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Overview of the Infrastructure Financing Plan for the Eastern Coachella Valley Enhanced Infrastructure Financing District

This overview of the Infrastructure Financing Plan (“IFP,” or the “Plan”) for County of Riverside (“County”) Eastern Coachella Valley Enhanced Infrastructure Financing District (the “EIFD” or the “District”), has been prepared to highlight certain aspects of the IFP. As the IFP itself contains more detailed information on the EIFD, the reader is advised to review the actual IFP for a more complete understanding of the EIFD and the public infrastructure for which it will provide financing.

An EIFD may fund public facilities with a useful life of 15 years or more through the use of *ad valorem* property tax increment and in-lieu Vehicle License Fee (“VLF”) increment revenues. **NOTABLY, THIS EIFD DOES NOT CALL FOR THE IMPOSITION OF ANY NEW TAXES AND IS ENTIRELY DEPENDENT ON PROPERTY TAXES AND VEHICLE LICENSE FEE REVENUES CURRENTLY BEING LEVIED BY THE COUNTY AND THE STATE AS THEY ARE APPLIED TO FUTURE GROWTH AND INCREASING PROPERTY VALUES WITHIN THE DISTRICT.** This EIFD is being established to specifically allocate a portion of future tax revenues to support the provision of needed public infrastructure and promote economic development within the District.

The County contracted with DTA to prepare a draft Plan, which is required under Section 53398.63 of the California Government Code as a precursor to the formation of an EIFD. This draft plan will be reviewed by the EIFD’s Public Financing Authority (“PFA”) during a series of three public hearings. An initial public hearing has been scheduled by the PFA for June 9, 2023.

The proposed ECV EIFD encompasses approximately 91,031.75 acres and is comprised of 8,967 parcels¹ located in the southeastern portion of Riverside County and includes the unincorporated communities of Vista Santa Rosa, Thermal, Oasis, Mecca, and North Shore, the northern portion of the Salton Sea, and extends to the Imperial County border. After formation of the District, the boundaries of the EIFD cannot be expanded without approval of the PFA, with all notices and hearing requirements for the original formation of the EIFD applied to the affected landowners and residents of the area to be annexed into the EIFD.

A Description of the Public Facilities

The County anticipates that approximately \$527 million in public facilities will be constructed within the EIFD from other funding sources. A breakdown of these costs by type of facility is itemized in the IFP. Additional funding through State and Federal grants may be pursued from time to time as funding for public infrastructure becomes available through State and Federal grant programs.

The specific facilities that may be financed by the EIFD, to the extent that funding is available, are listed below.

¹ Currently includes 7,858 taxable parcels and 1,109 exempt parcels.

Table 1: EIFD Infrastructure Costs ¹

Item	EIFD-Funded Improvements	Priority Program Project Percentages ²	Cost Estimate (2022)	Proposed Timing
1	Water/Wastewater	25%	\$57,008,888	TBD
2	Transportation	20%	\$45,607,110	TBD
3	Utilities and Telecommunication	20%	\$45,607,110	TBD
4	Salton Sea	15%	\$34,205,333	TBD
5	Housing	15%	\$34,205,333	TBD
6	Community Facilities	5%	\$11,401,778	TBD
Total Cost			\$228,035,552	N/A

Notes:

1. EIFD funding is not anticipated to cover the full costs of all of the identified facilities.
2. Increments received will be allocated based upon the percentages allocated according to the Priority Program Project Percentages above.

B Communitywide Significance

All of the financing to be directly generated by the EIFD will be funded exclusively from property tax and VLF increment generated by the County of Riverside. No other public agencies will be contributing funding to the EIFD. The installation of all the EIFD-financed facilities listed above will also assist with accelerating economic growth within the EIFD and its surrounding area by upgrading local infrastructure and making the entire area more accessible to residents and businesses located throughout the remainder of the County.

C Finance Section

The EIFD may utilize a combination of bond construction proceeds and pay-as-you-go property tax and VLF (i.e., pay-as-you-go revenues are tax increment funds apportioned to the EIFD that are ultimately not required to make debt service payments to support outstanding bonded indebtedness) to finance the improvements listed above. The table below reflects the combination of potential bond construction proceeds and pay-as-you-go revenues available to fund the EIFD's improvements.

Table 2: Projected Financing Schedule for the Bond Issue and Pay-As-You-Go Revenues

Bond Year	Coupon Rate/Bond Term	Bonded Indebtedness	Bond Construction Proceeds	Cumulative Pay-Go Revenue	Cumulative Bond Construction Proceeds Plus Pay-Go	NPV (3%) Bond Proceeds Plus Pay-Go
2029	5%/30 YRS	\$3,880,000	\$3,419,400	\$904,203	\$4,323,604	\$3,760,182
2034	5%/30 YRS	\$5,445,000	\$4,859,120	\$2,488,441	\$10,766,961	\$8,606,210
2039	5%/30 YRS	\$9,650,000	\$8,727,504	\$5,424,467	\$22,430,491	\$16,175,407
2044	5%/25 YRS	\$10,985,000	\$9,890,812	\$9,759,661	\$36,656,497	\$24,165,490
2049	5%/20 YRS	\$13,625,000	\$12,177,320	\$16,193,078	\$55,267,234	\$33,201,812
2054	5%/15 YRS	\$15,915,000	\$13,992,987	\$25,179,943	\$78,247,087	\$42,856,916
2059	5%/10 YRS	\$16,605,000	\$14,545,425	\$38,283,656	\$105,896,224	\$52,917,817
2064	5%/5 YRS	\$14,150,000	\$12,372,750	\$58,475,258	\$138,460,577	\$63,215,403
Total	N/A	\$90,255,000	\$79,985,319	\$58,475,258	\$138,460,577	\$63,215,403

*Note: Pay-As-You-Go revenues represent the anticipated aggregate amount that will be available to the EIFD through the term of the District (FY 2068-2069).

After formation of the District, the maximum revenue allocation limit set forth in this Plan (\$243 million) cannot be modified without approval of the PFA.

If the approval of a bond issuance by the EIFD were scheduled to occur during the formation of the EIFD in the second half of 2023, the final year during which tax increment may be made available to the EIFD shall be no later than FY 2072-2073.

Table 3: Annual Net County Fiscal Impact Summary at EIFD Build-Out

Fiscal Impact Category	Amount/Ratio
Gross Recurring General Fund Revenues	\$56,393,384
<i>Less: EIFD property tax and in-lieu VLF share</i>	<i>(\$4,347,086)</i>
Net Recurring General Fund Revenues	\$52,046,298
Recurring General Fund Expenditures	\$44,296,779
Total Annual Recurring General Fund Surplus/(Deficit)	\$7,749,519
Total Annual Revenue/Expenditure Ratio	1.17

D EIFD’s Objectives

Many of the improvements to be financed by the EIFD focus on quality-of-life issues, including water and wastewater facilities that will bring freshwater for drinking and irrigation for both industrial processes and recreational purposes. Transportation facilities and/or improvements will help traffic flow management and move goods and people to and from rural areas. Utilities and telecommunications improvements are a fundamental part of society, giving opportunities for better communication, flexibility, efficiency, and productivity for businesses and customers. Housing and community facilities are key to reducing intergenerational poverty and increasing economic mobility.

Finally, the County is considering the possible use of EIFD funding to improve the Salton Sea Lake, which continues to decline and expose growing stretches of dry lakebed that create hazardous dust and greenhouse gases. The facilities funded for this purpose would benefit residents and businesses in the EIFD, as well as in adjacent areas of the unincorporated County and portions of the Cities of Indio, Coachella, and La Quinta. The installation of all of the EIFD financed facilities listed above would also accelerate economic growth within the EIFD and its surrounding area by upgrading local infrastructure and making the entire area more accessible to the remainder of the County.

