authorizes a military base reuse authority to sponsor and govern a financing district. EIFDs allow for the longest term and require a public vote only upon the issuance of debt. In addition, EIFDs provide the greatest ability to leverage multiple revenue sources and augment bonding capacity. Firstly, governance by the Public Finance Authority allows for the participation of more than one local agency in the oversight of the district, thus creating a stronger incentive for other taxing entities to allocate tax increment and net Redevelopment Property Tax Trust Fund (RPTTF) revenues to the district. Secondly, the EIFD legislation authorizes local agencies to pledge other revenue streams, such as VLF revenues and development fees, to increase the bonding capacity of the EIFD.

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<sup>7</sup> A Transitional Priority Project must be located within a half mile of a major transit stop, contain at least 50 percent residential uses, and reserve at least 20 percent of units for families with moderate incomes or less.

## B. Community Revitalization and Investment Authorities (CRIAs)

❖ **PROCESS:** The purpose of the recently adopted CRIA legislation is to finance revitalization projects in areas of economic need, including former military bases. For former military bases, inadequate infrastructure is sufficient to demonstrate need. For all other areas, eighty percent of block groups must present a median income that is less than 80% of the statewide median and share three of the following four conditions:

1. Unemployment three percent higher than the statewide median unemployment;
2. Crime rates five percent higher than the statewide median;
3. Deteriorated infrastructure; and/or
4. Deteriorated commercial and residential structures.

Provided that the local successor agency has received a finding of completion from DOF, cities and counties may pass an ordinance establishing the CRIA governing authority. The governing authority is a separate entity comprised of three members of the sponsoring legislative body and two members of the public. The authority is charged with preparing a plan for the revitalization area and leading the process to adopt it. The plan must include: a description and timeline of targeted

revitalization projects, a plan to meet affordable housing requirements, a fiscal analysis, and a termination date for the district, up to 45 years from adoption. Three public hearings are required to approve the revitalization plan. Protest by a majority of property owners and residents is cause to end the proceedings; protest by 25 percent to 50 percent of residents and property owners triggers a vote of the qualified electorate. Otherwise, the plan may be adopted by a majority vote of the governing authority. Concurrent resolutions are required of affected taxing entities allocating tax increment to the authority. Once adopted, the governing authority may issue bonds by a majority vote of its members. However, the authority is required to submit an annual report and is subject to protest proceedings every ten years. For a comparison of the procedural requirements of CRIAs with those of other tax increment finance tools, see Table 2.

❖ **USE OF FUNDS:** CRIAs are authorized to finance a broad range of projects to induce economic and community development within the boundaries of the revitalization area (see Table 3). Twenty-five percent of funds must be expended on increasing affordable housing opportunities within the district. Other projects may include the construction or rehabilitation

of public infrastructure as well as private development assistance, including brownfield restoration, site acquisition and preliminary site work, construction/ rehabilitation of residential, commercial, and industrial structures, and direct assistance to businesses. CRIAs are the only tax increment mechanism with the power to exercise eminent domain (limited to the first 12 years after adoption).

- ❖ **EVALUATION:** CRIAs have the potential to be a powerful tool for financing projects in disadvantaged communities. CRIAs have the broadest authority among tax increment districts to induce private investment through the acquisition, improvement and transfer of real property. As with EIFDs, the structure of CRIAs as a separate agency with facilities for joint oversight potentially encourages funding by multiple taxing entities. On the other hand, the focus of CRIAs on improving conditions within the boundaries of the project area as opposed to delivering communitywide benefits may limit potential for revenue sharing across taxing entities.

## Table 2 - Structure and Requirements of Tax Increment Financing Tools

	IFD	IRFD	EIFD	CRIA
<b>GOVERNMENT CODE SECTION</b>	§ 53365	§ 53365	§ 53365	§ 53365
Governance	Legislative body	Legislative body	Separate entity	Separate entity
<b>PREREQUISITES</b>				
Successor agency finding of completion <sup>1</sup>	Yes <sup>2</sup>	Yes	Yes	Yes
<b>DISTRICT BOUNDARIES</b>				
Non-contiguous areas permitted	Yes	Yes	Yes	Not specified
Economic need <sup>3</sup>	Not required	Not required	Not required	Yes
<b>TERM</b>				
Maximum District Term (Max.)	30 years	40+ years	45 years	45 years
Maximum Bond Maturity (if different)	n/a	30 years	n/a	n/a
Deadline to Issue Debt (if different)	n/a	n/a	n/a	30 years
<b>PLAN ADOPTION</b>				
Public Hearings	1	1	1	3
Protest Provisions <sup>4</sup>	No	No	No	Yes
Public Vote Required <sup>4</sup>	Yes	Yes	No	By protest <sup>5</sup>
Voting Threshold	2/3	2/3	n/a	50% (if req'd)
<b>REVENUE SOURCES</b>				
Tax Increment & Net available RPTTF	Yes	Yes	Yes	Yes
VLF, Other Fees, Special Taxes	No	Not Specified	Yes	No
Public Agency Grants, Loans	Not Specified	Not Specified	Yes	Yes
<b>BOND ISSUANCE</b>				
Public Vote <sup>4</sup>	Yes	Yes	Yes	No
Threshold	2/3	2/3	55%	n/a
<b>AFFORDABLE HOUSING REQUIREMENTS</b>				
Budget Set-Aside	None	None	None	25%
Affordable Requirement if Housing Built	20%	20%	100%	100%
Unit Replacement: Affordable	1:1	1:1	1:1	1:1
Unit Replacement: Market	1:5	1:5	1:4	n/a
<b>ONGOING COMPLIANCE</b>				
Audit/Annual Report	Not Specified	Every year	Every 2 years	Every year
Protest Proceeding <sup>5</sup>	No	No	No	Every 10 years

<sup>1</sup> In addition, sponsoring agencies must comply with State Controllers' Office asset transfer review.

<sup>2</sup> If boundaries of IFD overlap with former redevelopment agency.

<sup>3</sup> See text for criteria used to determine economic need.

<sup>4</sup> If <12 votes in district, landowners vote. If >12 voters, registered voters decide.

<sup>5</sup> A protest by 50% of residents/landowners terminates the proceedings. A protest by 25% of residents/landowners causes a public vote.



**Table 3 - Eligible Uses of Tax Increment Financing**

<i>n/s = not specified</i>	IFD	IRFD	EIFD	CRIA
<b>PREREQUISITES</b>				
Restricted to district boundaries	No	No	No	Yes
Must demonstrate significance beyond district	Yes	Yes	No	No
May supplant existing facilities	No	Yes <sup>1</sup>	Yes <sup>1</sup>	n/s
<b>ELIGIBLE EXPENDITURES</b>				
Construction/Acquisition	Yes	Yes	Yes	Yes
Planning and Design	Yes	Yes	Yes	Yes
Maintenance/Operations	No	No	No	No
<b>ELIGIBLE PROJECTS</b>				
<b>Public Facilities</b>				
Transportation Infrastructure <sup>2</sup>	Yes	Yes	Yes	Yes
Water Infrastructure <sup>3</sup>	Yes	Yes	Yes	Yes
Flood Control <sup>4</sup>	Yes	Yes	Yes	Yes
Solid Waste	Yes	Yes	Yes	Yes
Broadband facilities	Yes	n/a	n/a	Yes
Community Amenities <sup>5</sup>	Yes	Yes	Yes	Yes
Port or harbor infrastructure	n/a	n/a	Yes	Yes
<b>Private Development Assistance</b>				
Transit Priority Program projects <sup>6</sup>	Yes	Yes	Yes	Yes
Brownfield clean-up	No	Yes	Yes	Yes
Projects on a former military base <sup>7</sup>	No	Yes	Yes	Yes
Purchase of land	No	Yes	n/a	Yes
Site work for private development	No	Yes	n/a	Yes
Affordable Housing	No	Yes	Yes	Yes
Market rate housing <sup>8</sup>	No	Yes	n/s	n/s
Industrial structures for private use	No	Yes	Yes	Yes
Commercial structures for private use	No	Yes	n/a	Yes
Sustainable Communities Strategy projects <sup>9</sup>	No	Yes	Yes	Yes
Transfer of real property	No	n/s	n/s	Yes
Direct assistance to businesses	No	n/s	n/s	Yes
Use of eminent domain	No	No	No	Yes <sup>10</sup>

<sup>1</sup> Rehab of existing public facilities allowed under certain circumstances, but focus is on adding capacity for new development.

<sup>2</sup> Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

<sup>3</sup> Sewage treatment, water treatment and water reclamation projects.

<sup>4</sup> Levees and dams, retention basins, and drainage channels.

<sup>5</sup> Child care facilities, libraries, parks, recreation, and open space.

<sup>6</sup> Reimburse developer for Transit Priority Program permitting and affordable housing costs.

<sup>7</sup> Must be consistent with military base reuse plan. May include repayment of funds to military base authority.

<sup>8</sup> Subject to affordable housing requirements.

<sup>9</sup> Must be approved by State Air Resources program.

<sup>10</sup> Within 12 years of adoption



## IV. DEVELOPER FUNDING, FINANCING AND INCENTIVES

It is taken for granted that developers are primarily responsible for building in-tract improvements necessary to complete their projects. In contrast, the path to delivery of infrastructure that serves a broader area requires greater coordination among public and private stakeholders. The mechanisms reviewed below offer ways of engaging developers in the funding and financing of off-site improvements necessary for accommodating new development and spurring further economic growth. A final tool, incentive agreements, provides a vehicle for local agencies to fund a portion of in-tract costs in cases where private development would not otherwise be feasible.

### A. Developer Fees

Pursuant to the Mitigation Fee Act<sup>8</sup>, local agencies may assess impact fees to cover incremental service and capital costs of new development. Fees are typically paid at the time of building permit issuance or recording the final subdivision map and are placed into a reserve fund for specific improvements. Parking or traffic mitigation fees are examples of development impact fees. A technical analysis is required to demonstrate the proportional relationship between the fee and the incremental costs to the agency, prior to adoption by the

legislative body. Local agencies may also consider market factors when setting fees, in particular, whether fee levels stand to impact development feasibility.

Impact fees provide an important revenue source for funding local infrastructure. The challenge is sequencing current fee revenues with infrastructure investments necessary to serve near- and long-term growth. Several tools address this challenge by encouraging private investment in area-serving infrastructure, discussed below.

### B. Developer Credits and Reimbursements

Many local agencies permit developers to construct area-serving infrastructure such as streets, utilities, parks and open space in lieu of paying certain impact fees. Local agencies may also enter into agreements to reimburse developers for investments in area-serving infrastructure in cases where the value of the investment exceeds fees otherwise owed by the project. Local agencies may pledge future development-based revenues, such as impact fees, assessments or special taxes towards the reimbursement agreement; however, pursuant to Government Code §53190, the general fund

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<sup>8</sup> Government Code §66000

must not be liable for repayment of obligations. All special levies and assessments are subject to approval by property owners and voters, as described in the previous section.

### **C. Development Agreements and Enhanced Zoning**

It is common for local agencies to enter into a development agreement when conferring long-term entitlements for a major project. As part of the negotiation process, developers may offer to provide extraordinary benefits, including infrastructure and other public facilities. These commitments are agreed upon at the discretion of negotiating parties and as such are not subject to the Mitigation Fee Act. The nature and magnitude of benefits provided will depend on local market conditions, the entitlements, and the development economics of the project. Providing favorable entitlements can be an effective means for funding infrastructure and public facilities. Examples include: reducing parking requirements, increasing permitted floor to area ratios, etc. By increasing the value of the private development, additional “value” is created for infrastructure improvements.

### **D. Economic Incentive Agreements**

Incentive agreements provide the private sector a form of gap funding in situations where the development economics do not support the full cost of a commercial project with the potential to deliver substantial community benefits. Local agencies may enter into incentive agreements pledging to rebate a portion of sales taxes generated by new businesses locating to an area that designate the jurisdiction as the point of sale. Incentive agreements may also track and rebate a portion of Transient Occupancy tax revenues generated by the suppliers, customers, and employees of new businesses. Developers or tenants can leverage such agreements to finance site or tenant improvements in private capital markets secured by anticipated tax rebates. Pursuant to Section 53083 of the California Government Code, jurisdictions providing economic development subsidies must specify in a public hearing the amount of the subsidy and the projected benefits prior to entering into an incentive agreement valued above \$100,000.



## V. FEDERAL AND STATE PROGRAMS

Federal and state grants, loans and incentive programs are valuable sources of gap financing and funding for local infrastructure and economic development projects. Many programs are competitive and emphasize investments in areas of economic need. Funding opportunities are myriad and subject to change; what follows is a selection of the most widely used and most applicable sources. The attributes of the programs are summarized in Table 4.

### A. Investment Incentives

The Federal government sponsors several programs which incentivize private investment in qualifying economic development projects. Qualifying projects in turn gain access to a source of low cost financing, subsidized by federal incentives. The most widely used incentive programs are the following:

- ❖ **NEW MARKET TAX CREDITS:** The federal New Market Tax Credit Program (NMTC) provides a source of low-interest financing to businesses located in low-income Census tracts or serving low-income residents via tax credit allocations to financial intermediaries. The Community Development Financial Institutions Fund (CDFI Fund) of the U.S. Department of Treasury awards approximately \$3.5 billion annually in

tax credit allocation authority to local, mission-oriented financial intermediaries referred to as Community Development Entities (CDEs). Private individuals and firms earn income tax credits for investing in CDEs provided that CDEs direct investments to qualified projects. Qualified projects include commercial and mixed-use developments located in low-income Census tracts. Low-income Census tracts are characterized by median incomes less than 80% of the metropolitan median or a poverty trade above 20%. Census tracts in Solano County that meet the definition of a low-income community for NMTC purposes are listed in Table 5. The location of the census tracts is illustrated on Map A. Businesses located in moderate income communities (up to 120% of the metropolitan median income) may qualify if a substantial share (40%-50%) of their employees, customers, or owners are low-income. Federal standards set minimum eligibility requirements. CDEs apply additional criteria in selecting from qualified projects, based on the organization's mission and area of focus. Creditworthiness of the borrower is another important factor, since NMTC investments are typically structured to leverage debt financing.

❖ **EB-5 PROGRAM:** UCSIS administers the EB-5 program, first authorized in 1990, which provides up to 10,000 conditional green cards per year to foreign investors who invest in a “new commercial enterprise” that creates a minimum of 10 jobs; the minimum capital investment is \$1 million, or \$500,000 in high areas of unemployment. Through the related Regional Center program, UCSIS authorizes domestic entities to pool and invest funds on behalf of foreign investors into projects that satisfy EB-5’s job creation requirements. Commercial developers seeking EB-5 investments may either form a new Regional Center or seek sponsorship through a third party Regional Center. In certain cases, public agencies, including the State of Vermont, have established Regional Centers to direct foreign investments toward local businesses and priority development projects. EB-5 has been an effective tool for redeveloping large properties, such as the Hunter Point Shipyard in San Francisco. There are currently 64 regional centers registered and approved by UCSIS in California. UCSIS requires Regional Centers to specify a geographic scope. KMA has identified nine regional centers in California whose geographic scope includes Solano County (Table 6).

❖ **HISTORIC PRESERVATION TAX INCENTIVES:**

The Historic Preservation Tax Incentives program administered by the U.S. Department of the Interior and the Department of the Treasury provides an income tax credit equal to 20% of eligible costs to rehabilitate certified historic buildings and 10% of costs to rehabilitate other commercial buildings built before 1936. Certified historic buildings must be listed in the National Register of Historic Places, or demonstrate a contribution to a listed historic district. Rehabilitation is subject to detailed standards for preserving the property’s historic character. Project sponsors meeting the requirements may then use awarded tax credits to leverage favorable financing from a third party.

## **B. Loan Programs**

Loan programs provide local agencies and private partners with loan guarantees, access to tax exempt bond pools, or other forms of debt financing with favorable rates and terms. Commonly utilized loan programs include:

❖ **HUD SECTION 108 LOAN PROGRAM:** The U.S. Department of Housing and Urban Development administers the Section 108 program, which allows local governments to use future CDBG allocations (up to five times

their annual allocation) as a loan guarantee to gain access to flexible terms and lower rates from third-party lenders. While CDBG funds serve as security, local agencies typically use another revenue stream to repay the loan, including revenues generated by the project. Consistent with CDBG rules and requirements, projects may include acquisition and rehabilitation of public infrastructure and private property to the extent the project benefits low- and moderate-income residents, eliminates blight, or responds to other community priorities. Starting in FY2016, borrowers are subject to a one-time administrative fee of 2.56% of the principal borrowed. Section 108 applications are received on an ongoing basis.

❖ **U.S. DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT COMMUNITY FACILITIES LOANS AND LOAN GUARANTEES:**

The U.S. Department of Agriculture and Rural Development (USDA) provides financial assistance to rural communities with a population of less than 20,000 to develop “essential community facilities,” such as healthcare clinics, public buildings, and utility services. In Solano County, communities that qualify as “rural” according to the USDA include: Allendale CDP, Elmira CDP, Hartley CDP and Rio Vista CDP. The USDA’s Community

Facilities Direct Loan Program provides loans of to 40 years at favorable interest rates. Loans are competitive and generally do not exceed \$3 million. In addition, the Community Facilities Guaranteed Loan Program provides loan guarantees to private financial institutions funding rural community facilities. There is no maximum loan amount for the Loan Guarantee program. Terms and interest are negotiated between the private lender and the public or non-profit borrower.

❖ **STATE INFRASTRUCTURE BANK: INDUSTRIAL DEVELOPMENT BONDS:**

The State Infrastructure Bank’s Industrial Development Bonds program funds the acquisition, construction and rehabilitation of manufacturing facilities. Bonds are issued by the State Infrastructure Bank, local Industrial Development Authorities, or Joint Power Authorities. Applications are submitted for specific projects rather than for community wide improvements. IDB financing provides projects up to \$10 million in long-term financing at favorable interest rates. Terms of maturity are limited to 120% of the life of the assets financed. The majority of funds must be dedicated toward production purposes; no more than 25% may support investments in office or warehouse space. Applications are accepted on an ongoing basis.

- ❖ **STATE INFRASTRUCTURE BANK REVOLVING LOAN PROGRAM:** The State Infrastructure Bank Revolving Loan Fund provides favorable loans of up to \$25 million to local agencies to finance a range of infrastructure projects. Eligible projects include public facilities such as streets, water and waste water infrastructure, as well as private development assistance including the construction of industrial and commercial facilities and related infrastructure. Local agencies determine the revenue source for loan repayment. Applications are accepted on an ongoing basis.
- ❖ **STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM:** The Statewide Community Infrastructure Program is a tax exempt financing pool administered by the California Statewide Communities Development Authority. Thirty-year, tax-exempt bonds issued by CSCDA are secured by special assessments or a special tax levy. Proceeds may be used to fund public facilities, advance impact fees payable to a local agency, or reimburse developers for the cost of public improvements. The SCIP achieves favorable interest rates by pooling smaller financings into a single bond issuance. SCIP can also assist local agencies in the establishment of special assessment or community facility districts. Any local agency that is a member of CSCDA is

eligible to participate; applications are accepted on an ongoing basis.

### C. Grant Programs

State and federal grants generally prioritize projects in areas of economic need, or that reflect other priorities of sponsoring agencies.

- ❖ **PUBLIC WORKS PROGRAM:** A common source of grant funding for economic development projects is the U.S. Economic Development Administration (EDA). The EDA's largest grant program is the Public Works program, which awards competitive grants to local agencies of up to \$3 million toward infrastructure investments necessary to carry out a regional economic development strategy. Eligible projects include water and wastewater infrastructure, industrial parks, and business incubators. Applicants must demonstrate economic distress either through: (1) an unemployment rate above the national rate; (2) incomes below the national median; or (3) special circumstances. Special circumstances arise with the need to prevent the loss of a major or respond to a military base closure, for example. Grant applications are accepted on an ongoing basis.

In order to secure an EDA grant, the County must prepare a Comprehensive Economic Development Strategy (CEDS) or a "CEDS

Alternative” that is approved by the EDA. Given the content of other “CEDS Alternatives” that have been approved by the EDA, it may be possible that the Moving Solano Forward Study would be approved by the EDA as an acceptable “CEDS Alternative.”

The USDA offers grant funding for community facilities in rural areas. However, grants are typically limited to communities that demonstrate economic need by having a median income below 90% of the state non-metropolitan median income, in contrast with the more expansive EDA definition. According to the 2010-2014 American Community Survey, incomes in all the above communities exceed the state non-metropolitan median income of \$56,900. Rural communities in Solano County may still be eligible for EDA grants pursuant to the requirements above.

- ❖ **COMMUNITY DEVELOPMENT BLOCK GRANTS:** The Community Development Block Grant (CDBG) Program, administered by HUD, provides another important source of funding for economic development. CDBG grants awarded to local communities are authorized to fund a range of activities, including site acquisition, infrastructure and direct business assistance, provided that projects address one of three national objectives:

2. Prevent/eliminate blight
3. Meet an urgent community need.

In addition, HUD regulations specify that seventy percent of all CDBG funds must be spent for the benefit of low and moderate income residents. Benefits to low and moderate income residents can include job creation or retention if more than half of permanent positions will be accessible to low and moderate income residents.

Cities with greater than 50,000 residents, known as “entitlement cities,” receive annual CDBG grants from HUD on the basis of population and community needs. In Solano County, the entitlement cities of Fairfield, Vacaville and Vallejo receive over \$2 million in aggregate annual grant funding from HUD (based on FY 2015/16 formula allocations). Multiple years of grant funding may be leveraged through HUD’s Section 108 Loan Guarantee Program, described above. In the past, Solano County’s entitlement cities have utilized a portion of their CDBG awards to fund enhancements to local infrastructure. Non-entitlement communities must apply for CDBG grant funding from California’s Department of Housing and Community Development, which is set to award \$27 million in local grants in 2016. Maximum awards vary by activity but generally do not exceed \$2 million, and are limited to \$3 million..

## **D. Brownfield Assistance**

State and federal agencies offer various grants and loans to assess and remediate brownfields sites for development purposes (Table 4). Local agencies may target privately owned parcels with permission of the property owner. The California Department of Toxic Substances control offers grants of approximately \$75,000 for site assessment and low-interest loans of up to \$900,000 for site cleanup conducted after an environmental assessment. The EPA offers grants of up to \$200,000 for both assessment and cleanup; cleanup funds require a 20% local contribution.

**Table 4 - Summary of Federal & State Grant Programs**

Category	Program	Administrator	Type/Amount	Primary Uses
<b>INVESTMENT INCENTIVES</b>	New Market Tax Credits	U.S. Department of Treasury	39% tax credit over seven years	Commercial projects in low-income communities
	EbB5 Visa Program	U.S. Citizenship and Immigration Services	Minimum \$500,000 / investor	Job creation
	Historic Preservation Tax Incentives	U.S. Dept. of Interior, Department of Treasury	10% or 20% tax credit upon occupation	Rehabilitation of historical structures
<b>LOAN PROGRAMS</b>	Section 108 Loan Program	U.S. Department of Housing & Urban Development	Loan guarantee up to 5 times CDBG allocation	Infrastructure & commercial projects primarily in areas of economic need
	Community Facilities Program	U.S. Department of Agriculture & Urban Development	Favorable loans up to \$3 million or loan guarantee	Essential community facilities in rural communities
	Revolving Loan Program	State Infrastructure Bank	Favorable loans up to \$25 million	Infrastructure & commercial projects
	Industrial Development Bonds	State Infrastructure Bank	Favorable loans up to \$10 million	Manufacturing facilities
	Statewide Community Infrastructure Program	California Statewide Communities Development Authority	Tax exempt bond financing	Public facilities
<b>GRANT PROGRAMS</b>	Public Works Program	Economic Development Administration	Up to \$3 million	Infrastructure & commercial projects in areas of economic need
	Community Development Block Grants	U.S. Department of Housing and Urban Development / California Department of Housing and Community Development	Entitlement cities: By formula Non-entitlement communities: Up to \$3 million	Community and economic development projects including infrastructure and business assistance, benefitting low and moderate income residents
<b>BROWNFIELD ASSISTANCE</b>	Targeted Site Intervention Program	California Department of Toxic Substances Control (DTSC)	Grants of \$75,000 per site	Environmental site assessment
	Revolving Loan Fund	California Department of Toxic Substances Control (DTSC)	Favorable loans, up to \$900,000 per site	Site clean-up
	Assessment Grants	Environmental Protection Agency	Grants up to \$200,000 per site	Environmental site assessment
	Cleanup Fund	Environmental Protection Agency	Grants up to \$200,000 per site; 20% match	Site clean-up

**Table 5 - Eligible Census Tracts for New Market Tax Credits**

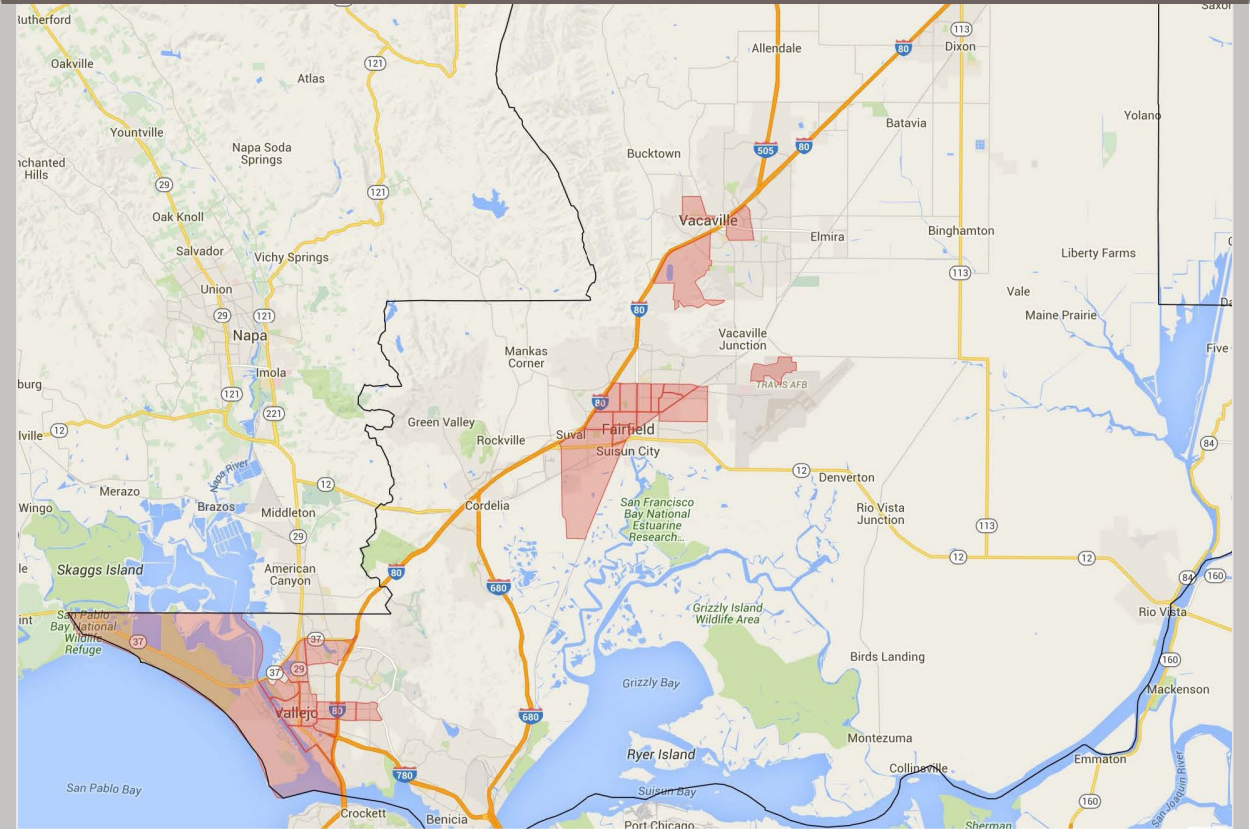
CITY	2010 CENSUS
<b>VALLEJO</b>	06095250200
	06095250300
	06095250701
	06095250801
	06095250900
	06065251000
	06095251100
	06065251200
	06095251500
	06065251600
	06095251701
	06095251802
	06095251901
<b>FAIRFIELD</b>	06095252401
	06095252402
	06095252501
	06095252502
	06065252604
	06095252605
	06095252606
	09065252607
	09065252608
	06095252610
	06095252611
	06095252707
<b>VACAVILLE</b>	06095253105
	06095253108
	06095253203

Based on July 2015 eligibility list (most recent update as of May 2016)

Source: CDFI Fund and Google Maps



## CENSUS TRACTS ELIGIBLE FOR NEW MARKET TAX CREDITS IN SOLANO COUNTY



Prepared by ► Keyser Marston Associates

Source ► CDFI Fund and Google Maps

**Table 6 - EB-6 Regional Centers Serving Solano County**

REGIONAL CENTER	WEBSITE
<b>1. BAY AREA REGIONAL CENTER</b>	<a href="http://bayareaarc.com/index.php">http://bayareaarc.com/index.php</a>
<b>2. GOLDEN GATE GLOBAL</b>	<a href="http://www.sfbarc.com">http://www.sfbarc.com</a>
<b>3. NEW WORLD REGIONAL CENTER, INC.</b>	n/a
<b>4. ARCS REGIONAL CENTER</b>	<a href="http://www.acsregionalcenter.com">http://www.acsregionalcenter.com</a>
<b>5. AMERICAN CALIFORNIA REGIONAL CENTER</b>	<a href="http://madisonrealtycompanies.com/eb5">http://madisonrealtycompanies.com/eb5</a>
<b>6. AMERICAN LENDING CENTER LLC</b>	<a href="http://www.usa-rc.com">http://www.usa-rc.com</a>
<b>7. CALIFORNIA ECONOMIC DEVELOPMENT FUND, LLC</b>	n/a
<b>8. CALIFORNIA PACIFIC REGIONAL CENTER, INC.</b>	<a href="http://californiapacificregionalcenter.com">http://californiapacificregionalcenter.com</a>
<b>9. BERKELEY REGIONAL CENTER FUND, LLC</b>	<a href="http://www.behringcompanies.com">http://www.behringcompanies.com</a>

Based on Regional Center designation letters  
Source: UCSIS 2016

## VI. TASK 6.3: POTENTIAL FINANCING PLAN FOR SOLANO COUNTY CATALYST SITES

City staff are particularly interested in understanding the financial capacity of an Infrastructure Financing Districts (IFDs) since it is a relatively new locally governed tax increment financing tool. While not as robust as former Redevelopment tax increment financing, IFDs can generate significant funds for a wide-array of infrastructure needs. To identify the potential opportunity for funding infrastructure, Keyser Marston Associates, Inc. (KMA) provided the following services:

1. Worked with the seven jurisdictions to identify Tier 2 and Tier 3 case study catalyst sites;
2. Prepared a preliminary evaluation of the financial capacity to fund each site's needed infrastructure improvements; and
3. Formulated a preliminary funding strategy for the sites.

Given the level of interest in IFDs, KMA has estimated the leveraging capacity of an IFD for each of the catalyst sites.

The analysis focuses on the revenues that could be potentially generated by the formation of an Enhanced Infrastructure Financing District (EIFD) at each site, since it is currently the dominant form of an IFD being considered by communities throughout California.

### A. Catalyst Sites

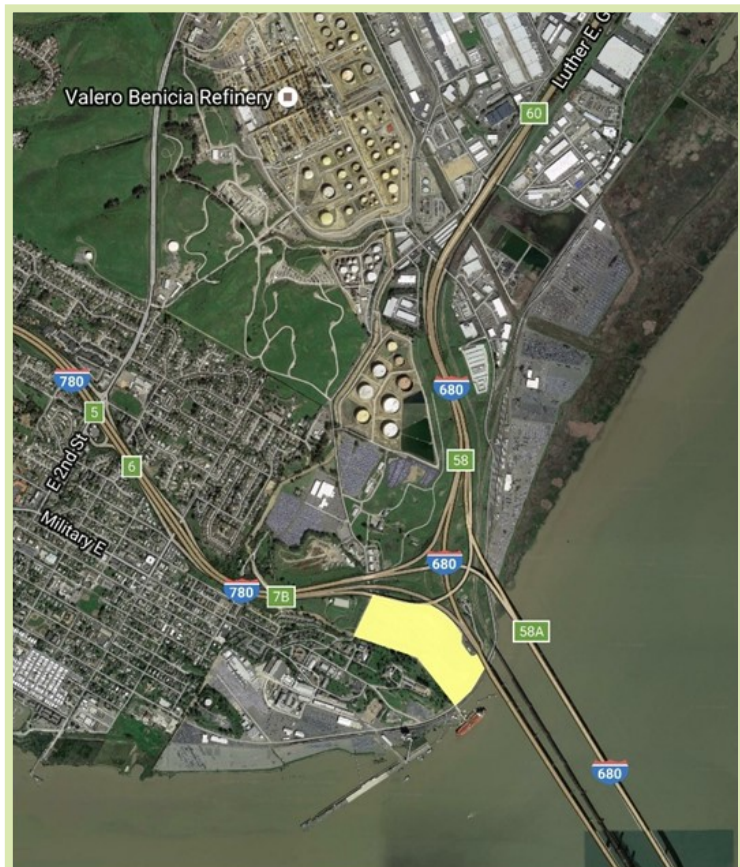
As shown in Exhibit 1, the developable acreage of the selected catalyst sites ranges in size from 16 acres at the "Lee Property" in Vallejo to 300 acres at the "Canon Station Area" in Fairfield.<sup>1</sup> The sites' infrastructure needs consist generally of roads, utilities, and storm water improvements. Vacaville has indicated that a new freeway interchange is needed to open up the three business parks and the Vallejo site needs existing utilities to be relocated.

## Exhibit 1 – Catalyst Sites

	Catalyst Site	Developable Acres <sup>1</sup>	Needed Infrastructure Improvements
Benicia	Oak and Bayshore	25	Roads, Storm water
Dixon	NE Quadrant	47	Roads and Utilities
Fairfield	Canon Station Area	300	Roads, Utilities and Storm water
Rio Vista	Rio Vista BP	90	Storm water and Sewer
Suisun City	City-owned Property	30	Roads, Utilities and Storm water
Vacaville	Interchange, Vaca Valley, and Vacaville Golden Hills BP	157	Freeway interchange
Vallejo	Lee Property	16	Water, sewer, storm water, possibly roads, and utility relocation

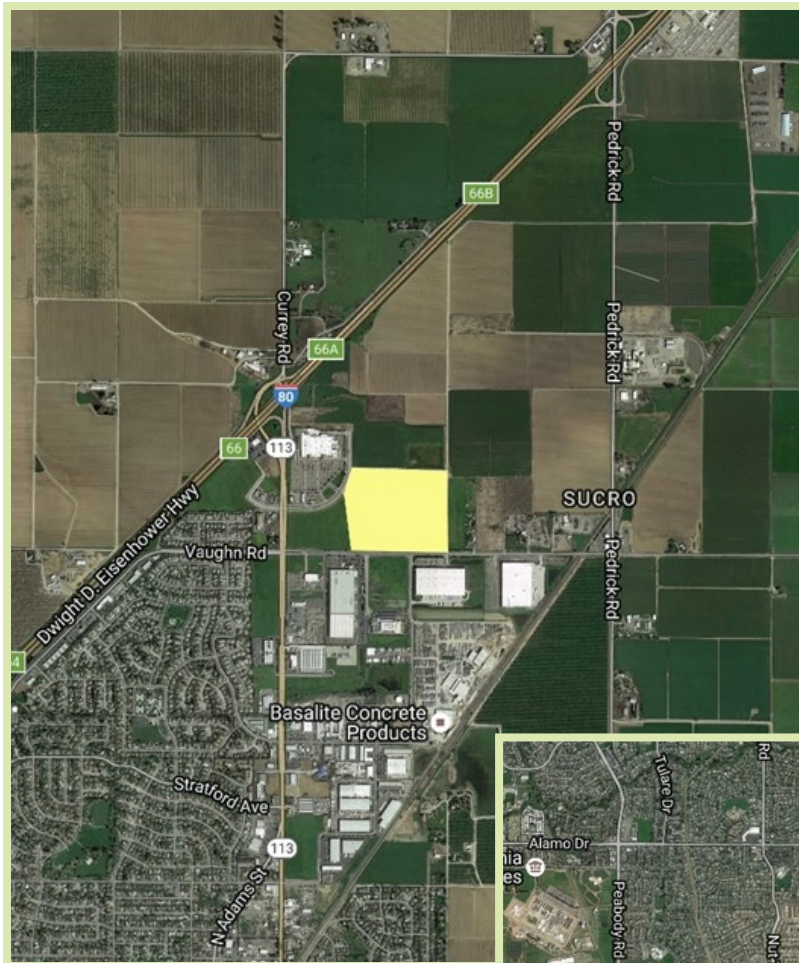
The locations of the catalyst sites are provided on the following maps.

### ***Benicia Oak Road***



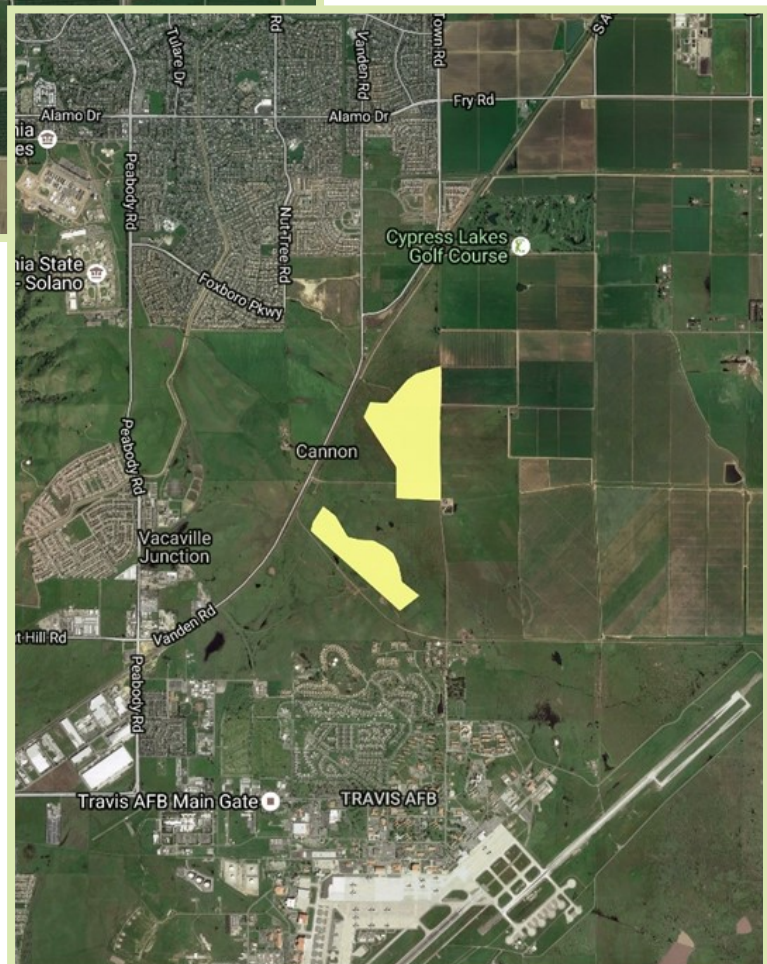
<sup>9</sup> For several sites, developable acreage is less than the total acreage. Please see Appendix A, Table 1 for detailed acreage figures.



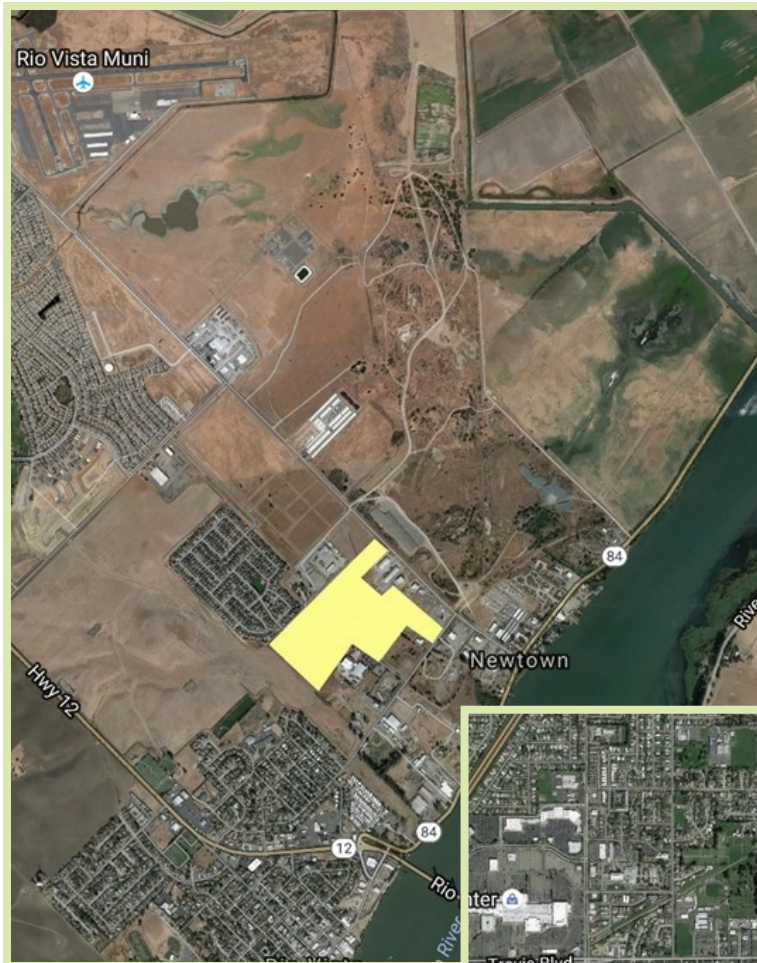


*Dixon NE Quadrant*

*Fairfield Cannon Station*

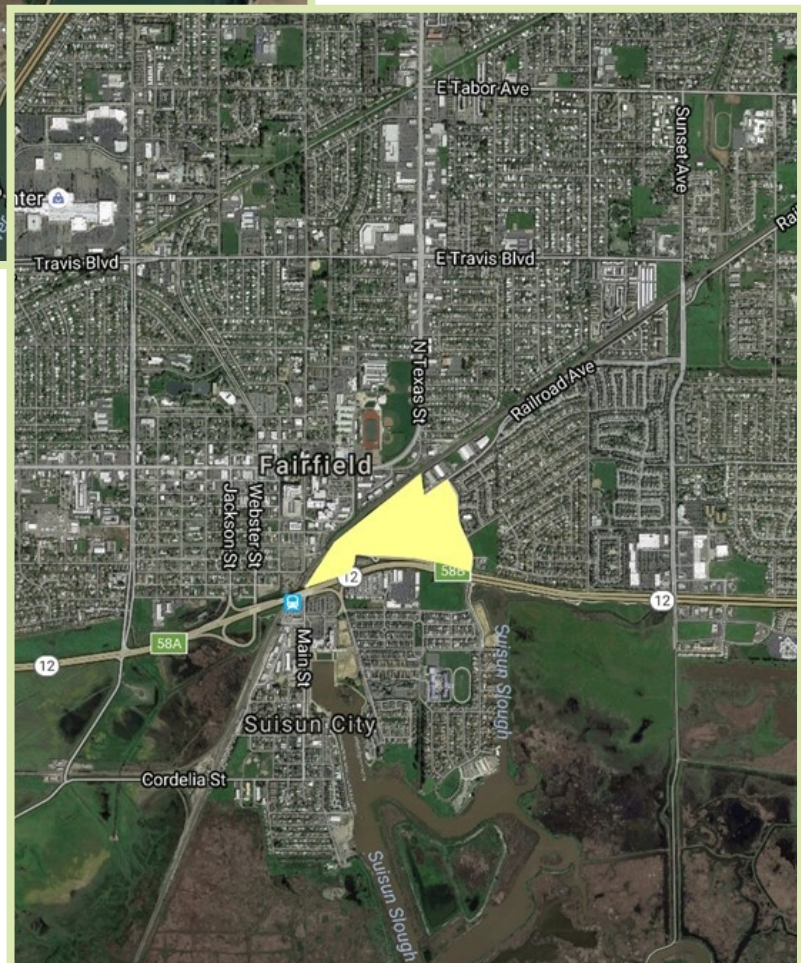




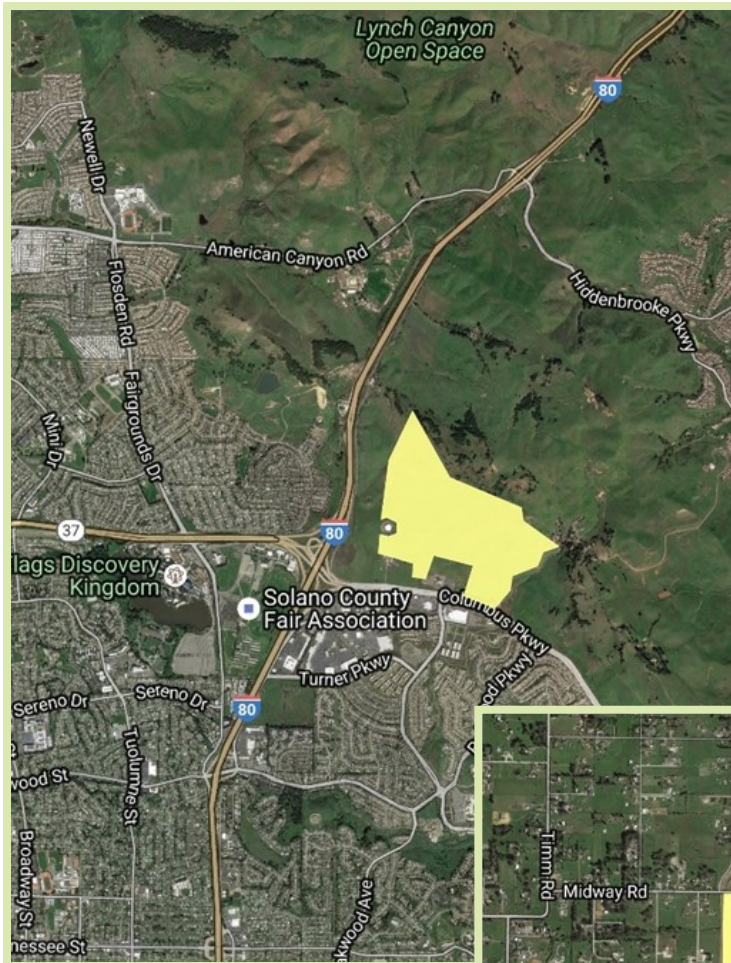


***Rio Vista Business Park***

***Suisun City-Owned Property***

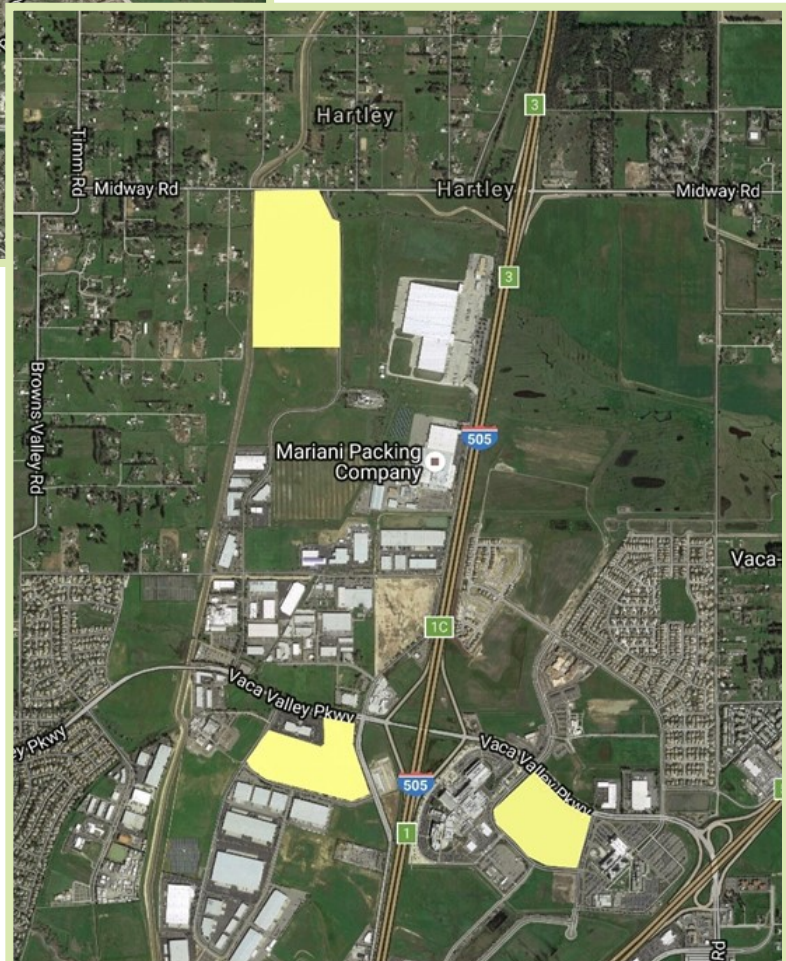






**Vallejo - Lee Property**

**Vacaville Business Park**



## B. Target Clusters and Development Opportunities

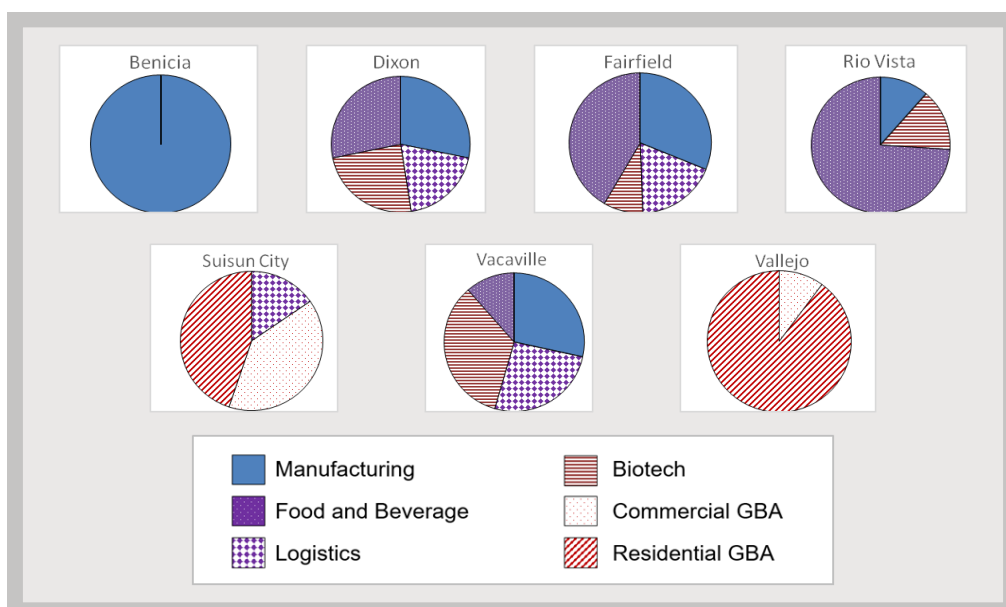
DSG Advisors led the team in identifying target user clusters for each of the sites. Hypothetical development programs have been established for each site based on the cluster analysis, existing prototypical developments of each land use in Solano County, input from team members, property owners, and city staff.

As shown below, manufacturing, logistics, biotech and food and beverage are identified target clusters for four of the seven case study sites.

- ❖ Benicia is the only case study site for which manufacturing is the single identified target cluster.
- ❖ The Suisun and Vallejo sites are sites for which it is believed that a mixed-use concept would be appropriate.
- ❖ The floor to area ratio (FAR) for the sites is in the .31 to .34 range for the all-industrial scenarios. In contrast, the FAR for the mixed-use sites exceeds 0.50.

### Exhibit 2 – Target User Clusters

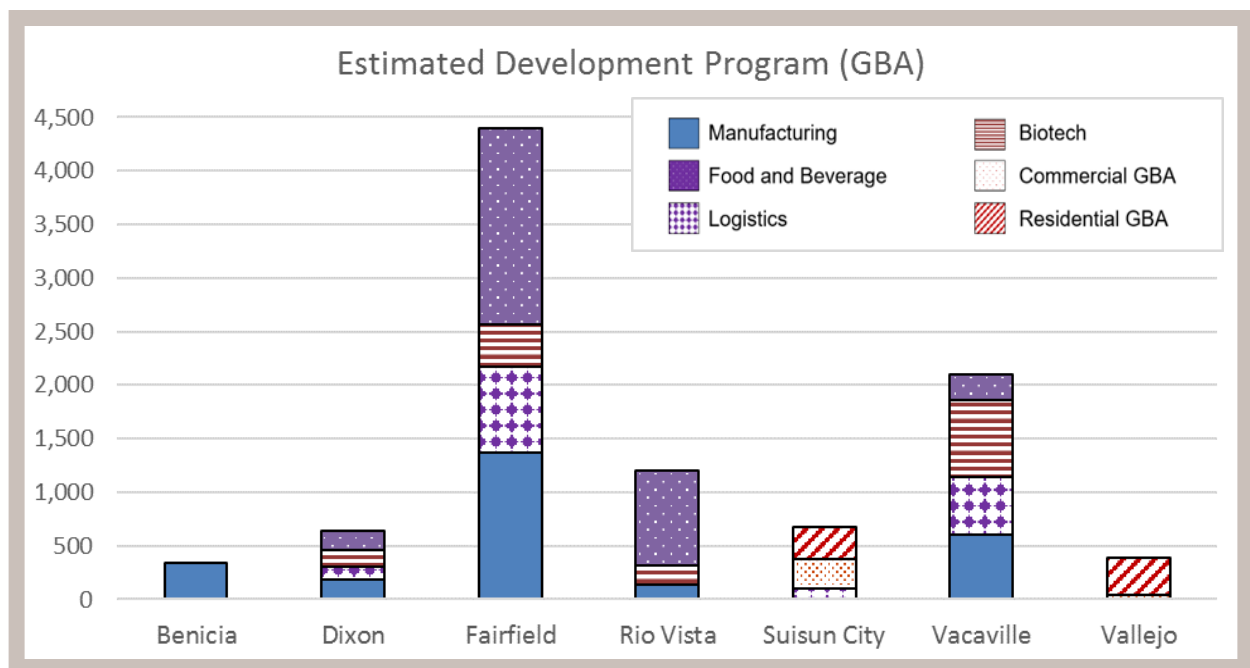
	Mfg.	Logistics	Biotech	F&B	Mixed Use
Benicia	X				
Dixon	X	X	X	X	
Fairfield	X	X	X	X	
Rio Vista	X	X	X	X	
Suisun City	X		X		X
Vacaville	X	X	X	X	
Vallejo	X		X		X





### Exhibit 3 – Hypothetical Development Programs

Gross Building Area	Benicia	Dixon	Fairfield	Rio Vista	Suisun City	Vacaville	Vallejo <sup>10</sup>
Manufacturing	337,000	180,000	1,372,000	137,000	0	599,000	0
Logistics	0	123,000	802,000	0	105,000	547,000	0
Biotech	0	154,000	392,000	176,000	0	719,000	0
Food & Beverage	0		1,830,000	892,000	0	240,000	0
<b>Total Industrial</b>	<b>337,000</b>	<b>638,000</b>	<b>4,395,000</b>	<b>1,206,000</b>	<b>105,000</b>	<b>2,104,000</b>	<b>0</b>
Commercial	0	0	0	0	271,000	0	39,000
Residential	0	0	0	0	305,000	0	348,000
<b>Total GBA</b>	<b>337,000</b>	<b>638,000</b>	<b>4,395,000</b>	<b>1,206,000</b>	<b>680,000</b>	<b>2,104,000</b>	<b>387,000</b>
<b>FAR</b>	<b>.32</b>	<b>.32</b>	<b>.34</b>	<b>.31</b>	<b>.52</b>	<b>.31</b>	<b>.56</b>



<sup>9</sup> While the cluster analysis indicates that biotech and manufacturing would be appropriate land uses, the development program reflects assumptions provided by Smith & Smith Planners.

## C. Financial Capacity of Enhanced Infrastructure Financing District (EIFD)

### 1. Background

As detailed in Section III of this report, EIFDs are funded through an allocation of annual property tax increment generated by properties within the District. Since the revenue base is tax increment, there is not a diversion of existing tax revenues to the District. The existing base of tax revenues and city and county budgets are not impacted by the district's formation.

- ❖ All affected taxing agencies excluding school districts may volunteer to contribute a portion of tax increment to the district.
- ❖ To support the development of infrastructure needed for the catalyst sites, it would be very advantageous for governing cities and Solano County to participate in funding the districts.
- ❖ The legislation also permits governing cities to dedicate motor vehicle license (VLF) in-lieu fee revenues into the district, which could also be an important source of funding for needed infrastructure improvements. The amount of VLF revenues that each city receives increases proportionately to the increase in assessed property values.
- ❖ The development of each catalyst site would generate additional property tax increment and VLF revenue that could be deposited into the districts to fund needed infrastructure improvements.
- ❖ Each city would be permitted to deposit up to 100% of its city-wide VLF revenue into the district. For purposes of this analysis, however, it is assumed that only incremental VLF generated by properties within the districts is deposited into the EIFDs.

### 2. Assumptions

- ❖ For purposes of this funding capacity analysis, it has been assumed that EIFDs are formed around each catalyst site.
- ❖ The maximum potential funding capacity has been evaluated based on the assumption that Solano County and the governing cities would participate and that 100% of tax increment and VLF revenues generated by district properties would be dedicated to the District.
- ❖ While other taxing agencies, such as fire districts and irrigation districts, receive a portion of property tax increment and could participate in funding an EIFD, for purposes of this analysis it has been assumed that the only participants are the seven cities and Solano County.

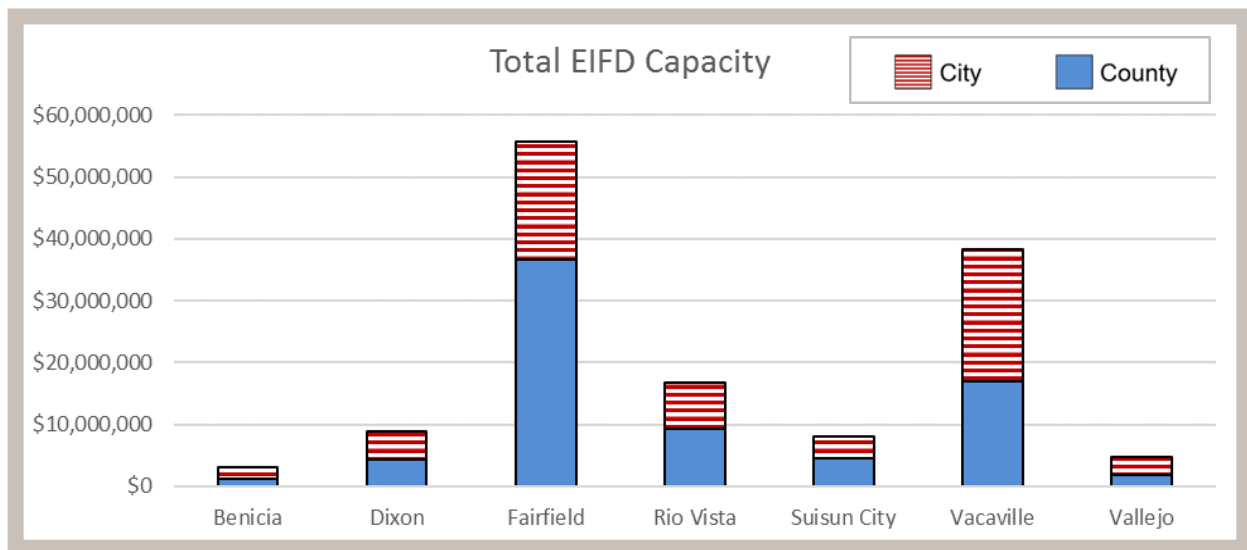
- ❖ It is also important to note that while this analysis assumes that the cities and Solano County dedicate 100% of annual tax increment to the districts, the actual amount dedicated to the districts would be at the annual discretion of the cities and the County.
- ❖ The appropriation would typically be made as part of the annual budgeting process. Once EIFD bonds are issued, however, the cities and County would be obligated to annually allocate sufficient tax increment to fund the debt obligations.

### **3. Findings – EIFD Financial Capacity**

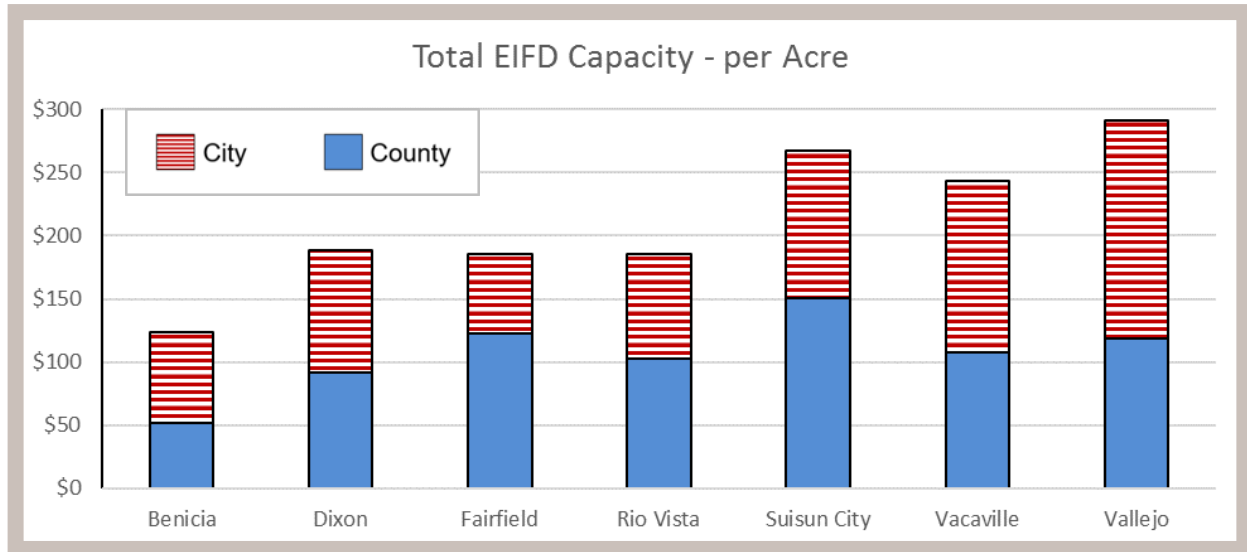
- ❖ The findings of the analysis indicate that EIFDs could serve as an important source of funding for needed infrastructure improvements. As shown in Exhibit 4, it is estimated that funding capacity would range from \$3 million to \$56 million, depending on the size of the district, the share of tax increment received by the city, and the intensity of new development.
- ❖ Larger districts have more development potential and therefore generate more tax increment and have a larger funding capacity than small districts. We recommend that districts be sized so that projected bonding capacity exceeds a minimum threshold of \$10 million.
- ❖ It is important to note that the infrastructure improvements to be funded by an EIFD need to benefit the properties within the EIFD but do not need to be located within the boundaries of the EIFD. Therefore, one effective strategy to maximize the financial capacity of an EIFD is to include a large number of undeveloped properties within the EIFD.
- ❖ For planning purposes, it is useful to evaluate the financing capacity on a per acre basis. As shown, the funding capacity on a per acre basis ranges from approximately \$124,000 per acre for a site improved with solely manufacturing improvements to \$290,000 per acre for a site improved with high-value office and residential uses.
- ❖ The financing capacity for sites to be developed with a range of industrial uses is in the range of \$186,000 to \$243,000 per acre. If Solano County were to not participate in funding the districts, the financing capacity would be significantly less.
- ❖ While the EIFD could be an important tool for funding needed infrastructure improvements, its initial leveraging capacity is limited because new development must be in place to generate the stream of tax revenue. If improvements cannot be funded on a “pay-go” basis, another source of funding would need to be secured, such as an I-Bank loan or an advance from landowners, and EIFD revenues could be used to pay debt service.

## Exhibit 4 – EIFD Funding Capacity

	City's share of 1% Ad valorem Property Tax Rate	County's share of 1% Rate	Annual Potential EIFD Revenue Upon Build-out (\$ 2016)	Potential Funding Capacity (\$ 2016)	Potential Funding Capacity Per Acre (\$ 2016)
Benicia	26.5%	22.0%	\$228,000	\$3.0 mil	\$124,000
Dixon	14.3%	20.7%	\$666,000	\$8.9 mil	\$188,000
Fairfield	9.9%	32.9%	\$4.2 mil	\$55.8 mil	\$186,000
Rio Vista	15.0%	24.9%	\$1.3 mil	\$16.7 mil	\$186,000
Suisun City <sup>10</sup>	10.3%	25.8%	\$601,000	\$8.0 mil	\$267,000
Vacaville	19.7%	22.0%	\$2.9 mil	\$38.2 mil	\$243,000
Vallejo	19.0%	19.9%	\$348,000	\$4.7 mil	\$292,000



<sup>10</sup> At the request of Suisun City staff, we have analyzed the funding capacity for the Suisun City site. However, it is our understanding that the City has not received a “Letter of Completion” from the State Department of Finance. Under current legislation, an EIFD could not be formed around the site. Either the enabling legislation would need to be amended or the City’s status with the DOF would need to change in order for this to be a viable tool for Suisun City.

**Exhibit 4 – Continued**

The details of the financial analysis are provided in Attachment A.

## D. Conceptual Financing Plans

We recommend that the seven cities explore the opportunity to use multiple sources to fund the needed infrastructure improvements. While grant sources are obviously appealing and should be pursued, we recommend focusing on sources which are controlled locally in order to enhance the certainty of implementation.

### Exhibit 5 – Conceptual Financing Plan

Tool	Approximate Funding Capacity	Implementation
<b>EIFD</b>	Up to \$200,000 per acre.	Explore city/county participation, boundaries of districts, and source of up-front capital to be repaid by EIFD revenues. Potential sources include I Bank, property owners, CFD bonds
<b>CFD/Assessment District</b>	\$1.00 to \$2.00 per square foot.	Explore interest with property owners.
<b>Developer Credits / Impact Fees</b>	Depends on jurisdiction.	Apply fees owed to specific improvements.
<b>CDBG Funds</b>	Up to \$3 million for non-entitlement cities. Fairfield, Vacaville, and Vallejo are entitlement cities and collectively receive approximately \$2 million per year.	For entitlement cities, multiple years of funding can be leveraged through HUD Section 108 Loan Program. Non entitlement cities must apply to HCD.

Based on the analysis of the potential revenue-generating capacity of locally-controlled funding sources and the preliminary infrastructure cost estimates provided by city staff, it appears that there is sufficient capacity to fund needed infrastructure improvements. EIFDs could be an important funding source for all jurisdictions, with the exception of Suisun City<sup>11</sup>. In order to implement a funding strategy centered on an EIFD, however, up-front sources of “bridge” financing will need to be secured, such as a loan from the I-Bank or advances from property owners.

<sup>11</sup> At the request of Suisun City staff, we have analyzed the funding capacity for the Suisun City site. However, it is our understanding that the City has not received a “Letter of Completion” from the State Department of Finance. Under current legislation, an EIFD could not be formed around the site. Either the enabling legislation would need to be amended or the City’s status with the DOF would need to change in order for this to be a viable tool for Suisun City.

As next steps, we recommend the following:

- ❖ As part of the EDC’s “competitive advantage” goal facilitate further discussion with ED Task Force, cities and county on plan for funding infrastructure on catalyst sites.
- ❖ Each city consider opportunities for forming EIFDs and maximizing the size of districts to maximize funding capacity.
- ❖ Cities and Solano County staff meet to discuss the county’s potential participation in EIFDs.
- ❖ City staff meet with property owners to discuss interest in forming CFDs and EIFDs and impact fee credits to fund infrastructure improvements.
- ❖ City staff explore opportunities to secure grant funds.
- ❖ Position sites to compete for grant funds.

The EDC and Keyser Marston are available to meet with City and County staff to discuss the analysis and next steps for finalizing financing plans, and the process to form an EIFD.





ATTACHMENT A  
Tables 1-12  
EIFD Financial Analysis



**Tax Increment Analysis**

Table 1	Overview of Selected Catalyst Sites
Table 2a	Analysis of Tax Increment Revenues Available To Fund EIFD Upon Buildout
Table 3	Summary Assessor Data
Table 4	Default Building Prototype Assumptions
Table 5	Detail on Assessed Value Assumptions
Table 6	Benicia Development Program and Estimate of Assessed Value Upon Buildout
Table 7	Dixon Development Program and Estimate of Assessed Value Upon Buildout
Table 8	Fairfield Development Program and Estimate of Assessed Value Upon Buildout
Table 9	Rio Vista Development Program and Estimate of Assessed Value Upon Buildout
Table 10	Susuin Development Program and Estimate of Assessed Value Upon Buildout
Table 11	Vacaville Development Program and Estimate of Assessed Value Upon Buildout
Table 12	Vallejo Development Program and Estimate of Assessed Value Upon Buildout

**Appendix A: Assessor Data**

Appendix A, Table 1	Detailed Assessor Data
Appendix A, Table 2	Post-ERAF AB8 Tax Allocation Factors
Appendix A, Table 3	Taxes and Assessments by Prototype
Appendix A, Table 4	Existing Combined Tax Rates

**Appendix B: Development Prototypes**

Appendix B, Table 1	Industrial/ Advanced Materials Prototype Developments
Appendix B, Table 2	Industrial/ Logistics Prototype Developments
Appendix B, Table 3	Industrial/ Biotech Prototype Developments
Appendix B, Table 4	Industrial/ Food & Beverage Prototype Developments
Appendix B, Table 5	Hotel Prototype Developments
Appendix B, Table 6	Retail Prototype Developments
Appendix B, Table 7	Multifamily Residential Prototype Developments
Appendix B, Table 8	Office Prototype Developments

**Appendix C: Comparable Land Sales**

Appendix C, Table 1	Residential Land Sales, October 2013 to October 2015
Appendix C, Table 2	Commercial/Retail Land Sales, October 2013 to October 2015
Appendix C, Table 3	Industrial Land Sales, October 2013 to October 2015

**Appendix D: Local Construction Costs**

Appendix D, Table 1	Construction Costs by Project Category
Appendix D, Table 2	Marshall: Summary of Construction Costs by Building Type
Appendix D, Table 3	Marshall: Construction Costs by Building Type (Detail)
Appendix D, Table 4	Marshall: Building Type Definitions
Appendix D, Table 5	Marshall: Building Class Definitions
Appendix D, Table 6	RS Means: Summary of Construction Costs by Building Type
Appendix D, Table 7	RS Means: Standard/Open Shop Cost Comparison



**Table 1**  
**Overview of Selected Catalyst Sites**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

1/25/2017

Source: Moving Solano Forward Project Team

City	Benicia	Dixon	Fairfield	Rio Vista	Suisun City	Vacaville	Vallejo
<b>Property</b>	Oak and Bayshore	NE Quadrant	Canon Station Area	Rio Vista Business Park	City-owned Property	Interchange, Vaca Valley, and Vacaville Golden Hills Business Parks	Lee Property
<b>Tier</b>	Tier 2	Tier 2	Tier 3	Tier 2	Tier 2	Tier 2 and 3	Tier 3
<b>Developable Acres <sup>1</sup></b>	25	47	300	90	30	157	16
<b>Infrastructure Needs</b>	Roads, stormwater	onsite utilities and roads	On and off-site roads, utilities and stormwater	Storm water and sewer	On and offsite roads, utilities, and stormwater	Freeway interchange	Water, sewer, and storm water. Possibly roads. Utility relocation, tenant relocation
<b>Target Cluster</b>	Mfg.	Mfg, logistics, biotech, F&B	Mfg, logistics, biotech, F&B	Mfg, logistics, biotech, F&B	Mixed use, mfg. and biotech	Mfg, logistics, biotech, F&B	
<b>Estimated Development Program</b>							
Manufacturing	336,860	179,979	1,372,140	137,214	0	598,807	0
Logistics	0	123,414	801,504	0	104,544	547,480	0
Biotech	0	154,268	392,040	176,418	0	718,568	0
Food and Beverage	0	179,979	1,829,520	891,891	0	239,523	0
<b>Total Industrial GBA</b>	<b>336,860</b>	<b>637,640</b>	<b>4,395,204</b>	<b>1,205,523</b>	<b>104,544</b>	<b>2,104,377</b>	<b>0</b>
Commercial GBA	0	0	0	0	270,508	0	39,000
Residential GBA	0	0	0	0	304,920	0	348,480
<b>Total GBA</b>	<b>337,000</b>	<b>638,000</b>	<b>4,395,000</b>	<b>1,206,000</b>	<b>680,000</b>	<b>2,104,000</b>	<b>387,000</b>
<b>Floor to Area Ratio</b>	0.32	0.31	0.34	0.31	0.52	0.31	0.56

<sup>1</sup> Acreage targeted for development based on preliminary site assessment. Targeted acreage may be less than total site acreage. See Appendix A, Table 1.



Table 2a

**Analysis of Tax Increment Revenues Available To Fund EIFD Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

1/25/2017

Jurisdictions		Benicia	Dixon	Fairfield	Rio Vista	Suisun City	Vacaville	Vallejo
Developable Acres <sup>(1)</sup>		25	47	300	90	30	157	16
Gross AV (Buildout) <sup>(2)</sup>	\$000s	\$48,845	\$158,253	\$836,679	\$278,642	\$131,558	\$591,535	\$71,807
(Less) Existing AV <sup>(1)</sup>	\$000s	\$5,346	\$1,631	\$816	\$0	\$549	\$13,527	\$388
AV Increment	\$000s	\$43,499	\$156,622	\$835,863	\$278,642	\$131,009	\$578,008	\$71,419
<u>Annual Base Property Tax Increment</u>								
City Share <sup>(1)</sup>	%	26.506%	14.323%	9.888%	14.965%	10.304%	19.694%	19.020%
	\$000s	\$115	\$224	\$826	\$417	\$135	\$1,138	\$136
County Share <sup>(1)</sup>	%	22.047%	20.704%	32.948%	24.923%	25.778%	21.976%	19.920%
	\$000s	\$96	\$324	\$2,754	\$694	\$338	\$1,270	\$142
<u>Annual Property Tax In-Lieu of VLF</u>								
Rate to City <sup>(3)</sup>	/\$1,000 AV	\$0.39	\$0.75	\$0.72	\$0.51	\$0.98	\$0.79	\$0.98
VLF Revenues	\$000s	\$17	\$118	\$605	\$142	\$128	\$458	\$70
<u>Total Available Revenues</u>								
City	\$000s	\$132	\$342	\$1,431	\$559	\$263	\$1,596	\$206
County	\$000s	\$96	\$324	\$2,754	\$694	\$338	\$1,270	\$142
City + County	\$000s	\$228	\$666	\$4,185	\$1,253	\$601	\$2,866	\$348
<b>p. 2/2</b>								
<u>Leveraging Capacity <sup>(4)</sup></u>								
EIFD Share <sup>(5)</sup>		100%						
City	\$000s	\$1,763	\$4,562	\$19,081	\$7,446	\$3,510	\$21,274	\$2,748
County	\$000s	\$1,278	\$4,323	\$36,712	\$9,258	\$4,502	\$16,933	\$1,897
City + County	\$000s	\$3,041	\$8,884	\$55,793	\$16,704	\$8,012	\$38,207	\$4,644
EIFD Share <sup>(6)</sup>		50%						
City + County	\$000s	\$1,521	\$4,442	\$27,897	\$8,352	\$4,006	\$19,103	\$2,322

<sup>(1)</sup> See Appendix A, Table 1.<sup>(2)</sup> Tables 6 through 12.<sup>(3)</sup> Solano County Auditor-Controller Calculation of VLF for Fiscal Year 2015-16.<sup>(4)</sup> 5% interest, 45 years, 1.2 coverage factor and 90% net proceeds<sup>(5)</sup> Assuming 100% of available revenues are deposited into EIFD.<sup>(6)</sup> Assuming 50% of available revenues are deposited into EIFD.





Table 2b

**Analysis of Tax Increment Revenues Available To Fund EIFD Upon Buildout - Per Acre of Development**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

Jurisdictions		Benicia	Dixon	Fairfield	Rio Vista	Suisun City	Vacaville	Vallejo
Site Acres <sup>(1)</sup>		25	47	300	90	30	157	16
Per Acre Gross AV								
(Buildout) <sup>(2)</sup>	\$000s	\$1,990	\$3,351	\$2,789	\$3,096	\$4,385	\$3,765	\$4,488
(Less) Existing AV <sup>(1)</sup>	\$000s	\$218	\$35	\$3	\$0	\$18	\$86	\$24
AV Increment	\$000s	\$1,772	\$3,317	\$2,786	\$3,096	\$4,367	\$3,679	\$4,464
<u>Annual Base Property Tax Increment</u>								
City Share <sup>(1)</sup>	%	26.506%	14.323%	9.888%	14.965%	10.304%	19.694%	19.020%
	\$000s	\$5	\$5	\$3	\$5	\$4	\$7	\$8
County Share <sup>(1)</sup>	%	22.047%	20.704%	32.948%	24.923%	25.778%	21.976%	19.920%
	\$000s	\$4	\$7	\$9	\$8	\$11	\$8	\$9
<u>Annual Property Tax In-Lieu of VLF</u>								
Rate to City <sup>(3)</sup>	/\$1,000 AV	38.895%	75.247%	72.362%	50.821%	97.950%	79.157%	98.424%
VLF Revenues	\$000s	\$1	\$2	\$2	\$2	\$4	\$3	\$4
<u>Per Acre Total Available Annual Revenues</u>								
City	\$000s	\$5	\$7	\$5	\$6	\$9	\$10	\$13
County	\$000s	\$4	\$7	\$9	\$8	\$11	\$8	\$9
City + County	\$000s	\$9	\$14	\$14	\$14	\$20	\$18	\$22
<u>Per Acre Leveraging Capacity <sup>(4)</sup></u>								
EIFD Share <sup>(5)</sup>		100%						
City	\$000s	\$72	\$97	\$64	\$83	\$117	\$135	\$172
County	\$000s	\$52	\$92	\$122	\$103	\$150	\$108	\$119
City + County	\$000s	\$124	\$188	\$186	\$186	\$267	\$243	\$290
EIFD Share <sup>(6)</sup>		50%						
City + County	\$000s	\$62	\$94	\$93	\$93	\$134	\$122	\$145

<sup>(1)</sup> Table 3

<sup>(2)</sup> Tables 6 through 12.

<sup>(3)</sup> Solano County Auditor-Controller Calculation of VLF for Fiscal Year 2015-16.

<sup>(4)</sup> 5% interest, 45 years, 1.2 coverage factor and 90% net proceeds

<sup>(5)</sup> Assuming 100% of available revenues are deposited into EIFD.

<sup>(6)</sup> Assuming 50% of available revenues are deposited into EIFD.



**Table 3**  
**Summary Assessor Data**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**1/25/2017**

<b>City</b>	<b>Site Name</b>	<b>Site Acres <sup>(1)</sup></b>	<b>Existing AV <sup>(2)</sup></b>	<b>Property Tax Shares</b>	
				<b>City</b>	<b>County</b>
<b>Benicia</b>	Oak and Bayshore	25	\$5,346,182	0.265062	0.220474
<b>Dixon</b>	NE Quadrant	47	\$1,631,154	0.143233	0.207041
<b>Fairfield</b>	Canon Station Area	300	\$815,868	0.098879	0.329480
<b>Rio Vista</b>	Rio Vista Business Park	90	\$0	0.149648	0.249231
<b>Suisun City</b>	City-owned Property	30	\$548,947	0.103036	0.257782
<b>Vacaville</b>	Golden Valley West	157	\$13,527,224	0.196942	0.219757
<b>Vallejo</b>	Lee Property	16	\$388,187	0.190200	0.199198

See Table 4 for detailed assessor data.

(1) Acreage reflects land area targeted for development. See Appendix A, Table 1.

(2) Existing AV assigned proportionally to the land area targeted for development. See Appendix A, Table 1.



**Table 4**  
**Default Building Prototype Assumptions <sup>(1)</sup>**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**1/25/2017**

<b>Land Use</b>	<b>Assessed Value Assumptions <sup>(1)</sup></b>			<b>Default FAR <sup>(2)</sup></b>
	<b>Land Values Per SF Site <sup>(1)</sup></b>	<b>Improvements Per SF Bldg.</b>	<b>Fixtures/PP Per SF Bldg.</b>	
Industrial				
Manufacturing	\$7	\$110	\$15	0.35
Logistics	\$7	\$90	\$5	0.40
Biotech	\$11	\$250	\$270	0.30
F&B	\$7	\$100	\$60	0.35
Hotel	\$17	\$160	\$5	0.65
Retail	\$16	\$200	\$50	0.30
Residential	\$14	\$160	\$0	1.00
Mid-Rise Office	\$16	\$230	\$15	0.50
Low-Rise Office	\$9	\$170	\$15	0.30

<sup>(1)</sup> See Table 5 for sources of assumptions.

<sup>(2)</sup> Based on KMA's review of nearby projects. See Appendix B.



**Table 5**  
**Detail on Assessed Value Assumptions**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

1/25/2017

<b>I. Land Values (Per SF Site)</b>	<b>Market Review <sup>(1)</sup></b>	<b>Assessor's Data <sup>(2)</sup></b>	<b>Final KMA Assumption</b>
Industrial			
Advanced Materials	\$8	\$5	\$7
Logistics	\$8	\$5	\$7
Biotech	\$8	\$13	\$11
F&B	\$8	\$5	\$7
Hotel		\$17	\$17
Retail	\$7	\$25	\$16
Multifamily Residential	\$15	\$14	\$14
Mid-Rise Office		\$16	\$16
Low-Rise Office		\$9	\$9
<b>II. Improvement Values (Per SF Building)</b>	<b>Assessor's Data</b>	<b>Cost Review <sup>(3)</sup></b>	<b>Final KMA Assumption</b>
Industrial			
Advanced Materials	\$84	\$119	\$110
Logistics	\$54	\$115	\$90
Biotech	\$266	\$205	\$250
F&B	\$58	\$131	\$100
Hotel	\$128	\$189	\$160
Retail	\$203	\$166	\$200
Multifamily Residential	\$165	\$150	\$160
Mid-Rise Office	\$224	\$231	\$230
Low-Rise Office	\$121	\$215	\$170
<b>III. Fixtures/Pers. Property (Per SF Building)</b>	<b>Assessor's Data</b>	<b>Final KMA Assumption</b>	
		<i>Discount: <sup>(4)</sup></i>	50%
Industrial			
Advanced Materials	\$30		\$15
Logistics	\$13		\$5
Biotech	\$537		\$270
F&B	\$118		\$60
Hotel	\$11		\$5
Retail	\$104		\$50
Multifamily Residential	\$2		\$0
Mid-Rise Office	\$28		\$15
Low-Rise Office	\$28		\$15

(1) Based on land sales in market place; Appendix C.

(2) Based on Assessor data for nearby projects; Appendix B.

(3) Based on construction cost estimates derived from RS Means and Marshall and Swift; Appendix D.

(4) KMA has conservatively discounted fixture/personality values observed in the Assessor's data by 50%





**Table 6**  
**Benicia Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

1/25/2017

Building Program	Acres	FAR <sup>(1)</sup>	GSF	Estimated Assessed Value Upon Buildout (\$000s) <sup>(1)</sup>						
				Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	22.1	0.35	336,860	\$7 /SF Land	\$6,737	\$110 /GSF	\$37,055	\$15 /GSF	\$5,053	\$48,845
Logistics	0.0	0.40	0	\$7 /SF Land	\$0	\$90 /GSF	\$0	\$5 /GSF	\$0	\$0
Biotech	0.0	0.30	0	\$11 /SF Land	\$0	\$250 /GSF	\$0	\$270 /GSF	\$0	\$0
F&B	0.0	0.35	0	\$7 /SF Land	\$0	\$100 /GSF	\$0	\$60 /GSF	\$0	\$0
Subtotal - Industrial	22.1		336,860		\$6,737		\$37,055		\$5,053	\$48,845
Hotel	0.0	0.65	0	\$17 /SF Land	\$0	\$160 /GSF	\$0	\$5 /GSF	\$0	\$0
Retail	0.0	0.30	0	\$16 /SF Land	\$0	\$200 /GSF	\$0	\$50 /GSF	\$0	\$0
Residential	0.0	1.00	0	\$14 /SF Land	\$0	\$160 /GSF	\$0	\$0 /GSF	\$0	\$0
Mid-Rise Office	0.0	0.50	0	\$16 /SF Land	\$0	\$230 /GSF	\$0	\$15 /GSF	\$0	\$0
Low-Rise Office	0.0	0.30	0	\$9 /SF Land	\$0	\$170 /GSF	\$0	\$15 /GSF	\$0	\$0
Circ./Open Space	2.5	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
<b>TOTAL</b>	<b>24.6</b>		<b>336,860</b>		<b>\$6,737</b>		<b>\$37,055</b>		<b>\$5,053</b>	<b>\$48,845</b>

<sup>(1)</sup> See Table 4 for FAR and AV assumptions by building type.



**Table 7**  
**Dixon Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

1/25/2017

Building Program	Acres	FAR <sup>(1)</sup>	GSF	Estimated Assessed Value Upon Buildout (\$000s) <sup>(1)</sup>						
				Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	11.8	0.35	179,979	\$7 /SF Land	\$3,600	\$110 /GSF	\$19,798	\$15 /GSF	\$2,700	\$26,097
Logistics	7.1	0.40	123,414	\$7 /SF Land	\$2,160	\$90 /GSF	\$11,107	\$5 /GSF	\$617	\$13,884
Biotech	11.8	0.30	154,268	\$11 /SF Land	\$5,656	\$250 /GSF	\$38,567	\$270 /GSF	\$41,652	\$85,876
F&B	11.8	0.35	179,979	\$7 /SF Land	\$3,600	\$100 /GSF	\$17,998	\$60 /GSF	\$10,799	\$32,396
Subtotal - Industrial	42.5		637,640		\$15,015		\$87,470		\$55,768	\$158,253
Hotel	0.0	0.65	0	\$17 /SF Land	\$0	\$160 /GSF	\$0	\$5 /GSF	\$0	\$0
Retail	0.0	0.30	0	\$16 /SF Land	\$0	\$200 /GSF	\$0	\$50 /GSF	\$0	\$0
Residential	0.0	1.00	0	\$14 /SF Land	\$0	\$160 /GSF	\$0	\$0 /GSF	\$0	\$0
Mid-Rise Office	0.0	0.50	0	\$16 /SF Land	\$0	\$230 /GSF	\$0	\$15 /GSF	\$0	\$0
Low-Rise Office	0.0	0.30	0	\$9 /SF Land	\$0	\$170 /GSF	\$0	\$15 /GSF	\$0	\$0
Circ./Open Space	4.7	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
<b>TOTAL</b>	<b>47.2</b>		<b>637,640</b>		<b>\$15,015</b>		<b>\$87,470</b>		<b>\$55,768</b>	<b>\$158,253</b>

<sup>(1)</sup> See Table 4 for FAR and AV assumptions by building type.



**Table 8**  
**Fairfield Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

Building Program	Acres	FAR <sup>(1)</sup>	GSF	Estimated Assessed Value Upon Buildout (\$000s) <sup>(1)</sup>						
				Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	90.0	0.35	1,372,140	\$7 /SF Land	\$27,443	\$110 /GSF	\$150,935	\$15 /GSF	\$20,582	\$198,960
Logistics	46.0	0.40	801,504	\$7 /SF Land	\$14,026	\$90 /GSF	\$72,135	\$5 /GSF	\$4,008	\$90,169
Biotech	30.0	0.30	392,040	\$11 /SF Land	\$14,375	\$250 /GSF	\$98,010	\$270 /GSF	\$105,851	\$218,236
F&B	120.0	0.35	1,829,520	\$7 /SF Land	\$36,590	\$100 /GSF	\$182,952	\$60 /GSF	\$109,771	\$329,314
Subtotal - Industrial	286.0		4,395,204		\$92,434		\$504,033		\$240,212	\$836,679
Hotel	0.0	0.65	0	\$17 /SF Land	\$0	\$160 /GSF	\$0	\$5 /GSF	\$0	\$0
Retail	0.0	0.30	0	\$16 /SF Land	\$0	\$200 /GSF	\$0	\$50 /GSF	\$0	\$0
Residential	0.0	1.00	0	\$14 /SF Land	\$0	\$160 /GSF	\$0	\$0 /GSF	\$0	\$0
Mid-Rise Office	0.0	0.50	0	\$16 /SF Land	\$0	\$230 /GSF	\$0	\$15 /GSF	\$0	\$0
Low-Rise Office	0.0	0.30	0	\$9 /SF Land	\$0	\$170 /GSF	\$0	\$15 /GSF	\$0	\$0
Circ./Open Space	16.0	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
<b>TOTAL</b>	<b>302.0</b>		<b>4,395,204</b>		<b>\$92,434</b>		<b>\$504,033</b>		<b>\$240,212</b>	<b>\$836,679</b>

<sup>(1)</sup> See Table 4 for FAR and AV assumptions by building type.



**Table 9**  
**Rio Vista Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

Building Program	Acres	FAR <sup>(1)</sup>	GSF	Estimated Assessed Value Upon Buildout (\$000s) <sup>(1)</sup>						
				Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	9.0	0.35	137,214	\$7 /SF Land	\$2,744	\$110 /GSF	\$15,094	\$15 /GSF	\$2,058	\$19,896
Logistics	0.0	0.40	0	\$7 /SF Land	\$0	\$90 /GSF	\$0	\$5 /GSF	\$0	\$0
Biotech	13.5	0.30	176,418	\$11 /SF Land	\$6,469	\$250 /GSF	\$44,105	\$270 /GSF	\$47,633	\$98,206
F&B	58.5	0.35	891,891	\$7 /SF Land	\$17,838	\$100 /GSF	\$89,189	\$60 /GSF	\$53,513	\$160,540
Subtotal - Industrial	81.0		1,205,523		\$27,051		\$148,387		\$103,205	\$278,642
Hotel	0.0	0.65	0	\$17 /SF Land	\$0	\$160 /GSF	\$0	\$5 /GSF	\$0	\$0
Retail	0.0	0.30	0	\$16 /SF Land	\$0	\$200 /GSF	\$0	\$50 /GSF	\$0	\$0
Residential	0.0	1.00	0	\$14 /SF Land	\$0	\$160 /GSF	\$0	\$0 /GSF	\$0	\$0
Mid-Rise Office	0.0	0.50	0	\$16 /SF Land	\$0	\$230 /GSF	\$0	\$15 /GSF	\$0	\$0
Low-Rise Office	0.0	0.30	0	\$9 /SF Land	\$0	\$170 /GSF	\$0	\$15 /GSF	\$0	\$0
Circ./Open Space	9.0	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
<b>TOTAL</b>	<b>90.0</b>		<b>1,205,523</b>		<b>\$27,051</b>		<b>\$148,387</b>		<b>\$103,205</b>	<b>\$278,642</b>

<sup>(1)</sup> See Table 4 for FAR and AV assumptions by building type.





**Table 10**  
**Susuin Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

				Estimated Assessed Value Upon Buildout (\$000s) <sup>(2)</sup>						
Building Program	Acres	FAR <sup>(1)</sup>	GSF	Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	0.0	0.40	0	\$7 /SF Land	\$0	\$110 /GSF	\$0	\$15 /GSF	\$0	\$0
Logistics	6.0	0.40	104,544	\$7 /SF Land	\$1,830	\$90 /GSF	\$9,409	\$5 /GSF	\$523	\$11,761
Biotech	0.0	0.40	0	\$11 /SF Land	\$0	\$250 /GSF	\$0	\$270 /GSF	\$0	\$0
F&B	0.0	0.40	0	\$7 /SF Land	\$0	\$100 /GSF	\$0	\$60 /GSF	\$0	\$0
Subtotal - Industrial	6.0		104,544		\$1,830		\$9,409		\$523	\$11,761
Hotel	3.5	0.56	85,378	\$17 /SF Land	\$2,592	\$160 /GSF	\$13,660	\$5 /GSF	\$427	\$16,679
Retail	2.0	0.25	21,780	\$16 /SF Land	\$1,394	\$200 /GSF	\$4,356	\$50 /GSF	\$1,089	\$6,839
Residential	7.0	1.00	304,920	\$14 /SF Land	\$4,269	\$160 /GSF	\$48,787	\$0 /GSF	\$0	\$53,056
Mid-Rise Office	6.0	0.50	130,680	\$16 /SF Land	\$4,182	\$230 /GSF	\$30,056	\$15 /GSF	\$1,960	\$36,198
Low-Rise Office	2.5	0.30	32,670	\$9 /SF Land	\$980	\$170 /GSF	\$5,554	\$15 /GSF	\$490	\$7,024
Circ./Open Space	3.0	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
TOTAL	30.0		679,972		\$15,246		\$111,823		\$4,489	\$131,558

(1) Acreage and FAR provided by Solano Economic Development Corporation.

(2) See Table 4 for AV assumptions by building prototype.



**Table 11**  
**Vacaville Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

Building Program	Acres	FAR <sup>(1)</sup>	GSF	Estimated Assessed Value Upon Buildout (\$000s) <sup>(1)</sup>						
				Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	39.3	0.35	598,807	\$7 /SF Land	\$11,976	\$110 /GSF	\$65,869	\$15 /GSF	\$8,982	\$86,827
Logistics	31.4	0.40	547,480	\$7 /SF Land	\$9,581	\$90 /GSF	\$49,273	\$5 /GSF	\$2,737	\$61,592
Biotech	55.0	0.30	718,568	\$11 /SF Land	\$26,347	\$250 /GSF	\$179,642	\$270 /GSF	\$194,013	\$400,003
F&B	15.7	0.35	239,523	\$7 /SF Land	\$4,790	\$100 /GSF	\$23,952	\$60 /GSF	\$14,371	\$43,114
Subtotal - Industrial	141.4		2,104,377		\$52,695		\$318,736		\$220,104	\$591,535
Hotel	0.0	0.65	0	\$17 /SF Land	\$0	\$160 /GSF	\$0	\$5 /GSF	\$0	\$0
Retail	0.0	0.30	0	\$16 /SF Land	\$0	\$200 /GSF	\$0	\$50 /GSF	\$0	\$0
Residential	0.0	1.00	0	\$14 /SF Land	\$0	\$160 /GSF	\$0	\$0 /GSF	\$0	\$0
Mid-Rise Office	0.0	0.50	0	\$16 /SF Land	\$0	\$230 /GSF	\$0	\$15 /GSF	\$0	\$0
Low-Rise Office	0.0	0.30	0	\$9 /SF Land	\$0	\$170 /GSF	\$0	\$15 /GSF	\$0	\$0
Circ./Open Space	15.7	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
<b>TOTAL</b>	<b>157.1</b>		<b>2,104,377</b>		<b>\$52,695</b>		<b>\$318,736</b>		<b>\$220,104</b>	<b>\$591,535</b>

<sup>(1)</sup> See Table 4 for FAR and AV assumptions by building type.



**Table 12**  
**Vallejo Development Program and Estimate of Assessed Value Upon Buildout**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

				Estimated Assessed Value Upon Buildout (\$000s) <sup>(1)</sup>						
Building Program	Acres	FAR <sup>(1)</sup>	GSF	Land		Improvements		Personal Property		Total AV
Industrial										
Manufacturing	0.0	0.35	0	\$7 /SF Land	\$0	\$110 /GSF	\$0	\$15 /GSF	\$0	\$0
Logistics	0.0	0.40	0	\$7 /SF Land	\$0	\$90 /GSF	\$0	\$5 /GSF	\$0	\$0
Biotech	0.0	0.30	0	\$11 /SF Land	\$0	\$250 /GSF	\$0	\$270 /GSF	\$0	\$0
F&B	0.0	0.35	0	\$7 /SF Land	\$0	\$100 /GSF	\$0	\$60 /GSF	\$0	\$0
Subtotal - Industrial	0.0		0		\$0		\$0		\$0	\$0
Hotel	0.0	0.65	0	\$17 /SF Land	\$0	\$160 /GSF	\$0	\$5 /GSF	\$0	\$0
Retail <sup>(2)</sup>	1.1	0.30	14,000	\$16 /SF Land	\$747	\$200 /GSF	\$2,800	\$50 /GSF	\$700	\$4,247
Residential	8.0	1.00	348,480	\$14 /SF Land	\$4,879	\$160 /GSF	\$55,757	\$0 /GSF	\$0	\$60,636
Mid-Rise Office	1.1	0.50	25,000	\$16 /SF Land	\$800	\$230 /GSF	\$5,750	\$15 /GSF	\$375	\$6,925
Low-Rise Office	0.0	0.30	0	\$9 /SF Land	\$0	\$170 /GSF	\$0	\$15 /GSF	\$0	\$0
Circ./Open Space	5.7	0.00	0	\$0 /SF Land	\$0	\$0 /GSF	\$0	\$0 /GSF	\$0	\$0
<b>TOTAL</b>	<b>16.0 <sup>(3)</sup></b>		<b>387,480</b>		<b>\$6,425</b>		<b>\$64,307</b>		<b>\$1,075</b>	<b>\$71,807</b>

Development program assumptions provided by Smith and Smith Land Planners.

<sup>(1)</sup> See Table 4 for FAR and AV assumptions by building type.

<sup>(2)</sup> 11,500 SF would be comprised of a sit down and quick serve restaurant, coffee drive-thru and retail service. The remaining 2,500 SF would be reserved for a service station.

<sup>(3)</sup> Total acreage is 32 acres, of which 16 is estimated to be developable. See Appendix A, Table 1.



Appendix A  
Tables 1-4  
Assessor Data





Appendix A, Table 1  
Detailed Assessor Data  
Moving Solano Forward Financing Strategy  
Solano County, CA

Draft  
1/25/2017

Source: Solano County Assessor, Moving Solano Forward Project Team

City	Site Name	APN	Owner	Site Acres			Tax Rate Area	Property Tax Shares <sup>(2)</sup>	
				Assessor	Target <sup>(1)</sup>	Existing AV		City	County
Benicia	Oak and Bayshore	0080-140-030	Oak Rd. Investment Ptnrs	13.2		\$2,545,802	1003	0.265062	0.220474
		0080-140-040	Oak Rd. Investment Ptnrs	11.4		\$2,800,380	1003	0.265062	0.220474
		<b>Total</b>		<b>24.6</b>	<b>24.6</b>	<b>\$5,346,182</b>		<b>0.265062</b>	<b>0.220474</b>
Dixon	NE Quadrant	0111-08-0020	TVOB	47.2	47.2	\$1,631,154	2026	0.143233	0.207041
Fairfield	Canon Station Area	0166-040-040	Canon Station LLC	218.4		\$593,952	3239	0.098879	0.329480
		<b>Total <sup>(3)</sup></b>		<b>218.4</b>	<b>300</b>	<b>\$593,952</b>		<b>0.098879</b>	<b>0.329480</b>
		<b>Adjusted to 300 acres <sup>(4)</sup></b>		<b>300.0</b>	<b>300</b>	<b>\$815,868</b>		<b>0.098879</b>	<b>0.329480</b>
Rio Vista	Rio Vista Business Park	0178-200-020	Rio Vista City	4.6		\$0	4015	0.149648	0.249231
		0178-200-090	Rio Vista City	93.1		\$0	4015	0.149648	0.249231
		<b>Total</b>		<b>97.7</b>	<b>90</b>	<b>\$0</b>		<b>0.149648</b>	<b>0.249231</b>
	Rio Vista Industrial Park	0178-020-070	Rio Vista City	57.5	57.5	\$0	4030	0.12613	0.228852
Suisun City	City-owned Property	0032-04-72	Gimli Ltd	0.7		\$173,704	5017	0.102186	0.258404
		0032-04-74	Gimli Ltd	0.3		\$70,089	5017	0.102186	0.258404
		0032-04-79	Gimli Ltd	1.7		\$403,782	5017	0.102186	0.258404
		0032-23-14	Fairfield City	1.9		\$0	3104	0.190878	0.221372
		0032-23-28	Suisun City	1.1		\$0	5039	0.130555	0.237652
		0032-23-29	Suisun City Hsg. Authority	15.4		\$0	5002	0.102186	0.258404
		0032-23-31	Suisun City	1.6		\$0	5018	0.102186	0.258404
		0032-23-37	Suisun City Hsg. Authority	14.6		\$0	5018	0.102186	0.258404
		<b>Total <sup>(5)</sup></b>		<b>35.4</b>	<b>30</b>	<b>\$647,575</b>		<b>0.103036</b>	<b>0.257782</b>
		<b>Adjusted to 30 acres <sup>(4)</sup></b>		<b>30.0</b>	<b>30</b>	<b>\$548,947</b>		<b>0.103036</b>	<b>0.257782</b>
Vacaville	Interchange, Vaca Valley, and Vacaville Golden Hills Business Parks							0.219757	0.196942
		Vaca Valley						0.219757	0.196942
		0133-08-027		11.5	11.5	\$1,661,497	6068	0.219757	0.196942
		Vaca Valley		18.7	18.7	\$2,700,434	6068	0.219757	0.196942
		0133-080-340						0.219757	0.196942
		Vaca Valley		1.5	1.5	\$231,327	6068	0.219757	0.196942
		0133-080-350						0.219757	0.196942
		Interchange		8.1	8.1	\$424,003	6064	0.219757	0.196942
		0106-230-560						0.219757	0.196942
		Interchange		2.7	0.0	\$0	6064	0.219757	0.196942
		106-230-570						0.219757	0.196942
		Interchange		12.0	12.0	\$631,102	6064	0.219757	0.196942
		106-230-580						0.219757	0.196942
		Interchange		6.6	6.6	\$346,100	6064	0.219757	0.196942
		106-230-600						0.219757	0.196942
		Interchange		10.3	10.3	\$544,672	6064	0.219757	0.196942
		106-230-610						0.219757	0.196942
		Interchange		5.6	5.6	\$294,930	6064	0.219757	0.196942
		106-230-620						0.219757	0.196942
		Interchange		2.0	2.0	\$103,740	6064	0.219757	0.196942
		106-230-630						0.219757	0.196942
		Interchange		2.8	2.8	\$144,853	6064	0.219757	0.196942
		106-230-640						0.219757	0.196942
		Interchange		14.4	14.4	\$756,357	6064	0.219757	0.196942
		106-230-730						0.219757	0.196942
		Interchange		5.6	5.6	\$293,911	6064	0.219757	0.196942
		106-260-820						0.219757	0.196942
		Interchange		4.6	4.6	\$240,705	6064	0.219757	0.196942
		106-260-830						0.219757	0.196942
		Interchange		4.5	4.5	\$238,669	6064	0.219757	0.196942
		106-260-840						0.219757	0.196942
		Interchange		19.3	19.3	\$1,016,155	6064	0.219757	0.196942
		106-260-870						0.219757	0.196942
		Vacaville Golden Hills		5.4	5.4	\$774,593	6064	0.219757	0.196942
		133-210-280						0.219757	0.196942
		Vacaville Golden Hills		5.4	5.4	\$749,473	6064	0.219757	0.196942
		133-210-290						0.219757	0.196942
		Vacaville Golden Hills		6.1	6.1	\$834,278	6064	0.219757	0.196942
		133-210-300						0.219757	0.196942
		Vacaville Golden Hills		6.3	6.3	\$745,662	6064	0.219757	0.196942
		133-210-670						0.219757	0.196942
		Vacaville Golden Hills		6.6	6.6	\$794,763	6064	0.219757	0.196942
		133-210-680						0.219757	0.196942
		Vacaville Golden Hills		6.0	0.0	\$0	6215	0.219757	0.196942
		<b>Total</b>		<b>165.8</b>	<b>157.1</b>	<b>\$13,527,224</b>		<b>0.219757</b>	<b>0.196942</b>
Vallejo	Lee Property	0182-02-01	Urban Land Company LLC	8.3		\$57,508	7000	0.190200	0.199198
		0182-02-02	Urban Land Company Llc	18.2		\$124,249	7000	0.190200	0.199198
		0182-02-08	Urban Land Company Llc	5.6		\$597,528	7013	0.190200	0.199198
		<b>Total</b>		<b>32.1</b>	<b>16</b>	<b>\$779,285</b>		<b>0.190200</b>	<b>0.199198</b>
		<b>Adjusted to 16 acres <sup>(4)</sup></b>		<b>16.0</b>	<b>16</b>	<b>\$388,187</b>		<b>0.190200</b>	<b>0.199198</b>

<sup>(1)</sup> Land area targeted for development based on preliminary site analysis.

<sup>(2)</sup> Appendix A, Table 2.

<sup>(3)</sup> An assessor record for the remaining industrial acreage was not identified. Parcel maps indicate that the Tax Rate Area is the same.

<sup>(4)</sup> Total acreage figures have been adjusted to reflect acreage that is developable. Existing AV distributed proportionally to the area targeted for development.



**Appendix A, Table 2**  
**Post-ERAF AB8 Tax Allocation Factors**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

	Benicia	Dixon	Fairfield	Rio Vista	Rio Vista	Suisun City	Suisun City	Suisun City	Suisun City	Vacaville TRA 6064 and 6068 <sup>(2)</sup>	Vallejo	Vallejo
Fund	TRA 1003	TRA 2026 <sup>(1)</sup>	TRA 3239	TRA 4015	TRA 4030 <sup>(1)</sup>	TRA 5002	TRA 5017	TRA 5018	TRA 5039		TRA 7000	TRA 7013
1 GENERAL COUNTY*	0.220474	0.207041	0.329480	0.249231	0.228852	0.258404	0.258404	0.220474	0.237652	0.219757	0.199198	0.199198
4 COUNTY FREE LIBRARY			0.034313	0.028319	0.032762	0.029361	0.029361		0.029435		0.022634	0.022634
6 ACC CAP OUTLAY*	0.005710	0.007073	0.007822	0.006455	0.007468	0.006693	0.006693	0.005710	0.006710	0.005692	0.005159	0.005159
7 MOSQUITO ABATEMENT DISTRICT	0.004965	0.006150	0.006801	0.005613	0.006494	0.005820	0.005820	0.004965	0.005834	0.004949	0.004486	0.004486
10 AVIATION	0.000843	0.001043	0.001154	0.000953	0.001102	0.000987	0.000987	0.000843	0.000990	0.000839	0.000761	0.000761
16 RECREATION	0.001433	0.001775	0.001963	0.001619	0.001874	0.001680	0.001680	0.001433	0.001683	0.001428	0.001295	0.001295
18 G V R D											0.045122	0.045122
22 VSFCO OPERATING											0.011956	0.011956
24 DIXON RES. CONS.		0.005273										
25 SOLANO RESOURCE CONSERV DIST			0.002651							0.001929		
27 SOLANO COUNTY WATER AGENCY	0.016906	0.020940	0.023156	0.019111	0.022110	0.019814	0.019814	0.016906	0.019864	0.016851	0.015274	0.015274
30 SC FLD STATE WTR PJ-ZONE 1										0.009658		
36 LIB SPEC TAX ZONE 1			0.012221			0.010457	0.010457		0.010484			
37 LIB SPEC TAX ZONE 2				0.001602	0.001853							
48 B A A Q M D	0.002428		0.003326			0.002846	0.002846	0.002428	0.002853		0.002194	0.002194
49 YOLO-SOLANO AIR QUALITY MGT DT		0.003211		0.002930	0.003390					0.002584		
67 LIB SPEC TAX ZONE 7											0.005756	0.005756
75 BENICIA CITY	0.265062							0.265062				
76 DIXON CITY		0.143233										
77 FAIRFIELD CITY			0.098879									
78 RIO VISTA CITY				0.149648	0.126130							
79 SUISUN CITY						0.102186	0.102186		0.130555			
80 VACAVILLE CITY										0.196942		
81 VALLEJO CITY											0.190200	0.190200
83 ERAF	0.186591	0.185715	0.236695	0.212939	0.195928	0.178561	0.178561	0.186591	0.169796	0.179730	0.210839	0.210839
102 SOLANO IRRIGATION DIST		0.024404								0.019638		
177 RIO VISTA-MONTEZUMA CEMETERY				0.017054	0.019730							
179 SILVEYVILLE CEM		0.017155										
180 FAIRFIELD-SUISUN CEMETERY						0.005661	0.005661		0.005675			
181 VACA-ELMIRA CEM										0.006254		
426 DIXON UNIF LIBRARY		0.015048										
427 VACAVILLE UNIF SCHOOL LIBRARY										0.026820		
500 CO SUPT-CO SCH SER FUND SUP	0.011349	0.014058	0.015545			0.013302	0.013302	0.011349	0.013335	0.011312	0.010254	0.010254
503 CO SUPT-DEVELOPMENT CENTER	0.002401	0.002974	0.003289			0.002814	0.002814	0.002401	0.002821	0.002393	0.002169	0.002169
527 SOLANO COMMUNITY COL M & O	0.030529	0.037814	0.041816			0.035781	0.035781	0.030529	0.035870	0.030430	0.027583	0.027583
528 SAN JOAQUIN COMM COLL				0.042320	0.048960							
601 BENICIA UNIF SCHOOL DIST M & O	0.246412							0.246412				
602 DIXON UNIF SCHOOL DIST M & O		0.301026										
603 VALLEJO UNIF SCHOOL DIST M & O											0.240691	0.240691
606 TRAVIS UNI SCHL DIST M & O			0.174180									
608 VACAVILLE UNIF SCHL DIST M & O										0.257910		
610 RIVR DELTA JT UNI M &				0.247938	0.286842							
611 F-S UNIF SCHL DIST M&O						0.319892	0.319892		0.320688			
613 RVR DELTA UNI-ED				0.012897	0.014921							
998 CO SUPT-CO SCH SER FUND SUPP	0.001205	0.001492	0.001650	0.001371	0.001584	0.001412	0.001412	0.001205	0.001415	0.001201	0.001088	0.001088
999 CO SUPT-BOARD OF EDUCATION	0.003692	0.004575	0.005058			0.004329	0.004329	0.003692	0.004340	0.003683	0.003341	0.003341
	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

<sup>(1)</sup> Factors provided by Auditor Controller. In all other cases, factors were calculated by KMA using information available on Auditor Controller's website.

<sup>(2)</sup> Assumes allocation is same as for TRA 6020.

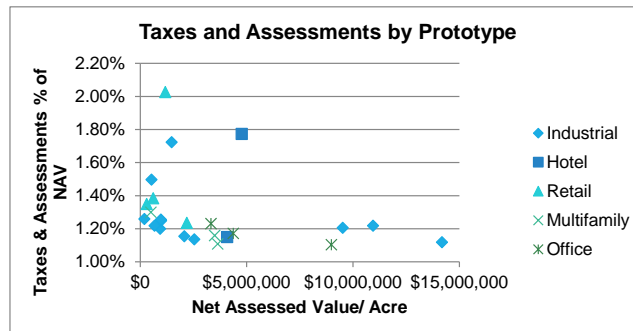


**Appendix A, Table 3**  
**Taxes and Assessments by Prototype**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

Source: Solano County Treasurer/Tax Collector

Prototype	City	Acres	Land AV Per Acre	Total Net AV Per Acre	Ad Valorem	Assmts. <sup>(2)</sup> % of NAV	Combined % of NAV
					Taxes % of NAV		
<b>Industrial</b>							
Synder Filtration	Vacaville	6.8	\$212,158	\$926,177	1.20%	0.00%	1.20%
Icon Aircraft	Vacaville	9.6	\$175,403	\$517,653	1.20%	0.30%	1.50%
Solano Logist. Center	Fairfield	52.3	\$153,137	\$968,350	1.10%	0.15%	1.25%
Cardinal Health Distribution	Dixon	22.6	\$113,697	\$965,284	1.10%	0.15%	1.26%
Frank-Lin Distillers	Fairfield	14.9	\$283,312	\$1,465,522	1.06%	0.66%	1.72%
Genentech Support Facility	Dixon	6.5	\$559,115	\$14,177,010	1.10%	0.02%	1.12%
Genentech- Subtotal	Vacaville	79.3	\$346,824	\$10,936,958	1.20%	0.02%	1.22%
Alza Corp.	Vacaville	11.3	\$254,642	\$9,508,007	1.20%	0.01%	1.21%
Abco Labs	Fairfield	12.9	\$170,276	\$661,581	1.10%	0.12%	1.22%
Guittard Chocolate	Fairfield	12.7	\$219,953	\$2,066,327	1.10%	0.05%	1.15%
Calbee North America	Fairfield	4.3	\$277,136	\$2,530,023	1.10%	0.03%	1.14%
Mariani Pkg. Company	Vacaville	54.0	\$61,265	\$183,268	1.20%	0.06%	1.26%
	Min. Industrial	4.3	\$61,265	\$183,268	1.06%	0.00%	1.12%
	Max. Industrial	79.3	\$559,115	\$14,177,010	1.20%	0.66%	1.72%
	Median Industrial	12.8	\$216,055	\$1,216,936	1.10%	0.06%	1.22%
<b>Hotel</b>							
Hilton Garden Inn	Fairfield	3.5	\$511,528	\$4,074,511	1.10%	0.05%	1.15%
Hampton Inn	Suisun	2.1	\$906,661	\$4,759,107	1.11%	0.66%	1.77%
	Median Hotel	2.8	\$709,094	\$4,416,809	1.11%	0.35%	1.46%
<b>Retail</b>							
Walmart	Suisun	18.3	\$656,444	\$1,175,287	1.11%	0.91%	2.03%
Chik Fil-A	Vallejo	1.3	\$295,461	\$295,461	1.14%	0.21%	1.35%
CVS Pharma. (Sale)	Vallejo	1.3	\$90,301	\$603,448	1.14%	0.24%	1.38%
Green Valley Shopping Center (added)	Fairfield	2.1	\$606,941	\$2,183,060	1.10%	0.13%	1.24%
	Min. Retail	1.3	\$90,301	\$295,461	1.10%	0.13%	1.24%
	Max. Retail	18.3	\$656,444	\$2,183,060	1.14%	0.91%	2.03%
	Median Retail	1.7	\$451,201	\$889,367	1.13%	0.23%	1.37%
<b>Multifamily Residential</b>							
Park Crossing Apartments	Fairfield	8.9	\$698,985	\$3,494,927	1.10%	0.06%	1.16%
Bridgeport Ranch	Fairfield	8.0	\$585,674	\$3,631,407	1.10%	0.01%	1.11%
Green Valley Apartments (land)	Fairfield	12.2	\$490,597	\$490,597	1.10%	0.20%	1.30%
	Min. Multifamily	8.0	\$490,597	\$490,597	1.10%	0.01%	1.11%
	Max. Multifamily	12.2	\$698,985	\$3,631,407	1.10%	0.20%	1.30%
	Median Multifamily	8.9	\$585,674	\$3,494,927	1.10%	0.06%	1.16%
<b>Office</b>							
Green Valley Executive Center	Fairfield	2.8	\$698,182	\$4,363,636	1.10%	0.07%	1.17%
Westside Professional Center I/II	Fairfield	0.7	\$403,109	\$8,981,917	1.10%	0.00%	1.10%
Green Valley Office Building	Fairfield	3.5	\$449,771	\$3,320,465	1.10%	0.13%	1.23%
	Min. Office	0.7	\$403,109	\$3,320,465	1.10%	0.00%	1.10%
	Max. Office	3.5	\$698,182	\$8,981,917	1.10%	0.13%	1.23%
	Median Office	2.8	\$449,771	\$4,363,636	1.10%	0.07%	1.17%
<b>All Prototypes</b>							
	Min.	0.7	\$61,265	\$183,268	1.06%	0.00%	1.10%
	Max.	79.3	\$906,661	\$14,177,010	1.20%	0.91%	2.03%
	Median	8.5	\$321,142	\$2,124,693	1.10%	0.09%	1.23%



<sup>(1)</sup> See Appendix B for additional information on selected prototypes.

<sup>(2)</sup> Includes landscaping and lighting, stormwater, community facilities and other assessment districts.



**Appendix A, Table 4**  
**Existing Combined Tax Rates**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor*

City	Site Name	APN	Site Acres		TRA	Ad Valorem Tax Rate <sup>(2)</sup>
			Assessor	Target <sup>(1)</sup>		
Benicia	Oak and Bayshore	0080-140-030	13.2		1003	1.199691
		0080-140-040	11.4		1003	1.199691
		<b>Total</b>	<b>24.6</b>	<b>24.6</b>		<b>1.199691</b>
Dixon	NE Quadrant	0111-08-0020	47.2	47.2	2026	<b>1.103247</b>
Fairfield	Canon Station Area	0166-040-040	218.4		3239	1.059418
		0166-060-060	100.0		3242	1.059418
		0166-060-070	23.1		3242	1.059418
		0166-060-100	87.0		3242	1.059418
		<b>Total <sup>(3)</sup></b>	<b>428.6</b>	<b>300</b>		<b>1.059418</b>
Rio Vista	Rio Vista Bus. Park	0178-200-020	4.6		4015	1.067315
		0178-200-090	93.1		4015	1.067315
		<b>Total</b>	<b>97.7</b>	<b>90</b>		<b>1.067315</b>
	Rio Vista Ind. Park	0178-020-070	57.5	57.5	4030	<b>1.067315</b>
Suisun City	City-owned Property	0032-04-72	0.7		5017	1.114603
		0032-04-74	0.3		5017	1.114603
		0032-04-79	1.7		5017	1.114603
		0032-23-28	1.1		5039	1.100244
		0032-23-29	15.4		5002	1.114603
		0032-23-31	1.6		5018	1.114603
		0032-23-37	14.6		5018	1.114603
		<b>Total <sup>(4)</sup></b>	<b>35.4</b>	<b>30</b>		<b>1.114173</b>
Vacaville	Interchange, Vaca Valley, and Vacaville Golden Hills Business Parks	<b>Total</b>	<b>165.8</b>	<b>157.1</b>	6064 and 6068	<b>1.199828</b>
Vallejo	Lee Property	0182-02-01	8.3		7000	1.139170
		0182-02-02	18.18		7000	1.139170
		0182-02-08	5.64		7013	1.139170
		<b>Total</b>	<b>32.12</b>	<b>16</b>		<b>1.139170</b>

<sup>(1)</sup> Land area targeted for development based on preliminary site analysis.

<sup>(2)</sup> Excludes special assessments. Based on KMA's initial review, the only active assessment is a sewer/drainage fee in Fairfield of approximately \$1 per acre.

<sup>(3)</sup> Only portions of the above parcels overlap with the Canon Station Area employment district.

<sup>(4)</sup> Total excludes APN 0032-23-14, which is located in City of Fairfield.





Appendix B  
Tables 1-8  
Development Prototypes



**Appendix B, Table 1****Industrial/ Advanced Materials Prototype Developments****Moving Solano Forward Financing Strategy****Solano County, CA****Draft****1/25/2017***Source: Solano County Assessor*

		Synder Filtration	Icon Aircraft
Address		4941-57 Allison Pkwy	2141 Icon Way
City		Vacaville	Vacaville
Area		6.8	9.6
GBA	<i>Median</i>	119,135	140,000
FAR	0.37	0.4	0.3
Year Built		1996	2015 (conversion)
Year Sold		2014	2013

Assessed Value (Assessor)

Land		\$1,464,671	\$1,705,986
Imp.		\$4,929,375	\$17,847,954
PP		\$2,386,299	\$5,663,077
Fixtures		\$0	\$0
Total		\$8,780,345	\$25,217,017

Value Factors

	<i>Median</i>		
Land Value/SF Land	\$5	\$5	\$4
Improvements/GSF	\$84	\$41	\$127
Fixtures & PP/GSF	\$30	\$20	\$40
Total AV/GSF	\$127	\$74	\$180



**Appendix B, Table 2**  
**Industrial/ Logistics Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

Source: Solano County Assessor, RealQuest

		Solano Logist. Center	Cardinal Health Distribution	Frank-Lin Distillers 2455	Critelli Olive Oil (land) <sup>(1)</sup>	Warehouse (land) <sup>(1)</sup>	2600 Stanford Court (sale)	Gateway 80 (land)
Address		2875-2975 Cordelia Road	7000 Cardinal PI	Huntington Drive	2333 Courage Drive	2060 Cessna Drive	2600 Stanford Court	Cordelia Road
City		Fairfield, CA	Dixon, CA	Fairfield, CA	Fairfield, CA	Vacaville, CA	Fairfield, CA	Fairfield, CA
Area		52.3	22.6	14.9	5.9	8.1	55.8	52.4
GBA	<b>Median</b>	968,000	330,000	288,000	92,568	128,758	1,020,000	
FAR	0.39	0.4	0.3	0.4	0.4	0.4	0.4	
Year Built		2014-2015	2000	2011	2016	2016	2006	
Year Sold		N/A	2005	2010			2016	
<b>Assessed Value (Assessor)</b>								
Land		\$8,131,198	\$3,135,000	\$4,297,234	\$1,948,900	\$1,235,153		\$17,712,540
Imp.		\$52,524,632	\$13,365,000	\$17,931,566	\$3,602,300	\$2,275,000		
PP		\$1,686,295	\$3,057,121					
Fixtures			\$4,772,205					
Total		\$62,342,125	\$24,329,326	\$22,228,800	\$5,551,200	\$3,510,153		
Sale Value (RealFacts)							\$60,500,000	
<b>Value Factors</b>								
Assessed Value	<b>Median</b>							
Land Value/SF Land	\$5	\$4	\$3	\$7	\$8	\$3		\$8
Improvements/GSF	\$54	\$54	\$41	\$62				
Fixtures & PP/GSF	\$13	\$2	\$24	\$0				
Total AV/GSF	\$74	\$64	\$74	\$77				
Sale Value/GSF	\$59						\$59	

**Notes**

<sup>(1)</sup> Partially completed buildings; excluded from improved value factors.



**Appendix B, Table 3**  
**Industrial/ Biotechnology Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor, RealQuest*

		Genentech Support Facility 2727 Fitzgerald Way	Genentech Campus 1000 New Horizons Way	Alza Corp. 700 Eubanks Dr.	Thermo Fisher Scientific Inc 46500 Kato Rd Fremont, CA	CS Bio 20 Kelly Ct Menlo Park, CA
Address		Dixon, CA	Vacaville, CA	Vacaville, CA	Fremont, CA	Menlo Park, CA
City		6.5	79.3	11.3	22.3	1.6
Area		140,000	956,000	117,000	274,881	37,304
GBA	<b>Median</b>	0.5	0.3	0.2	0.3	0.6
FAR	0.28	2009	Exp 2007	1984	2014	2015
Year Built						
Year Sold						
<b>Assessed Value</b>						
<b>(Assessor/RealFacts)</b>						
Land		\$3,689,669	\$27,908,458	\$2,908,412	\$14,588,705	\$3,678,274
Imp.		\$37,205,913	\$327,523,438	\$28,993,154	\$112,415,843	\$7,464,585
PP		\$12,011,121	\$287,358,560	\$57,129,720		
Fixtures		\$31,763,188	\$225,675,972	\$20,726,773		
Total		\$84,669,891	\$868,466,428	\$84,669,891	\$127,004,548	\$11,142,859
<b>Value Factors</b>						
	<b>Median</b>					
Land Value/SF Land	\$13	\$13	\$8	\$6	\$15	\$54
Improvements/GSF	\$266	\$266	\$343	\$248	\$409	\$200
Fixtures & PP/GSF	\$537	\$313	\$537	\$665		
Total AV/GSF	\$724	\$605	\$908	\$724	\$462	\$299





**Appendix B, Table 4**  
**Industrial/ Food & Beverage Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor, RealQuest*

		Guittard Chocolate	Calbee North America	Just Desserts (sale)	Abco Labs	Mariani Pkg. Company
Address		2701 Guittard Way	2600 Maxwell Way	5000 Fulton Drive	2450 S Watney Wy.	500 Crocker Drive
City		Fairfield	Fairfield	Fairfield, CA	Fairfield, CA	Vacaville, CA
Area		12.7	4.3	4.7		54.0
GBA	<i>Median</i>	286,000	39,170	73,500	12.9	681,500
FAR	0.36	0.5	0.2	0.4	110,272	0.3
Year Built		2003	2007			2000 retrofit
Year Sold		2001	2014	2014	1991 2004	2012
<u>Assessed Value (Assessor)</u>						
Land		\$2,842,698	\$1,378,300		\$2,224,866	\$3,356,258
Imp.		\$13,726,764	\$8,842,700		\$6,419,522	\$6,683,669
PP		\$13,701,524	\$6,612,551			\$40,793,991
Fixtures		\$3,285,525	\$342,448			\$0
Total		\$33,556,511	\$17,175,999		\$8,644,388	\$50,833,918
Sale Value (RealQuest)				\$5,400,000		
<u>Value Factors <sup>(1)</sup></u>						
	<i>Median</i>					
Land Value/SF Land	\$5	\$5	\$7		\$4	\$1
Improvements/GSF	\$58	\$48	\$226		\$58	\$10
Fixtures & PP/GSF	\$118	\$59	\$178		\$0	\$60
Total AV/GSF	\$278	\$117	\$438		\$78	\$75
Sale Value / SF Building				\$73		

<sup>(1)</sup> Mariani Bldg. excluded from land/improvement factors due to age of structure.



**Appendix B, Table 5**  
**Hotel Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor*

		Hilton Garden Inn	Hampton Inn
Address		2200 The Courtyard	2 Harbor Center
City		Fairfield	Suisun
APN		0033-230-840	0032-061-020
Area		3.5	2.1
GBA	<i>Median</i>	94,236	62,900
FAR	0.66	0.6	0.7
Units/ Keys		150	102
Year Built		2002	2009
Year Sold			
<u>Assessed Value (Assessor)</u>			
Land		\$1,817,651	\$1,914,613
Imp.		\$11,846,708	\$8,135,288
PP		\$994,634	\$693,893
Fixtures		\$40,872	\$0
Total		\$14,699,865	\$10,743,794
<u>Value Factors</u>			
	<i>Median</i>		
Land Value/SF Land	\$17	\$12	\$21
Improvements/GSF	\$128	\$126	\$129
Fixtures & PP/GSF	\$11	\$11	\$11
Total AV/GSF	\$163	\$156	\$171



**Appendix B, Table 6**  
**Retail Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor, RealQuest*

		Walmart	Chik Fil-A	CVS Pharma. (Sale)
Address		350 Walters Road	1191 Admiral Callaghan Ln	1189 Admiral Callaghan Ln
City		Suisun	Vallejo, CA	Vallejo, CA
APN		0173-830-020	0081-010-460	0081-010-320
Area		18.3	1.3	1.3
GBA	Median	177,535	4,526	16,500
FAR	0.22	0.2	0.1	0.3
Year Built		2015	2015	
Year Sold				2015
<u>Assessed Value (Assessor)</u>				
Land		\$12,202,794	\$1,905,632	
Imp.		\$14,985,090	\$1,460,000	
PP		\$2,764,396	\$705,037	
Fixtures		\$1,796,698	\$123,047	
Total		\$31,748,978	\$4,193,716	
Sale Value (RealQuest)				\$4,880,000
<u>Value Factors</u>				
Assesed Values	Median			
Land Value/SF Land	\$25	\$15	\$35	
Improvements/GSF	\$203	\$84	\$323	
Fixtures & PP/GSF	\$104	\$26	\$183	
Total AV/GSF	\$553	\$179	\$927	
Sale Value/SF Building	\$296			\$296



**Appendix B, Table 7**  
**Multifamily Residential Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor*

		Park Crossing Apartments	Bridgeport Ranch	Green Valley Apartments (land)
Address		2100 West Texas Street	450 Pittman Rd	3900 Business Center Drive
City		Fairfield	Fairfield	Fairfield
APN		0028-103-130	0044-110-020	0027-350-150
Area		8.9	8.0	12.2
GBA	Median	210,107	175,453	
FAR	0.52	0.5	0.5	
Units/ Keys		200	192	
Units/Acre	23	23	24	
Year Built		2005	2003	
Year Sold		2015	2011	
GBA/unit		1,051	914	
<u>Assessed Value (Assessor)</u>				
Land		\$7,000,000	\$4,774,683	\$6,091,500
Imp.		\$40,000,000	\$24,403,935	
PP		\$0	\$361,370	
Fixtures		\$0	\$0	
Total		\$47,000,000	\$29,539,988	
<u>Value Factors</u>				
	Median			
Land Value/SF Land	\$14	\$18	\$14	\$11
Improvements/GSF	\$165	\$190	\$139	
Fixtures & PP/GSF	\$2	\$0	\$2	
Total AV/GSF	\$196	\$224	\$168	





**Appendix B, Table 8**  
**Office Prototype Developments**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Solano County Assessor*

	Green Valley Executive Center	Westside Professional Center II	Westside Professional Center I
Address	5030 Business Center Drive	2470 Hillborn Road	2480 Hillborn Road
City	Fairfield	Fairfield	Fairfield
APN	0148-280-480	0156-490-020	0156-490-040
Area	2.8	0.4	0.4
GBA	45,000	30,296	30,296
FAR	0.4	2.0	2.0
Stories	3	2	2
Year Built	2006	2014	2006
<u>Assessed Value (County Records)</u>			
Land	\$1,920,000	\$143,239	\$143,239
Imp.	\$10,080,000	\$5,224,053	\$2,132,691
PP	\$1,250,010	\$1,135,663	\$0
Fixtures	\$0	\$0	\$0
Total	\$13,250,010	\$6,502,955	\$2,275,930
<u>Value Factors</u>			
	<i>Median</i>		
Land Value/SF Land	\$9	\$16	\$9
Improvements/GSF	\$172	\$224	\$70
Fixtures & PP/GSF	\$28	\$28	\$0
Total AV/GSF	\$215	\$294	\$75



Appendix C  
Tables 1-3  
Comparable Land Sales



**Appendix C, Table 1**  
**Residential Land Sales, October 2013 to October 2015**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Costar Group 2015*

*Extracted from "Evaluation of Development Opportunities: Northern Gateway Property" prepared by Keyser Marston Associates and Chabin Concepts for the City of Benicia.*

<b>No.</b>	<b>Type and Location</b>	<b>Sale Date</b>	<b>Acres</b>	<b>Sale Price</b>	<b>\$/Ac</b>	<b>Improvements</b>
1	178 unit multifamily development Walnut Creek, CA	5/14/2015	1	\$7,018,000	\$5,276,692	OS, FL
2	48 townhome units San Ramon, CA	3/7/2014	3	\$7,200,000	\$2,424,242	OS
3	Single family development Pittsburgh, CA	2/20/2014	6	\$7,854,000	\$1,390,089	
4	Single family development Brentwood, CA	5/22/2014	19	\$26,500,000	\$1,365,979	OS
5	127 unit apartment development Richmond, CA	3/16/2015	2	\$2,000,000	\$909,091	OS, RL
6	81 unit single family development Discovery Bay, CA	9/10/2014	13	\$10,285,000	\$816,270	OS, FL
7	Residential land Concord, CA	8/24/2015	2	\$1,250,000	\$796,178	OS, FL
8	Residential land purchased by commu Vallejo, CA	2/14/2014	6	\$4,800,000	\$764,331	
9	Multifamily development Oakley, CA	for sale	15	\$10,088,000	\$683,469	
10	17 unit single family development Moraga, CA	10/8/2014	2	\$1,200,000	\$600,000	OS, FL
11	20 unit residential development Martinez, CA	11/19/2013	2	\$1,475,000	\$597,166	OS
12	126 unit multifamily development Bay Point, CA	4/29/2015	8	\$3,400,000	\$446,781	
13	36 parcel residential development Discovery Bay, CA	1/31/2014	6	\$2,430,000	\$410,473	
14	Single family development Vacaville, CA	7/30/2015	42	\$16,364,000	\$387,589	RL
15	144 unit single family development Hercules, CA	8/26/2014	17	\$6,238,000	\$361,204	OS, RG

**Appendix C, Table 1**  
**Residential Land Sales, October 2013 to October 2015**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Costar Group 2015*

*Extracted from "Evaluation of Development Opportunities: Northern Gateway Property" prepared by Keyser Marston Associates and Chabin Concepts for the City of Benicia.*

<b>No.</b>	<b>Type and Location</b>	<b>Sale Date</b>	<b>Acres</b>	<b>Sale Price</b>	<b>\$/Ac</b>	<b>Improvements</b>
16	Single family development Brentwood, CA	3/31/2014	31	\$10,260,000	\$335,294	OS, FL
17	Residential development Hercules, CA	for sale	6	\$2,001,495	\$314,157	RG
18	Single family development Vallejo, CA	8/22/2014	2	\$150,000	\$82,873	OS, RL

<b>Sale Price Summary</b>	<b>Per Acre</b>	<b>Per SF Land</b>
<b>Minimum</b>	<b>\$82,873</b>	<b>\$2</b>
<b>Maximum</b>	<b>\$5,276,692</b>	<b>\$121</b>
<b>Median</b>	<b>\$641,734</b>	<b>\$15</b>
<b>Mean</b>	<b>\$997,882</b>	<b>\$23</b>

<b>Improvements Legend</b>	
<b>OS</b>	Off-site improvements including Curb/Gutter/Sidewalk, Electricity, Gas, Sewer, Streets, Water
<b>FL</b>	Finished Lot
<b>RL</b>	Raw land
<i>Note: Improvement information is not available for all properties.</i>	

**Appendix C, Table 2**  
**Commercial/Retail Land Sales, October 2013 to October 2015**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Costar Group 2015*

*Extracted from "Evaluation of Development Opportunities: Northern Gateway Property" prepared by Keyser Marston Associates and Chabin Concepts for the City of Benicia.*

<b>No.</b>	<b>Type and Location</b>	<b>Sale Date</b>	<b>Acres</b>	<b>Sale Price</b>	<b>\$/Ac</b>	<b>Improvements</b>
1	Corner Lot Concord, CA	12/8/2014	0.3	\$380,000	\$1,275,168	OS, FL
2	Northgate Marketplace Vallejo, CA	2/27/2015	9.26	\$6,675,000	\$720,842	OS, FL
3	Commercial development site Vallejo, CA	1/16/2015	3.58	\$1,825,000	\$509,777	OS, RL
4	Commercial development site Fairfield, CA	11/20/2014	7	\$3,000,000	\$428,571	RL
5	Commercial development site Vacaville, CA	7/1/2014	0.56	\$235,000	\$418,149	n/a
6	Commercial development site Vallejo, CA	12/24/2013	0.43	\$140,000	\$325,279	OS, FL
7	Convenience store, service station site Fairfield, CA	3/13/2014	2.89	\$825,000	\$285,467	RL
8	Commercial development site Antioch, CA	4/27/2015	0.5	\$125,000	\$250,000	OS, FL
9	Commercial development site Vallejo, CA	for sale	6.88	\$1,500,000	\$218,023	OS, FL
10	Commercial development site Vallejo, CA	7/30/2015	3.8	\$560,000	\$147,368	n/a
11	Commercial development site Solano, CA	for sale	5.17	\$700,000	\$135,397	OS, RG

<b>Sale Price Per Acre Summary</b>	<b>Per Acre</b>	<b>Per SF</b>
<b>Minimum</b>	<b>\$135,397</b>	<b>\$3</b>
<b>Maximum</b>	<b>\$1,275,168</b>	<b>\$29</b>
<b>Median</b>	<b>\$325,279</b>	<b>\$7</b>
<b>Mean</b>	<b>\$428,549</b>	<b>\$10</b>

<b>Improvements Legend</b>	
<b>OS</b>	Off-site improvements including Curb/Gutter/Sidewalk, Electricity, Gas, Sewer, Streets, Water
<b>FL</b>	Finished Lot
<b>RL</b>	Raw land
Note: Improvement information is not available for all properties.	





**Appendix C, Table 3**  
**Industrial Land Sales, October 2013 to October 2015**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Costar Group 2015*

*Extracted from "Evaluation of Development Opportunities: Northern Gateway Property" prepared by Keyser Marston Associates and Chabin Concepts for the City of Benicia.*

<b>No.</b>	<b>Name and Location</b>	<b>Sale Date</b>	<b>Acres</b>	<b>Sale Price</b>	<b>\$/Ac</b>	<b>Improvements Status</b>
1	Napa Valley Commons Way Napa, CA	8/3/2015	9.7	\$6,362,000	\$653,183	OS, RL
2	Industrial development site Richmond, CA	for sale	1.0	\$633,798	\$650,717	
3	Industrial development site Napa, CA	9/3/2014	1.0	\$524,000	\$524,000	
4	Industrial development site Solano, CA	7/2/2015	4.6	\$2,300,000	\$501,089	OS
5	Fairfield Corporate Commons Solano, CA	11/6/2015	6.4	\$3,080,000	\$482,759	OS
6	Pinole Point Business Park Phase II Richmond, CA	2/28/2014	30.7	\$13,368,560	\$435,600	OS
7	Industrial development site Pittsburg, CA	12/16/2014	1.2	\$490,000	\$422,414	OS, FL
8	Industrial development site Vallejo, CA	6/16/2015	3.9	\$1,500,000	\$383,632	OS, RG
9	Napa Valley Business Park Napa, CA	6/9/2014	2.4	\$855,100	\$359,286	OS, FL
10	Industrial development site Fairfield, CA	12/13/2013	2.6	\$787,000	\$308,627	OS
11	Industrial development site Napa, CA	2/4/2014	2.4	\$733,000	\$305,417	
12	Industrial development site Vacaville, CA	6/2/2015	5.0	\$1,250,000	\$252,745	OS, FL
13	Busch Corporate Park Fairfield, CA	7/2/2015	4.0	\$735,000	\$184,211	OS, RL
14	Devlin Road industrial development site Napa, CA	9/11/2014	21.8	\$3,900,000	\$178,981	OS, RL

**Appendix C, Table 3**  
**Industrial Land Sales, October 2013 to October 2015**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Costar Group 2015*

*Extracted from "Evaluation of Development Opportunities: Northern Gateway Property" prepared by Keyser Marston Associates and Chabin Concepts for the City of Benicia.*

<b>No.</b>	<b>Name and Location</b>	<b>Sale Date</b>	<b>Acres</b>	<b>Sale Price</b>	<b>\$/Ac</b>	<b>Improvements Status</b>
15	Industrial development site Richmond, CA	2/4/2014	2.9	\$450,000	\$155,709	OS, FL
16	Industrial development site Vacaville, CA	for sale	3.7	\$331,926	\$90,690	
17	Industrial development site Fairfield, CA	2/6/2015	1.2	\$110,000	\$89,431	
					<b>Per Acre</b>	<b>Per SF</b>
<b>Minimum</b>					<b>\$89,431</b>	<b>\$2</b>
<b>Maximum</b>					<b>\$653,183</b>	<b>\$15</b>
<b>Median</b>					<b>\$359,286</b>	<b>\$8</b>
<b>Mean</b>					<b>\$351,676</b>	<b>\$8</b>

**Improvements Legend**

**OS** Off-site improvements including Curb/Gutter/Sidewalk, Electricity, Gas, Sewer, Streets, Water  
**FL** Finished Lot  
**RL** Raw land

Note: Improvement information is not available for all properties.

Appendix D  
Tables 1-7  
Local Construction Costs



**Appendix D, Table 1**  
**Construction Costs by Project Category**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Marshall and Swift Valuation Service and RS Means*

<b>Category</b>	<b>Marshall Swift <sup>(1)</sup></b>	<b>Cost PSF</b>	<b>RS Means <sup>(2)</sup></b>	<b>Cost PSF</b>
<b>1. Advanced Mfg</b>	Flex Building	\$92	Factory	\$144
	Light Industrial	\$95		
	Heavy Industrial	\$240		
<b>2. Biotech</b>	R&D Building	\$162	College Lab	\$205
	Lab Building	\$378		
<b>3. Logistics</b>	Distribution Center	\$115	Warehouse	\$116
<b>4 Food &amp; Beverage</b>	Cold Storage	\$131	N/A	
<b>5 Hotel</b>	Limited Svc. Hotel	\$177	Hotel	\$201
<b>6 Retail</b>	Retail Stores	\$168	Retail Store	\$165
<b>7 Residential</b>	Garden Apartments	\$150	Apartments	\$200
	Town Homes	\$142		
<b>8 Mid Rise Office</b>	Office	\$264	Office (Mid)	\$198
<b>9 Low Rise Office</b>	Office	\$264	Office (Low)	\$166

Note: Costs reflect payment of prevailing wages.  
See Appendix D, Table 7 for cost differential.

<sup>(1)</sup> Appendix D, Table 2.

<sup>(2)</sup> Appendix D, Table 5.



**Appendix D, Table 2**

**Marshall: Summary of Construction Costs by Building Type <sup>(1)</sup>**

**Moving Solano Forward Financing Strategy**

**Solano County, CA**

**Draft**

**1/25/2017**

*Source: Marshall and Swift Valuation Service*

Building Type <sup>(2)</sup>	Percentile <sup>(4)</sup>				
	0%	25%	50%	75%	100%
<b>Industrial Building Types</b>					
Laboratory Buildings	\$287	\$293	\$378	\$378	\$497
Industrials, Heavy (Process) Manufacturing	\$183	\$195	\$240	\$276	\$316
Industrial, Engineering (R&D) Buildings	\$115	\$131	\$162	\$207	\$234
Cold Storage	\$103	\$114	\$131	\$149	\$166
Distribution Warehouses	\$93	\$97	\$115	\$133	\$136
Light Manufacturing	\$90	\$92	\$95	\$99	\$102
Flex	\$92	\$92	\$92	\$92	\$92
Light Industrial/Warehouse Shell Buildings <sup>(3)</sup>	\$64	\$64	\$64	\$64	\$64
<b>Commercial Building Types</b>					
Hotels: Limited Service	\$150	\$158	\$177	\$194	\$216
Office	\$193	\$202	\$264	\$293	\$341
Retail Stores	\$129	\$135	\$168	\$192	\$228
<b>Residential Building Types</b>					
Garden Apartments	\$130	\$140	\$150	\$161	\$171
Town and Row Houses	\$104	\$123	\$142	\$168	\$195
Single Family	\$164	\$179	\$194	\$214	\$235

(1) Costs include shell and building systems, normal site preparation (grading/excavation for structure only), architects' fees, contractors' overhead, permits, insurance and interest during construction. Costs reflect prevailing wages.

(2) See Table D-4 for definitions of industrial building types.

(3) Excludes office finish costs (interiors, lighting, plumbing and heat).

(4) Reflects cost range for buildings Class A through C, with average to excellent finishes. For Class C, only buildings with finishes rated good and above are included. See Table D-3 for detail.





**Appendix D, Table 3**  
**Marshall: Construction Costs by Building Type (Detail)**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Marshall and Swift Valuation Service*

<b>Building Type</b>	<b>Building Class <sup>(1)</sup></b>	<b>Finish Quality <sup>(2)</sup></b>	<b>Cost Per SF <sup>(3)</sup></b>
<b>I. Industrial Buildings</b>			
<b>Laboratory Buildings</b>	A-B	Excellent	\$497
	A-B	Good	\$378
	A-B	Average	\$287
	C	Excellent	\$378
	C	Good	\$293
<b>Industrials, Heavy (Process) Manufacturing</b>	A	Excellent	\$316
	A	Good	\$254
	A	Average	\$195
	B	Excellent	\$299
	B	Good	\$240
	B	Average	\$183
	C	Good	\$196
<b>Industrial, Engineering (R&amp;D) Buildings</b>	A	Excellent	\$234
	A	Good	\$168
	A	Average	\$123
	B	Excellent	\$220
	B	Good	\$157
	B	Average	\$115
	C	Excellent	\$202
	C	Good	\$134
<b>Cold Storage</b>	A-B	Good	\$143
	A-B	Average	\$103
	C	Excellent	\$166
	C	Good	\$118
<b>Distribution Warehouses</b>	A	Good	\$136
	A	Average	\$103
	B	Good	\$127
	B	Average	\$95
	C	Excellent	\$135
	C	Good	\$93
<b>Light Manufacturing</b>	A	Average	\$102
	B	Average	\$95
	C	Good	\$90
<b>Flex</b>	C	Good	\$92
<b>Light Industrial/Warehouse Shell Buildings</b>	C	Good <sup>(4)</sup>	\$64

Appendix D, Table 3

Marshall: Construction Costs by Building Type (Detail)

Moving Solano Forward Financing Strategy

Solano County, CA

Draft  
1/25/2017

Source: Marshall and Swift Valuation Service

Building Type	Building Class <sup>(1)</sup>	Finish Quality <sup>(2)</sup>	Cost Per SF <sup>(3)</sup>
<b>II. Commercial Buildings</b>			
<b>Hotels: Limited Service</b>	A	Excellent	\$216
	A	Good	\$182
	A	Average	\$157
	B	Excellent	\$207
	B	Good	\$173
	B	Average	\$150
	C	Excellent	\$189
	C	Good	\$158
<b>Retail Stores</b>	A	Excellent	\$228
	A	Good	\$171
	A	Average	\$135
	B	Excellent	\$221
	B	Good	\$165
	B	Average	\$129
	C	Excellent	\$183
	C	Good	\$135
<b>Office</b>	A	Excellent	\$341
	A	Good	\$270
	A	Average	\$203
	B	Excellent	\$328
	B	Good	\$258
	B	Average	\$193
	C	Excellent	\$281
	C	Good	\$197
<b>III. Residential Buildings</b>			
<b>Garden Apartments</b>	C	Excellent	\$171
	C	Good	\$130
<b>Single Family</b>	C	Excellent	\$235
	C	Very Good	\$194
	C	Good	\$164
<b>Town and Row Houses</b>	C	Excellent	\$195
	C	Good	\$142
	C	Average	\$104

(1) See Table D-4 for definitions of industrial building types.

(2) Quality varies by interior finishes and HVAC systems. Highest quality buildings have many office quality areas and a complete HVAC system.

Average quality buildings have limited office finishes and hot water/space heaters.

(3) Costs include shell and building systems, normal site preparation (grading/excavation for structure only), architects' fees, contractors' overhead, permits, insurance, interest during construction.

(4) Refers to finishes of non-office areas. Office finishes excluded.

**Appendix D, Table 4**  
**Marshall: Building Type Definitions <sup>(1)</sup>**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Marshall and Swift Valuation Service*

<b>Building Type</b>	<b>Characteristics</b>
<b>Laboratory Buildings</b>	<ul style="list-style-type: none"> <li>-Commercial and research facilities</li> <li>-Lab equipment excluded</li> </ul>
<b>Industrials, Heavy (Process) Manufacturing</b>	<ul style="list-style-type: none"> <li>-Heavy frames, walls and floors</li> <li>-4% - 12% office finishes</li> <li>-Designed for specialized manufacturing, power or utility service plants</li> <li>-Costs include power to the building and industrial sewer and drainage lines but do not wiring or piping to specialized F&amp;E</li> </ul>
<b>Industrial, Engineering (R&amp;D) Buildings</b>	<ul style="list-style-type: none"> <li>-20% to 80% office-quality space, some manufacturing or assembly</li> <li>-Many partitions</li> </ul>
<b>Cold Storage</b>	<ul style="list-style-type: none"> <li>-Allows for refrigeration of commodities</li> <li>-Some areas w/ higher building quality</li> </ul>
<b>Distribution Warehouses</b>	<ul style="list-style-type: none"> <li>-Larger warehouses</li> <li>-15% to 30% office quality</li> </ul>
<b>Light Manufacturing</b>	<ul style="list-style-type: none"> <li>-Buildings typical of industrial parks.</li> <li>-15% to 25% office quality</li> </ul>
<b>Flex</b>	<ul style="list-style-type: none"> <li>-Multi tenant, loft structure, low rise, primarily for light industrial uses</li> <li>-Greater share of finished space in higher-quality buildings</li> </ul>
<b>Light Industrial/Warehouse Shell Buildings <sup>(2)</sup></b>	<ul style="list-style-type: none"> <li>-Reflects light manufacturing, flex, warehouse buildings without costs of finished space</li> </ul>



**Appendix D, Table 5**  
**Marshall: Building Class Definitions**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: Marshall and Swift Valuation Service*

<b>Building Class</b>	<b>Frame</b>	<b>Floor</b>	<b>Alternative Classification</b>
A	Structural steel	Concrete or steel, fireproofed	Types I and II, concombustible, steel frame
B	Reinforced concrete	Concrete, fireproofed	Types I and II noncombustible, concrete
C	Steel, wood, concrete frame	Wood or concrete plank	Type III (noncombustible wall), Type V, Tiltup



**Appendix D, Table 6**

**RS Means: Summary of Construction Costs by Building Type <sup>(1)</sup>**

**Moving Solano Forward Financing Strategy**

**Solano County, CA**

**Draft**

**1/25/2017**

*Source: RS Means*

<b>Use</b>	<b>Building Type</b>	<b>Cost Per Sq. Ft. <sup>(2)</sup></b>
<b>I. Industrial/R&amp;D Buildings</b>		
<b>Factory, 1 Story</b>	Face Brick on Common Brick/Steel Frame	\$153.85
	Concrete Block/ Steel Frame	\$146.74
	Precast Concrete Panels/ Steel Frame	\$145.56
	Insulated Metal Panels/ Steel Frame	\$142.80
	Tilt-Up Concrete Panel/ Steel Frame	\$142.57
	Concrete Block/ Bearing Walls	\$139.00
	Median - Factory	\$144.18
<b>Warehouse</b>	Precast Concrete Panel/ Reinforced Concrete	\$146.57
	Brick Veneer/ Reinforced Concrete	\$145.49
	Tilt-Up Concrete Panel/ Reinforced Concrete Frame	\$120.13
	EIFS/ Steel Frame	\$111.92
	Pre-Engineered Metal Building/ Steel Frame	\$104.42
	Metal Panel/ Steel Frame	\$97.92
	Median- Warehouse	\$116.03
<b>Office, 1 Story</b>	Brick Veneer / Reinforced Concrete	\$204.09
	Precast Concrete Panel/ Reinforced Concrete	\$180.35
	EIFS / Steel Frame	\$167.51
	Stone Veneer/ Wood Frame	\$165.46
	Vinyl Siding/Wood Frame	\$159.59
	Fiber Cement Siding/ Steel Frame	\$103.72
	Median - Office	\$166.49
<b>College, Laboratory</b>	Stone Veneer/ Reinforced Concrete	\$221.00
	Precast Concrete Panel/ Reinforced Concrete	\$208.99
	Brick Veneer / Reinforced Concrete	\$208.85
	Curtain Wall/ Steel Frame	\$200.22
	Brick Veneer/ Steel Frame	\$194.25
	EIFS / Steel Frame	\$193.17
	Median - Lab	\$204.54

**Appendix D, Table 6**

**RS Means: Summary of Construction Costs by Building Type <sup>(1)</sup>**

**Moving Solano Forward Financing Strategy**

**Solano County, CA**

**Draft**

**1/25/2017**

*Source: RS Means*

<b>Use</b>	<b>Building Type</b>	<b>Cost Per Sq. Ft. <sup>(2)</sup></b>
<b>II. Commercial/Residential Buildings</b>		
<b>Hotel</b>	Brick Veneer/Reinforced Concrete	\$208.89
	Curtain Wall/Steel Frame	\$204.98
	EIFS/Reinforced Concrete	\$192.28
	Fiber Cement/Steel Frame	\$187.38
	Precast Concrete/Reinforced Concrete	\$197.58
	Stone Veneer/Steel Frame	\$204.96
	Median-Hotel	\$201.27
<b>Office - 1 Story</b>	See above	
<b>Office (2 to 4 Stories)</b>	Brick Veneer/Reinforced Concrete	\$210.18
	EIFS/Steel	\$186.69
	Fiber Cement Siding/Steel Frame	\$186.71
	Precast Concrete Panel/Reinforced Concrete	\$217.78
	Stone Veneer/Wood Frame	\$207.11
	Vinyl Siding/Wood Frame	\$188.43
	Median-Office (2 to 4 stories)	\$197.77
<b>Page 3 of 3</b>		
<b>Retail Store</b>	Brick Veneer/Reinforced Concrete	\$181.27
	EIFS on Metal Studs/Steel Joists	\$149.02
	Fiber Cement Siding/Wood Frame	\$141.71
	Stone Veneer/Steel Frame	\$182.06
	Stucco/Reinforced Concrete	\$180.80
	Vinyl Siding/Wood Frame	\$139.49
	Median-Retail	\$164.91
<b>Apartment (1- 3 Stories)</b>	Brick Veneer / Reinforced Concrete	\$211.58
	Brick Veneer / Steel Frame	\$194.56
	EIFS	\$181.47
	Fiber Cement Siding/Wood Frame	\$197.20
	Stucco Veneer/ Wood Frame	\$212.84
	Stucco on Concrete Block / Reinforced Concrete	\$202.22
	Median-Apartments	\$199.71

(1) Includes substructure, shell, interiors, and services. Also assumes 25% contractor's fee and 7% architectural fees. Assumes payment of prevailing wages. See Table 7 for cost comparison with and without payment of prevailing wages.



**Appendix D, Table 7**  
**RS Means: Standard/Open Shop Cost Comparison**  
**Moving Solano Forward Financing Strategy**  
**Solano County, CA**

**Draft**  
**1/25/2017**

*Source: RS Means*

Use	Building Type	Standard Cost PSF <sup>(1)</sup>	Open Shop Cost PSF <sup>(2)</sup>	%
		A	B	B/A
<b>Factory, 1 Story</b>	Concrete Block/ Steel Frame	\$146.74	\$128.09	87%
<b>Warehouse</b>	Brick Veneer/ Reinforced Concrete	\$145.49	\$133.28	92%
<b>Office, 1 Story</b>	Brick Veneer / Reinforced Concrete	\$204.09	\$186.51	91%
<b>College, Laboratory</b>	Brick Veneer/ Steel Frame	\$194.25	\$177.02	91%
<b>Hotel</b>	Brick Veneer/Reinforced Concrete	\$208.89	\$191.58	92%
<b>Office (2 to 4 Stories)</b>	Brick Veneer/Reinforced Concrete	\$210.18	\$191.86	91%
<b>Retail Store</b>	Brick Veneer/Reinforced Concrete	\$181.27	\$162.82	90%
<b>Apartment</b>	Brick Veneer / Reinforced Concrete	\$211.58	\$190.21	90%

<sup>(1)</sup> Includes prevailing wages.

<sup>(2)</sup> Excludes prevailing wages.