

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.7**  
(ID # 20354)

**MEETING DATE:**

Tuesday, October 25, 2022

**FROM :** EXECUTIVE OFFICE AND OFFICE OF ECONOMIC DEVELOPMENT :

**SUBJECT:** EXECUTIVE OFFICE AND OFFICE OF ECONOMIC DEVELOPMENT: Adopt Resolution No. 2022-206, Intention to Approve the Highway 74 Enhanced Infrastructure Financing Plan. District 1. [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2022-206, a Resolution of the Board of Supervisors of the County of Riverside approving the Infrastructure Financing Plan for the Highway 74 Enhanced Infrastructure Financing District.

**ACTION:Policy**

Juan C. Perez, Chief Operating Officer 10/20/2022

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**MINUTES OF THE BOARD OF SUPERVISORS.**

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Hewitt, and Perez  
Nays: None  
Absent: None  
Date: October 25, 2022  
xc: E.O., OED

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: N/A</b>	
			<b>For Fiscal Year: N/A</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Enhanced Infrastructure Financing Districts (EIFDs) were introduced by the California Legislature from 2014-2015, enabling a new model for financing infrastructure and economic development in California. Government Code Sections 53398.50 through 53398.88 (EIFD law) authorizes EIFDs to issue bonds to finance public capital facilities. The available revenue for bonding is the increment of property tax and vehicle license fees within the established boundary, starting from the Fiscal Year after the ordinance to form the EIFD is passed. An EIFD is not a new tax imposed on property owners. School districts and community college district incremental tax revenues are not available for use; however, all other affected taxing entities may participate upon completion of a tax sharing agreement.

On May 24, 2022 (Agenda Item 3.19), the Board of Supervisors (the “Board of Supervisors”) of the County of Riverside (the “County”), adopted Resolution No. 2022-094 (the “Resolution of Intention”), stating its intention to establish the Highway 74 Enhanced Infrastructure Financing District (EIFD), and adopted Resolution No. 2022-095 establishing the Public Financing Authority (PFA) and its members to act as the governing board of the EIFD.

On August 30, 2022, the PFA held its first hearing, and its second public hearing on October 4, 2022. No protests or objections were received from the public during either hearing.

By passing attached Resolution No. 2022-206, the County Board of Supervisors would approve the Infrastructure Financing Plan (IFP) for the Highway 74 Enhanced Infrastructure Financing District, make the attached IFP part of today’s record, and direct the County Assessor’s Office to create a new Tax Rate Area(s) and file a Request for Jurisdictional Boundary Change with the State Board of Equalization by December 1, 2022, if the PFA conducts its third public hearing on November 8, 2022, approving the IFP.

With all of these steps completed by December 1, 2022, Fiscal Year 2023-24 will become the base year for the EIFD, and all increases in assessed valuation beginning thereafter will be included in the *ad valorem* property tax increment and the motor vehicle license fee increment.

**Highway 74 EIFD Area**

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Establishment of the Highway 74 EIFD will not result in any new taxes or fees to property owners. Increase in property value from resale and development of properties will be used for future infrastructure projects with community-wide and economic benefits. In western Riverside County, Highway 74 acts as a regional arterial between the Interstate 15 and 215 freeways, resulting in a significant amount of “cut through” traffic. Lack of necessary roadway, sewer and other public facility improvements generally result in the subject corridor along Highway 74 incurring the impacts from the over 25,000 vehicles that pass through the region each day, without the ability to capture the benefits. It is this lack of infrastructure that has served as an impediment to appropriate growth for the past 25 years, with many area residential and commercial land uses operating without the benefit of adequate infrastructure amenities.

The proposed Highway 74 EIFD encompasses approximately 941 acres, and 475 parcels along a 6.8-mile-long corridor of Highway 74 between the Cities of Lake Elsinore and Perris. It consists of a combination of developed parcels with a land use designation of business park, commercial retail, light industrial, or mixed-use, as well as vacant parcels that can potentially be developed into non-residential or possibly residential land uses.

The County is also in the process of drafting a Community Plan for this same section of the Highway 74 corridor to further invest in the community and encourage economic development, while preserving the area’s existing environment and characteristics, for the benefit of those who live, work and play within the communities located along Highway 74. The draft Community Plan is being developed with the goal of addressing the recommendations of the Highway 74 Business Corridor Land Use Study, which was completed in May 2016, and supported by an in-depth community outreach and public participation effort that engaged local communities, business leaders, and key stakeholders.

**Attachments:**

- Resolution No. 2022-206
- Draft Highway 74 Infrastructure Financing Plan

  
Rania Odenbaugh, Director of Constituent Services 10/19/2022

  
Aaron Gettis, Deputy County Counsel 10/18/2022

2 RESOLUTION NO. 2022-206

3  
4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE FOR  
5 APPROVAL OF THE INFRASTRUCURE FINANCING PLAN FOR THE HIGHWAY 74  
6 ENHANCED INFRASTRUCTURE FINANCING DISTRICT

7  
8 **WHEREAS**, the California Legislature enacted California Government Code section 53398.50  
9 through 53398.88 authorizing counties to establish enhanced infrastructure financing district and use  
10 specified property tax increment revenue generated with such districts to finance certain infrastructure and  
11 community benefit projects; and

12 **WHEREAS**, on May 24, 2022, the Board of Supervisors (the "Board of Supervisors") of the County  
13 of Riverside (the "County"), adopted Resolution No. 2022-094 (the "Resolution of Intention"), stating its  
14 intention to establish the Highway 74 Enhanced Infrastructure Financing District ("EIFD"), and adopted  
15 Resolution No. 2022-095 establishing the Public Financing Authority (the "PFA"), appointing PFA  
16 members, and designating the PFA members to act as the governing board of the EIFD; and

17 **WHEREAS**, the Board of Supervisors directed the preparation of an infrastructure financing plan  
18 (the "IFP") for the District in accordance with section 53398.63 of the Government Code; and

19 **WHEREAS**, the proposed IFP dedicates twenty-five percent (25%) of the County's property tax  
20 increment revenue generated from properties within the EIFD to be allocated to improvements of a  
21 community benefit within the EIFD and sets the date on which the EIFD will cease to exist and all tax  
22 allocation to the EIFD will end as forty-five (45) years; and

23 **WHEREAS**, the PFA held its first public hearing on August 30, 2022, and its second public hearing  
24 on October 4, 2022 and received no protests and no objections from the public at either hearing; and

25 **WHEREAS**, the Board of Supervisors has reviewed the proposed IFP for the EIFD.

26 **NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by  
27 the Board of Supervisors, assembled on October 25, 2022, as follows:

28 **Section 1.** All of the above recitals are true and correct.

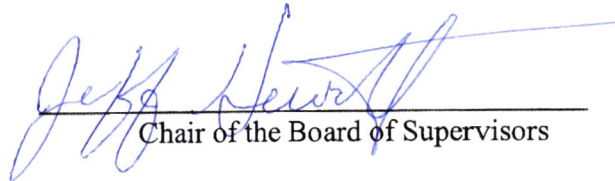
FORM APPROVED COUNTY COUNSEL  
BY *Sarah K. Moore* DATE 10/17/22  
SARAH K. MOORE

OCT 25 2022 3.7

1           **Section 2.** Pursuant to the provisions of sections 53398.68 (a) and 53398.75 (e) (1) of the  
2 Government Code, the proposed IFP for the EIFD is hereby approved.

3           **Section 3.** In approving the IFP, the Board of Supervisors specifically acknowledges and  
4 approves the commitment and contribution of twenty-five percent (25%) of the County's portion of the new  
5 ad valorem property tax increment and new vehicle licensing fees generated from within the boundaries of  
6 the EIFD for the life of the IFP, to pay for community-wide benefit projects as described in the IFP.

7  
8           **ADOPTED, SIGNED AND APPROVED** this 25<sup>th</sup> day of October 2022, by the Board of  
9 Supervisors of the County of Riverside.

10  
11   
Chair of the Board of Supervisors

12 ATTEST:

13 Kecia R. Harper

14 Clerk to the Board of Supervisors

15  
16 By:   
Deputy

17  
18 ROLL CALL:

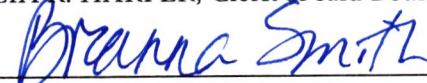
19 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt

20 Nays: None

21 Absent: None

22  
23 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the  
date therein set forth.

24 KECIA R. HARPER, Clerk of said Board

25 By:   
26 Deputy

27  
28 10.25.2022 3.7