

West Sacramento Enhanced Infrastructure Finance District No. 1

Annual Report – Fiscal Years 2019-2020 through 2023-2024

August 21, 2024

1. Introduction

The City of West Sacramento Enhanced Infrastructure Financing District (“EIFD”) No. 1 was established on June 28, 2017, by the City of West Sacramento EIFD No. 1 Public Financing Authority (“PFA”) pursuant to California Government Code sections 53398.50 to 53398.88 (“EIFD Law”). EIFD No. 1 was formed to continue the City of West Sacramento’s (“City”) efforts to transition many areas from heavy industrial use to mixed-use areas that activate and celebrate the City’s waterfront, to enhance the City’s transportation network, and enhance the quality of public facilities for residents, businesses, and visitors.

Government Code section 53398.66(j)(2)-(4) of the EIFD Law (as amended by AB 116 in 2019) requires that a PFA adopt an annual report on or before June 30 of each year after holding a public hearing; and that a PFA shall not spend any EIFD funds until adoption of an annual report by PFA resolution.

This annual report presents the information required by Government Code section 53398.66(j)(3) for all fiscal years from when the annual reports were required by EIFD Law, including¹:

- Fiscal Year (FY) 2017-2018;
- FY 2018-2019;
- FY 2019-2020;
- FY 2020-2021;
- FY 2021-2022;
- FY 2022-2023; and
- FY 2023-2024.

This report is organized as follows:

Section 2: Provides a fiscal overview, including the amount of tax-increment revenues received, and a comparison of actual and budgeted revenues, and expenses.

¹ Government Code section 53398.66(j)(3) requires that PFAs provide annual reports starting in FY 2019-2020. For informational purposes, this annual report includes all previous years of EIFD fiscal data, starting in FY 2017-2018.

Section 3: Provides an overview of EIFD projects undertaken and an assessment of the status regarding completion.

Section 4: Provides the amount of revenues expended to assist private businesses.

2. Fiscal Overview

EIFD No. 1 began generating tax-increment revenue in FY 2017-2018. From FY 2017-2018 through FY 2020-2021, the City deposited tax-increment funds into the EIFD Fund, created to account for the revenues and the associated expenditures of EIFD No. 1 for developing public facilities that will support new investment and redevelopment throughout the City.

In accordance with EIFD Law, no funds have been expended by the EIFD to date. From time to time, the City modified the amounts allocated to the EIFD to enable the City to continue funding regionally significant infrastructure projects.

Table 1 below summarizes the budgeted and actual revenues and expenditures of the EIFD Fund. A more detailed description of budget actions follows.

Table 1 – EIFD Fund Overview

Item	Fiscal Year							Total Through FY 2023-24
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 [1] [2]	2022-2023 [1]	2023-2024 [1] [2] [3]	
Revenues								
Budgeted	\$0	\$0	\$506,697	\$0	\$2,950,000	\$0	\$0	\$3,456,697
Actual	\$216,801	\$693,482	\$2,361,016	\$2,827,076	\$48,107	\$79,786	\$146,511	\$6,372,779
Variance	\$216,801	\$693,482	\$1,854,319	\$2,827,076	(\$2,901,893)	\$79,786	\$146,511	\$2,916,082
Expenditures								
Budgeted	\$0	\$0	\$0	\$0	\$4,168,676	\$0	\$0	\$4,168,676
Actual	\$0	\$0	\$0	\$0	\$6,383	\$0	(\$6,383)	\$0
Variance	\$0	\$0	\$0	\$0	(\$4,162,293)	\$0	(\$6,383)	(\$4,168,676)

Source: City of West Sacramento.

[1] Beginning FY 21-22, 100% of tax-increment revenues are deposited into the Measure G Fund to allow Council to fund regionally significant improvements.

[2] \$6,383 was incorrectly charged to the EIFD Fund for Cost Allocation Plan ("CAP") expenses in FY 21-22. The EIFD Fund has been reimbursed for this expense in FY 23-24.

[3] The values shown for FY 23-24 reflect unaudited amounts through May 2024. Audited FY 23-24 amounts will be included in the following year's Annual Report.

Revenues and Expenditures by Fiscal Year

FY 2017-2018

- Budgeted: The City nor PFA budgeted any EIFD Fund dollars.
- Actuals: EIFD No. 1 generated \$216,801 of tax-increment revenue that was deposited into the EIFD Fund. None of these funds were expended.

FY 2018-2019

- Budgeted: The City nor PFA budgeted any EIFD Fund dollars.
- Actuals: EIFD No. 1 generated \$693,482 of tax-increment revenue that was deposited into the EIFD Fund. None of these funds were expended.

FY 2019-2020

- Budgeted: The City budgeted \$506,697 of revenues and \$0 of expenses for the EIFD Fund.
- Actuals: EIFD No. 1 generated \$2,361,016 of tax-increment revenue that was deposited into the EIFD Fund, including a correction of \$506,697 in prior year TI revenue. None of these funds were expended.

FY 2020-2021

- Budgeted: The City nor PFA budgeted any EIFD Fund dollars.
- Actuals: EIFD No. 1 generated \$2,827,076 of tax-increment and interest revenue that was deposited into the EIFD Fund. None of these funds were expended.

FY 2021-2022

- Budgeted: The City budgeted \$2,950,000 of revenues and \$4,168,676 of expenses for the EIFD Fund. The expenses were originally appropriated as follows:
 - \$1,000,000 to support Capital Improvement Project (“CIP”) 62111 – North River Walk Trail Extension. However, these funds were replaced with another local funding source.
 - \$3,162,172 to support CIP 10033 I Street Bridge Replacement technical document preparation and right-of-way acquisition. \$1,600,000 of EIFD Funds were replaced with another local funding source, while \$1,562,172 remains appropriated to CIP 10033. However, these funds will remain unexpended, or will be replaced by another funding source, until the EIFD PFA adopts a budget policy.

- \$6,504 appropriated for Cost Allocation Plan (“CAP”). The Cost Allocation Plan allocates Citywide central service overhead costs to all cost centers based on level of support provided.
- Actual: EIFD No. 1 generated \$48,107 of interest that was deposited into the EIFD Fund. \$6,383 was expended on CAP. The CAP expenses were charged to the EIFD incorrectly, and the EIFD was reimbursed for that expense in FY 2023/24.

FY 2022-2023

- Budgeted: The City nor PFA budgeted any EIFD Fund dollars.
- Actual: EIFD No. 1 generated \$79,786 of interest that was deposited into the EIFD Fund. None of these funds were expended.

FY 2023-2024

- Budgeted: The City nor PFA budgeted any EIFD Fund dollars.
- Actuals: EIFD No. 1 generated \$140,128 of interest that was deposited into the EIFD Fund, as well as \$6,383 in reimbursement revenue for the CAP expense charged to the EIFD in error in FY 2021-2022. None of these funds were expended.²

3. EIFD Projects Status

As of the date of this report, no projects have been initiated or continued using EIFD Fund dollars.

4. Private Business Support

As of the date of this report, no EIFD Fund dollars have been expended to assist any private business.

² The values provided for FY 2023-2024 reflect unaudited amounts through May 2024. Audited FY 2023-2024 amounts will be included in the FY 2024-2025 Annual Report.