

To: **EDA President and Board**
From: **Executive Director Jim Hartshorn**
Date: **June 22, 2020**

Kmart/Signal Bank Site Redevelopment

BACKGROUND INFORMATION:

Last December, the EDA reviewed a request for public assistance from Dominion. They proposed redeveloping approximately 12 acres on the north side of Signal Hills. At that time, their pro forma did not factor in prevailing wages (per City ordinance) on construction projects requiring public financial assistance. Since then, they have updated their pro forma to reflect prevailing wages. Ehlers Associates conducted a review of the updated budget and pro forma, and based on their review, the project would require 16 years of tax increment financing totaling \$5 million. Attached please see Ehlers memo explaining their analysis and a Term Sheet.

If the Board supports the terms listed in the attachment, then staff will bring back Development and TIF Agreements at a future EDA/Council meeting for approval.

FISCAL IMPACT:

| | | Amount |
|--------------------|------------|---------------|
| Fund: | EDA | N/A |
| Department: | EDA | |
| Account: | | |

STAFF RECOMMENDATION:

Review and direct staff.

ATTACHMENTS:

1. Memo reviewing pro forma analysis
2. Term Sheet