



AGENDA

Special Meeting of the
**Scotts Valley Enhanced Infrastructure
Financing District**
Public Financing Authority
In-Person and Remote Access
Date: September 14, 2026
Time: 5:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/84831579761	Agenda posted on 9-10-2026 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvally.gov
BOARD MEMBERS		CITY STAFF MEMBERS
Derek Timm, Chair Monica Martinez, Vice Chair Nicole Coburn, Board Member Ron Whittle, Board Member Jack Dilles, Board Member		Mali LaGoe, City Manager Jordan Taylor, Administrative Analyst II

PUBLIC PARTICIPATION

The meeting will be available on Zoom.

For those wishing to participate via Zoom you can join the following ways:

Zoom Webinar meeting link: <https://us02web.zoom.us/j/84831579761>

Or dial one of these numbers: (669) 900-9128 or (669) 444-9171

Webinar ID <https://us02web.zoom.us/j/84831579761>

ROLL CALL

PUBLIC COMMENT

This is the opportunity for individuals to make and/or submit written or oral comments to the Board on any items within the purview of the Board which are NOT part of the Agenda. No action on the item may be taken, but the Board may request the matter be placed on a future agenda.

REGULAR AGENDA

1. Approve 8-10-2026 Special Meeting Minutes
2. Conduct A First Public Hearing Pursuant To Government Code Section 53398.66 Regarding The Scotts Valley Enhanced Infrastructure Financing District (EIFD) Infrastructure Financing Plan (IFP), To Receive Written And Oral Comments And Consider Action To Modify Or Reject The IFP, As Appropriate

AUTHORITY MEMBER REMARKS

STAFF REMARKS

ADJOURNMENT



MINUTES

Special Meeting of the Scotts Valley Enhanced Infrastructure Financing District Public Financing Authority

Date: August 10, 2026

Time: 5:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/84831579761	The agenda was posted on Agenda posted on 8-6-2026 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvally.gov

CALL TO ORDER 5:00 PM

The Enhanced Infrastructure Financing District Financing Authority Special Meeting was called to order at 5:02 PM.

ROLL CALL

BOARD MEMBERS PRESENT:

Derek Timm, Chair
Monica Martinez, Vice Chair
Nicole Coburn, Board Member
Ron Whittle, Board Member
Jack Dilles, Board Member

CITY STAFF MEMBERS PRESENT:

Mali LaGoe, City Manager
Jordan Taylor, Administrative Analyst II

PUBLIC COMMENT

None.

REGULAR AGENDA

Date: August 10, 2026

1. Approve 5-05-2026 Special Meeting Minutes

M/S: Martinez/Whittle

To Approve 5-05-2026 Special Meeting Minutes.

Carried 5/0 (AYES: Timm, Martinez, Coburn, Whittle, Dilles)

2. Consider Adoption of Public Financing Authority Bylaws For the Scotts Valley Enhanced Infrastructure Financing District

City Manager LaGoe presented the bylaws to the Board. There were no questions from the Board or the public.

M/S: Coburn/Martinez

To Adopt Public Financing Authority Bylaws For the Scotts Valley Enhanced Infrastructure Financing District.

Carried 5/0 (AYES: Timm, Martinez, Coburn, Whittle, Dilles)

3. Presentation of the Draft Infrastructure Financing Plan (IFP)

Kosmont Consultant Joseph Dieguez presented the Draft Infrastructure Financing Plan (IFP) to the Board and, alongside staff, responded to comments and questions from the Board.

AUTHORITY MEMBER REMARKS

None.

STAFF REMARKS

None.

ADJOURNMENT

The Enhanced Infrastructure Financing District Public Financing Authority Special meeting adjourned at 5:38 PM.

Enhanced Infrastructure Financing District Public Financing Authority STAFF REPORT

DATE: 9/14/2026

TO: Public Financing Authority Chair and Board Members

FROM: Mali LaGoe, City Manager

APPROVED: Mali LaGoe, City Manager

SUBJECT: Conduct A First Public Hearing Pursuant To Government Code Section 53398.66 Regarding The Scotts Valley Enhanced Infrastructure Financing District (EIFD) Infrastructure Financing Plan (IFP), To Receive Written And Oral Comments And Consider Action To Modify Or Reject The IFP, As Appropriate

SUMMARY OF ISSUE

Scotts Valley has evaluated the use of an Enhanced Infrastructure Financing District (EIFD) to capture value from potential new development to fund critical infrastructure and community investment priorities without increasing taxes. So far, the Scotts Valley City Council adopted a Resolution of Intention (ROI) to establish the EIFD as lead agency on December 3, 2025; the Scotts Valley Fire District Board of Directors adopted a ROI to participate in the EIFD on January 14, 2026; and the Santa Cruz County Board of Supervisors adopted a ROI to participate in the EIFD on April 14, 2026.

Then, the Public Financing Authority (PFA) met May 5, 2026 for its first organizational meeting and to direct preparation of the Infrastructure Financing Plan (IFP). Public notices regarding the EIFD have been mailed, information was posted on a dedicated website, and notices were also published in the newspaper, as required by law, to provide notice to property owners and residents within the EIFD. A second PFA meeting was held on August 10th where the Draft Infrastructure Financing Plan (IFP) was first presented. Feedback from the Board was incorporated into the draft attached to this agenda, including adding wildfire protection infrastructure to the list of potential EIFD fund uses.

The purpose of this first PFA Public Hearing on the IFP is to consider modification or rejection of the IFP based on comments received during any portion of the formation process thus far, or otherwise take no action and continue with the formation process. The Scotts Valley Fire District adopted a resolution on September 9, 2026 to approve the IFP and allocate its portion of property tax increment to the EIFD. Next steps include consideration by the City Council on September 16th and the County Board of Supervisors on September 29th. Then a second Public Hearing on the IFP will be held by this Board on October 19th for final approval.

FISCAL IMPACT

There is no fiscal impact resulting from receiving and discussing this presentation.

STAFF RECOMMENDATION

Staff recommends that the Scotts Valley EIFD Public Finance Authority receive a presentation to review the draft IFP, receive written and oral comments from the public regarding the EIFD and IFP, and modify or take no formal action, to continue the process to the second public hearing regarding the IFP on October 19, 2026.

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2. PFA Public Hearing 1 - Scotts Valley EIFD 9-14-2026

SCOTTS VALLEY ENHANCED INFRASTRUCTURE FINANCING DISTRICT

INFRASTRUCTURE FINANCING PLAN

Prepared For:

**City of Scotts Valley
County of Santa Cruz
Scotts Valley Fire Protection District**

**Prepared by:
Kosmont Companies**



AUGUST 2026

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- Appendix B: Legal Description of the Scotts Valley EIFD
- Appendix C: Projected Tax Increment Revenue Analysis
- Appendix D: Fiscal Impact Analysis

1.0 Introduction

1.1 Background & Purpose

The proposed Scotts Valley Enhanced Infrastructure Financing District (“Scotts Valley EIFD” or “District”) will serve as a catalyst for private development and critical regional infrastructure with transformative potential for the City of Scotts Valley (“City”) and larger County of Santa Cruz (“County”) region. The Scotts Valley EIFD encompasses approximately 236 acres of land, representing approximately 8% of the total land area within the City and approximately 4% of the total current taxable assessed property value within the City. The Scotts Valley EIFD includes the Town Center property and other specific Housing Element opportunity sites and other economic development opportunity sites within the City that stand to benefit from catalytic infrastructure improvements with communitywide and regional benefit.

The District represents a partnership between the City, the Scotts Valley Fire Protection District (“Fire District”), and the County, and as such, will be funded by property tax increment from all three taxing entities.

1.2 Contents and Overview of this Infrastructure Financing Plan (“IFP”)

Pursuant to Government Code Sections 53398.59 through 53398.74, this IFP comprises the following information:

- a) A map and legal description of the District, [included herein as Appendix A and Appendix B, respectively.](#)
- b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance. [This information is included in Section 3 of this IFP.](#)
- c) If funding from affected taxing entities is incorporated into the financing plan, a finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district. [This information is included in Section 4 of this IFP.](#)
- d) A financing section ([included in Section 5 of this IFP](#)), which shall contain all of the following information:

- a. A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time. The maximum portion of the City's property tax increment to be committed to the District will be 50% throughout the duration of the District lifetime. Beyond the City's standard "AB8" property tax, this includes the City's allocation of incremental property tax in lieu of motor vehicle license fees ("MVLf") and incremental successor agency Redevelopment Property Tax Trust Fund ("RPTTF") residual revenues. The maximum portion of the Fire District's property tax increment to be committed to the District will be 30% throughout the duration of the District lifetime. This includes the Fire District's standard AB8 property tax and incremental RPTTF residual revenues (Fire District does not receive property tax in lieu of MVLf). The maximum portion of the County's property tax increment to be committed to the District will be 25% for the first 30 years of the District lifetime and 0% thereafter. This includes the County's incremental standard AB8 property tax (general fund apportionment) and incremental RPTTF residual revenues, but not the County's incremental property tax in lieu of MVLf.
- b. A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year. Section 5.3 of this IFP includes a projection of tax revenues to be received by the District from each participating taxing entity by year over the course of the projected District lifetime. These projections are based on research and analysis of available data at the time of IFP preparation for purposes of illustration. Actual results may differ from those expressed in this document. Appendix C provides additional detail for the projected revenue analysis.
- c. A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt. Section 5.4 of this IFP includes a plan for financing the public facilities to be assisted by the District. The Public Financing Authority ("PFA") governing the District intends to incur debt only when it is financially prudent to do so. It is estimated at this time that the Scotts Valley EIFD will contribute approximately \$40 million in present-value dollars to public improvements and affordable housing projects from a combination of bond or loan proceeds (multiple issuances may be necessary) and pay-as-you-go funding over the District lifetime. This is equivalent to approximately \$91 million in nominal dollars (i.e., not adjusting for inflation).
- d. A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan. The total number of dollars or taxes that may be allocated to

the District shall not exceed \$250,000,000 (nominal dollars) over the District lifetime. This represents a maximum allocation of \$100,000,000 from the City, a maximum allocation of \$100,000,000 from the Fire District, and a maximum allocation of \$50,000,000 from the County over the District lifetime (nominal dollars). This cap is intended to provide capacity for future financings in a scenario where actual revenues exceed projections.

- e. A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to subdivision (a) of Section 53398.81, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53398.87. The District will cease to exist the earlier of: (i) forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA, or (ii) June 30, 2090. This IFP assumes that the base year for the District will be Fiscal Year 2026-2027 and that the District will begin receiving tax revenues in Fiscal Year 2027-2028.
- f. An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district. Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City, Fire District, and County for providing facilities and services to the area of the District, as well as revenues. It is estimated that, at Year 20 of the District lifetime (assumed stabilized buildout of District area), annual costs to the City will be approximately \$4.5 million, and annual revenues the City will be approximately \$5.5 million. It is estimated that annual costs to the Fire District will be approximately \$680,000, and annual revenues to the Fire District will be approximately \$1.1 million. It is estimated that annual costs to the County will be approximately \$1.3 million, and annual revenues to the County will be approximately \$1.9 million.
- g. An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity. Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon the City, Fire District, and the County, as the affected taxing entities that are allocating tax increment revenues to the District. It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of approximately \$1.0 million to the City, an annual net fiscal surplus of approximately \$367,000 to the Fire District, and an annual net fiscal surplus of approximately \$608,000 to the County.

- h. A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project. At this time, the City does not contain a transit station that qualifies for the Transit Priority Project Program, and therefore, the PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470.
- e) If any dwelling units within the territory of the district are proposed to be removed or destroyed in the course of public works construction within the area of the district or private development within the area of the district that is subject to a written agreement with the district or that is financed in whole or in part by the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53398.56. The PFA does not anticipate that any housing units will be removed as a result of any project identified in this IFP. However, if any relocation of dwelling units is deemed to be required in the future for a project financed by the District, the PFA will comply with the requirements of Government Code Section 53398.56.
- f) The goals the district proposes to achieve for each project financed pursuant to Section 53398.52. Section 7 of this IFP summarizes the goals of each project to be financed by the District.

2.0 Description of the Proposed District

The Scotts Valley EIFD encompasses approximately 236 acres of land, representing approximately 8% of the total land area within the City and approximately 4% of the total current taxable assessed property value within the City. The Scotts Valley EIFD includes the Town Center property and other specific Housing Element opportunity sites and other economic development opportunity sites within the City that stand to benefit from catalytic infrastructure improvements with communitywide and regional benefit. Appendix A includes a map of the proposed District, and Appendix B is a legal description of the District.

DRAFT

3.0 Description of Proposed Facilities and Development

3.1 Anticipated Future Private Development

Anticipated future private development within the EIFD boundary is summarized in Table 1 below. Buildout and absorption of these land uses are forecasted in the first 20 years of the District lifetime.

Table 1: Anticipated Future Development

Development Type	SF / Units	AV Per SF / Unit	Estimated AV at Buildout (2025\$)
Residential – Market Rate For-Sale	431 units	\$950,000 per unit	\$409 million
Residential – Market Rate Rental	850 units	\$450,000 per unit	\$383 million
Residential – Affordable	318 units	<i>Property tax exempt</i>	\$0
Hotel	300 rooms	\$400,000 per room	\$120 million
Commercial	70,000 SF	\$350 per SF	\$25 million
Industrial / Flex	87,592 SF	\$200 per SF	\$18 million
Estimated Total			\$954 million

3.2 Public Facilities to be Financed with Assistance from the Scotts Valley EIFD

The PFA intends to utilize the District to contribute approximately \$40 million (in present value dollars) of funding to infrastructure and affordable housing projects of communitywide and regional significance over the District lifetime. This is equivalent to approximately \$91 million in nominal dollars (i.e., not accounting for inflation). Table 2 outlines an estimate of anticipated EIFD budget allocation over the District's lifetime.

Table 2: Estimated EIFD Funding Allocation

#	PROJECT (within City of Scotts Valley with tangible benefit to properties within EIFD)	ESTIMATED ALLOCATION (present-value)	ESTIMATED TIMING
1	<u>Tier One / Near-Term</u> - Town Center blended-use supportive infrastructure (e.g., new traffic signals) - Fire facilities	\$40,000,000	Ongoing, over District lifetime 2027-2090
	<u>Tier Two / Mid-to-Longer Term</u> - Mount Hermon and Granite Creek roadway improvements (e.g., interchanges) - Water and sewer improvements (e.g., sewer line along Mount Hermon Road) - Wildfire risk reduction efforts (e.g., shaded fuel breaks, prescribed burning, structure hardening, vegetation control) - Affordable housing gap financing - Community facilities (e.g., senior center / community center / emergency shelter) - Stormwater management (e.g., culverts)		
	Estimated Total EIFD Budget Allocation	\$40,000,000	(present value dollars)

Funds allocated under category #1 above may be allocated to any eligible projects under the IFP and EIFD law based on future infrastructure needs. It is anticipated that Tier One improvements will be more near-term in nature, based on planning work that has already been conducted for these projects to date. Specific project funding will be subject to approval by the PFA.

Additional expenditures by the EIFD not reflected in Table 2 above, including any use of potential future EIFD bond proceeds, will be subject to approval by the PFA. Targeted improvements would conform to established guidelines in existing, adopted planning documentation, such as the City General Plan. Eligible expenditures in accordance with Government code sections 53398.52 and 53398.56 include the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or and are projects of communitywide significance that provide significant benefits to the district or the surrounding community.

The Scotts Valley EIFD may also finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the Scotts Valley EIFD. Facilities funded may be located outside the boundaries of the Scotts Valley EIFD, as long as they have a tangible connection to the work of the Scotts Valley EIFD. The Scotts Valley EIFD will also finance planning

and design activities that are directly related to the purchase, construction, expansion, or rehabilitation of these projects. Projects financed by the Scotts Valley EIFD may include, but not be limited to, all of the following:

- Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities;
- Sewage treatment and water reclamation plants and interceptor pipes;
- Facilities for the collection and treatment of water for urban uses;
- Flood control levees and dams, retention basins, and drainage channels;
- Childcare facilities;
- Libraries;
- Parks, recreational facilities, and open space;
- Bicycle facilities;
- Governmental and administrative facilities;
- Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles;
- Brownfield restoration and other environmental mitigation;
- Affordable housing as authorized under the EIFD Law;
- Acquisition, construction, or repair of commercial structures by the small business occupant of such structures, if such acquisition, construction, or repair is for purposes of fostering economic recovery from the COVID-19 pandemic and of ensuring the long-term economic sustainability of small businesses;
- Projects that enable the community to become more resilient and adapt to the impacts of climate change, including, but not limited to, higher average temperatures, decreased air and water quality, the spread of infectious and vector-borne diseases, other public health impacts, extreme weather events, flooding, heat waves, wildfires, and drought;
- Broadband and telecommunications infrastructure;
- Projects that implement a sustainable communities strategy and transit priority projects;
- Acquisition, construction, or repair of industrial structures for private use;
- Facilities in which nonprofit community organizations provide health, youth, homeless, and social services.
- Project development, environmental compliance and permitting for wildfire risk reduction projects (to the extent eligible under EIFD law)
- For areas at least partially in high or very high fire hazard severity zones designated by the State Fire Marshal pursuant to Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, facilities including heavy equipment to be used for vegetation clearance and wildfire risk reduction activities such as shaded fuel breaks, undergrounding of local publicly owned electric utilities, as defined in Section 224.3 of the Public Utilities Code, against wildfires, and equipment used for fire watch, prevention, and fighting, including, but not limited to, fire engines, fire prevention or

response ground apparatus, and technological advancements to weather and wind science infrastructure, risk modeling, and prediction (with the exception that bond proceeds may not be used to finance equipment), to the extent eligible under EIFD law).

In addition, the Scotts Valley EIFD may finance any other expenses incidental to the formation, administration¹ and implementation of the Scotts Valley EIFD and to the construction, completion, inspection and acquisition of the authorized facilities, including, but not limited to, the costs of creation and administration of the Scotts Valley EIFD; costs of issuance of bonds or other debt of the Scotts Valley EIFD or of any other public agency (including a community facilities district) that finances authorized facilities, and payment of debt service thereon; financing costs of improvements incurred by developers until reimbursement for the costs of the improvements from the Scotts Valley EIFD; costs incurred by the City, County, Fire District, or the Scotts Valley EIFD in connection with the division of taxes pursuant to Government Code section 53398.75; and legal costs.

In accordance with Government Code Section 53398.69, the Scotts Valley EIFD may expend up to 10 percent of any accrued tax increment in the first two years of the effective date of the Scotts Valley EIFD on planning and dissemination of information to the residents within the Scotts Valley EIFD boundaries about the IFP and planned activities to be funded by the Scotts Valley EIFD, including reimbursement of the City's advanced funding of such eligible costs.

Ongoing administration costs are estimated in the range of \$15,000 to \$40,000, with expectations that such costs would increase in proportion to available revenues during the EIFD lifetime.

The PFA intends to continue to identify, evaluate, and pursue additional funding sources and financing mechanisms aside from District tax increment to implement the improvements identified above, potentially including grant sources, impact fees, private sector investment incentivized by the formation of the EIFD itself, and/or other sources.

Private sector developers will be responsible for funding project-specific / fair-share / in-tract infrastructure, unless otherwise outlined in this IFP. Some public facilities included in the EIFD area are anticipated to be provided by governmental entities without assistance from the District. There may be public facilities anticipated to be provided jointly by the private sector and

¹ Administration costs refer to the actual or reasonably estimated costs directly related to the administration of the Scotts Valley EIFD, including, but not limited to, the following: the costs of computing annual tax increment revenues and preparing the required annual reporting; the costs of allocation tax increment revenues (whether by the County, the City, the Fire District, or otherwise); the costs to the City, Scotts Valley EIFD, or any designee thereof in complying with disclosure requirements; the costs associated with preparing required disclosure statements and responding to public inquiries regarding the Scotts Valley EIFD; and the costs of the City, Scotts Valley EIFD, or any designee thereof related to any appeal of the implementation of the Scotts Valley EIFD. Administration costs shall also include amounts estimated or advanced by the City for any other administrative purposes, including, but not limited to, attorney's fees or any other expenses incidental to the implementation of the Scotts Valley EIFD.

governmental entities, and it is possible that private sector developers may advance funding for improvements such as public infrastructure, with anticipation to be partially reimbursed with EIFD proceeds. Such case-specific agreements would come before the PFA for approval at the appropriate time.

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4.0 Finding of Communitywide Significance

Implementation of the District promotes the goals of and is consistent with the City's General Plan, serves as a catalyst for private sector investment and critical public infrastructure with transformative potential for the Scotts Valley EIFD area and the larger region. The District supports job creation, housing production, and improvement of quality of life.

Specific communitywide and regional benefits anticipated to be generated by the District include:

- Approximately \$9 million in net fiscal surplus to the City over 50 years (on a present-value basis)
- Approximately \$8 million in net fiscal surplus to the Fire District over 50 years (on a present-value basis)
- Approximately \$18 million in net fiscal impact to County over 50 years (on a present-value basis)
- Approximately \$27 million in new sales tax funding for County transportation, Metropolitan Transit District, and Santa Cruz Public Libraries over 50 years (on a present-value basis)
- Approximately 2,345 housing units within the District, including significant portion of affordable housing units
- Approximately 15,136 direct, indirect, and induced temporary, construction-related jobs in the City and County
- Approximately 612 direct, indirect and induced permanent jobs in the City and County
- Approximately \$2.1 billion in economic output from construction in the City and County
- Approximately \$7 million in annual ongoing economic output in the City and County.

5.0 Financing Section

The Scotts Valley EIFD represents a partnership between the City, Fire District, and County, and as such, will be funded by property tax increment from all three taxing entities. No other taxing entity is contributing property tax increment to the District. It is anticipated that property tax increment will be utilized on both a “pay-as-you-go” basis as well as security for tax increment bond issuance or loan acquisition.

Portions of the Scotts Valley EIFD are located within the boundaries of the former Redevelopment Project Area of the former Redevelopment Agency of Scotts Valley, and so property tax revenues generated by the properties within the overlapping area will flow according to the Redevelopment Agency dissolution statutes the Successor Agency’s obligations are retired. Redevelopment Property Tax Trust Fund (RPTTF) residual revenues are intended to be contributed by the City, Fire District, and County to the District as part of the maximum allocations outlined in the following sections.

5.1 Maximum Portion of Incremental Tax Revenue Dedicated to the District

The maximum portion of the City’s property tax increment to be committed to the District will be 50% throughout the duration of the District lifetime. Beyond the City’s standard AB8 property tax, this includes the City’s allocation of incremental property tax in lieu of MVLF and incremental successor agency RPTTF residual revenues.

The maximum portion of the Fire District’s property tax increment to be committed to the District will be 30% throughout the duration of the District lifetime. This includes the Fire District’s standard AB8 property tax and incremental RPTTF residual revenues (Fire District does not receive property tax in lieu of MVLF).

The maximum portion of the County’s property tax increment to be committed to the District will be 25% for the first 30 years of the District lifetime and 0% thereafter. This includes the County’s incremental standard AB8 property tax (general fund apportionment) and incremental RPTTF residual revenues, but not the County’s incremental property tax in lieu of MVLF.

5.2 Projection of District Tax Revenues by Year

Table 3 provides an overview of the projected growth of assessed value, property tax increment, and City, Fire District, and County allocations to the District over the District lifetime. It is expected that a total of approximately \$42.7 million of incremental tax revenues will be allocated to the District by the City, a total of approximately \$35.4 million of incremental tax revenues will be

5.3 Plan for Financing Public Facilities

The PFA intends to utilize numerous funding sources and financing mechanisms to implement the projects identified in Section 3.2, potentially including District tax increment, grant sources, impact fees, private sector investment, and/or other sources.

As it pertains to the use of District tax increment, the PFA intends to incur debt only when it is financially prudent to do so. It is estimated at this time that approximately \$40 million of EIFD funding (in present value dollars) will be made available through bond or loan proceeds and pay-as-you-go proceeds over the District lifetime. It may be the case that multiple debt issuances will be necessary to achieve the targeted funding capacity.

5.4 Limit on Total Dollars Allocated to the District

The total number of dollars or taxes that may be allocated to the District shall not exceed \$250,000,000 (nominal dollars) over the District lifetime. This represents a maximum allocation of \$100,000,000 from the City, a maximum allocation of \$100,000,000 from the Fire District, and a maximum allocation of \$50,000,000 from the County over the District lifetime (nominal dollars). This cap is intended to provide capacity for future financings in a scenario where actual revenues exceed projections.

The limit on the total number of dollars that the City, Fire District, and County will contribute to the EIFD shall be defined as the annual amount of the City, Fire District, and County contributions that is needed to pay bond payments, or otherwise fund the approved list of infrastructure and other projects and expenses of the District, with an estimated allocation of approximately \$40 million (in present value dollars) over the entire District lifetime. The infrastructure and other projects shall be considered fully funded when all projects have been financed by bonds, excess tax increment, or other funds. In the following fiscal year after the projects have been fully funded, and any year thereafter up to the time limit, any City, Fire District, and County contributions in excess of remaining bond payments shall be returned by the EIFD to the City, Fire District, and County according to their respective proportions. The EIFD shall provide the City, Fire District, County an annual accounting of the status of the funding of the approved infrastructure projects and notify the City, Fire District, and County when they have been fully funded.

5.5 District Termination Date

The District will cease to exist the earlier of: (i) forty five (45) years from the date on which the first issuance of bonds or acquisition of a loan is approved by the PFA, or (ii) June 30, 2090. This IFP assumes that the base year for the District will be Fiscal Year 2026-2027 and that the District will begin receiving tax revenues in Fiscal Year 2027-2028.

5.6 Analysis of Costs to Provide Facilities and Services, and Analysis of Revenues

Appendix D to this IFP includes, as part of the Fiscal Impact Analysis, an analysis of the costs to the City, Fire District, and County for providing facilities and services to the area of the District, as well as revenues. It is estimated that, at Year 20 of the District lifetime (assumed stabilized buildout of District area), annual costs to the City will be approximately \$4.5 million, and annual

revenues the City will be approximately \$5.5 million. It is estimated that annual costs to the Fire District will be approximately \$680,000, and annual revenues to the Fire District will be approximately \$1.1 million. It is estimated that annual costs to the County will be approximately \$1.3 million, and annual revenues to the County will be approximately \$1.9 million

5.7 Fiscal Impact Analysis

Appendix D to this IFP includes an analysis of the projected fiscal impact of the District and the associated development upon the City, Fire District, and the County, as the three affected taxing entities that are contributing tax increment revenues to the District. Table 5 presents an overview of fiscal impacts to the City and County.

Table 5: Overview of Fiscal Impacts to City and County

	Annual @ Year 10	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
City of Scotts Valley			
Estimated Fiscal Revenues (Net of EIFD Allocation)	\$5,518,227	\$602,836,800	\$233,002,300
Estimated Fiscal Expenditures	(\$4,487,800)	(\$589,068,600)	(\$224,456,000)
Estimated Net Fiscal Impact to City	\$1,030,427	\$13,768,200	\$8,546,300
County of Santa Cruz			
Estimated Fiscal Revenues (Net of EIFD Allocation)	\$1,902,800	\$220,345,400	\$83,324,900
Estimated Fiscal Expenditures	(\$1,295,100)	(\$170,522,600)	(\$64,959,300)
Estimated Net Fiscal Impact to County	\$607,700	\$49,822,800	\$18,365,600
Scotts Valley Fire Protection District			
Estimated Fiscal Revenues (Net of EIFD Allocation)	\$1,051,300	\$107,392,600	\$41,778,400
Estimated Fiscal Expenditures	(\$684,700)	(\$89,859,700)	(\$34,239,700)
Estimated Net Fiscal Impact to Fire	\$366,600	\$17,532,900	\$7,538,700
County Measure D Sales Tax - Transportation	\$207,300	\$28,323,600	\$10,760,700
Sales Tax - Metropolitan Transit District	\$207,300	\$28,323,600	\$10,760,700
Sales Tax - Santa Cruz Public Libraries	\$103,600	\$14,161,600	\$5,380,200

It is estimated that, at Year 20 of the District lifetime, the District area will generate an annual net fiscal surplus of approximately \$1.0 million to the City, an annual net fiscal surplus of approximately \$608,000 to the County, and an annual net fiscal surplus of approximately \$367,000 to the Fire District.

Over 50 years, District activity will generate a positive net fiscal impact of approximately \$8.5 million for the City, approximately \$18.4 million for the County, and approximately \$7.5 million for the Fire District on a present-value basis.

5.8 Developer Reimbursement for Transit Priority Project

At this time, the City does not contain a transit station that qualifies for the Transit Priority Project Program, and therefore, the PFA does not intend to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the District and qualifies for the Transit Priority Project Program, pursuant to Section 65470. To the extent that a developer is willing to fund Transit Priority Project infrastructure expenditures beyond and in advance of said developer's fair share (not contemplated at this time), the PFA may consider and evaluate such reimbursement at the appropriate time.

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6.0 Removal of Dwelling Units and Replacement Housing Plan

The PFA does not anticipated that any housing units will be removed as a result of any project identified in this IFP. However, if any relocation of dwelling units is deemed to be required in the future for a project financed by the District, the PFA will comply with the requirements of Government Code Section 53398.56.

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7.0 Goals of the District

As stated in the Resolution of Intention, the goal of the Scotts Valley EIFD is to assist in the provision of public facilities of communitywide significance that provide significant benefits and promote economic development within the boundaries of the Scotts Valley EIFD and the surrounding community and, for those facilities located outside the Scotts Valley EIFD boundaries which also have a tangible connection to the Scotts Valley EIFD.

The goals of the District's implementation of the public facilities outlined in Section 3.2 are to support the City's General Plan and serve as a catalyst for private sector investment and critical public infrastructure with transformative potential for the Scotts Valley EIFD area and the region as a whole. The District additionally aims to implement Statewide policy goals of housing supply and sustainable infrastructure investment.

Additional objectives include economic development in the form of fiscal revenue generation for the City, County, Fire District, and other taxing entities, job creation, housing production, improvement of quality of life, and promotion of environmental sustainability. The District will be utilized to address critical infrastructure funding needs, which are critical to catalyze private sector investment and development.

8.0 Appendices

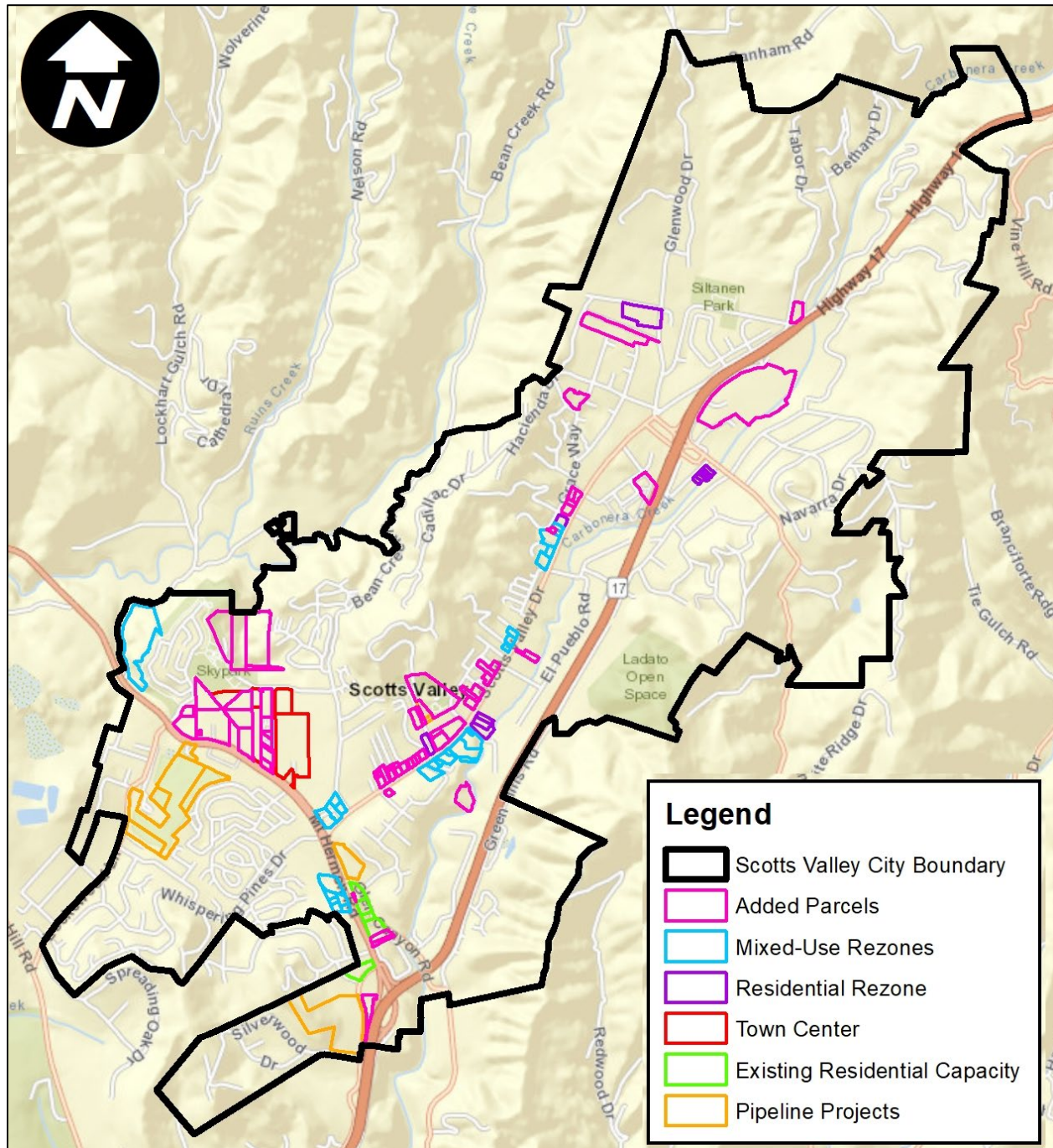
Appendix A: Map of Boundaries of the Scotts Valley EIFD
Appendix B: Legal Description of the Scotts Valley EIFD
Appendix C: Projected Tax Increment Revenue Analysis
Appendix D: Fiscal Impact Analysis

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Appendix A:

EIFD Map

APPENDIX A **Map of Scotts Valley Enhanced Infrastructure Financing District (EIFD) Boundaries**



*EIFD parcels are highlighted in color above and total approx. 236 acres.
 Scotts Valley City boundaries are noted for reference only*

Appendix B:

EIFD Legal Description

021-141-05	022-221-01	022-721-09
021-141-20	022-221-02	022-741-01
021-221-02	022-221-03	022-741-02
021-231-02	022-221-04	022-741-20
021-231-04	022-231-15	022-741-21
021-231-07	022-231-16	022-741-22
021-231-08	022-231-17	022-741-23
021-271-04	022-231-18	022-741-24
021-281-07	022-231-22	022-741-25
021-281-08	022-231-25	022-801-17
021-281-09	022-351-13	022-861-01
021-281-14	022-481-05	022-861-25
021-281-15	022-481-06	022-871-01
021-321-04	022-481-08	022-891-10
022-022-06	022-481-17	022-891-11
022-022-61	022-481-18	022-902-04
022-022-62	022-481-21	022-902-05
022-031-01	022-481-22	022-902-06
022-031-09	022-481-23	022-902-13
022-031-11	022-491-04	022-902-15
022-031-12	022-491-05	022-902-18
022-031-13	022-491-06	023-102-15
022-031-14	022-491-07	023-113-31
022-031-16	022-491-08	023-113-36
022-042-29	022-491-09	023-172-01
022-072-33	022-491-12	024-031-16
022-072-41	022-491-23	024-152-25
022-082-16	022-491-24	024-152-27
022-082-34	022-491-27	024-152-28
022-082-64	022-521-12	024-152-29
022-082-66	022-571-01	024-152-30
022-082-76	022-571-02	
022-082-77	022-571-03	
022-091-58	022-571-05	
022-151-03	022-601-01	
022-151-04	022-601-02	
022-151-05	022-601-03	
022-151-07	022-601-04	
022-151-08	022-601-05	
022-151-10	022-601-06	
022-151-11	022-601-07	
022-162-76	022-601-08	
022-212-16	022-601-13	
022-212-17	022-601-18	
022-212-18	022-721-06	
022-212-19	022-721-07	
022-212-20	022-721-08	

Appendix C:

Tax Increment Revenue Projection Detail

Construction inflator	Total	0	1	2	3	4	5	6	7
		<u>2026-2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
		1.020	1.040	1.061	1.082	1.104	1.126	1.149	1.172
New Development									
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114		43 units \$42,599,178	43 units \$43,451,162	43 units \$44,320,185	43 units \$45,206,588	43 units \$46,110,720	43 units \$47,032,935	43 units \$47,973,593
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560		43 units \$19,897,650	43 units \$20,295,603	43 units \$20,701,515	43 units \$21,115,545	43 units \$21,537,856	43 units \$21,968,613	43 units \$22,407,986
Residential - Affordable \$0 per unit	1,064 units \$0		53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0
Hotel \$350,000 per room	300 rooms \$119,861,568		\$0	120 rooms \$44,570,736	\$0	\$0	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901		\$0	20,142 SF \$4,274,970	\$0	\$0	67,450 SF \$15,191,931	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755		3,500 SF \$1,274,490	3,500 SF \$1,299,980	3,500 SF \$1,325,979	3,500 SF \$1,352,499	3,500 SF \$1,379,549	3,500 SF \$1,407,140	3,500 SF \$1,435,283
Subtotal Value Add	\$1,120,204,898		\$63,771,318	\$113,892,451	\$66,347,679	\$67,674,633	\$84,220,057	\$70,408,688	\$71,816,862
Total Assessed Value		\$148,014,129	\$214,745,729	\$332,933,095	\$405,939,436	\$481,732,857	\$575,587,571	\$657,508,010	\$742,475,032
Incremental AV			\$66,731,601	\$184,918,966	\$257,925,307	\$333,718,729	\$427,573,442	\$509,493,882	\$594,460,904
Total tax increment @ 1%			\$667,316	\$1,849,190	\$2,579,253	\$3,337,187	\$4,275,734	\$5,094,939	\$5,944,609
City Average AB8 Share Available 6.50%	\$52,539,083		\$43,376	\$120,197	\$167,651	\$216,917	\$277,923	\$331,171	\$386,400
Percent Allocated to EIFD 50.0%	\$26,269,541		\$21,688	\$60,099	\$83,826	\$108,459	\$138,961	\$165,586	\$193,200
City Equivalent Share of MVLF Property Tax 4.06%	\$32,811,150		\$27,088	\$75,064	\$104,700	\$135,467	\$173,565	\$206,819	\$241,310
Percent Allocated to EIFD 50.0%	\$16,405,575		\$13,544	\$37,532	\$52,350	\$67,733	\$86,783	\$103,410	\$120,655
County Average AB8 Share Available 14.00%	\$113,161,101		\$93,424	\$258,887	\$361,095	\$467,206	\$598,603	\$713,291	\$832,245
Percent Allocated to EIFD 25.0%	\$11,952,597		\$23,356	\$64,722	\$90,274	\$116,802	\$149,651	\$178,323	\$208,061
Fire District Average AB8 Share Available 14.60%	\$118,010,862		\$97,428	\$269,982	\$376,571	\$487,229	\$624,257	\$743,861	\$867,913
Percent Allocated to EIFD 30.0%	\$35,403,259		\$29,228	\$80,995	\$112,971	\$146,169	\$187,277	\$223,158	\$260,374
Total Revenues Allocated to EIFD	\$90,030,971		\$87,816	\$243,347	\$339,421	\$439,162	\$562,672	\$670,476	\$782,290

Construction inflator	Total	8	9	10	11	12	13	14	15
		2035	2036	2037	2038	2039	2040	2041	2042
		1.195	1.219	1.243	1.268	1.294	1.319	1.346	1.373
New Development									
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114	43 units \$48,933,065	43 units \$49,911,727	43 units \$50,909,961	\$0	\$0	\$0	\$0	\$0
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560	43 units \$22,856,145	43 units \$23,313,268	43 units \$23,779,534	43 units \$24,255,124	43 units \$24,740,227	43 units \$25,235,031	43 units \$25,739,732	43 units \$26,254,527
Residential - Affordable \$0 per unit	1,064 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0
Hotel \$350,000 per room	300 rooms \$119,861,568	180 rooms \$75,290,832	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755	3,500 SF \$1,463,988	3,500 SF \$1,493,268	3,500 SF \$1,523,134	3,500 SF \$1,553,596	3,500 SF \$1,584,668	3,500 SF \$1,616,361	3,500 SF \$1,648,689	3,500 SF \$1,681,662
Subtotal Value Add	\$1,120,204,898	\$148,544,031	\$74,718,263	\$76,212,628	\$25,808,721	\$26,324,895	\$26,851,393	\$27,388,421	\$27,936,189
Total Assessed Value		\$905,868,564	\$998,704,198	\$1,094,890,910	\$1,142,597,449	\$1,191,774,293	\$1,242,461,172	\$1,294,698,816	\$1,348,528,981
Incremental AV		\$757,854,435	\$850,690,069	\$946,876,781	\$994,583,320	\$1,043,760,164	\$1,094,447,043	\$1,146,684,687	\$1,200,514,852
Total tax increment @ 1%		\$7,578,544	\$8,506,901	\$9,468,768	\$9,945,833	\$10,437,602	\$10,944,470	\$11,466,847	\$12,005,149
City Average AB8 Share Available 6.50%	\$52,539,083	\$492,605	\$552,949	\$615,470	\$646,479	\$678,444	\$711,391	\$745,345	\$780,335
Percent Allocated to EIFD 50.0%	\$26,269,541	\$246,303	\$276,474	\$307,735	\$323,240	\$339,222	\$355,695	\$372,673	\$390,167
City Equivalent Share of MVLF Property Tax 4.06%	\$32,811,150	\$307,637	\$345,322	\$384,367	\$403,732	\$423,695	\$444,270	\$465,475	\$487,326
Percent Allocated to EIFD 50.0%	\$16,405,575	\$153,818	\$172,661	\$192,183	\$201,866	\$211,847	\$222,135	\$232,737	\$243,663
County Average AB8 Share Available 14.00%	\$113,161,101	\$1,060,996	\$1,190,966	\$1,325,627	\$1,392,417	\$1,461,264	\$1,532,226	\$1,605,359	\$1,680,721
Percent Allocated to EIFD 25.0%	\$11,952,597	\$265,249	\$297,742	\$331,407	\$348,104	\$365,316	\$383,056	\$401,340	\$420,180
Fire District Average AB8 Share Available 14.60%	\$118,010,862	\$1,106,467	\$1,242,008	\$1,382,440	\$1,452,092	\$1,523,890	\$1,597,893	\$1,674,160	\$1,752,752
Percent Allocated to EIFD 30.0%	\$35,403,259	\$331,940	\$372,602	\$414,732	\$435,627	\$457,167	\$479,368	\$502,248	\$525,826
Total Revenues Allocated to EIFD	\$90,030,971	\$997,310	\$1,119,479	\$1,246,057	\$1,308,837	\$1,373,552	\$1,440,255	\$1,508,998	\$1,579,836

	Construction inflator	Total	16	17	18	19	20	21	22	23
			2043	2044	2045	2046	2047	2048	2049	2050
			1.400	1.428	1.457	1.486	1.516	1.546	1.577	1.608
New Development										
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560		43 units \$26,779,617	43 units \$27,315,209	43 units \$27,861,514	43 units \$28,418,744	43 units \$28,987,119	\$0	\$0	\$0
Residential - Affordable \$0 per unit	1,064 units \$0		53 units \$0	53 units \$0	53 units \$0	53 units \$0	53 units \$0	\$0	\$0	\$0
Hotel \$350,000 per room	300 rooms \$119,861,568		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755		3,500 SF \$1,715,296	3,500 SF \$1,749,602	3,500 SF \$1,784,594	3,500 SF \$1,820,286	3,500 SF \$1,856,691	\$0	\$0	\$0
Subtotal Value Add	\$1,120,204,898		\$28,494,913	\$29,064,811	\$29,646,107	\$30,239,030	\$30,843,810	\$0	\$0	\$0
Total Assessed Value			\$1,403,994,474	\$1,461,139,174	\$1,520,008,065	\$1,580,647,256	\$1,643,104,011	\$1,675,966,091	\$1,709,485,413	\$1,743,675,121
Incremental AV			\$1,255,980,345	\$1,313,125,045	\$1,371,993,936	\$1,432,633,127	\$1,495,089,882	\$1,527,951,963	\$1,561,471,284	\$1,595,660,993
Total tax increment @ 1%			\$12,559,803	\$13,131,250	\$13,719,939	\$14,326,331	\$14,950,899	\$15,279,520	\$15,614,713	\$15,956,610
City Average AB8 Share Available	6.50%	\$52,539,083	\$816,387	\$853,531	\$891,796	\$931,212	\$971,808	\$993,169	\$1,014,956	\$1,037,180
Percent Allocated to EIFD	50.0%	\$26,269,541	\$408,194	\$426,766	\$445,898	\$465,606	\$485,904	\$496,584	\$507,478	\$518,590
City Equivalent Share of MVLF Property Tax	4.06%	\$32,811,150	\$509,841	\$533,038	\$556,935	\$581,550	\$606,903	\$620,243	\$633,850	\$647,728
Percent Allocated to EIFD	50.0%	\$16,405,575	\$254,921	\$266,519	\$278,467	\$290,775	\$303,452	\$310,122	\$316,925	\$323,864
County Average AB8 Share Available	14.00%	\$113,161,101	\$1,758,372	\$1,838,375	\$1,920,792	\$2,005,686	\$2,093,126	\$2,139,133	\$2,186,060	\$2,233,925
Percent Allocated to EIFD	25.0%	\$11,952,597	\$439,593	\$459,594	\$480,198	\$501,422	\$523,281	\$534,783	\$546,515	\$558,481
Fire District Average AB8 Share Available	14.60%	\$118,010,862	\$1,833,731	\$1,917,163	\$2,003,111	\$2,091,644	\$2,182,831	\$2,230,810	\$2,279,748	\$2,329,665
Percent Allocated to EIFD	30.0%	\$35,403,259	\$550,119	\$575,149	\$600,933	\$627,493	\$654,849	\$669,243	\$683,924	\$698,900
Total Revenues Allocated to EIFD		\$90,030,971	\$1,652,827	\$1,728,027	\$1,805,497	\$1,885,296	\$1,967,487	\$2,010,732	\$2,054,842	\$2,099,835



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

	Construction inflator	Total	24	25	26	27	28	29	30	31
			2051	2052	2053	2054	2055	2056	2057	2058
			1.641	1.673	1.707	1.741	1.776	1.811	1.848	1.885
New Development										
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Affordable \$0 per unit	1,064 units \$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hotel \$350,000 per room	300 rooms \$119,861,568		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Value Add	\$1,120,204,898		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed Value			\$1,778,548,624	\$1,814,119,596	\$1,850,401,988	\$1,887,410,028	\$1,925,158,229	\$1,963,661,393	\$2,002,934,621	\$2,042,993,313
Incremental AV			\$1,630,534,495	\$1,666,105,468	\$1,702,387,859	\$1,739,395,899	\$1,777,144,100	\$1,815,647,264	\$1,854,920,492	\$1,894,979,185
Total tax increment @ 1%			\$16,305,345	\$16,661,055	\$17,023,879	\$17,393,959	\$17,771,441	\$18,156,473	\$18,549,205	\$18,949,792
City Average AB8 Share Available 6.50%	\$52,539,083		\$1,059,847	\$1,082,969	\$1,106,552	\$1,130,607	\$1,155,144	\$1,180,171	\$1,205,698	\$1,231,736
Percent Allocated to EIFD 50.0%	\$26,269,541		\$529,924	\$541,484	\$553,276	\$565,304	\$577,572	\$590,085	\$602,849	\$615,868
City Equivalent Share of MVLF Property Tax 4.06%	\$32,811,150		\$661,885	\$676,324	\$691,052	\$706,075	\$721,398	\$737,028	\$752,970	\$769,231
Percent Allocated to EIFD 50.0%	\$16,405,575		\$330,942	\$338,162	\$345,526	\$353,037	\$360,699	\$368,514	\$376,485	\$384,615
County Average AB8 Share Available 14.00%	\$113,161,101		\$2,282,748	\$2,332,548	\$2,383,343	\$2,435,154	\$2,488,002	\$2,541,906	\$2,596,889	\$2,652,971
Percent Allocated to EIFD 25.0%	\$11,952,597		\$570,687	\$583,137	\$595,836	\$608,789	\$622,000	\$635,477	\$649,222	
Fire District Average AB8 Share Available 14.60%	\$118,010,862		\$2,380,580	\$2,432,514	\$2,485,486	\$2,539,518	\$2,594,630	\$2,650,845	\$2,708,184	\$2,766,670
Percent Allocated to EIFD 30.0%	\$35,403,259		\$714,174	\$729,754	\$745,646	\$761,855	\$778,389	\$795,254	\$812,455	\$830,001
Total Revenues Allocated to EIFD	\$90,030,971		\$2,145,727	\$2,192,537	\$2,240,284	\$2,288,985	\$2,338,660	\$2,389,329	\$2,441,011	\$1,830,485

Construction inflator	Total	32	33	34	35	36	37	38	39
		2059	2060	2061	2062	2063	2064	2065	2066
		1.922	1.961	2.000	2.040	2.081	2.122	2.165	2.208
New Development									
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Affordable \$0 per unit	1,064 units \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hotel \$350,000 per room	300 rooms \$119,861,568	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Value Add	\$1,120,204,898	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed Value		\$2,083,853,180	\$2,125,530,243	\$2,168,040,848	\$2,211,401,665	\$2,255,629,698	\$2,300,742,292	\$2,346,757,138	\$2,393,692,281
Incremental AV		\$1,935,839,051	\$1,977,516,115	\$2,020,026,719	\$2,063,387,536	\$2,107,615,570	\$2,152,728,164	\$2,198,743,009	\$2,245,678,152
Total tax increment @ 1%		\$19,358,391	\$19,775,161	\$20,200,267	\$20,633,875	\$21,076,156	\$21,527,282	\$21,987,430	\$22,456,782
City Average AB8 Share Available 6.50%	\$52,539,083	\$1,258,295	\$1,285,385	\$1,313,017	\$1,341,202	\$1,369,950	\$1,399,273	\$1,429,183	\$1,459,691
Percent Allocated to EIFD 50.0%	\$26,269,541	\$629,148	\$642,693	\$656,509	\$670,601	\$684,975	\$699,637	\$714,591	\$729,845
City Equivalent Share of MVLF Property Tax 4.06%	\$32,811,150	\$785,817	\$802,735	\$819,992	\$837,593	\$855,547	\$873,859	\$892,538	\$911,591
Percent Allocated to EIFD 50.0%	\$16,405,575	\$392,909	\$401,368	\$409,996	\$418,797	\$427,773	\$436,930	\$446,269	\$455,795
County Average AB8 Share Available 14.00%	\$113,161,101	\$2,710,175	\$2,768,523	\$2,828,037	\$2,888,743	\$2,950,662	\$3,013,819	\$3,078,240	\$3,143,949
Percent Allocated to EIFD 25.0%	\$11,952,597								
Fire District Average AB8 Share Available 14.60%	\$118,010,862	\$2,826,325	\$2,887,174	\$2,949,239	\$3,012,546	\$3,077,119	\$3,142,983	\$3,210,165	\$3,278,690
Percent Allocated to EIFD 30.0%	\$35,403,259	\$847,898	\$866,152	\$884,772	\$903,764	\$923,136	\$942,895	\$963,049	\$983,607
Total Revenues Allocated to EIFD	\$90,030,971	\$1,869,954	\$1,910,212	\$1,951,276	\$1,993,161	\$2,035,884	\$2,079,461	\$2,123,910	\$2,169,248



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Construction inflator	Total	40	41	42	43	44	45	46	47
		2067	2068	2069	2070	2071	2072	2073	2074
		2.252	2.297	2.343	2.390	2.438	2.487	2.536	2.587
New Development									
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential - Affordable \$0 per unit	1,064 units \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hotel \$350,000 per room	300 rooms \$119,861,568	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Value Add	\$1,120,204,898	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed Value		\$2,441,566,127	\$2,490,397,449	\$2,540,205,398	\$2,591,009,506	\$2,642,829,696	\$2,695,686,290	\$2,749,600,016	\$2,804,592,016
Incremental AV		\$2,293,551,998	\$2,342,383,320	\$2,392,191,269	\$2,442,995,377	\$2,494,815,567	\$2,547,672,161	\$2,601,585,887	\$2,656,577,888
Total tax increment @ 1%		\$22,935,520	\$23,423,833	\$23,921,913	\$24,429,954	\$24,948,156	\$25,476,722	\$26,015,859	\$26,565,779
City Average AB8 Share Available 6.50%	\$52,539,083	\$1,490,809	\$1,522,549	\$1,554,924	\$1,587,947	\$1,621,630	\$1,655,987	\$1,691,031	\$1,726,776
Percent Allocated to EIFD 50.0%	\$26,269,541	\$745,404	\$761,275	\$777,462	\$793,973	\$810,815	\$827,993	\$845,515	\$863,388
City Equivalent Share of MVLF Property Tax 4.06%	\$32,811,150	\$931,024	\$950,846	\$971,065	\$991,688	\$1,012,723	\$1,034,179	\$1,056,065	\$1,078,388
Percent Allocated to EIFD 50.0%	\$16,405,575	\$465,512	\$475,423	\$485,532	\$495,844	\$506,362	\$517,090	\$528,032	\$539,194
County Average AB8 Share Available 14.00%	\$113,161,101	\$3,210,973	\$3,279,337	\$3,349,068	\$3,420,194	\$3,492,742	\$3,566,741	\$3,642,220	\$3,719,209
Percent Allocated to EIFD 25.0%	\$11,952,597								
Fire District Average AB8 Share Available 14.60%	\$118,010,862	\$3,348,586	\$3,419,880	\$3,492,599	\$3,566,773	\$3,642,431	\$3,719,601	\$3,798,315	\$3,878,604
Percent Allocated to EIFD 30.0%	\$35,403,259	\$1,004,576	\$1,025,964	\$1,047,780	\$1,070,032	\$1,092,729	\$1,115,880	\$1,139,495	\$1,163,581
Total Revenues Allocated to EIFD	\$90,030,971	\$2,215,492	\$2,262,662	\$2,310,774	\$2,359,849	\$2,409,906	\$2,460,964	\$2,513,042	\$2,566,163



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Construction inflator	Total	48	49	50
		<u>2075</u>	<u>2076</u>	<u>2077</u>
		2.639	2.692	2.745
New Development				
Residential - Lower Density Market Rate \$950,000 per unit	431 units \$466,449,114	\$0	\$0	\$0
Residential - Higher Density Market Rate \$450,000 per unit	850 units \$483,460,560	\$0	\$0	\$0
Residential - Affordable \$0 per unit	1,064 units \$0	\$0	\$0	\$0
Hotel \$350,000 per room	300 rooms \$119,861,568	\$0	\$0	\$0
Industrial / Flex \$200 PSF	87,592 SF \$19,466,901	\$0	\$0	\$0
Commercial \$350 PSF	70,000 SF \$30,966,755	\$0	\$0	\$0
Subtotal Value Add	\$1,120,204,898	\$0	\$0	\$0
Total Assessed Value		\$2,860,683,857	\$2,917,897,534	\$2,976,255,484
Incremental AV		\$2,712,669,728	\$2,769,883,405	\$2,828,241,356
Total tax increment @ 1%		\$27,126,697	\$27,698,834	\$28,282,414
City Average AB8 Share Available 6.50%	\$52,539,083	\$1,763,235	\$1,800,424	\$1,838,357
Percent Allocated to EIFD 50.0%	\$26,269,541	\$881,618	\$900,212	\$919,178
City Equivalent Share of MVLF Property Tax 4.06%	\$32,811,150	\$1,101,157	\$1,124,382	\$1,148,071
Percent Allocated to EIFD 50.0%	\$16,405,575	\$550,578	\$562,191	\$574,036
County Average AB8 Share Available 14.00%	\$113,161,101	\$3,797,738	\$3,877,837	\$3,959,538
Percent Allocated to EIFD 25.0%	\$11,952,597			
Fire District Average AB8 Share Available 14.60%	\$118,010,862	\$3,960,498	\$4,044,030	\$4,129,232
Percent Allocated to EIFD 30.0%	\$35,403,259	\$1,188,149	\$1,213,209	\$1,238,770
Total Revenues Allocated to EIFD	\$90,030,971	\$2,620,345	\$2,675,612	\$2,731,984



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Appendix D:

Fiscal Impact Analysis Detail

Overview of Fiscal Impacts

	Annual @ Year 10	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
City of Scotts Valley			
Estimated Fiscal Revenues (Net of EIFD Allocation)	\$5,518,227	\$602,836,800	\$233,002,300
Estimated Fiscal Expenditures	(\$4,487,800)	(\$589,068,600)	(\$224,456,000)
Estimated Net Fiscal Impact to City	\$1,030,427	\$13,768,200	\$8,546,300
County of Santa Cruz			
Estimated Fiscal Revenues (Net of EIFD Allocation)	\$1,902,800	\$220,345,400	\$83,324,900
Estimated Fiscal Expenditures	(\$1,295,100)	(\$170,522,600)	(\$64,959,300)
Estimated Net Fiscal Impact to County	\$607,700	\$49,822,800	\$18,365,600
Scotts Valley Fire Protection District			
Estimated Fiscal Revenues (Net of EIFD Allocation)	\$1,051,300	\$107,392,600	\$41,778,400
Estimated Fiscal Expenditures	(\$684,700)	(\$89,859,700)	(\$34,239,700)
Estimated Net Fiscal Impact to Fire	\$366,600	\$17,532,900	\$7,538,700
County Measure D Sales Tax - Transportation	\$207,300	\$28,323,600	\$10,760,700
Sales Tax - Metropolitan Transit District	\$207,300	\$28,323,600	\$10,760,700
Sales Tax - Santa Cruz Public Libraries	\$103,600	\$14,161,600	\$5,380,200

Notes:
Assumes installation of necessary public infrastructure
Assumes 10-20 year absorption and 50-year financing district duration
Actual absorption will depend on market conditions and other factors
Values in 2026 dollars

Key Land Use Assumptions (Buildout)

Project Component	
Residential - Market Rate Rental	850 DU
Residential - Market Rate For-Sale	431 DU
Residential - Affordable Housing	1,064 DU
Hotel	300 rooms
Industrial / Flex	87,592 SF
Commercial / Retail	70,000 SF

Summary of Estimated Fiscal Impacts to City Stabilized

	Year 5	Year 10	Year 20	Year 30	Year 40	Year 50	Year 55	Stabilized Escalation Rate	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
	2031	2036	2046	2056	2066	2076	2081			
City of Scotts Valley General Fund Revenues										
Property / Possessory Interest Tax	\$285,700	\$668,700	\$1,139,000	\$1,530,721	\$2,057,161	\$2,764,652	\$3,204,989	3.0%	\$68,304,400	\$26,572,000
Property Tax Allocation to EIFD	(\$142,900)	(\$334,300)	(\$569,500)	(\$765,360)	(\$1,028,580)	(\$1,382,326)	\$0	3.0%	(\$34,152,400)	(\$13,286,200)
Property Tax In-Lieu of MVLF	\$175,100	\$409,400	\$699,400	\$939,935	\$1,263,194	\$1,697,627	\$1,968,015	3.0%	\$41,930,200	\$16,307,800
Property Tax In-Lieu of MVLF Allocation to EIFD	(\$87,550)	(\$204,700)	(\$349,700)	(\$469,968)	(\$631,597)	(\$848,814)	\$0	3.0%	(\$20,965,100)	(\$8,153,900)
Property Transfer Tax	\$5,300	\$12,600	\$27,000	\$36,286	\$48,765	\$65,536	\$75,974	3.0%	\$1,586,900	\$606,700
Sales and Use Tax - Direct / On-Site	\$113,800	\$263,900	\$709,300	\$953,240	\$1,281,075	\$1,721,657	\$1,995,873	3.0%	\$40,994,800	\$15,441,900
Measure Z Sales Tax - Direct / On-Site	\$76,100	\$176,400	\$474,100	\$637,151	\$856,277	\$1,150,765	\$1,334,052	3.0%	\$27,401,200	\$10,321,400
Sales and Use Tax - Indirect / Off-Site	\$218,900	\$511,200	\$1,106,100	\$1,486,506	\$1,997,740	\$2,684,795	\$3,112,413	3.0%	\$64,935,900	\$24,803,300
Measure Z Sales Tax - Indirect / Off-Site	\$146,300	\$341,700	\$739,400	\$993,692	\$1,335,439	\$1,794,718	\$2,080,570	3.0%	\$43,407,500	\$16,580,000
Transient Occupancy Tax	\$782,000	\$2,266,200	\$3,045,600	\$4,093,032	\$5,500,692	\$7,392,471	\$8,569,899	3.0%	\$187,233,400	\$74,327,500
Utility Users Tax	\$175,900	\$406,700	\$911,800	\$1,225,383	\$1,646,812	\$2,213,178	\$2,565,680	3.0%	\$53,380,800	\$20,340,000
Business License Tax	\$22,600	\$49,900	\$86,700	\$116,518	\$156,590	\$210,444	\$243,962	3.0%	\$5,195,600	\$2,020,400
Charges for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	3.0%	\$0	\$0
Fines & Forfeitures	\$3,800	\$8,700	\$19,600	\$26,341	\$35,400	\$47,574	\$55,152	3.0%	\$1,147,300	\$437,000
Franchise Fees	\$175,200	\$405,200	\$908,400	\$1,220,814	\$1,640,671	\$2,204,925	\$2,556,113	3.0%	\$53,181,500	\$20,264,000
Intergovernmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	3.0%	\$0	\$0
Investment Earnings	\$21,465	\$54,327	\$99,716	\$134,010	\$180,098	\$242,037	\$280,587	3.0%	\$5,935,000	\$2,293,900
Rents & Concessions	\$5,600	\$12,900	\$29,200	\$39,242	\$52,738	\$70,876	\$82,165	3.0%	\$1,708,300	\$650,500
Interfund Transfer in	\$81,800	\$189,100	\$424,000	\$569,821	\$765,791	\$1,029,159	\$1,193,078	3.0%	\$24,822,500	\$9,458,200
Other Revenues	\$121,200	\$280,300	\$628,400	\$844,517	\$1,134,960	\$1,525,292	\$1,768,231	3.0%	\$36,789,000	\$14,017,800
Estimated Total Revenues	\$2,180,315	\$5,518,227	\$10,128,516	\$13,611,879	\$18,293,227	\$24,584,567	\$31,086,753		\$602,836,800	\$233,002,300
City of Scotts Valley General Fund Expenditures										
Legislative	\$9,100	\$21,100	\$47,300	\$63,567	\$85,429	\$114,810	\$133,096	3.0%	\$2,769,300	\$1,055,300
Legal	\$22,200	\$51,300	\$115,000	\$154,550	\$207,703	\$279,135	\$323,594	3.0%	\$6,732,600	\$2,565,300
City Manager's Office	\$81,300	\$188,000	\$421,400	\$566,326	\$761,095	\$1,022,848	\$1,185,762	3.0%	\$24,670,800	\$9,400,500
Administrative Services	\$343,900	\$795,200	\$1,782,900	\$2,396,069	\$3,220,116	\$4,327,566	\$5,016,835	3.0%	\$104,378,600	\$39,771,800
Police	\$977,800	\$2,261,000	\$5,069,300	\$6,812,715	\$9,155,720	\$12,304,522	\$14,264,313	3.0%	\$296,779,400	\$113,083,400
Community Development	\$123,500	\$285,600	\$640,400	\$860,644	\$1,156,634	\$1,554,419	\$1,801,998	3.0%	\$37,491,900	\$14,285,800
Public Works	\$383,000	\$885,600	\$1,985,600	\$2,668,480	\$3,586,214	\$4,819,572	\$5,587,205	3.0%	\$116,246,000	\$44,293,900
Estimated Total Expenditures	\$1,940,800	\$4,487,800	\$10,061,900	\$13,522,352	\$18,172,911	\$24,422,872	\$28,312,803		\$589,068,600	\$224,456,000
Estimated Annual Net Fiscal Impact	\$239,515	\$1,030,427	\$66,616	\$89,526	\$120,316	\$161,695	\$2,773,951		\$13,768,200	\$8,546,300
Revenue / Cost Ratio	1.12	1.23	1.01	1.01	1.01	1.01	1.10		1.02	1.04

Notes:
Assumes installation of necessary public infrastructure
Values in 2026 dollars
Select years shown for illustration



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Summary of Estimated Fiscal Impacts to County

Stabilized

	Year 5	Year 10	Year 20	Year 30	Year 40	Year 50	Year 55	Stabilized Escalation Rate	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
	2031	2036	2046	2056	2066	2076	2081			
County of Santa Cruz Revenues										
Property Tax	\$615,400	\$1,440,200	\$2,453,100	\$3,296,761	\$4,430,571	\$5,954,318	\$6,902,686	3.0%	\$147,110,700	\$57,229,900
Property Tax - County Allocation to EIFD	(\$153,800)	(\$360,000)	(\$613,300)	(\$824,224)	\$0	\$0	\$0	3.0%	(\$13,967,300)	(\$7,714,300)
Property Tax in Lieu of MVLF	\$313,100	\$732,300	\$1,250,900	\$1,681,105	\$2,259,265	\$3,036,263	\$3,519,861	3.0%	\$74,993,900	\$29,167,400
Property Tax in Lieu of MVLF - County Allocation to EIFD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	3.0%	\$0	\$0
Property Transfer Tax	\$5,300	\$12,600	\$27,000	\$36,286	\$48,765	\$65,536	\$75,974	3.0%	\$1,586,900	\$606,700
Sales Tax - Direct / On-Site	\$11,400	\$26,475	\$71,100	\$95,552	\$128,415	\$172,578	\$200,066	3.0%	\$4,109,400	\$1,548,000
Sales Tax - Indirect / Off-Site	\$21,975	\$51,225	\$110,925	\$149,074	\$200,343	\$269,244	\$312,128	3.0%	\$6,511,800	\$2,487,200
Estimated County Revenues	\$813,375	\$1,902,800	\$3,299,725	\$4,434,554	\$7,067,358	\$9,497,939	\$11,010,714		\$220,345,400	\$83,324,900
County of Santa Cruz Expenditures										
Public Protection - Incorporated Jurisdiction Estimate	\$254,000	\$587,400	\$1,317,000	\$1,769,938	\$2,378,648	\$3,196,705	\$3,705,857	3.0%	\$77,103,000	\$29,379,000
General Government	\$98,200	\$227,100	\$509,200	\$684,322	\$919,672	\$1,235,962	\$1,432,819	3.0%	\$29,810,400	\$11,358,600
Public Assistance	\$112,200	\$260,100	\$590,700	\$793,851	\$1,066,870	\$1,433,784	\$1,662,149	3.0%	\$34,546,700	\$13,151,500
Health and Sanitation	\$56,700	\$131,200	\$294,200	\$395,380	\$531,358	\$714,101	\$827,838	3.0%	\$17,223,700	\$6,562,800
Recreation and Cultural Services	\$29,300	\$67,900	\$154,100	\$207,098	\$278,322	\$374,041	\$433,616	3.0%	\$9,012,500	\$3,431,000
Public Ways and Facilities	\$4,400	\$10,100	\$22,600	\$30,373	\$40,818	\$54,856	\$63,593	3.0%	\$1,323,400	\$504,300
Education	\$4,900	\$11,300	\$25,700	\$34,539	\$46,417	\$62,381	\$72,316	3.0%	\$1,502,900	\$572,100
Estimated County Expenditures	\$559,700	\$1,295,100	\$2,913,500	\$3,915,500	\$5,262,105	\$7,071,829	\$8,198,188		\$170,522,600	\$64,959,300
Estimated County Net Fiscal Impact	\$253,675	\$607,700	\$386,225	\$519,054	\$1,805,253	\$2,426,110	\$2,812,526		\$49,822,800	\$18,365,600
County Measure D Sales Tax - Transportation	\$88,900	\$207,300	\$485,400	\$652,337	\$876,686	\$1,178,193	\$1,365,849	3.0%	\$28,323,600	\$10,760,700
Sales Tax - Metropolitan Transit District	\$88,900	\$207,300	\$485,400	\$652,337	\$876,686	\$1,178,193	\$1,365,849	3.0%	\$28,323,600	\$10,760,700
Sales Tax - Santa Cruz Public Libraries	\$44,500	\$103,600	\$242,700	\$326,169	\$438,343	\$589,097	\$682,924	3.0%	\$14,161,600	\$5,380,200
Revenue / Expenditure Ratio	1.45	1.47	1.13	1.13	1.34	1.34	1.34		1.29	1.28

Notes:
Assumes installation of necessary public infrastructure
Values in 2026 dollars
Select years shown for illustration

Summary of Estimated Fiscal Impacts to Fire District

Stabilized

	Year 5	Year 10	Year 20	Year 30	Year 40	Year 50	Year 55	Stabilized Escalation Rate	Year 0-50 Nominal Total	Year 0-50 Present Value @ 3.0%
	2031	2036	2046	2056	2066	2076	2081			
Fire District Revenues										
Property Tax	\$641,700	\$1,501,900	\$2,558,300	\$3,438,141	\$4,620,574	\$6,209,666	\$7,198,704	3.0%	\$153,418,800	\$59,683,700
Property Tax - Fire Allocation to EIFD	(\$192,500)	(\$450,600)	(\$767,500)	(\$1,031,456)	(\$1,386,190)	(\$1,862,924)	\$0	3.0%	(\$46,026,200)	(\$17,905,300)
Estimated Fire Revenues	\$449,200	\$1,051,300	\$1,790,800	\$2,406,685	\$3,234,384	\$4,346,742	\$7,198,704		\$107,392,600	\$41,778,400
Fire District Expenditures										
Salaries & Benefits	\$186,800	\$432,100	\$968,700	\$1,301,852	\$1,749,580	\$2,351,289	\$2,725,789	3.0%	\$56,711,900	\$21,609,200
Services & Supplies	\$61,300	\$141,800	\$318,000	\$427,365	\$574,343	\$771,869	\$894,808	3.0%	\$18,616,700	\$7,093,500
Other Charges	\$11,500	\$26,600	\$59,500	\$79,963	\$107,464	\$144,422	\$167,425	3.0%	\$3,483,800	\$1,327,600
Fixed Assets	\$36,400	\$84,200	\$188,700	\$253,597	\$340,813	\$458,024	\$530,976	3.0%	\$11,047,300	\$4,209,400
Estimated Fire Expenditures	\$296,000	\$684,700	\$1,534,900	\$2,062,777	\$2,772,200	\$3,725,605	\$4,318,997		\$89,859,700	\$34,239,700
Estimated Fire Net Fiscal Impact	\$153,200	\$366,600	\$255,900	\$343,908	\$462,184	\$621,136	\$2,879,707		\$17,532,900	\$7,538,700
Revenue / Expenditure Ratio	1.52	1.54	1.17	1.17	1.17	1.17	1.67		1.20	1.22

Notes:
Assumes installation of necessary public infrastructure
Values in 2026 dollars
Select years shown for illustration

Project Description

Project Component		Year 5 2031	Year 10 2036	Year 20 2046
Residential - Market Rate Rental		213 DU	425 DU	850 DU
Residential - Market Rate For-Sale		216 DU	431 DU	431 DU
Residential - Affordable Housing		266 DU	532 DU	1,064 DU
Hotel		120 rooms	300 rooms	300 rooms
Industrial / Flex		87,592 SF	87,592 SF	87,592 SF
Commercial / Retail		17,500 SF	35,000 SF	70,000 SF
<i>Annual Escalation Factor</i>	<i>3.0%</i>	<i>1.16</i>	<i>1.34</i>	<i>1.81</i>
Estimated A/V - Residential - Market Rental	<i>\$450K Per Unit</i>	\$110,855,583	\$257,024,008	\$690,837,547
Estimated A/V - Residential - Market For Sale	<i>\$950K Per Unit</i>	\$237,332,385	\$550,266,562	\$739,512,245
Estimated A/V - Affordable Housing	<i>\$0K Per Unit</i>	\$0	\$0	\$0
Estimated A/V - Hotel	<i>\$400K Per Room</i>	\$55,645,156	\$161,269,966	\$216,733,348
Estimated A/V - Industrial / Flex	<i>\$200 PSF</i>	\$20,308,627	\$23,543,265	\$31,640,179
Estimated A/V - Commercial / Retail	<i>\$350 PSF</i>	\$7,100,554	\$16,462,976	\$44,249,725
Total Estimated Assessed Value		\$431,242,304	\$1,008,566,775	\$1,722,973,045

Notes:

Adjusted for value appreciation assuming 2% annual escalation rate (statutory maximum).

Conservatively assuming no mark-to-market valuations above 2% growth to account for property transfers

Select years shown for illustration

Values in 2026 dollars

Project Employment and Occupants

Project Component		Year 5	Year 10	Year 20
		2031	2036	2046
Residential - Market Rate Rental		213 DU	425 DU	850 DU
Residential - Market Rate For-Sale		216 DU	431 DU	431 DU
Residential - Affordable Housing		266 DU	532 DU	1,064 DU
Hotel		120 Rooms	300 Rooms	300 Rooms
Industrial / Flex		87,592 SF	87,592 SF	87,592 SF
Commercial / Retail		17,500 SF	35,000 SF	70,000 SF
Estimated # Employees (FTE)				
Residential - Market Rate Rental	50 DU / emp	4	9	17
Residential - Market Rate For-Sale	0 DU / emp	0	0	0
Residential - Affordable Housing	50 DU / emp	5	11	21
Hotel	1.5 room / emp	80	200	200
Industrial / Flex	1,500 SF / emp	58	58	58
Commercial / Retail	400 SF / emp	44	88	175
Total Estimated # Employees (FTE)		192	365	472
Occupied Dwelling Units				
Residents	93%	645 DU	1,291 DU	2,181 DU
	2.51 per DU	1,620	3,240	5,474
Employees Weighted at 50%	50%	96	183	236
Total Service Population (Residents + Empl.)		1,716	3,423	5,710
Occupied Hotel Rooms				
Hotel Guests	70%	84 rooms	210 rooms	210 rooms
	1.5 per room	126	315	315

Notes:

Average household size reflects City average household size

Select years shown for illustration

Values in 2026 dollars

Property Tax

		Year 5 2031	Year 10 2036	Year 20 2046
Estimated Assessed Value - Residential		\$348,187,968	\$807,290,569	\$1,430,349,792
Estimated Assessed Value - Non-Residential		\$83,054,336	\$201,276,206	\$292,623,252
Total Estimated Assessed Value		\$431,242,304	\$1,008,566,775	\$1,722,973,045
Total Secured Property Tax General Levy	1.00%	\$4,312,423	\$10,085,668	\$17,229,730
Estimated Unsecured Property Tax as % of Secured Non-Residential Value	10.00%	\$83,054	\$201,276	\$292,623
Total Estimated Secured + Unsecured Property Tax		\$4,395,477	\$10,286,944	\$17,522,354
Distributions to Taxing Entities				
City of Scotts Valley		6.50%	\$285,700	\$668,700
City Allocation to EIFD	50%	(3.25%)	(\$142,900)	(\$334,300)
Net Property Tax to City		3.25%	\$142,800	\$334,400
Santa Cruz County General		14.00%	\$615,400	\$1,440,200
County Allocation to EIFD	25%	(3.50%)	(\$153,800)	(\$360,000)
Net Property Tax to County		10.50%	\$461,600	\$1,080,200
Santa Cruz Fire Protection District		14.60%	\$641,700	\$1,501,900
Fire Allocation to EIFD	30%	(4.38%)	(\$192,500)	(\$450,600)
Net Property Tax to Fire District		10.22%	\$449,200	\$1,051,300

Notes:

General levy distributions represent tax rate area (TRA) average within boundary

Does not include property tax overrides above 1% general levy or allocations to fire districts, County Library, or other entity distributions

Select years shown for illustration

Values in 2026 dollars

Source: Santa Cruz County Auditor-Controller (2026)

Property Tax In-Lieu of Motor Vehicle License Fees (MVLf)

Total AV within CITY	\$3,416,274,402			
Current Property Tax In-Lieu of MVLf	\$1,386,772			
Prop Tax In-Lieu of MVLf per \$1M of AV	\$406			
	<i>Year 1</i>	<i>Year 5</i>	<i>Year 10</i>	<i>Year 20</i>
	2027	2031	2036	2046
Estimated Project Assessed Value	\$63,133,850	\$431,242,304	\$1,008,566,775	\$1,722,973,045
Incremental Property Tax In-Lieu of MVLf to City	\$25,600	\$175,100	\$409,400	\$699,400
City Allocation to EIFD	(\$12,800)	(\$87,550)	(\$204,700)	(\$349,700)
Net Incremental Property Tax In-Lieu of MVLf to City	\$12,800	\$87,550	\$204,700	\$349,700
Total AV within COUNTY	\$58,522,924,161			
Current Property Tax In-Lieu of MVLf	\$42,490,000			
Prop Tax In-Lieu of MVLf per \$1M of AV	\$726			
	<i>Year 1</i>	<i>Year 5</i>	<i>Year 10</i>	<i>Year 20</i>
	2027	2031	2036	2046
Estimated Project Assessed Value	\$63,133,850	\$431,242,304	\$1,008,566,775	\$1,722,973,045
Incremental Property Tax In-Lieu of MVLf to County	\$45,800	\$313,100	\$732,300	\$1,250,900
County Allocation to EIFD	\$0	\$0	\$0	\$0
Incremental Property Tax In-Lieu of MVLf to County	\$45,800	\$313,100	\$732,300	\$1,250,900

Notes:

Select years shown for illustration

Values in 2026 dollars

Source: Santa Cruz County Auditor-Controller (2026)

Property Transfer Tax

	Year 5 2031	Year 10 2036	Year 20 2046
Estimated Assessed Value - For-Sale Residential	\$237,332,385	\$550,266,562	\$739,512,245
Estimated Property Turnover Rate	15.0%	15.0%	15.0%
Estimated Value of Property Transferred	\$35,599,858	\$82,539,984	\$110,926,837
Estimated Assessed Value - Other Land Uses	\$193,909,920	\$458,300,213	\$983,460,800
Estimated Property Turnover Rate	5.0%	5.0%	5.0%
Estimated Value of Property Transferred	\$9,695,496	\$22,915,011	\$49,173,040
Estimated Total Value of Property Transferred	\$45,295,354	\$105,454,995	\$160,099,877
Total Transfer Tax	\$1.10 per \$1,000 \$10,700	\$25,200	\$54,100
Transfer Tax to City	\$0.55 per \$1,000 \$5,300	\$12,600	\$27,000
Transfer Tax to County	\$0.55 per \$1,000 \$5,300	\$12,600	\$27,000

Notes:
Select years shown for illustration
Values in 2026 dollars

Source: Santa Cruz County Auditor-Controller (2026)

Sales Tax - Direct / On-Site

Project Component		Year 5 2031	Year 10 2036	Year 20 2046
Retail SF		17,500 SF	35,000 SF	70,000 SF
Portion of Industrial Buildings Generating Local Taxable Sales	75.0%	0 SF	0 SF	0 SF
Total Sales-Generating SF		17,500 SF	35,000 SF	70,000 SF
Estimated Taxable Sales	\$300 PSF	\$6,086,189	\$14,111,122	\$37,928,336
Sales Tax to City (incl. Measure L/S)	1.75%	\$106,508	\$246,945	\$663,746
Use Tax as % of 1% Bradley Burns Sales Tax	12.00%	\$7,303	\$16,933	\$45,514
Sales and Use Tax to City - Direct		\$113,800	\$263,900	\$709,300
Measure Z Sales Tax to City - Direct	1.25%	\$76,100	\$176,400	\$474,100
Sales Tax to County	0.25%	\$15,200	\$35,300	\$94,800
Net of Sales Transfer within County	(25%)	(\$3,800)	(\$8,825)	(\$23,700)
Sales Tax to County		\$11,400	\$26,475	\$71,100
<i>Additional Restricted Sales Tax Allocations:</i>				
County Measure D Sales Tax - Transportation	0.50%	\$30,400	\$70,600	\$189,600
Sales Tax - Metropolitan Transit District	0.50%	\$30,400	\$70,600	\$189,600
Sales Tax - Santa Cruz Public Libraries	0.25%	\$15,200	\$35,300	\$94,800

Notes:

County General Fund sales tax for Revenue and Taxation Code Section 7203.1

Taxable sales PSF factor escalated 3% annually

Select years shown for illustration.

Values in 2026 dollars.

Sales Tax - Indirect / Off-Site

		Year 5 2031	Year 10 2036	Year 20 2046
Estimated # Employees		192	365	472
Estimated Annual Taxable Retail Spending / Empl. Near Work		\$6,956	\$8,063	\$10,837
Estimated Employee Taxable Retail Spending Within City		\$1,333,499	\$2,943,456	\$5,111,381
Estimated # Occupied Dwelling Units		645 DU	1,291 DU	2,181 DU
Estimated Annual Taxable Retail Spending / HH		\$48,931	\$56,724	\$76,233
Estimated Resident Taxable Retail Spending		\$31,580,977	\$73,222,015	\$166,252,164
Estimated Capture within City	35.0%	\$11,053,342	\$25,627,705	\$58,188,257
Estimated # Occupied Hotel Rooms		84 rooms	210 rooms	210 rooms
Estimated Annual Taxable Retail Spending / Room		\$21,157	\$24,526	\$32,962
Estimated Resident Taxable Retail Spending		\$1,777,167	\$5,150,560	\$6,921,921
Estimated Capture within City	35.0%	\$622,009	\$1,802,696	\$2,422,672
Total Estimated Indirect Taxable Sales		\$13,008,849	\$30,373,858	\$65,722,311
Less Estimated Capture Within District Retail	(10%)	(\$1,300,885)	(\$3,037,386)	(\$6,572,231)
Net Indirect Taxable Sales		\$11,707,965	\$27,336,472	\$59,150,080
Sales Tax to City (incl. Measure L/S)	1.75%	\$204,889	\$478,388	\$1,035,126
Use Tax as % of 1% Bradley Burns Sales Tax	12.00%	\$14,050	\$32,804	\$70,980
Sales and Use Tax to City - Indirect		\$218,900	\$511,200	\$1,106,100
Measure Z Sales Tax to City - Indirect	1.25%	\$146,300	\$341,700	\$739,400
Sales Tax to County	0.25%	\$29,300	\$68,300	\$147,900
Net of Sales Transfer within County	(25%)	(\$7,325)	(\$17,075)	(\$36,975)
Sales Tax to County		\$21,975	\$51,225	\$110,925
<i>Additional Restricted Sales Tax Allocations:</i>				
County Measure D Sales Tax - Transportation	0.50%	\$58,500	\$136,700	\$295,800
Sales Tax - Metropolitan Transit District	0.50%	\$58,500	\$136,700	\$295,800
Sales Tax - Santa Cruz Public Libraries	0.25%	\$29,300	\$68,300	\$147,900

Notes:

County General Fund sales tax for Revenue and Taxation Code Section 7203.1

Employee spending estimates based on "Office Worker Retail Spending Patterns: A Downtown and Suburban Area Study," ICSC.

Household spending based on average household income within City.

Hotel guest spending estimated based on American Hotel and Lodging Association (AHLA) data.

Adjusted for inflation assuming 3% annual inflation rate.

Select years shown for illustration.

Values in 2026 dollars.



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Transient Occupancy Tax ("TOT")

	Year 5 2031	Year 10 2036	Year 20 2046
Estimated # Hotel Rooms	120 rooms	300 rooms	300 rooms
Average Daily Room Rate (ADR)	\$232	\$269	\$361
Average Occupancy Rate	70%	70%	70%
Annual Hotel Room Receipts	\$7,108,669	\$20,602,238	\$27,687,685
TOT to City	11.0%	\$782,000	\$2,266,200
	\$3,045,600		

Notes:
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2026 dollars.

City Service Population

Approximate City Population	11,831
Approximate City Employment Population	6,876
Employee Weighting for Service Population	0.5
Weighted # Employees	3,438
Total City Service Population	15,269

Source: CA Department of Finance, U.S. Census Bureau Center for Economic Studies

City Multiplier Revenue and Expenditure Factors

Budget Category	Adopted City Budget	Allocation Basis	Relevant City		Per Capita Factor	Annual Escalation	Year 5	Year 10	Year 20
			Population	Percent Fixed			2031	2036	2046
General Fund Revenues									
Property Taxes (incl. Tax Equity Allocation)	\$2,146,976	Estimated Separately via Case Study Method -----							
Property Taxes in lieu of MVLF	\$1,600,000	Estimated Separately via Case Study Method -----							
Sales & Use Taxes	\$2,775,000	Estimated Separately via Case Study Method -----							
Sales Tax - Measure Z	\$4,300,000	Estimated Separately via Case Study Method -----							
Transient Occupancy Tax	\$2,250,000	Estimated Separately via Case Study Method -----							
Real Property Transfer Tax	\$100,000	Estimated Separately via Case Study Method -----							
Utility Users Tax	\$1,350,000	Service Population	15,269	0%	\$88.41	3.0%	\$102.50	\$118.82	\$159.69
Business License Tax	\$700,000	Employment Base	6,876	0%	\$101.80	3.0%	\$118.02	\$136.82	\$183.87
Charges for Services	\$1,156,000	N/A - Non-Recurring Revenue -----							
Fines & Forfeitures	\$29,000	Service Population	15,269	0%	\$1.90	3.0%	\$2.20	\$2.55	\$3.43
Franchise Fees	\$1,345,000	Service Population	15,269	0%	\$88.09	3.0%	\$102.12	\$118.38	\$159.09
Intergovernmental	\$424,500	N/A - Non-Recurring Revenue -----							
Investment Earnings	\$200,000	As % of other revenues	20,114,726	N/A	0.99%	3.0%	0.99%	0.99%	0.99%
Rents & Concessions	\$70,000	Residents	11,831	50%	\$2.96	3.0%	\$3.43	\$3.98	\$5.34
Interfund Transfer in	\$627,750	Service Population	15,269	0%	\$41.11	3.0%	\$47.66	\$55.25	\$74.25
Other Revenues	\$1,240,500	Service Population	15,269	25%	\$60.93	3.0%	\$70.64	\$81.89	\$110.05
Total General Fund Revenues	\$20,314,726								
General Fund Expenditures									
Legislative	\$140,165	Service Population	15,269	50%	\$4.59	3.0%	\$5.32	\$6.17	\$8.29
Legal	\$340,500	Service Population	15,269	50%	\$11.15	3.0%	\$12.93	\$14.98	\$20.14
City Manager's Office	\$1,247,950	Service Population	15,269	50%	\$40.87	3.0%	\$47.37	\$54.92	\$73.81
Administrative Services	\$5,279,560	Service Population	15,269	50%	\$172.88	3.0%	\$200.42	\$232.34	\$312.25
Police	\$8,339,791	Service Population	15,269	10%	\$491.57	3.0%	\$569.87	\$660.63	\$887.83
Community Development	\$1,896,434	Service Population	15,269	50%	\$62.10	3.0%	\$71.99	\$83.46	\$112.16
Public Works	\$3,919,968	Service Population	15,269	25%	\$192.55	3.0%	\$223.21	\$258.76	\$347.76
Total General Fund Expenditures	\$21,164,368								

Notes:
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2026 dollars.

Source: City of Scotts Valley 2025-2026 Adopted Budget

City Multiplier Revenues and Expenditures

	Year 5 2031	Year 10 2036	Year 20 2046
Estimated # Residents	1,620	3,240	5,474
Estimated # Employees	192	365	472
Total Project Service Population	1,716	3,423	5,710
Budget Category	2031	2036	2046
General Fund Revenues			
Utility Users Tax	\$175,900	\$406,700	\$911,800
Business License Tax	\$22,600	\$49,900	\$86,700
Charges for Services	\$0	\$0	\$0
Fines & Forfeitures	\$3,800	\$8,700	\$19,600
Franchise Fees	\$175,200	\$405,200	\$908,400
Intergovernmental	\$0	\$0	\$0
Investment Earnings	\$21,465	\$54,327	\$99,716
Rents & Concessions	\$5,600	\$12,900	\$29,200
Interfund Transfer in	\$81,800	\$189,100	\$424,000
Other Revenues	\$121,200	\$280,300	\$628,400
Total Multiplier Revenues	\$607,565	\$1,407,127	\$3,107,816
General Fund Expenditures			
Legislative	\$9,100	\$21,100	\$47,300
Legal	\$22,200	\$51,300	\$115,000
City Manager's Office	\$81,300	\$188,000	\$421,400
Administrative Services	\$343,900	\$795,200	\$1,782,900
Police	\$977,800	\$2,261,000	\$5,069,300
Community Development	\$123,500	\$285,600	\$640,400
Public Works	\$383,000	\$885,600	\$1,985,600
Total Multiplier Expenditures	\$1,940,800	\$4,487,800	\$10,061,900

Notes:

Major case study revenues not shown include property tax, sales tax, transient occupancy tax

Adjusted for inflation assuming 3% annual inflation rate.

Select years shown for illustration.

Values in 2026 dollars.

Source: City of Scotts Valley 2025-2026 Adopted Budget



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County Service Population

Approximate County Population	263,710
Approximate County Employment Population	96,917
Employee Weighting for Service Population	0.5
Weighted # Employees	48,459
Total County Service Population	312,169

Source: CA Department of Finance, CA Employment Development Department

County Multiplier Expenditure Factors

							Year 5	Year 10	Year 20
Budget Category	Adopted County Budget	Allocation Basis	Relevant County Population	Percent Fixed Costs	Per Capita Factor	Annual Escalation	2031	2036	2046
Primary Expenditures - Net County Cost									
Public Protection - Incorporated Jurisdiction Estimate	\$79,734,000	Service Population	312,169	50%	\$127.71	3.0%	\$148.05	\$171.63	\$230.66
Public Protection - Unincorporated Jurisdiction Estimate	\$53,156,000	N/A - Unincorporated							
General Government	\$61,650,000	Service Population	312,169	75%	\$49.37	3.0%	\$57.24	\$66.35	\$89.17
Public Assistance	\$31,510,000	Resident Population	263,710	50%	\$59.74	3.0%	\$69.26	\$80.29	\$107.90
Health and Sanitation	\$17,810,000	Service Population	312,169	50%	\$28.53	3.0%	\$33.07	\$38.34	\$51.52
Recreation and Cultural Services	\$8,220,000	Resident Population	263,710	50%	\$15.59	3.0%	\$18.07	\$20.95	\$28.15
Debt Service	\$8,220,000	N/A							
Reserves	\$10,960,000	N/A							
Public Ways and Facilities	\$1,370,000	Service Population	312,169	50%	\$2.19	3.0%	\$2.54	\$2.95	\$3.96
Education	\$1,370,000	Resident Population	263,710	50%	\$2.60	3.0%	\$3.01	\$3.49	\$4.69
Total Net County Cost	\$274,000,000								

Notes:
Public Protection services in incorporated jurisdictions estimated at 60% of total County Public Protection services expenditures
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2026 dollars.

Source: County of Santa Cruz 2024-2025 Adopted Budget



County Multiplier Expenditures

	Year 5 2031	Year 10 2036	Year 20 2046
Estimated # Residents	1,620	3,240	5,474
Estimated # Employees	192	365	472
Total Project Service Population	1,716	3,423	5,710
Budget Category	2031	2036	2046
<i>Primary Expenditures - Net County Cost</i>			
Public Protection - Incorporated Jurisdiction Esti	\$254,000	\$587,400	\$1,317,000
General Government	\$98,200	\$227,100	\$509,200
Public Assistance	\$112,200	\$260,100	\$590,700
Health and Sanitation	\$56,700	\$131,200	\$294,200
Recreation and Cultural Services	\$29,300	\$67,900	\$154,100
Public Ways and Facilities	\$4,400	\$10,100	\$22,600
Education	\$4,900	\$11,300	\$25,700
Total Primary Expenditures	\$559,700	\$1,295,100	\$2,913,500

Notes:

Adjusted for inflation assuming 3% annual inflation rate.

Select years shown for illustration.

Values in 2026 dollars.

Source: County of Santa Cruz 2024-2025 Adopted Budget

Fire Protection District Service Population

Approximate Fire District Population	22,000
Approximate Fire District Employment Population	10,652
Employee Weighting for Service Population	0.5
Weighted # Employees	5,326
Total Fire District Service Population	27,326

Source: CA Department of Finance, CA Employment Development Department

Fire Protection District Multiplier Expenditure Factors

							Year 5	Year 10	Year 20
	Adopted County Budget	Allocation Basis	Relevant County Population	Percent Fixed Costs	Per Capita Factor	Annual Escalation			
Budget Category							2031	2036	2046
Primary Operating Expenditures									
Salaries & Benefits	\$10,267,226	Service Population	27,326	75%	\$93.93	3.0%	\$108.89	\$126.24	\$169.65
Services & Supplies	\$1,123,387	Service Population	27,326	25%	\$30.83	3.0%	\$35.74	\$41.44	\$55.69
Other Charges	\$315,500	Service Population	27,326	50%	\$5.77	3.0%	\$6.69	\$7.76	\$10.43
Fixed Assets	\$1,000,000	Service Population	27,326	50%	\$18.30	3.0%	\$21.21	\$24.59	\$33.05
Total Primary Operating Expenditures	\$12,706,113								

Notes:
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2026 dollars.

Source: Fire Protection District 2024-2025 Amended Budget

Fire Protection District Multipler Expenditures

	Year 5	Year 10	Year 20
	2031	2036	2046
Estimated # Residents	1,620	3,240	5,474
Estimated # Employees	192	365	472
Total Project Service Population	1,716	3,423	5,710
Budget Category	2031	2036	2046
<i>Primary Operating Expenditures</i>			
Salaries & Benefits	\$186,800	\$432,100	\$968,700
Services & Supplies	\$61,300	\$141,800	\$318,000
Other Charges	\$11,500	\$26,600	\$59,500
Fixed Assets	\$36,400	\$84,200	\$188,700
Total Primary Operating Expenditures	\$296,000	\$684,700	\$1,534,900

Notes:
Adjusted for inflation assuming 3% annual inflation rate.
Select years shown for illustration.
Values in 2026 dollars.

Source: Fire Protection District 2024-2025 Amended Budget

IMPLAN Inputs

Construction Inputs

Industry NAICS Category	Approximate Inputs (Industry Spending)
58 - Construction of new multifamily residential structures	\$1,209,332,500
55 - Construction of new commercial structures, including farm structures	\$144,500,000
51 - Construction of new manufacturing structures	\$17,518,400

Ongoing Operation Inputs

Industry NAICS Category	Approximate Inputs (Employment Change)
507 - Hotels and motels, including casino hotels	200 Jobs
412 - Retail - Miscellaneous store retailers	175 Jobs
422 - Warehousing and storage	58 Jobs
476 - Services to buildings	38 Jobs



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Summary of IMPLAN Economic Benefits

Economic Benefits from Construction (One-Time / Temporary)

	Employment	Labor Income	Economic Output
Direct (On-Site)	11,611	\$869,352,685	\$1,371,350,900
Indirect	885	\$63,509,131	\$200,950,356
Induced	2,641	\$161,730,040	\$485,714,553
Total Countywide	15,136	\$1,094,591,856	\$2,058,015,809
Estimated City Capture	11,787	\$880,614,643	\$1,405,684,145

Economic Benefits from Ongoing Operation (Annual)

	Employment	Labor Income	Economic Output
Direct (On-Site)	472	\$22,471,954	\$51,442,665
Indirect	67	\$4,858,333	\$12,547,043
Induced	73	\$4,497,007	\$13,503,387
Total Countywide	612	\$31,827,294	\$77,493,094
Estimated City Capture	479	\$22,939,721	\$52,745,187

Notes

100% of direct benefits estimated to be captured on-site within the City.

5% of indirect and induced benefits estimated to be captured off-site within the City.

Estimated ongoing benefits upon build-out and stabilization.



SCOTTS VALLEY
CALIFORNIA

Enhanced Infrastructure Financing District (EIFD) Public Financing Authority (PFA)

***Public Hearing #1 on the
Draft Infrastructure Financing Plan (IFP)
September 14, 2026***

**Prepared by:
Kosmont Companies**



SCOTTS VALLEY FIRE PROTECTION DISTRICT

SERVING THE COMMUNITIES OF SCOTTS VALLEY, BRANCIORTE, AND SANTA CRUZ COUNTY



Serving the Community | Working for the Future

COUNTY OF SANTA CRUZ

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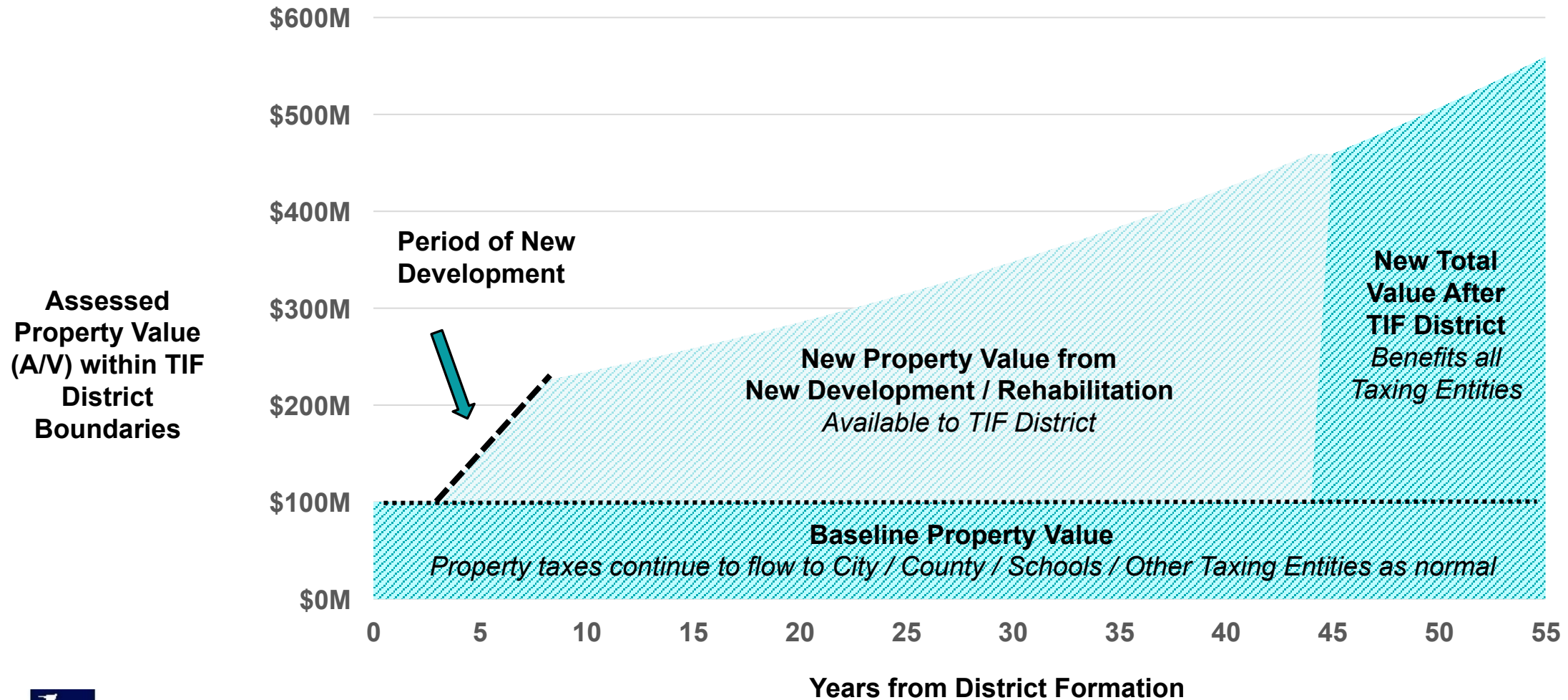
Executive Summary

- Scotts Valley has evaluated the use of an [Enhanced Infrastructure Financing District \(EIFD\)](#) to capture value from potential new development to fund critical infrastructure and community investment priorities without increasing taxes
- Scotts Valley City Council adopted a Resolution of Intention (ROI) to establish the EIFD as lead agency on December 3, 2025
- SV Fire Protection District Board of Directors adopted a ROI to participate in the EIFD on January 14, 2026
- County Board of Supervisors adopted a ROI to participate in the EIFD on April 14, 2026
- Public Financing Authority (PFA) met May 5, 2026 for its first organizational meeting and to direct preparation of the Infrastructure Financing Plan (IFP)

Executive Summary

- Public notices regarding the EIFD have been mailed, information was posted on a dedicated website, and notices were also published in the newspaper, as required by law, to provide notice to property owners and residents within the EIFD
- The purpose of this first PFA Public Hearing on the IFP is to consider modification or rejection of the IFP based on comments received during any portion of the formation process thus far, or otherwise take no action and continue with the formation process
- Next steps include one additional PFA public hearing and separate consideration by the City Council, Fire District Board of Directors, and the County Board of Supervisors
- Completion targeted before November 2026

Tax Increment Financing (TIF) Overview – Not a New Tax



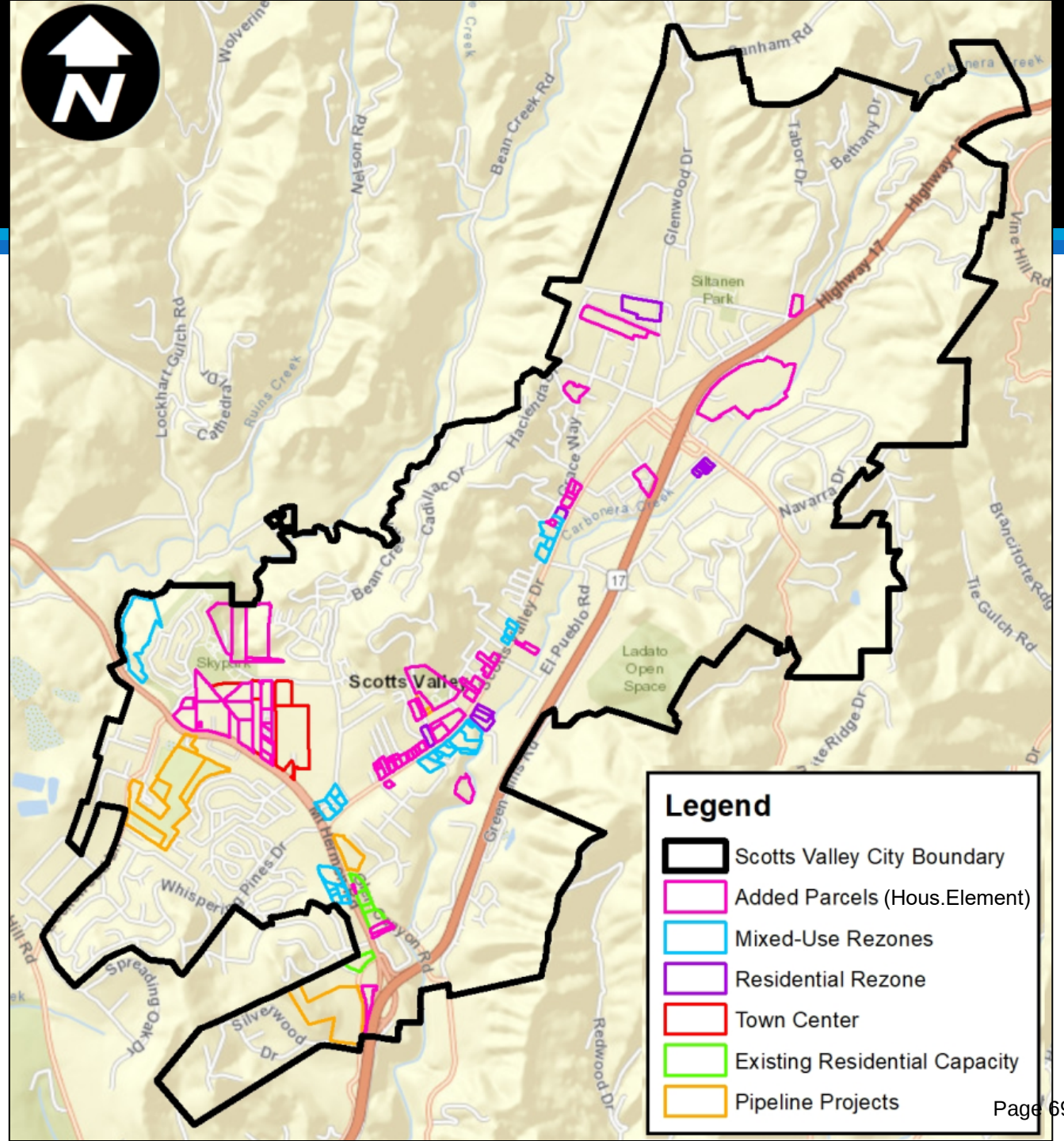
Contents of the Infrastructure Financing Plan (IFP)

- A. Description of the District
- B. Description of Proposed Facilities and Development
- C. Finding of Communitywide Significance
- D. Financing Section
- E. Goals of the District
- F. Appendices (e.g., Legal Description, Financial Analysis Detail)

Potential EIFD Boundary

Town Center + Other Opportunity Sites

- Town Center and other economic development opportunity sites identified in the Housing Element and Development Pipeline (incl. approved projects and projects under review)
- Approx. 236 acres (~8% of City)
- Approx. \$145M in existing assessed value (~4% of City)



Potential Investments to Receive EIFD Funding

Tier One / Nearer-Term

- a) Town Center blended-use supportive infrastructure (e.g., new traffic signals)
- b) Fire facilities

Tier Two / Mid-to-Longer Term

- a) Mount Hermon and Granite Creek roadway improvements (e.g., interchanges)
- b) Water and sewer improvements (e.g., sewer line along Mount Hermon Road)
- c) Wildfire risk reduction efforts (e.g., shaded fuel breaks, prescribed burning, structure hardening, vegetation control)
- d) Affordable housing gap financing
- e) Community facilities (e.g., senior center / community center / emergency shelter)
- f) Stormwater management (e.g., culverts)

Draft Financing Section Terms

- Each agency's allocation is based on a balance of funding capacity while also supporting a positive "return on investment" (net fiscal impact) for each agency's General Fund

EIFD Revenue Allocation Scenario	Year 5 Accumulated Revenue + Bonding Capacity*	Year 10 Accumulated Revenue + Bonding Capacity*	50-Year Present-Value @ 3% Discount Rate	50-Year Nominal Total
A) City 50%	\$1,932,000	\$6,235,000	\$18,073,000	\$43,332,000
B) County 25%	\$1,057,000	\$3,910,000	\$7,004,000	\$12,148,000
C) Fire District 30%	\$1,490,000	\$5,060,000	\$14,994,000	\$35,948,000
D) City 50% + County 25% + Fire 30%	\$5,804,000	\$16,530,000	\$40,071,000	\$91,428,000

City allocation includes allocation from both AB8 + MVLF in-lieu. County allocation does not include MVLF in-lieu. City and Fire allocation assumed for 50 years. County allocation assumed for 30 years.

* Bonding capacity assumes Year 5 is first bond issuance for EIFD. "Year 5 means fifth year of revenue following district formation. Net proceeds shown. Bondable revenue assumes \$25,000 admin charge, 150% debt service coverage. 6.0% interest rate; 30-year term. Proceeds net of 2% underwriter's discount, estimated reserve fund (maximum annual debt service), costs of issuance estimated at \$350,000. Source: Kosmont Financial Services (KFS), registered municipal advisor.

Financing Districts work better with a Multi-Agency Partnership & Attract Other Funding

- Districts which involve a multi-agency joint effort are more likely to win state grant funding sources
- Districts explicitly increase scoring for CA state housing grants (e.g., IIG, AHSC, TCC)

Other Public Sources

- *Cap-and-Trade / HCD grant & loan programs (AHSC, IIG, TCC, CERF)*
- *Prop 4 Climate Bond Fundings*
- *Prop 68 parks & open space grants*
- *Prop 1 water/sewer funds*
- *Caltrans ATP / HSIP grants*
- *Federal EDA / DOT / EPA funding*
- *Federal ARPA, Invest Act, IIJ Act*



Other Private Sources

- *Development Agreement / impact fees*
- *Benefit assessments (e.g., contribution from CFD)*
- *Private investment*

Regional and Communitywide Significance

- Housing: **2,300+ units**, including **1,000+ affordable units**
- Economic revitalization, climate resilience, addressing critical infrastructure needs
- Job creation, wages:
 - **15,100+ temporary construction-related jobs*** in City and County, ~**\$1.1B** related new wage income
 - **600+ permanent jobs** in the City and County, related ~**\$32M** in new annual wage income (categories of permanent jobs included in Appendix)
- Acceleration of development and related fiscal revenues for taxing entities:
 - **\$9 million** in present value **fiscal benefit** for **CITY** general fund over 50 years, net of tax increment contribution to TIF district and net of estimated fiscal expenditures (50% City TIF allocation scenario)
 - **\$8 million** in present value **fiscal benefit** for **FIRE DISTRICT** general fund over 50 years, net of tax increment contribution to TIF district and net of estimated fiscal expenditures (30% Fire District TIF allocation scenario)
 - **\$18 million** in present value **fiscal benefit** for **COUNTY** general fund over 30 years, net of tax increment contribution to TIF district and net of estimated fiscal expenditures (25% County TIF allocation scenario)
 - **\$11 million** in present value new sales tax funding for **COUNTY** transportation services (separate from County general fund)
 - **\$11 million** in present value new sales tax funding for Metropolitan Transit District
 - **\$5 million** in present value new sales tax funding for Santa Cruz Public Libraries
- Attract other funding not otherwise available for projects within the community

* Construction job-years, where one job-year is defined as one year of employment for one individual

Potential EIFD Formation Schedule

Target Date	Task
Q1-Q4 2025 COMPLETE	a) Conduct outreach/discussion among City staff and Council, County staff and Board of Supervisors, Fire District staff and Board, other relevant stakeholders
Dec 2025 – April 2026 COMPLETE	b) Final determination of EIFD boundaries, categories of targeted projects c) Participating taxing agencies consider non-binding Resolutions of Intention and formally establish PFA
May 5, 2026 COMPLETE	d) PFA directs the drafting of the Infrastructure Financing Plan (IFP)
June 2026 COMPLETE	e) Distribute draft IFP to property owners, affected taxing entities
August 10, 2026 COMPLETE	f) PFA holds an initial public meeting to present the draft IFP
September 14, 2026 TODAY	g) PFA holds first public hearing to hear additional comments and take action to modify or reject IFP
Sept / Oct 2026	h) City Council, Fire District Board, County Board of Supervisors consider Resolutions approving IFP
October 19, 2026	i) PFA holds second public hearing to consider oral and written protests and take action to terminate proceedings or adopt IFP and form the district by resolution

- Tax increment allocation begins fiscal year following district formation
- Debt issuance, if desired, would occur after a stabilized level of tax increment has been established (may be 3-5 years)

Next Steps / Actions Items

- For today:
 - a) Staff recommends that the Authority receive a presentation to review the draft Infrastructure Financing Plan (IFP), including revisions thus far, receive additional written and oral comments from the public regarding the EIFD and IFP, but take no formal action, so that the process may continue to the second and final Public Hearing
- Separate legislative body consideration of IFP approval in September / October
- Final PFA public hearing scheduled for October 19, 2026
- Scotts Valley EIFD website: <https://www.scottsvalley.gov/EIFD>

Disclaimer

The high-level analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

Discussions or descriptions of potential financial tools that may be available to the Client and public agencies are included for informational purposes only and are not intended to be to be “advice” within the context of this Analysis.

Municipal Advisory activities are conducted through Kosmont Companies’ affiliate, Kosmont Financial Services, which is Registered as a Municipal Advisor with the SEC and MSRB.

APPENDIX

TIF Districts in Progress Statewide



Jurisdiction	Purpose
Artesia + L.A. County	Transportation and affordable housing
Barstow	Industrial and housing supportive infrastructure
Brentwood	Housing, employment, and transit-supportive infrastructure
Buena Park	Mall reimagination, tourism-supportive infrastructure
Calipatria (CRD)	Economic and climate resilience infrastructure
Carson + L.A. County	Remediation, affordable housing, recreation
Covina	Downtown housing and blended use supportive infrastructure
Downey + L.A. County	Transit-oriented development, affordable housing
Fresno	Downtown, housing and transit-supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
Inglewood + L.A. County (CRD)	Transportation and affordable housing
Imperial County	Renewable energy, housing and infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Lakewood + L.A. County	Mall reimagination, smart streets, affordable housing
Long Beach	Economic empowerment and affordable housing
Los Angeles (Palisades, Downtown, other)	Affordable housing and transit-supportive infrastructure
Los Angeles County Santa Monica Mountains	Wildfire Recovery and Rebuild
Los Angeles County West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Water, sewer, roads and other housing infrastructure
Modesto + Stanislaus County	Downtown, housing, and recreation infrastructure
Mount Shasta	Rural brownfield mixed-use infrastructure
Napa	Downtown, housing, tourism supportive infrastructure
Norwalk + L.A. County	Affordable housing and infrastructure
Ontario	Airport-related, blended use, infrastructure
Palmdale + L.A. County	Housing, blended use, transit infrastructure
Pittsburg	Housing, commercial, and tech park infrastructure
Placentia + Orange County	Housing and TOD infrastructure
Rancho Cucamonga	Blended use and connectivity infrastructure
Redlands	Education related blended use, mall reimagination
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside County Thousand Palms	Housing, hospitality, medical supportive infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Pablo	Affordable housing, technology, roads, lighting, landscaping
Sanger	Commercial, hospitality, supportive infrastructure
Santa Cruz	Downtown, blended use, and climate resilience infrastructure
Santa Fe Springs + L.A. County	Housing and transit-oriented development infrastructure
Santa Rosa + County of Sonoma	Downtown investment, affordable housing, aging infrastructure
Scotts Valley + Scotts Valley Fire + County of Santa Cruz	Housing and mixed-use supportive infrastructure, fire facilities
Sebastopol + County of Sonoma	Housing, flood control, library, civic facilities
Sonoma County West (Unincorporated)	Housing, flood control, sewer, fire facilities
Yucaipa	Housing and commercial infrastructure
Fully Formed In Formation Process Under Evaluation	

Development Assumptions with EIFD Study Area

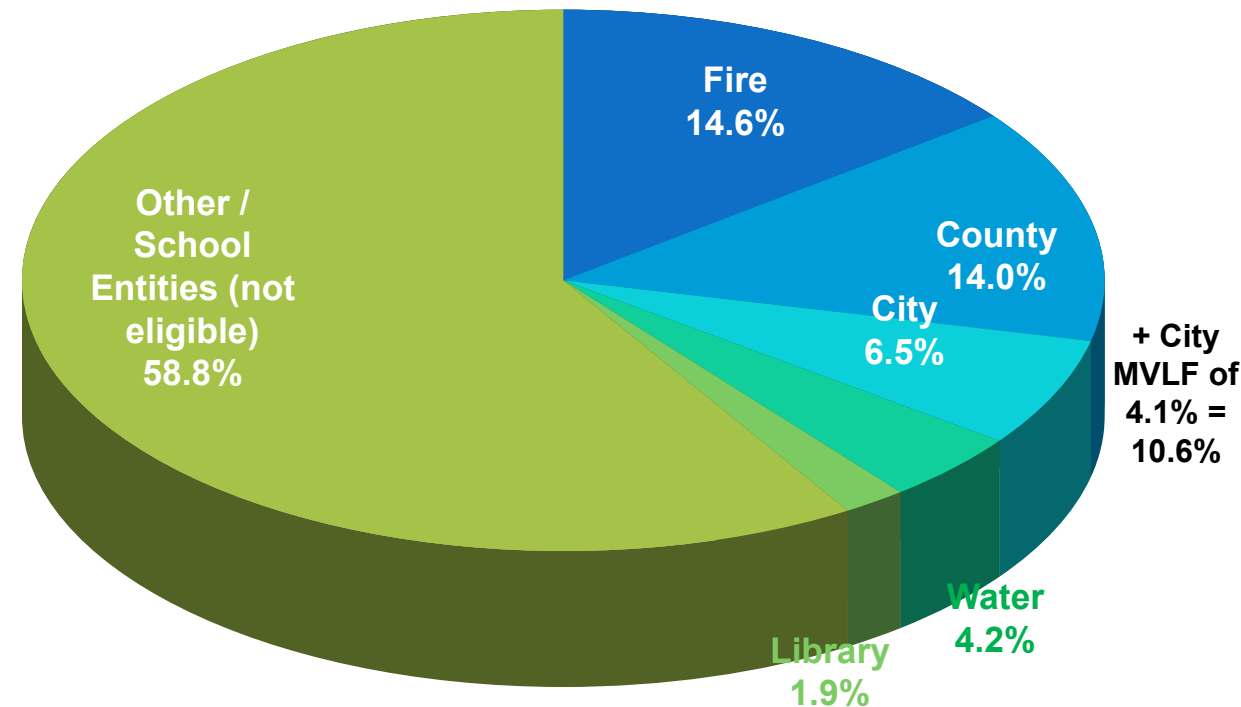
Absorption Assumed over ~20 Years

Area	# SF or Units	Estimated AV Factor	Estimated Total AV at Buildout
Residential – Market Rate For-Sale	431 units	\$950K per unit	\$409 million
Residential – Market Rate Rental	850 units	\$450K per unit	\$383 million
Residential – Affordable	1,064 units	<i>property tax exempt</i>	\$0
Hotel	300 rooms	\$400K per room	\$120 million
Commercial	70,000 SF	\$350 PSF	\$25 million
Industrial / Flex	87,592 SF	\$200 PSF	\$18 million
Total New Development Assumed within EIFD Study Area			\$954 million

Property Tax Revenues Available to EIFD

- Primary non-school recipients and potential contributors of property tax are **City, County, and Fire District**
- City share varies by area and averages ~**6.5% each** of every \$1 collected in property taxes, including the City's Tax Equity Allocation (TEA)
 - City additionally receives equivalent of ~**4.1%** of property tax in lieu of motor vehicle license fees (MVLFF), also available to EIFD
- County General Fund share averages ~**14.0%**
 - County additionally receives property tax in lieu of MVLFF, also available to EIFD, but not incorporated into this analysis to be conservative
- Fire District averages ~**14.6%**
- Water District averages ~**4.2%** and Library averages ~**1.9%**
- School-related entities cannot participate

Property Tax Distribution



As counties tend to rely more heavily on property tax revenue sources generated by new development within incorporated jurisdictions, it is Kosmont's experience that it is not reasonable to assume allocation of property tax in lieu of MVLFF by the County. As cities benefit from additional non-property tax revenue sources (e.g., sales tax, transient occupancy tax) from new development, it is Kosmont's experience that it is reasonable for cities to consider contributing property tax in lieu of MVLFF. Tax Rate Area (TRA) weighted average distributions for EIFD Study Area shown. Post-ERAF (Education Revenue Augmentation Fund) distribution. Parcels within former Redevelopment Agency Project Areas are subject to RPTTF revenue flow until expiration of ROPS obligations.

Source: Santa Cruz County Auditor Controller (2025)