

**Mossdale Tract Enhanced Infrastructure Financing
District Public Finance Authority**

22 E. Weber Avenue, Room 301 | Stockton, CA 95202 | (209) 937-7900 |www.sjafca.org

BOARD OF DIRECTORS

City of Stockton

Kimberly Warmesley
Dan Wright

Public Members

Steve Dresser
Vacant

San Joaquin County

Paul Canepa
Miguel Villapudua

City of Manteca

Gary Singh
Charlie Halford

City of Lathrop

Paul Akinjo
Diane Lazard

BOARD MEETING – In Person
San Joaquin Council of Governments
Board Conference Room
555 E. Weber Avenue, Stockton, CA

THURSDAY, May 18, 2023
11:00 A.M.

*Meeting to commence at 11:00 AM or immediately following
the conclusion of the SJAFCA Board of Director's meeting.*

Director Dan Wright may call in to participate in the meeting remotely from the Port of Stockton located
at 2201 W. Washington St, Suite 13, Stockton, CA 95203

- 1. CALL TO ORDER / ROLL CALL**
- 2. SELECTION OF CHAIR & VICE CHAIR**
- 3. PLEDGE TO FLAG**
- 4. PUBLIC COMMENT**
- 5. CONSENT ITEMS**
 - 5.1) Approval of Minutes from the July 21, 2022, Board Meeting
- 6. PUBLIC HEARINGS & ACTION ITEMS**
 - 6.1) Annual Report and Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding the transfer of EIFD Revenues
 - a.) Public Hearing on EIFD Annual Report
 - b.) Resolution approving Annual Review of the Infrastructure Financing Plan, Adoption of EIFD Annual Report Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding EIFD Revenues, Operations and related actions.

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7. ORAL REPORT FROM EXECUTIVE DIRECTOR

8. BOARD QUESTIONS, COMMENTS, ACTIONS

9. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications accommodations to participate in this meeting, please contact the Board's office at (209) 937-7900 or (209) 937-7115 (fax). Requests must be made one full business day before the start of the meeting.

Agenda Item 2.0

May 18, 2023

TO: Mossdale Tract Enhanced Infrastructure Financing District (EIFD) Public Finance Authority (PFA) Board

FROM: Chris Elias, Executive Director

SUBJECT: **Electing a Chair and Vice-Chair for the Mossdale Tract Enhanced Infrastructure Financing District (EIFD) Public Finance Authority (PFA)**

RECOMMENDATION

As a result of vacancies on the PFA Board, it is recommended the Board of Directors of the Mossdale Tract Enhanced Infrastructure Financing District Public Finance Authority (EIFD PFA or Agency) adopt a Resolution electing a new Chair and new Vice-Chair for the EIFD PFA Board of Directors for calendar year 2023.

DISCUSSION

The current Chair and Vice Chair are no longer serving on the EIFD PFA Board. As a result, the EIFD PFA should nominate and elect a new Chair and new Vice-Chair for calendar year 2023.

FISCAL IMPACT

There is no fiscal impact as a result of the EIFD PFA Board's approval of the recommendation.

ATTACHEMENTS

1. EIFD PFA Resolution 2023-01



CHRIS ELIAS
EXECUTIVE DIRECTOR,
PUBLIC FINANCE AUTHORITY

RESOLUTION NO. 2023-01

**Public Financing Authority of the
Mosssdale Tract Enhanced Infrastructure Financing District**

**RESOLUTION ELECTING A CHAIR AND VICE CHAIR FOR THE
PUBLIC FINANCING AUTHORITY OF THE MOSSDALE TRACT
ENHANCED INFRASTRUCTURE FINANCING DISTRICT**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PUBLIC FINANCING AUTHORITY OF THE MOSSDALE TRACT ENHANCED INFRASTRUCTURE FINANCING DISTRICT, AS FOLLOWS:

1. The Chair and the Vice-Chair are to be elected among its members of the Public Financing Authority of the Mosssdale Tract Enhanced Infrastructure Financing District.
2. The Chair and the Vice-Chair will hold office until the appointment of new Chair and Vice Chair which is expected to take place at the first meeting in 2024.
3. The following persons are hereby elected:

_____ CHAIR
_____ VICE-CHAIR

PASSED AND ADOPTED by the Public Financing Authority of the Mosssdale Tract Enhanced Infrastructure Financing District on this 18th day of May, 2023, by the following votes.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____, Chair
Public Financing Authority of the Mosssdale
Tract Enhanced Infrastructure Financing
District

ATTEST:

CHRIS ELIAS, Secretary
Public Financing Authority of the
Mosssdale Tract Enhanced Infrastructure
Financing District

APPROVED AS TO FORM:

SCOTT L. SHARPIRO, Legal Counsel
for the Mosssdale Tract Enhanced
Infrastructure Financing District

Mosssdale Tract EIFD – PFA

Agenda Item 5.1

**MINUTES
MOSSDALE TRACT ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCE AUTHORITY
BOARD MEETING OF JULY 21, 2022**

STOCKTON, CALIFORNIA

1. CALL TO ORDER / ROLL CALL 11:15 AM

Roll Call

Present:

Director Akinjo
Director Dresser
Director Halford
Director Lazard
Director Miller
Director Morowit
Director Singh
Director Wright

Absent:

Director Warmsley
Director Winn

2. PLEDGE TO FLAG 11:16 AM

3. PUBLIC COMMENT 11:16 AM

None

4. CONSENT ITEMS 11:17 AM

4.1) Approval of Minutes from the May 26, 2022, Public Finance Authority (PFA) Board Meeting

Motion: To approve the Minutes from the May 26, 2022, PFA Board Meeting

Moved by: Director Singh, Seconded by Director Halford

Vote: Motion carried 8-0

Yes: Director Akinjo, Director Dresser, Director Halford, Director Lazard, Director Miller, Director Morowit, Director Singh, Director Wright

Absent: Director Warmsley, Director Winn

5. PUBLIC HEARING 11:16 AM

5.1) Public Hearing and Formation of the proposed Mossdale Tract Enhanced Infrastructure Financing District

Presentation given by Seth Wurzel of Larsen Wurzel and Associates, Inc.

a. Conduct a third public hearing pursuant to Government Code Section 53398.66.

The Hearing opened for discussion by Director Miller at **11:31 AM**.

PUBLIC COMMENTS

None.

The Hearing was closed by Director Miller at **11:32 AM**.

- b. Consider approval of a resolution proposing the adoption of the Infrastructure Financing Plan and formation of the Mosssdale Tract Enhanced Infrastructure Financing District

Motion: To adopt a Resolution for the Infrastructure Financing Plan and formation of the Mosssdale Tract Enhanced Infrastructure Financing District
Moved by: Director Wright, Seconded by Director Halford
Vote: Motion carried 8-0
Yes: Director Akinjo, Director Dresser, Director Halford, Director Lazard, Director Miller, Director Morowit, Director Singh, Director Wright
Absent: Director Warmesley, Director Winn

6. ORAL REPORT FROM EXECUTIVE DIRECTOR 11:35 AM

7. BOARD QUESTIONS, COMMENTS, ACTIONS 11:38 AM
None

8. ADJOURNMENT 11:39 AM

The next meeting is scheduled for September 15, 2022, at 10:00 AM.



CHRIS ELIAS, Secretary
Public Financing Authority
of the Mosssdale Tract Enhanced
Infrastructure District

July 21, 2022, EIFD – PFA Meeting Minutes

Agenda Item 6

May 18, 2023

TO: Mossdale Tract Enhanced Infrastructure Financing District (EIFD) Public Finance Authority (PFA) Board

FROM: Chris Elias, Executive Director
Seth Wurzel, Financial Consultant

SUBJECT: **Annual Report and Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding the transfer of EIFD Revenues**

RECOMMENDATION

Staff Recommends that the EIFD PFA Board:

- a) Conduct the required public hearing on the EIFD Annual Report; and,
- b) Upon conclusion of the Public Hearing, adopt a resolution approving Annual Review of the Infrastructure Financing Plan, Adoption of EIFD Annual Report, and a Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding EIFD Revenues and related actions.

DISCUSSION

EIFD Law requires that on an annual basis the EIFD PFA review the EIFD's Infrastructure Financing Plan ("IFP"), make any amendments that are necessary and appropriate, prepare an annual report ("Annual Report") that describes the following:

- The projects undertaken in the fiscal year,
- Present a chart of actual revenues and expenses compared to budgeted revenues and expense,
- Report the amount of tax increment revenues received,
- Report on the status of EIFD funded projects; and,
- Report on the amount revenues expended to assist private business.

Further, the EIFD PFA must prepare a draft of that report, make it available at least 30-days prior a public hearing on the website of the EIFD PFA, mail a notice to all written notice of the availability of the draft report on the internet website to each owner of land and each resident and taxing entity within the area covered by the Infrastructure Financing Plan.

Staff has direct Economic & Planning Systems, Inc. to review the Infrastructure Financing Plan and prepare the "Fiscal Year 2022-2023 Annual Report for the Public Financing Authority of the Mossdale Tract Enhanced Infrastructure Financing District Annual Report" a copy of which is attached as Exhibit A to the attached Resolution (**Attachments 1 and 2**).

Further, staff made this report available on the EIFD PFA's website on April 15th (more than 30-days in advance) and mailed the attached Notice of Availability of Draft Annual Report and Public Hearing (**Attachment 4**) to all owners of land, residents and participating taxing entities within the area covered by the Infrastructure Financing Plan.

In summary, the Annual Report notes the following:

- For Fiscal Year 2022-23, as expected, no projects planned within the IFP have commenced construction.

AGENDA ITEM 6.1

Annual Report and Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding the transfer of EIFD Revenues

- To date, no Property Tax Increment has been apportioned to the EIFD PFA. As such, the EIFD PFA has expended no funds. Through coordination with the Auditor Controller, as part of a final tax apportionment for the Fiscal Year, the EIFD expects to receive approximately \$941,000. It is expected that these funds will be apportioned in June 2023. As such, SJAFCA expects that these funds will be budgeted as part of available fund balance in Fiscal Year 2023/24.
- Because no funds have been received by the EIFD PFA to date, no projects are expected to be completed in the reporting period. SJAFCA expects that work may commence in the upcoming Fiscal Year 2023/24.
- Further, no funds have been expended to assist Private Businesses in FY 2022-23.

Because the PFA is expected to receive Tax Increment funds at the end of FY 2022-23, and the sole purpose of the EIFD is to provide funds for SJAFCA Mossdale Tract Program, a mechanism is needed to move funding from EIFD PFA to SJAFCA. With this mechanism in place, the EIFD will be able to budget expenses and fund the Mossdale Tract Program. Staff has prepared a Memorandum of Understanding between the EIFD PFA and SJAFCA ("MOU") (**Attachment 3**) to provide for the movement of funding from the PFA to SJAFCA. The key aspect of the MOU, as it relates to the transfer of funding for projects are summarized in the bullets below:

- SJAFCA will prepare a list of the capital improvement projects for the EIFD that SJAFCA expects to implement consistent with the approved IFP (a "List").
- To the extent that the PFA has available funding, after administrative expenses, to fund the List of projects, it will allocate funding to SJAFCA for the listed projects.

Because SJAFCA is working to establish other funding for the project, in particular State and Federal funding, terms have been incorporated into the MOU to address the possibility that the full Tax Increment capacity of the EIFD may not be needed in the future. As such, staff has incorporated terms that provide for the return of any allocated funding to SJAFCA that is potentially not needed back to the Authority. These special provisions of the MOU are summarized below:

- To the extent, that for FY's 2023-24 through 2026-27, SJAFCA has been allocated funding from the PFA for the projects on the List, but has not utilized that funding within two years of receipt of that funding, the PFA or any its member agencies may request that SJAFCA and the PFA meet and confer as to the need and timing of future funding. More specifically, as it relates to that meet and confer process.
 - The meeting shall discuss whether (i) any additional funding is needed from the PFA by SJAFCA in the future; (ii) the timing of any needed future funding; and (iii) whether any funding that has not been used should be returned to PFA to be further returned back to the agency that provided the property tax increment.

Finally, the other relevant provisions of the MOU involves staffing services of the PFA. The MOU provides for SJAFCA to staff and providing for the administrative / operational services of the PFA with reimbursement to SJAFCA by the PFA for the cost of these services. Further, it ensures that

Annual Report and Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding the transfer of EIFD Revenues

all conflicts are waived as part of providing these services given the understanding that the PFA was established to fund and advance SJAFCA's Mossdale Tract program.

FISCAL IMPACT

There is no fiscal impact as a result of the EIFD PFA Board's approval of the recommendation.

ATTACHMENTS

1. EIFD PFA Resolution 2023-02 – A Resolution Approving the Annual Review of the Infrastructure Financing Plan, Adoption of the Annual Report, approving a Memorandum of Understanding with San Joaquin Area Flood Control Agency regarding EIFD Revenues, operations, and related actions.
2. Exhibit A to EIFD PFA Resolution 2023-02 – Fiscal Year 2022-2023 Annual Report for the Public Financing Authority of the Mossdale Tract Enhanced Infrastructure Financing District
3. Exhibit B to EIFD PFA Resolution 2023-02 – Memorandum of Understanding between the San Joaquin Area Flood Control Agency and the Mossdale Tract Enhanced Infrastructure Financing Authority
4. Copy of Mailed Notice to all Property Owners, Residents and Taxing Entities



CHRIS ELIAS
EXECUTIVE DIRECTOR,
PUBLIC FINANCE AUTHORITY

RESOLUTION NO. 2023 - 02**Public Financing Authority of the
Mossdale Tract Enhanced Infrastructure Financing District****A RESOLUTION APPROVING ANNUAL REVIEW OF THE INFRASTRUCTURE
FINANCING PLAN, ADOPTION OF ANNUAL REPORT, APPROVING A
MEMORANDUM OF UNDERSTANDING WITH SAN JOAQUIN AREA FLOOD
CONTROL AGENCY REGARDING EIFD REVENUES, OPERATIONS AND
RELATED ACTIONS**

WHEREAS, the California Legislature enacted California Government Code sections 53398.50 through 53398.88 (the “EIFD Law”) authorizing cities and counties to establish enhanced infrastructure financing districts and use specific property tax increment revenue generated within such districts to finance certain infrastructure and community benefit projects; and

WHEREAS, the City Council (the “City Council”) of the City of Lathrop (the “City of Lathrop”) adopted Resolution No. 22-5019 on January 13, 2022 (the “Resolution of Intention”) which initiated the process to establish the Mossdale Tract Enhanced Infrastructure Financing District (the “EIFD”) to finance certain public and other specified facilities, approved the establishment of the EIFD’s Public Financing Authority (the “Authority”); and

WHEREAS, on January 18, 2022, the City Council of the City of Manteca adopted its resolution of intent to participate in proposed EIFD; and

WHEREAS, on February 8, 2022, the City Council of the City of Stockton adopted its resolution of intent to participate in proposed EIFD; and

WHEREAS, on February 15, 2022, the San Joaquin County Board of Supervisors adopted its resolution of intent to participate in proposed EIFD; and

WHEREAS, on March 2, 2022, the Authority, as the governing board of the EIFD, directed the preparation of an Infrastructure Financing Plan (“Infrastructure Financing Plan”) for the EIFD; and

WHEREAS, on June 14, 2022, the City of Stockton, adopted its resolution approving the Infrastructure Financing Plan; and

WHEREAS, on June 21, 2022, the County of San Joaquin, adopted its resolution approving the Infrastructure Financing Plan; and

WHEREAS, on June 21, 2022, the City of Manteca, adopted its resolution approving the Infrastructure Financing Plan; and

WHEREAS, on July 11, 2022, the City of Lathrop, adopted its resolution approving the Infrastructure Financing Plan; and

WHEREAS, on July 21, 2022, the Authority adopted its resolution adopting the Infrastructure Financing Plan for the EIFD and forming the EIFD; and

WHEREAS, items financed by the Authority pursuant to the Infrastructure Financing Plan shall be undertaken by the San Joaquin Area Flood Control Agency (“SJAFCA”) and SJAFCA staff provides certain administrative functions for the Authority; and

WHEREAS, because the Authority expects to receive approximately \$941,000 of tax increment revenue in June 2023 or later, and had no expenses during fiscal year 2022-2023, no audit was necessary and was not performed under the EIFD Law;

WHEREAS, Government Code section 53398.66(j)(1), requires that the Authority review the EIFD’s Infrastructure Financing Plan at least annually, make any amendments that are necessary and appropriate, produce an annual report (“Annual Report”), conduct a public hearing on the Annual Report, and produce an audit; and

WHEREAS, notice of the hearing on the Annual Report and availability of said report was duly provided as required by the EIFD Law, as evidenced by the affidavit on file with the Authority Secretary and a copy of the Annual Report is attached hereto as Exhibit A which is incorporated herein by reference; and

WHEREAS, pursuant to the EIFD Law the Board convened a public hearing on May 18, 2023, at its regularly scheduled meeting; and

WHEREAS, at the hearing, the testimony of all interested persons, including all property owners and residents within the EIFD desiring to be heard on the Annual Report was heard and considered, and a full and fair hearing was held thereon; and

WHEREAS, the Authority has reviewed the proposed Annual Report; and

WHEREAS, as part of the EIFD’s annual financial planning and infrastructure development to be undertaken in conjunction with SJAFCA, the Authority deems it prudent to enter into a Memorandum of Understanding (“MOU”) with SJAFCA, attached hereto as Exhibit B, to memorialize certain responsibilities and obligations;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Public Financing Authority of the Mossdale Tract Enhanced Infrastructure Financing District that:

Section 1. Recitals. The Authority finds and determines that the foregoing recitals are true and correct.

Section 3. Review of Infrastructure Financing Plan. The Authority has performed its annual review of the Infrastructure Financing Plan and determined that there are no amendments that are necessary and appropriate.

Section 4. EIFD Annual Report. The Annual Report is hereby approved as presented.

Section 5. Approval of MOU. The Authority hereby approves the MOU and the Executive Director and/or his designee (“Designated Officers”) are hereby authorized to execute and deliver the MOU on behalf of the Authority, in substantially final form with such changes therein as the Designated Officers, may require or approve, consistent with the terms and conditions of this resolution.

Section 6. Severability. If any section, subsection, phrase, or clause of this resolution is for any reason found to be invalid, such section, subsection, phrase, or clause shall be severed from, and shall not affect the validity of, all remaining portions of this resolution that can be given effect without the severed portion.

Section 7. General Authorization. The Executive Director, the Secretary of the Authority, and all other officers and agents of the Authority are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution. Any actions heretofore taken by said officers and agents, on behalf of the Authority, that is in conformity with the purposes and intent of this Resolution and with the provisions of the EIFD Law, are hereby approved and confirmed.

Section 8. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Governing Board of the Public Financing Authority of the Mosssdale Tract Enhanced Infrastructure Financing District on this ____ day of _____, 2023, by the following votes.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Chair, Public Financing Authority of the Mosssdale
Tract Enhanced Infrastructure Financing District

ATTEST:

Secretary, Public Financing Authority of the Mosssdale
Tract Enhanced Infrastructure Financing District

EXHIBIT A
ANNUAL REPORT

DRAFT

Fiscal Year 2022-2023 Annual Report for the Public Financing Authority of the Mossdale Tract Enhanced Infrastructure Financing District

This Annual Report is issued in accordance with the requirements of the Enhanced Infrastructure Financing District (EIFD) Law. The Public Financing Authority (PFA) was established in 2022 and to date, it has not undertaken any of the projects set forth in the June 2022 Mossdale Tract EIFD Infrastructure Financing Plan.

The Economics of Land Use



- A. Projects Undertaken in Fiscal Year (FY) 2022-2023:
 - No authorized projects have commenced construction. As noted in Section D, this project status meets the expected progress to be made during FY 2022-2023.
- B. Actual versus Budgeted Revenues and Expenses in FY 2022-2023:
 - **Property Tax Increment:** Approximately \$941,000 in tax increment revenue will be received by the PFA in June 2023.
 - **Expenses:** None during this reporting period.
- C. Amount of Property Tax Increment Projected to be Received in FY 2022-2023:
 - Approximately \$941,000 in tax increment revenue will be received by the PFA in June 2023.
- D. Assessment of Completion of Projects in FY 2022-2023:
 - No projects are expected to be completed in this reporting period. It is anticipated that work will commence on various authorized projects in the upcoming FY 2023-2024.
- E. Amount of Revenues Expended to Assist Private Businesses in FY 2022-2023:
 - None during this reporting period.

Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
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Oakland
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Denver
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www.epsys.com

For more information, please visit www.sjafca.org/mossdale-tract or call (209) 487-1387.

EXHIBIT B

Memorandum of Understanding between
the San Joaquin Area Flood Control Agency
and the Mossdale Tract Enhanced Infrastructure Financing Authority

DRAFT

Exhibit B

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
SAN JOAQUIN AREA FLOOD CONTROL AGENCY AND
THE MOSSDALE TRACT ENHANCED INFRASTRUCTURE FINANCING
DISTRICT PUBLIC FINANCING AUTHORITY**

This Memorandum of Understanding (this “MOU”) is dated as of _____, 2023 (the “Effective Date”), and is entered into by and between the MOSSDALE TRACT INFRASTRUCTURE FINANCING DISTRICT PUBLIC FINANCING AUTHORITY, a public agency (the “Authority”), and the SAN JOAQUIN AREA FLOOD CONTROL AGENCY, a joint powers authority (“SJAFCA”). Authority and SJAFCA are sometimes referred to in this MOU, individually, as a “Party” and, collectively, as the “Parties.” The Parties enter into this MOU with reference to the following recited facts (each, a “Recital”):

RECITALS

A. The California Legislature enacted California Government Code (the “Code”) sections 53398.50 through 53398.88 (the “EIFD Law”) authorizing cities and counties to form enhanced infrastructure financing districts and use specified property tax increment revenue generated within such districts to finance certain infrastructure and community benefit projects; and

B. In enacting the EIFD Law, the California Legislature found and determined that with the dissolution of redevelopment agencies, public benefits will accrue, if local agencies finance public infrastructure and community benefit projects authorized under the EIFD Law;

C. On January 13, 2022 the City Council of the City of Lathrop adopted its resolution stating its intention to establish the Mossdale Tract Enhanced Infrastructure Financing District (the “EIFD”);

D. on January 18, 2022, the City Council of the City of Manteca adopted its resolution of intent to participate in the proposed EIFD;

E. on February 8, 2022, the City Council of the City of Stockton adopted its resolution of intent to participate in the proposed EIFD;

F. on February 15, 2022, the San Joaquin County Board of Supervisors adopted its resolution of intent to participate in the proposed EIFD;

G. on March 2, 2022, the Authority directed the preparation of an Infrastructure Financing Plan (the “IFP”) for the District;

H. on June 14, 2022, the City of Stockton, adopted its resolution approving the IFP;

I. on June 21, 2022, the County of San Joaquin, adopted its resolution approving the IFP;

Exhibit B

J. on June 21, 2022, the City of Manteca, adopted its resolution approving the IFP;

K. on July 11, 2022, the City of Lathrop, adopted its resolution approving the IFP;

L. on July 21, 2022, the Authority adopted its resolution adopting the IFP for the EIFD and forming the EIFD;

M. The IFP provides for the EIFD to financially assist certain public flood control infrastructure projects including, but not limited to, public flood risk reduction infrastructure associated with ensuring that the resulting levee system complies with the Urban Levee Design Criteria promulgated by the California Department of Water Resources and SJAFCA's Resolution No. 19-06 and SJAFCA's Adopted Policy for Adapting Design Standards for the Mossdale Tract Area of SJAFCA in light of Climate Change;

N. SJAFCA and Authority desire to provide for an efficient process for the Authority to provide financial assistance to the identified SJAFCA infrastructure projects and for SJAFCA to provide staff resources for the efficient operation of the District;

NOW THEREFORE, in consideration of the above Recitals, the covenants, conditions and agreements set forth in this MOU, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. TERM. This MOU shall commence on the Effective Date and shall continue until amended by the parties or modified pursuant to Section 3.1.2, subject to the rights of the Parties under Section 7. Notwithstanding any provision of this MOU to the contrary, the term shall not exceed the duration of the EIFD.

2. ANNUAL INFRASTRUCTURE PROGRAM PROCESS. SJAFCA and Authority acknowledge and agree that all of the public infrastructure projects identified in the IFP for financing thru the EIFD constitute the Authority capital improvement projects ("Authority CIP(s)") and are part of a larger group of SJAFCA capital improvement projects ("CIPs") that will be designed, contracted for and constructed by SJAFCA, or by other public entities pursuant to contribution agreements with SJAFCA for SJAFCA to reimburse costs of construction of the capital improvements to the public entities.

3.1. Implementation. In order to provide for implementation of the Authority CIPs, SJAFCA and Authority agree that, by the end of the third fiscal year quarter of each fiscal year during which this MOU is in effect, SJAFCA shall deliver to Authority a list (the "List") of the Authority CIPs that SJAFCA plans to implement (whether one or more project phases or the complete Authority CIPs) during the immediately following fiscal year and request Authority transfer of funding for such Authority CIPs ("Approved Authority CIPs").

3.1.1. To the extent that Authority has funds currently on-hand and/or that are projected to be received and available (not previously committed to Authority operating expenses in the applicable Authority fiscal year budget or other Authority CIPs identified by SJAFCA for implementation) to finance Authority CIPs ("Available Funds") and SJAFCA has indicated that it needs such Available Funds for the planning, permitting, design and construction of the CIPs on the List, Authority shall allocate such Available

Exhibit B

Funds to SJAFCA for the Approved Authority CIPs on the List in the order of priority presented by SJAFCA.

3.1.2. Notwithstanding this Section 3.1, for fiscal years 2023-24, 2024-2025, 2025-2026, and 2026-2027, if SJAFCA has not used the funding provided by the Authority within two years of receipt of that funding, then the Authority or one of its member agencies may request that the Authority and SJAFCA meet and confer as to the need and timing of future funding. Such meet and confer shall occur as between the Authority and SJAFCA and shall include a representative of each of the member agencies. The meeting shall discuss whether (i) any additional funding is needed from the Authority in the next or future fiscal years; (ii) the timing of any future funding; and (iii) whether the funding that has not been used should be returned to the Authority to be further returned back to the agency that provided the property tax increment, subject to compliance with any applicable Authority and/or SJAFCA financing obligations and covenants and applicable Federal tax law. Absent agreement of the Authority, SJAFCA, and the representatives of the member agencies, Available Funds shall continue to be allocated.

3.1.3. Allocation of funds projected to be received is subject to actual receipt of such funds by the Authority. The amount of Available Funds allocated to any Authority CIP shall be equal to the estimated cost of such Authority CIP not funded from other financing sources, until Authority has no more Available Funds or the amount of the estimated cost of such Authority CIP not funded from other financing sources has been allocated to SJAFCA, whichever occurs first.

3.1.4. Authority shall consider allocation of Available Funds to SJAFCA for the Authority CIPs identified for implementation in the immediately following fiscal year, to the extent practical, by the end of the third fiscal year quarter of each fiscal year, or as otherwise docketed for consideration by the Authority.

3.2. Funding Reallocation. If and to the extent that SJAFCA's priorities change for Authority CIPs identified for implementation, whether due to emergency, unforeseen circumstances accelerating or slowing project progress, other funding becoming available, increasing or decreasing costs, etc., SJAFCA may reallocate all or a portion of money allocated by Authority to another Authority CIP in compliance with the IFP and subject to approval by the Authority.

3.2.1. SJAFCA shall only spend money from the Authority on Authority CIPs in accordance with SJAFCA's then current process for budgeting and executing its projects.

3.2.2. If and to the extent that an Authority CIP allocated funds by Authority will not proceed to completion of the entire project, phase(s), or other elements for which Authority provided funding, such funding shall be either allocated by SJAFCA to another Authority CIP allocated funding by Authority or returned to Authority.

4. AUTHORITY BUDGET. Authority will endeavor to adopt a budget for its operating expenses and Authority CIP expenditures for Authority's immediately following fiscal year by the end of the third fiscal year quarter of each fiscal year. Authority's operating expense portion of its budget shall include funds allocated to reimburse SJAFCA for staff services provided to Authority pursuant to Section 5. When SJAFCA delivers to Authority the list of Authority CIPs that SJAFCA

Exhibit B

plans to implement during the immediately following fiscal year, pursuant to Section 3, SJAFCA shall also deliver a budget estimate to Authority for SJAFCA staff services and Authority program operating expenses to Authority for the immediately following fiscal year.

5. SJAFCA STAFFING OF AUTHORITY. SJAFCA shall provide the employees, consultants, and legal services ("SJAFCA Staff") for the Authority on an as needed basis. Authority shall pay SJAFCA for the documented time of SJAFCA Staff who provide services to Authority at each person's then applicable hourly SJAFCA salary rate, including applicable overhead and load, or such rates as are charged to SJAFCA for non-SJAFCA employees. All SJAFCA Staff expenses incurred by Authority shall be billed to Authority and paid to SJAFCA using a billable internal order of SJAFCA.

5.1. At the request of Authority, SJAFCA shall send detailed accounting records of SJAFCA staff costs incurred in staffing the Authority. The costs of SJAFCA staff incurred by Authority shall accrue during any time period that Authority does not have revenue to pay such costs and shall be payable when Authority has revenue available to pay such costs.

5.2 SJAFCA and Authority acknowledge that employees, consultants, and legal counsel are providing services to both and hereby waive any conflicts that may arise from providing such services, recognizing the significant overlapping functions of SJAFCA and Authority and that Authority has been created for the exclusive purpose of providing needed funding to SJAFCA for the Authority CIPs.

6. COMPLIANCE WITH LAWS AND POLICIES. The Parties shall comply with all applicable laws, statutes, rules, regulations, orders, ordinances, resolutions, permits, requirements, and policies of the Federal, State, SJAFCA and other local governments to the extent applicable to their performance under this MOU.

7. REMEDIES FOR NON-PERFORMANCE. Notwithstanding any provision of this MOU to the contrary, if a Party fails to comply with any term or condition of this MOU, the other Party may exercise any or all of the following remedies: (a) any remedy specified in this MOU for such non-performance; or (b) any remedy available to the Party at law or in equity for such non-performance. The rights and remedies of the Parties under this MOU are cumulative and exercise of any one or more of such rights or remedies shall not limit, waive, or deny any of a Party's other rights or remedies under this MOU, at law or in equity, existing as of the Effective Date or later enacted or established, that may be available to a Party.

8. INFORMAL DISPUTE RESOLUTION. If the Parties have any dispute as to their respective rights, obligations, or duties under this MOU, or the meaning or interpretation of any provision contained in this MOU, they shall first attempt to resolve such dispute by informal discussion between their respective representatives. Within five (5) calendar days of determining the existence of any such dispute, the Party determining there is such a dispute may give Notice to the other Party of the existence of the dispute and the need to meet informally to resolve such dispute. The Parties shall endeavor, thereafter, to meet within five (5) calendar days of the second Party's receipt of such Notice, or at such time as is reasonable under the circumstances.

Exhibit B

9. AUTHORITY INDEMNIFICATION OF SJAFCA. Authority shall defend, indemnify, protect, and hold harmless SJAFCA, its elected officials, officers, employees, representatives, and agents from and against any and all claims asserted, or liability established, for damages or injuries to any person or property, including injury to Authority members or Authority officers, employees, invitees, guests, or agents that arise from, or are connected with, or are caused, or claimed to be caused by, this MOU, or by one or more acts or omissions of Authority, Authority members, or Authority or Authority officers, employees, invitees, guests, or agents in performing this MOU, and all expenses of investigating and defending against same, including attorney's fees and costs. However, Authority's duty to indemnify and hold harmless pursuant to this Section 9 shall not include any claims or liability arising from the established sole negligence or willful misconduct of SJAFCA, its elected officials, officers, employees, representatives, or agents. SJAFCA may, at its sole discretion, conduct or participate in its own defense of any claim subject to this Section 9. If SJAFCA elects to conduct or participate in its own defense, or obtain independent legal counsel in defense of any claim subject to this Section 9, Authority shall pay SJAFCA for all costs related thereto, including attorney's fees and costs. Authority shall pay SJAFCA any and all costs SJAFCA incurs enforcing the indemnity and defense provisions set forth in this Section 9.

10. SJAFCA INDEMNIFICATION OF AUTHORITY. SJAFCA shall defend, indemnify, protect, and hold harmless Authority, its board members, and Authority or Authority, officers, employees, representatives, and agents from and against any and all claims asserted, or liability established, for damages or injuries to any person or property, including injury to SJAFCA's elected officials, officers, employees, invitees, guests, or agents that arise from, or are connected with, or are caused, or claimed to be caused by, this MOU, or by one or more acts or omissions of SJAFCA, its elected officials, officers, employees, invitees, guests, or agents in performing this MOU, and all expenses of investigating and defending against same, including attorney's fees and costs. However, SJAFCA's duty to indemnify and hold harmless pursuant to this Section 10 shall not include any claims or liability arising from the established sole negligence or willful misconduct of Authority, Authority members, or Authority or Authority officers, employees, representatives, or agents. Authority may, at its sole discretion, conduct or participate in its own defense of any claim subject to this Section 10. If Authority elects to conduct or participate in its own defense or obtain independent legal counsel in defense of any claim subject to this Section 10, SJAFCA shall pay Authority for all costs related thereto, including attorney's fees and costs. SJAFCA shall pay Authority any and all costs Authority incurs enforcing the indemnity and defense provisions set forth in this Section 10.

11. NOTICE. In all cases where Notice is required under this MOU, Notice may be given by electronic mail, messenger, nationally recognized overnight (one-business day) courier, or United States Postal Service first class mail. A Notice shall be effective on the date sent by electronic mail, if sent before 3:00 p.m. Pacific Time, the date personally delivered by messenger to the Notice recipient, the first business day after deposit with an overnight courier for next business day delivery, or the third business day after the Notice is deposited with the United States Postal Service, in each case with all applicable postage or delivery costs paid and addressed to SJAFCA or Authority as specified below. SJAFCA or Authority may change its Notice address by Notice delivered in accordance with this Section 11.

If to the SJAFCA: San Joaquin Area Flood Control Agency
22 E. Weber Avenue, Room 301
Stockton, CA 95202

Exhibit B

Telephone: (209) 937-8211
Attention: Board Secretary

If to the Authority: Mossdale Tract Infrastructure Financing District Public
Financing Authority
22 E. Weber Avenue, Room 301
Stockton, CA 95202
Telephone:
Attention: Authority Secretary

12. NO ASSIGNMENT. Neither Party shall have any right to assign all or any portion of this MOU to a third person. Any putative assignment of either Party's rights, obligations, or duties under this MOU shall not create a contractual relationship between the other Party and any putative assignee, and any such assignment shall be ineffective, null and void. Any assignment in violation of this Section 12 is grounds for immediate termination of this MOU, at the sole and absolute discretion of the Party not making the assignment.

13. MISCELLANEOUS PROVISIONS.

13.1. Governmental Powers. Nothing contained in this MOU shall be construed as a limitation upon the powers of SJAFCA or the Authority.

13.2. Governing Law. The terms and conditions of this MOU shall be construed and interpreted in accordance with the laws of the State.

13.3. Jurisdiction and Venue. The Parties agree to submit to the personal jurisdiction of, and that venue shall be in, any State court within the County of San Joaquin, State of California, for any dispute, claim, or matter arising out of, or related to, this MOU.

13.4. Integration and Amendment. This MOU, and any exhibits attached to this MOU, fully express all understandings of the Parties concerning the matters covered in this MOU. Any and all prior negotiations and agreements between the Parties regarding the subject matter of this MOU are merged into this MOU. No change, alteration, amendment, or modification of the terms or conditions of this MOU, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid, unless made in the form of a written amendment to this MOU signed by both Parties. The Parties agree to enter into any and all amendments to this MOU that are necessary to comply with any and all new or modified Federal or State laws affecting this MOU.

13.5. No Waiver. No failure of either SJAFCA or Authority to insist upon the strict performance by the other of any term, covenant, or condition of this MOU, nor any failure to exercise any right or remedy consequent upon a breach of any term, covenant, or condition of this MOU, shall constitute a waiver of any such breach or the requirement to comply with such term, covenant, or condition. No waiver of any breach shall affect or alter this MOU, and each and every term, covenant, and condition, in this MOU shall continue in full force and effect regarding any existing or subsequent breach.

Exhibit B

13.6. Successors in Interest. This MOU, and all rights, obligations, or duties under this MOU, shall be in full force and effect, whether or not any Party to this MOU has been succeeded by another entity, and all rights, obligations, or duties under this MOU shall be vested and binding on any Party's successor in interest, subject to the limitations in this MOU on assignment of this MOU.

13.7. Severability. The unenforceability, invalidity, or illegality of any provision of this MOU shall not render any other provision of this MOU unenforceable, invalid, or illegal.

13.8. Conflicts between Terms. If an apparent conflict or inconsistency exists between the main body of this MOU and any exhibit attached to this MOU, the main body of this MOU shall control. If a conflict exists between an applicable Federal, State, SJAFCA, or other law, rule, regulation, order, or code and this MOU, then the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this MOU, the exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this MOU.

13.9. Principles of Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this MOU. A word, term or phrase defined in this MOU may be used in the singular, plural, past tense or future tense, regardless of how it is defined, all in accordance with ordinary principles of English grammar, which shall govern all language in this MOU.

13.10. Counterparts. This MOU may be signed in multiple counterparts, which, when taken together, shall constitute a single signed original, as though all Parties had signed the same MOU.

13.11. Headings. All headings in this MOU are for convenience of reference only and shall not affect the interpretation of this MOU.

13.12. Exhibits Incorporated. All exhibits referenced in this MOU are incorporated into this MOU.

13.13. Survival of Obligations. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this MOU, and all continuing obligations set forth in this MOU, shall survive expiration or earlier termination of this MOU.

13.14. Incorporation of Recitals. The Recitals preceding this MOU are true and correct and are incorporated into and made a part of this MOU.

13.15. Time of Essence. Time is of the essence of each provision of this MOU, unless otherwise specified in this MOU.

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IN WITNESS WHEREOF, this MOU is entered into as of the date set forth above by SJAFCA, acting by and through its Board President or designee, and by the Authority, by and through the signature of the Authority's authorized representative(s), all as set forth below.

**SAN JOAQUIN AREA FLOOD CONTROL
AGENCY**

By: _____
[NAME TITLE]

**MOSSDALE TRACT INFRASTRUCTURE
FINANCING DISTRICT PUBLIC FINANCING
AUTHORITY**

By: _____
[NAME TITLE]



APRIL 2023

Mossdale Tract

ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY

PUBLIC NOTICE

NOTICE OF AVAILABILITY OF DRAFT ANNUAL REPORT AND PUBLIC HEARING

April 15, 2023

Pursuant to Government Code section 53398.66(j)(2), the Public Financing Authority (the "Authority") of the Mossdale Tract Enhanced Infrastructure Financing District (the "District") has prepared the District's Fiscal Year 2022-2023 draft annual report (the "Report") to be considered for adoption following a public hearing to be held at the May 18, 2023, meeting of the Authority at 11 a.m., or as soon thereafter as the matter may be heard.

11 a.m., Thursday, May 18
San Joaquin Council of Governments
Board Conference Room
555 E. Weber Avenue, Stockton, CA

The draft Report is available on the District's website in the following locations:

<https://www.sjafca.org/mossdale-tract>

<https://www.sjafca.org/governance/eifd-pfs-meetings-agendas>

End of official public notice

WHAT IS THE ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD)?

The EIFD, in conjunction with San Joaquin County, and the cities of Lathrop, Manteca, and Stockton, will use incremental participating taxing entity property tax revenue from properties within the EIFD boundaries (see map on reverse) to help finance the local cost share for a project to provide 200-year flood protection to properties within the EIFD boundary. Other financing sources for the project will include, but aren't limited to, state and federal funding, proposed property assessments and development impact fees.

DOES THE ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD) INCREASE MY PROPERTY TAXES?

No, the EIFD will not increase property taxes. Properties will continue to be subject to the base 1% property tax rate authorized by State law. A portion from the future growth of property taxes will be the source of funding for the EIFD. Generally speaking, property tax revenues grow each year. Growth in revenues can occur as a result of new development, the sale of properties (due to an increase in assessed value as part of a reassessment at sale) and the regular annual increase in assessed property values. Through the EIFD, the cities of Stockton, Lathrop and Manteca and San Joaquin County are committing a portion of the new property tax revenues from within the EIFD boundary to flood protection improvements. Those improvements will benefit the properties within the EIFD boundaries.

Continued on reverse

WHAT IS SJAFCA DOING TO REDUCE FLOOD RISK FOR MY PROPERTY?

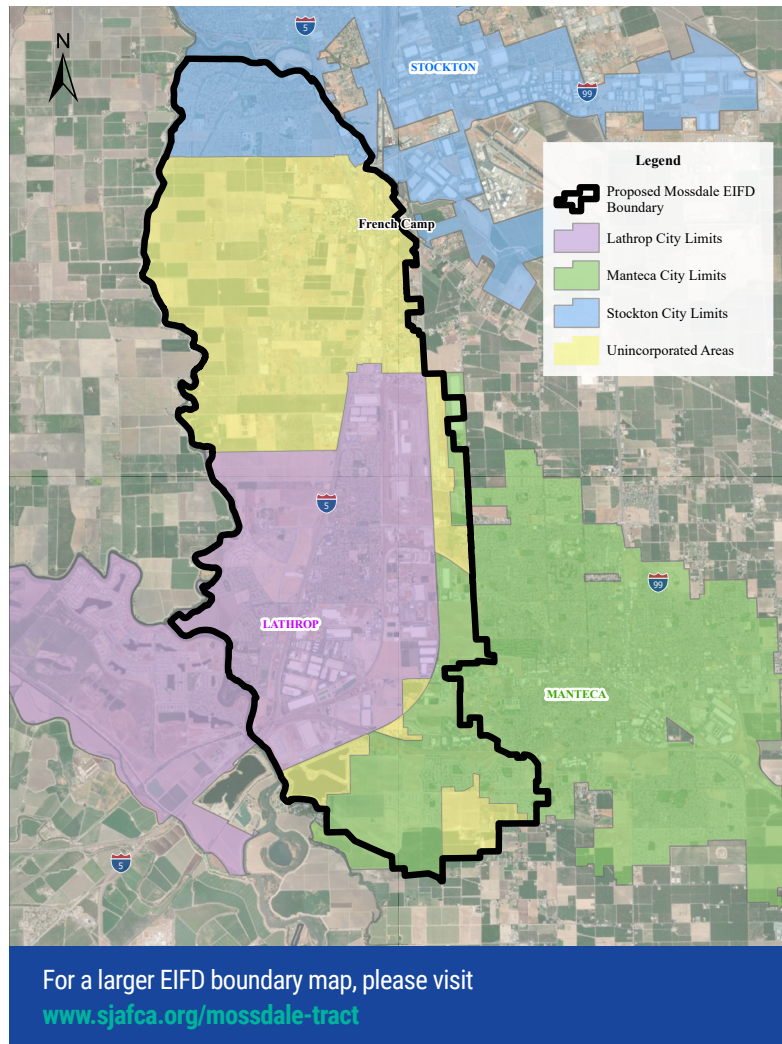
Your property is located within the Mossdale Tract, which includes portions of Stockton, Lathrop and Manteca. It's home to about 50,000 people and critical infrastructure, like hospitals, police and fire stations, schools, Interstate 5 and State Route 120. This area is at risk of flooding from the San Joaquin River. This risk is expected to worsen due to extreme weather, specifically rapid swings between too little (drought) and too much (flood) water.

The levees that provide flood protection to properties within the Mossdale Tract are maintained by Reclamation District 17 (RD 17). These levees provide 100-year flood protection, which is a flood that has a one percent chance of happening in any given year. However, state law requires growing communities in the Central Valley to have a 200-year level of flood protection. Increased levels of flood protection will reduce loss of life and property over the long term and allow the communities to adapt to changing economic conditions.

SJAFCA is currently partnering with the CA Department of Water Resources on the early phases of design and environmental review for the Mossdale Tract Urban Flood Risk Reduction Project to reduce flood risk and meet the state's requirement for 200-year flood protection. Generally speaking, the project consists of fix-in-place levee improvements and an extension of the existing dryland levee in Manteca. A draft of the project's environmental impact report is scheduled for public review in early fall 2023.

The estimated project cost is \$270 million. Cost sharing with the state and federal governments is anticipated. The US Army Corps of Engineers is currently conducting a feasibility study to determine if the levee improvements are eligible for federal funding. If federal investment is authorized, the state and federal governments will pay 90 percent of all project costs. The remaining 10 percent would be paid with a combination of local EIFD revenues, development fees, and a proposed property assessment. The EIFD and development fees are already in place. SJAFCA is working with its member agencies on options for an assessment on benefiting properties. More information should be available in fall 2023.

For more information, please visit www.sjafca.org/mossdale-tract, or (209) 487-1387.



ABOUT SJAFCA

The San Joaquin Flood Control Agency (SJAFCA) is a Joint Powers Authority that was created in 1995. SJAFCA's mission is to reduce and manage the region's flood risk. To accomplish this mission, SJAFCA coordinates and partners with local, State and Federal agencies. SJAFCA includes representation from the City of Stockton, San Joaquin County, City of Manteca, City of Lathrop, and the San Joaquin County Flood Control & Water Conservation District.

Visit SJAFCA's website at www.sjafca.com for the latest news, project updates and meeting announcements.



SAN JOAQUIN AREA
FLOOD CONTROL AGENCY

Chris Elias, Executive Director
San Joaquin Area Flood Control Agency

22 East Weber Avenue, Suite 301
Stockton, CA 95202
(209) 937-8866
(209) 937-7900

Chris.Elias@stocktonca.gov

sjafca.com



**End of
Agenda Packet**