File ID: 2026-01378 7/28/2026

Resolution of Intention to Establish the Innovation Park Enhanced Infrastructure Financing District, Establishing a Public Financing Authority and Authorizing Other Actions

File ID: 2026-01378

Location: District 1

Recommendation: Adopt a **Resolution** of Intention to establish the City of Sacramento Innovation Park Enhanced Infrastructure Financing District (EIFD).

Contact: Sini Makasini, Senior Project Development Manager, (916) 808-7967, smakasini@cityofsacramento.org; Eric Frederick, Special Districts Manager, (916) 808-5129, efrederick@cityofsacramento.org; Department of Finance; Leslie Fritzsche, Economic Investment Manager, (916) 808-5450, lfritzsche@cityofsacramento.org, Office of Innovation and Economic Development

Presenter: None

Attachments:
1-Description/Analysis
2-Schedule of Proceedings
3-Resolution of Intention
4-Exhibit A (Proposed Boundaries of EIFD)
5-Exhibit B (Public Facilities and Development to be Financed)

Description/Analysis
Issue Detail: The Innovation Park Project (Project) is a private development partnership between Argent Management LLC (Argent)) and California Northstate University (CNU). The proposed Project covers approximately 171 acres in the North Natomas area on the site of the former Sleep Train Arena. The Project is anticipated to provide an urban mixed-use development consisting of residential, commercial, health and educational uses and public amenities. As a catalyst to jump start the development of the Project, the proposed CNU Hospital and Medical Campus would create thousands of employment opportunities. The Project is projected to provide a wide range of affordable and market-rate housing, diverse regional-scale open spaces, a future school site for Natomas residents and additional infrastructure benefiting the surrounding community.

On April 30, 2024, Council approved a non-binding term sheet for public financing assistance for Innovation Park (Term Sheet) between the City, CNU, and Sacramento Basketball Holdings (SBH). The Term Sheet provides a framework for a public-private partnership to support the financial viability of the overall Project and serves as a catalyst for project implementation. One element of the Term Sheet is the proposed formation of an EIFD to finance the design and construction of backbone infrastructure improvements within and surrounding the Project, as well as to generate funds for affordable housing. After approval of the Term Sheet, Argent acquired approximately 130 acres of land in the Project from SBH. Therefore, the current owners of land in the Project area consist of CNU, Argent, and Natomas Unified School District, although the Natomas Unified School District parcel is excluded from the proposed boundary of the EIFD.

An EIFD is a type of special financing district that utilizes a portion of tax increment revenue from a specific area to finance capital facilities or other specified projects of communitywide significance that provide significant benefits to the area within the EIFD or the surrounding community, including the acquisition, construction or rehabilitation of affordable housing. The proposed EIFD will utilize 100 percent of the City share of property tax increment revenue within its boundary, described below. The California Legislature authorized the formation of EIFDs in 2014 through Senate Bill 628, and the statutory framework for EIFDs, which has been amended multiple times since 2014, is codified in Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53398.50) (EIFD Law).

Pursuant to the EIFD Law, proceedings for the establishment of an EIFD are initiated by Council adopting a Resolution of Intention (ROI). In addition to stating the City's intent to form the EIFD, the ROI must:

1. Describe the boundaries of the proposed EIFD, which may identify areas therein as "project areas."
2. State the type of public facilities and development proposed to be financed or assisted by the EIFD.
3. State the need for the EIFD and the goals it proposes to achieve.
4. State that incremental property tax revenue from the City, as the initial sole participating affected taxing entity, may be used to finance the activities of the EIFD.
5. Fix a time and place for a public hearing.

The ROI is the first step in establishing the EIFD. If approved, staff will proceed to evaluate the fiscal impacts, confirm eligible facilities, and prepare an infrastructure finance plan for future Council consideration. At the same time as the ROI is adopted, the Council must establish a Public Financing Authority (PFA) as the governing board for the EIFD.

A brief summary of each of these requirements is provided below.

Proposed Boundaries: The proposed EIFD boundary consists of approximately 171 acres on two parcels. Property owners Argent and CNU are aware of their inclusion and have not protested their inclusion. The Natomas Unified School District parcel in the area is excluded from the proposed boundary of the EIFD. A map of the proposed boundaries is included as Exhibit A to the ROI.

Public Facilities and Development Proposed to be Financed: The public capital facilities proposed to be financed through the EIFD include roadway, storm water, sewer, and utility improvements and a pedestrian overcrossing bridge bringing connectivity to areas surrounding the Project. These improvements were outlined in the Term Sheet approved by Council in April 2024. Other developments to be financed include the design and construction of affordable housing. It is anticipated that 80% of the tax increment generated by the EIFD will be used for public capital facilities and 20% will be used for affordable housing. The improvements are of communitywide significance and provide significant benefit to the area of the proposed EIFD and surrounding community. A list of the public improvements and developments that may be financed by the EIFD is provided in Exhibit B to the ROI.

Necessity of EIFD and Goals: The formation of the EIFD is necessary to finance the construction of public infrastructure and development that serves the Project and surrounding community while providing significant communitywide benefits.

Use of Incremental Tax Revenue: The EIFD will use incremental property tax revenue to finance facilities and costs authorized to be financed through the EIFD. The authorized incremental property tax financing will be as described in an Infrastructure Financing Plan (IFP) to be prepared in accordance with the EIFD Law. Council will have the opportunity to review and approve the IFP and the proposed use of incremental property tax revenue prior to formation of the EIFD. The IFP is expected to indicate that the EIFD will use incremental property tax revenue that is generated by property within the boundaries of the EIFD to (1) finance direct funding of facilities and/or reimbursement of the developer for its cost of construction of facilities, and to pay debt for bonds used to finance facilities and costs authorized to be financed through the EIFD and (2) finance investments in affordable housing.

The primary goal of the EIFD is to stimulate a large economic development project in the area. Accordingly, the Infrastructure Financing Plan will include specific language conditioning any reimbursement of public infrastructure costs from the EIFD to the receipt of a Certificate of Occupancy for the Catalyst Economic Development Project (defined below).

“Catalytic Economic Development Project” shall be defined as a project containing approximately 700,000 sq. ft. which further develops and/or grows targeted industry clusters or tradeable sectors, results in a significant number of high paying jobs for City and regional residents, materially increases revenue for the City and serves as a stimulus for additional and adjacent investment in the City. Funds from the EIFD will only be provided on a reimbursement basis once a Certificate of Occupancy has been issued. The City Council shall make the determination of whether a project meets that definition.

Public Hearing: The public hearing on the proposal is set for Tuesday, December 1, 2026, at the time of 9:30 a.m., or as soon thereafter as possible, at City Hall before the PFA. This is the first of two public hearings required by the EIFD Law.

Establishing a PFA: The EIFD Law requires that the PFA be established at the same time Council adopts the ROI. The PFA will serve as the governing board of the EIFD and is to consist of three members of Council and two members of the public. The first action of the PFA will be to order the preparation of the IFP which, upon its completion, will be distributed to Council and other interested parties as identified in the EIFD Law. The PFA will also hold a public meeting at which PFA staff will present a draft IFP and afterwards will conduct two public hearings on the draft IFP and related matters. Upon conclusion of the second public hearing, and assuming no majority protest as defined in the EIFD Law, the PFA can officially establish the EIFD and approve the IFP.

A summary of the key actions for establishing the EIFD, as well as estimated dates of completion, is provided in the Schedule of Proceedings (Attachment 2). As shown in the Schedule of Proceedings, staff will return to Council in the future with the proposed IFP for Council's review and approval, and the PFA cannot establish the EIFD, and the allocation of tax increment revenues that would otherwise be allocated to the City, without Council first approving the IFP.

Policy Considerations: Establishing the EIFD is outlined in the Term Sheet as a necessary step towards the successful development of the public infrastructure and other projects of communitywide significance necessary for large economic development project. Proceedings for the establishment of the EIFD will begin through adoption of the attached ROI. Upon successful adoption of the ROI, notices will be posted to fill the vacant positions of the PFA and a copy of the ROI will be mailed to all landowners and affected taxing entities within the proposed EIFD boundaries pursuant to the EIFD Law.

Economic Impacts: Not applicable.

Environmental Considerations:
California Environmental Quality Act (CEQA): The ROI to establish the EIFD is a notice regarding financing, organizational and administrative activity that will not result in direct or indirect physical changes in the environment. A subsequent resolution establishing the EIFD and other actions, including review under CEQA, are required prior to any proposed physical changes. Thus, the adoption of the proposed Resolution does not constitute a project and is not subject to CEQA review. CEQA Guidelines section 15378(b) (4) & (5); 15060(c)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Formation of the EIFD is necessary to support the development of the Project, and the actions described in the ROI are necessary to the formation process pursuant to the EIFD Law.

Financial Considerations: The allocation of revenues to the EIFD from the City would be limited to incremental property tax revenue generated by property within the boundaries of the EIFD. As part of the preparation of the IFP, a fiscal impact analysis will be completed. The City has no additional financial obligation if the incremental property tax revenue generated is insufficient to cover the cost of the proposed improvements or debt service on bonds issued to pay for the proposed improvements.

Local Business Enterprise (LBE): Not applicable.

PROPOSED SCHEDULE OF PROCEEDINGS

CITY OF SACRAMENTO INNOVATION PARK
ENHANCED INFRASTRUCTURE FINANCING DISTRICT

2026

July 28	Council Adopts Resolution of Intention
October 20	PFA orders preparation of IFP
October 27	PFA public Meeting for PFA staff to present draft IFP
December 1st	PFA holds 1st public Hearing

2027*

~~February 2~~	~~PFA orders preparation of IFP~~
~~March 9~~	~~PFA public meeting for PFA staff to present draft IFP~~
~~April 13~~	~~PFA holds 1st Public Hearing~~
~~May 4~~January 12	Council considers approval of IFP
~~May 18~~January 26	PFA holds 2nd Public Hearing and Protest Proceeding

**Note – the 2027 City Council Regular Meeting calendar has not been adopted as by the date of this report. The 2027 dates are approximate.*

RESOLUTION NO. 2026-_____

Adopted by the Sacramento City Council

A Resolution of Intention to Establish the City of Sacramento Innovation Park Enhanced Infrastructure Financing District to Finance Public Capital Facilities and Other Projects of Communitywide Significance, Establishing a Public Financing Authority, and Authorizing Certain Other Actions Related Thereto

BACKGROUND

A. Pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with section 53398.50) (the “EIFD Law”), the City Council of the City of Sacramento (the “City Council”) is authorized to initiate the process to establish an enhanced infrastructure financing district (the “EIFD”).

B. In accordance with California Government Code section 53398.54, the City has complied with the prerequisites to initiate the creation of, or participate in the governance or financing of, the EIFD and will provide the required certification to the Department of Finance in accordance with the EIFD Law.

C. The City Council proposes the establishment of an EIFD to finance certain public capital facilities and other specified projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community.

D. The proposed boundaries of the EIFD are identified on the map entitled “Boundaries of City of Sacramento Innovation Park EIFD” a copy of which is on file in the office of the City Clerk and a reduced sized copy is attached hereto.

E. The EIFD will be formed by a public financing authority (the “Public Financing Authority” or “PFA”), which will be the governing board of the EIFD and will be responsible for implementing the infrastructure financing plan for the EIFD.

F. A “Catalytic Economic Development Project” shall be defined as a project containing approximately 700,000 sq. ft. which further develops and/or grows targeted industry clusters or tradeable sectors, results in a significant number of high paying jobs for City and regional residents, materially increases revenue for the City and serves as a stimulus for additional and adjacent investment in the City. Funds from the EIFD will only be provided on a reimbursement basis once a Certificate of Occupancy has been issued. The City Council shall make the determination of whether a project meets that definition.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Background Statements. The City Council finds and determines that the background statements A through E are true.

Section 2. Intention and Proposal to Establish EIFD. The City Council proposes and intends to cause the establishment of the EIFD under the provisions of the EIFD Law.

Section 3. Name of EIFD. The name proposed for the EIFD is "City of Sacramento Innovation Park Enhanced Infrastructure Financing District."

Section 4. Description of Boundaries. The proposed boundaries of the EIFD are as shown on the map of the EIFD on file in the office of the City Clerk, which boundaries are hereby approved and to which map reference is hereby made for further particulars. A reduced size copy of said map is attached hereto as Exhibit A and is incorporated herein.

Section 5. Description of Facilities and Development. The type of public facilities and development proposed to be financed or assisted by the EIFD in accordance with section 53398.52 of the EIFD Law are those listed on Exhibit B, attached hereto and incorporated herein (the "Facilities").

Section 6. Necessity of EIFD and Goals. The City Council hereby finds that the EIFD is necessary for the area within the EIFD and the City. The City Council's goal for the EIFD is to create the means by which to assist in financing public capital facilities and other specified projects of communitywide significance that provide significant benefits within the boundaries of the EIFD or the surrounding community and, for those facilities located outside the EIFD boundaries, also have a tangible connection to the EIFD.

Section 7. Use of Incremental Tax Revenues. The City Council hereby declares that, pursuant to the EIFD Law and if approved by resolution pursuant to section 53398.68 of the EIFD Law, incremental property tax revenue from the City within the boundary of the EIFD, but not from any of the other affected taxing entities within the EIFD, will be used to finance the activities of the EIFD. The incremental property tax revenue will be described in an infrastructure financing plan for the EIFD (the "Infrastructure Financing Plan") to be prepared in accordance with the EIFD Law. The primary goal of the EIFD is to stimulate a large economic development project in the area. Accordingly, the Infrastructure Financing Plan will include specific language conditioning any reimbursement of public infrastructure costs from the EIFD to the receipt of a Certificate of Occupancy for the Catalytic Economic Development Project.

Section 8. Establishment of Public Financing Authority. The City Council hereby establishes the PFA as the governing board of the EIFD in accordance with section 53398.51.1 of the EIFD Law. The PFA membership is subject to compliance with the EIFD Law and California Government Code section 54970, et al. and shall consist of three members of the City Council and two members of the public. The three City Council members will be appointed by the Mayor and confirmed by the City Council every year. The public members of the PFA will also be appointed by the Mayor and confirmed by the City Council, however the term of the public members will be for a two (2) year term.

Section 9. Public Hearing. The City Council hereby fixes Tuesday, December 1~~April 13~~, 20262~~7~~, at the time of 9:30 a.m., or as soon thereafter as possible, at Sacramento City Hall, Sacramento, California, as the time and place, when and where a public hearing will be held, by the PFA, on the proposed establishment of the EIFD and the Infrastructure Financing Plan.

Section 10. Mailing of Resolution. The City Clerk is hereby directed to mail a copy of this Resolution to the PFA, each owner of land (as defined in the EIFD Law) within the EIFD, each affected taxing entity (as defined in the EIFD Law) and the City engineer (or other appropriate official preparing the Infrastructure Financing Plan). In accordance with section 53398.60(b) of the EIFD Law, in lieu of mailing this Resolution to each owner of land, the City Clerk may mail a single-page notice of intention containing the specific information specified therein.

Section 11. No Obligation. This Resolution in no way obligates the PFA to establish the EIFD. Nor does it obligate Council to approve IFP when it is presented before Council after the first public hearing. The establishment of the EIFD is subject to the approval of the PFA in accordance with the provisions of the EIFD Law.

Section 12. 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 13. General Authorization. The City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

Section 14. Exhibits. Exhibits A and B are part of this resolution.

Table of Contents:

Adopted by the City of Sacramento City Council on July 28, 2026, by the following vote:

Ayes:

Noes:

Abstain:

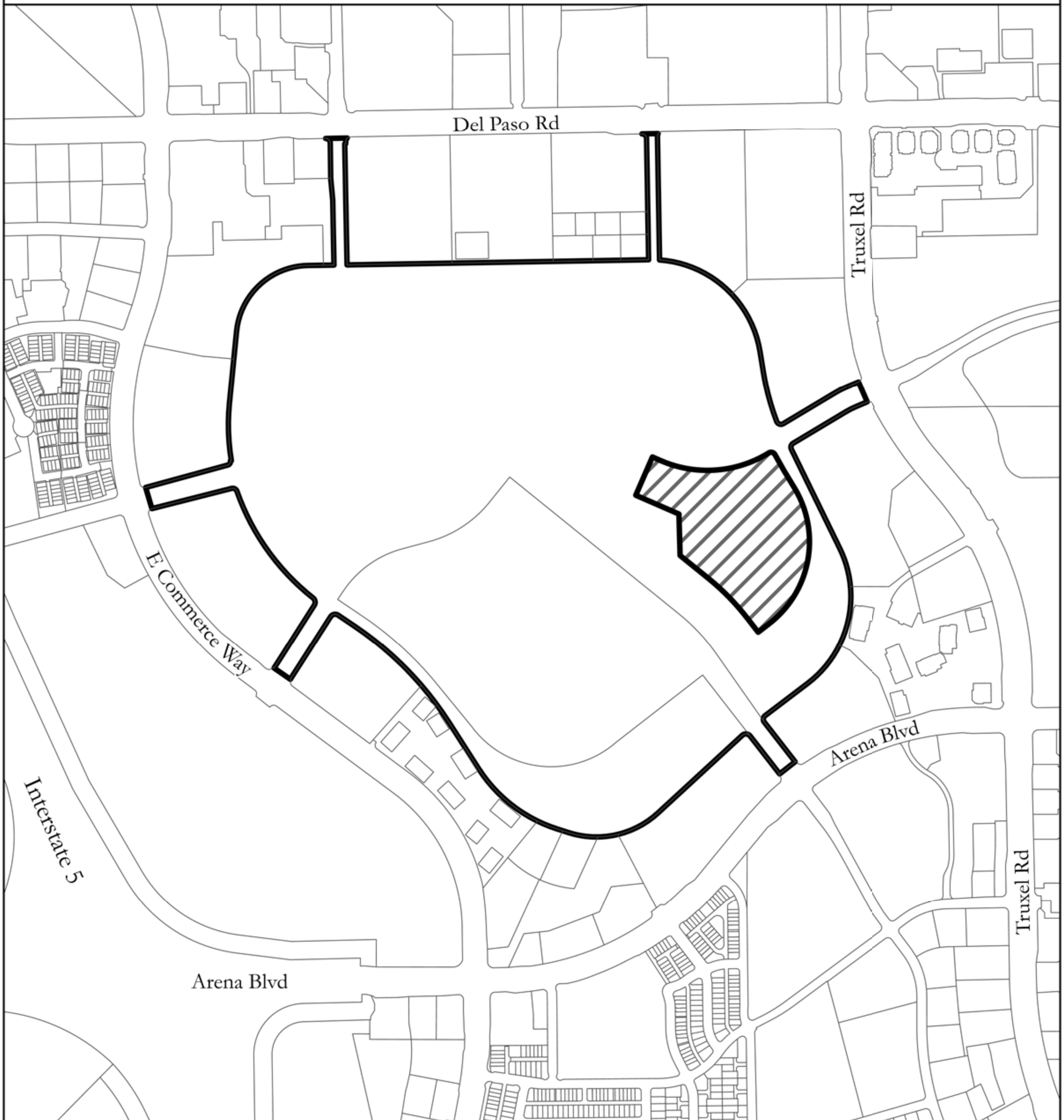
Absent:

Attest: ____________________________________
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Proposed City of Sacramento Innovation Park Enhanced Infrastructure Financing District

Exhibit A



Proposed City of Sacramento Innovation Park EIFD Boundary

Parcel Lines

Not a Part of EIFD

0 500 1,000 Feet

N W E S

City of SACRAMENTO Finance Department

Map Date: 02/20/2025

EXHIBIT B

CITY OF SACRAMENTO
INNOVATION PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT

DESCRIPTION OF FACILITIES AND DEVELOPMENT TO BE FINANCED

The EIFD is authorized to finance the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of the facilities described herein. These facilities have an estimated useful life of 15 years or longer and are projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community. Any facilities located outside the boundaries of the EIFD, including in West, South and North Natomas, must have a tangible connection to the work of the EIFD. The EIFD will also finance planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of these facilities. Facilities authorized to be financed by the EIFD include roadway, overcrossing, water, storm drain, sewer, dry utility, traffic signals, community landscape facilities and amenities for public use and related improvements including, but not limited to, the following:

I. EIFD Public Facilities and Development

- Innovator Drive connection to Del Paso Road. and Arena Blvd.
- B Street connection to East Commerce and Truxel Roads
- D Street connection to East Commerce and Innovator Drive
- Sports Parkway Road (Circle).
- A Street & E Street connection to Del Paso Road
- On-site and Off-site Traffic Signals within Innovation Park and the outlining areas (see map).
- 12” Storm Drain Line & 8” Sewer Line
- Water Infrastructure improvements
- Dry Utilities
- Traffic Signs and Striping
- Snowy Egret Overcrossing Bridge
- Affordable housing-related development authorized by the EIFD Law

II. Other Expenses

In addition to the direct costs of the above facilities, other incidental expenses if, as, and to the extent authorized by the EIFD Law, including, but not limited to, the cost of engineering, planning, and surveying; construction staking; plan check and inspections; utility relocation and demolition costs incidental to the construction of the facilities; costs of project/construction management; financing costs of improvements incurred by developers until reimbursement from the EIFD; costs of issuance of bonds or other debt of the EIFD, of a community facilities district of the City, or of any other public agency for authorized facilities and payment of debt service thereon; costs incurred by the City, the County of Sacramento or the EIFD in connection with the division of taxes pursuant to Government Code section 53398.75; costs otherwise incurred in order to carry out the authorized purposes of the EIFD; and any other expenses incidental to the EIFD and to the financing, construction, completion, inspection, and acquisition of the authorized facilities.