Today's Roadmap to Economic Development: Climate Action, Zoning, & Housing

Larry J. Kosmont, CRE®
Kosmont Companies
Cal Cities – City Leaders Summit
April 23, 2025

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Kosmont Companies

Services Overview

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ECONOMIC DEVELOPMENT, REAL ESTATE, FINANCE, PROJECT IMPLEMENTATION STRATEGIES

- **Public / Private Transactions**
  Structuring / Negotiation / Entitlements
- **Developer Selection RFQ/P & ENA/DDA**
- **Project Funding / Financing Strategies**
- **TIF, EIFDs, CRIAs, Housing**
  Sustainability & Housing Districts
- **Kosmont Retail NOW!®**
  Trends / Analytics / Recruitment
- **Market & Feasibility Analysis**
- **Retail Predictive Intelligence (A.I.)**
- **Economic Development Strategies / Plans**
- **Fiscal Impact / Economic Benefit Studies**

PROPERTY SALES, LEASING, ASSET SERVICES, SURPLUS LAND ACT

- **Brokerage (CA DRE # 02058445)**
- **Real Estate Market Analysis**
- **Developer / Buyer Selection**
- **Surplus Land Act (SLA)**
- **RFQ/P & ENA/DDA**
- **Ground Leases**
- **Zoning & Implementation Strategies**
- **Property Valuation / Broker Opinion of Value (BOV)**
- **Asset Management Plans**

PUBLIC FINANCE ADVISORY AND TRANSACTIONS SERVICES

- **SEC/MSRB Registered Municipal Advisor**
- **Lease Revenue Bonds**
- **Pension Obligation Bonds (POBs/LRBs)**
- **Tax Increment Financing (TIF)**
  EIFD / CRIA / Housing / Transit Districts
- **Assessment / Special Tax / CFD**
- **General Fund & G.O. Financings**
  COPs / Lease/Leaseback
- **Public/Private Partnerships (P3)**
- **Utility / Enterprise Lease Financings**
- **Private Placements**

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8/2022 v1

It Used to be Different

And it's not going back

THE WORLD CHANGES…*ALWAYS*:

Primary public agency "value-add" sources for economic development:

1. Private Investment
2. Zoning
3. Public Funding (Tax-exempt bonds & Grants)

Approach to community vitality & revenue: ***Maximize accretive private investment as driven by public policy and consumer demand***

Value Capture: uses economic development tools that focus on capturing value from private investment and consumer demand through **zoning, tax increment districts, and grants**

Housing / Sustainability / Quality of Life

The policy, economic, & financial environment is constantly shifting creating challenges and opportunities for economic development

STATE OF THE INDUSTRY

- TARIFFS & TRUMP -- Despite the recent federal rollbacks of environmental & local initiatives, the administration's stance is likely to accelerate energy and on-shore investment
- Trump is a developer and opportunist and likely favorably value climate-related incentives as project inducements
- Consumer preferences and private investment trends changing; state policy promoting housing & climate resiliency/sustainability
- **What are revenue implications for communities?**
  - **Sales tax** tied to specialized uses (e.g.., restaurant) and impacted by shift to service-based economy; industrial brings some opportunity for (e-commerce) sales tax
  - **Property tax** tied to housing and density
  - **Grants & tax incentives** available for energy / resiliency / affordable housing

REAL ESTATE & LAND USE HAS CHANGED:
It's about Rooftops, Destination, and Distribution




Housing is NOT a Loss Leader, it's a Growth Driver	Retail is Not *Just* Retail Anymore: Places & Services	Telework is Reconfiguring Office	Industrial / Distribution/Delivery: Critical for Economy
Housing Creation as Economic Development	**Retail Reimagination as Economic Development**	**Office Conversions as Economic Development**	Industrial & Fulfillment as Economic Development
New housing can generate significant new tax revenues & support local jobs Housing is a driver of project value (high residual land value); residential zoning is valuable	U.S. retail over-built, needs "right sizing;" Covid accelerated trends; today its about essentials, experience & e-commerce Blended/mixed use projects integrate uses onto one site: *housing, retail, open space, creative office, hotel*	Telework and work from home options are reshaping the needs for office space and business districts Job redistribution tied to housing Vacancies and foreclosures expanding can lead to fiscal impact pressure	Modern industrial is not "your father's industrial" – not smokestack Retail won't thrive without distribution Booming demand for distribution, e-commerce, and data centers, fulfillment/delivery, job creators

HOUSING ELEMENT FOR ECON DEVELOPMENT: HEED™

Housing / hybrid living spaces. High costs are a burden, but high assessed value = tax $$$

Telecommuting now common. Remote work can alleviate traffic and support local businesses.

E-commerce will capture 25% of sales within 5 years (~$9k per CA household)

Rooftops Needed

- *Creates demand for services, food and retail uses*
- *Property tax revenues, support local jobs*
- *Work at home schedules are keeping "wallets" in local communities*
- *Capturing local spend is a key objective (trips per sq. ft. versus $$ per square foot)*

RETAIL & INDUSTRIAL TRENDS

RETAIL

- U.S. retail is over-built and "right sizing";
  - Retail chains struggling leading to closures and repurposing of space
  - Big Lots (460), 99 Cent Stores (371), Forever 21 (350), Kohls (27), CVS (586)
- COVID and DIGITAL have modified retail trends:
  - Need for convenient access to essentials: "Buy-Online, Pick Up in Store**" (BOPIS)**
  - Blending retail and entertainment **(Retailtainment);** offer unique experiences
  - Retail cannot thrive without distribution
  - consumer prefers convenient delivery solutions (same-day/overnight shipping)
- Retail = Distribution / Digital / Convenience / Daily Needs / Services / Events

INDUSTRIAL

- Booming demand from e-commerce for distribution / fulfillment / delivery; point-of-sale being included in some industrial / flex spaces
- Has become a leading job creator in communities outside of urban centers
- Uncertainty with government priorities / incentives /disincentives is leading to growing interest in reshoring of manufacturing
- New Future Coming Soon: Growth in industrial will be around A.I. and technology infrastructure (data centers and automated logistics centers)

SteelCraft Garden Grove

Amazon Logistics Center – Eastvale, CA

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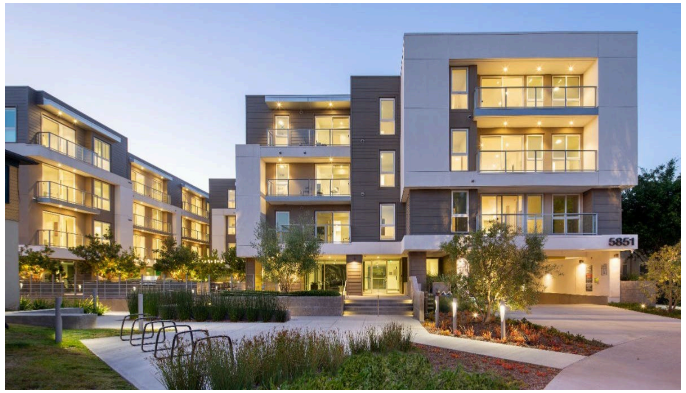
CONSUMER PREFERENCES DRIVE MARKET IMPACTS & NEW POLICY PRIORITIES

	DRIVERS	IMPACTS	SHIFTING PRIORITIES
CONSUMERS	Quality of life, cost of living: housing, amenities, essentials & experiences	The old world of retail not coming back	Want it all in a 15-Minute Community
INVESTORS	New technology, consumer demand shifts, supply chain optimization, new live & work patterns	Office/commuter patterns forever changed	Seeking value from new demand drivers
CITY HALL	Impacted by state policies focus on housing, climate, energy, and sustainability	Federal windfall of climate, energy & sustainability funding for State/local: IIJA \$1.2T & IRA \$400B; Prop 4 \$10B; State I-BANK	Induce private investment, comply with state priorities, and maximize Federal & State funding

SO, WHERE ARE WE HEADED?



Climate = Infrastructure
(Grant $$ / Tax Credits)

Housing = Wallets
(Grant $$ / Tax Credits)

Private Capital Stack is Stuck:
Private sector needs public sector incentives and economic development tools to make projects succeed

Green Economic Development

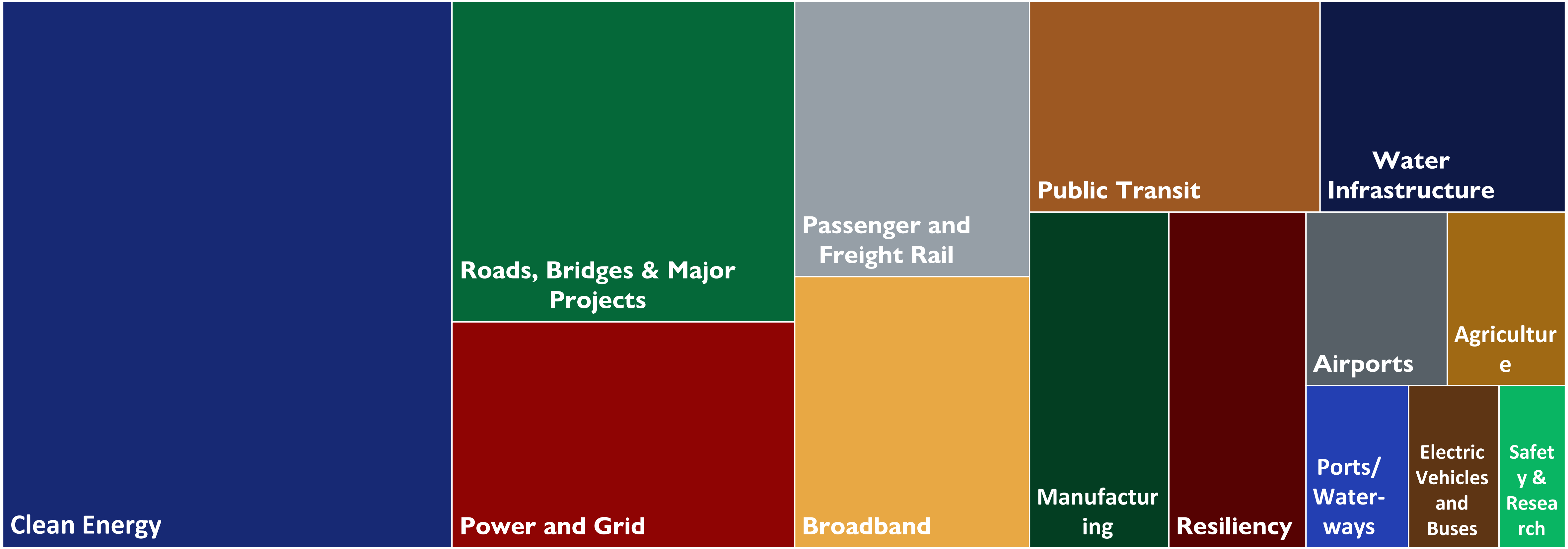
New Tools & Approaches

Finnian Square park aerial perspective, rendering by SCS Development

Capture Public $$ to grab more Private $$: Align Econ. Dev. Priorities & Tools with Federal & State Funding

- Infrastructure
- Roads & Bridges
- Public Transportation
- Housing
- Sustainability / Climate Action

FED FUNDING ABOUT TRANSPORTATION, INFRASTRUCTURE, CLIMATE, & ENERGY



IRA + IIJA Funding combined = $1.6 Trillion over next five years

Proposition 4 = $10B CA's Climate investment Initiative

policy / funding priorities may change

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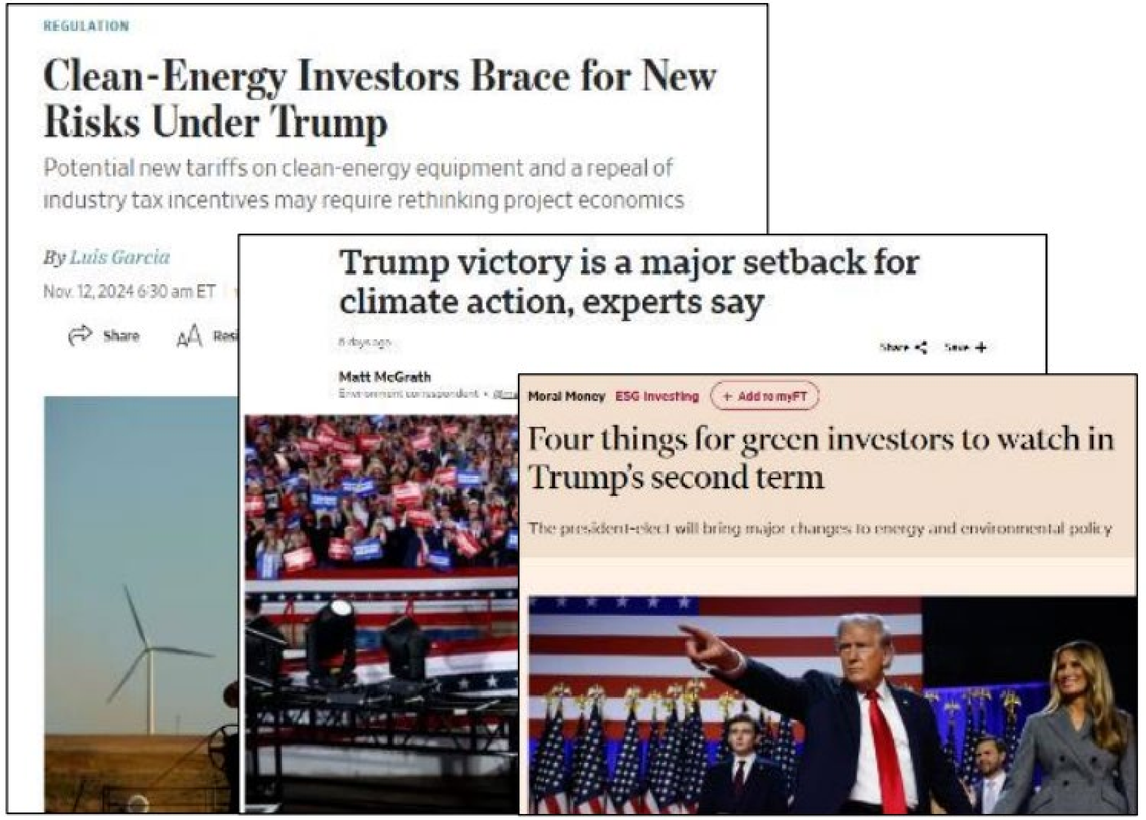
PROPRIETARY DO NOT DUPLICATE

NEW STATE MONEY…AND CHANGES TO FEDERAL FUNDING?

Trump Administration
Uncertain Impact on Federal Programs



Proposition 4: $10 billion
Funding Water, Climate Risk, Clean Energy

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PROPRIETARY DO NOT DUPLICATE

The 2025 ECON DEV PLAYBOOK:
value capture tools, housing, sustainability, grants…*to reel in private $$*

1 — **Zoning as Currency:**
[Value Capture using Zoning/Specific Plan]

2 — **Value Capture via TIF:**
New Tax Increment Financing (TIF) Districts
(EIFDs, CRDs, CRIAs)

3 — **Real Estate Strategies (Surplus Land Act)**
[capture value using public owned properties]

$ **Grant Funding – Federal and State Sources** $
[Prop 4= $10B; IRA & IIJA = $1.6T+]
[for infrastructure, energy, climate focused investment and projects]

Zoning as Currency

Value Capture Zoning (VCZ) for Economic & Community Benefit

VALUE CAPTURE ZONING (VCZ)™ FOR COMMUNITY BENEFITS

Zoning and Entitlements Can Create Value that can be captured

Don't just give that value away by assigning density to specific properties – **capture that value as currency** to support your community via amenities & benefits.

Create the Zoning

In higher-demand Areas

Bank the Zoning

In a DOR® BANK "reserve bucket"

Trade the Zoning

To projects for community benefits / amenities / infrastructure / fees

WHEN IS THE RIGHT TIMING TO ADOPT VCZ™?

1. **Housing Element & Zoning Compliance**: Value Capture tools can be a key part of your housing element / zoning code updates – using new density to community benefits and infrastructure

2. **Specific Plan or General Plan Revisions**: Planning document creation / revisions give Cities an opportunity to include value capture tools

3. **High Demand for New Uses**: Creating a DOR® Bank is useful in areas with high demand for uses and zoning changes needed to add capacity

4. **Economic Development Strategies (Tax Increment Approach)**: Evaluate opportunities to leverage zoning as an inducement for private investment by placing density areas in a TIF District:
   Enhanced Infrastructure Financing District (EIFD) / Climate Resilience District (CRD)

DOR® can work well with RHNA and your Housing Element:

- If you have an approved Housing Element, **look at remaining sites with unassigned zoning density** as potential targets for DOR®.
- Consider additional density to Housing Element sites as a **DOR® bonus to supercharge compliance**
- Cities have ~ 3 years to update zoning to align with HE – now is the time to consider DOR® to **capture value while pursuing RHNA compliance**

HOUSING DENSITY & ECONOMIC DEVELOPMENT

Step 1	***Step 2***	***Step 3***	***Step 4***
Take an "economic" look at density that you approved	**Monetize RHNA compliance**	**Install Development Opportunity Reserve (DOR)® Bank as part of Specific Plan or zoning overlay**	Pursue Economic Development tools that leverage **Value Capture Zoning™**
Evaluate property value increases and economic development synergies from upcoming zoning / density changes authorized by Housing Element (H.E.)	1) Approve new density on Parcels/Corridors/Areas not pegged in H.E. **AND/OR** 2) Increase approved density above H.E. densities **AND/OR** 3) Install Affordable housing fee in commercial zones	**DOR® Bank =** Pre-approved new density linked to preapproved public amenities / infrastructure or density fee via a Dev Agmt	**TIF Districts** – EIFD/CRD 1) Capture investment value of higher density zoning by placing up-zoned areas into an EIFD/CRD 2) Consider Surplus Land Act opportunities to use owned land to generate value

VALUE CAPTURE ZONING™ STRATEGIES

1

Specific Plan Value Capture: Development Opportunity Reserve (DOR)®

2

Zoning Value Capture: Development Opportunity Reserve (Stand-alone DOR®)

3

Land Value Recapture: Charge for residential zoning overlay in commercial zones (Development Agreement)

Create, then Capture Zoning "Dollars"

4

Enhanced Infrastructure Financing District (EIFD): Capture TIF value from all strategies

HOW ARE CITIES USING VALUE CAPTURE ZONING™?

VALUE CAPTURE ZONING™ STRATEGY: BUELLTON
DEVELOPMENT OPPORTUNITY RESERVE (DOR)®

The City of Buellton included a DOR® tool in its Avenue of the Flags Specific Plan to encourage development in the downtown area and create a vibrant main street.

DOR® tool trades zoning incentives (*density, building heights, parking, setbacks, fees, etc.*) to projects that deliver community amenities, infrastructure, or other benefits.

VALUE CAPTURE ZONING™ STRATEGY: HERMOSA BEACH
LAND VALUE RECAPTURE PROGRAM

City council recently approved a land value recapture program to recover & reinvest land value increases via new approved residential zoning for redevelopment in the City's commercial districts.

Market-rate housing developments will be required to pay **$76 - 104 per square foot to a Hermosa Beach fund** that aims to support development of affordable housing.

The following communities have implemented or are considering Value Capture Zoning™ / DOR®:

- El Monte
- Temecula
- Palmdale
- Buellton
- Placentia
- Burbank
- Seaside
- Jurupa Valley
- Scotts Valley
- Hermosa Beach

New World of TIF

Climate Resilience Districts and EIFDs:
“Green” Economic Development

WHAT IS A TAX INCREMENT FINANCING (TIF) DISTRICT?

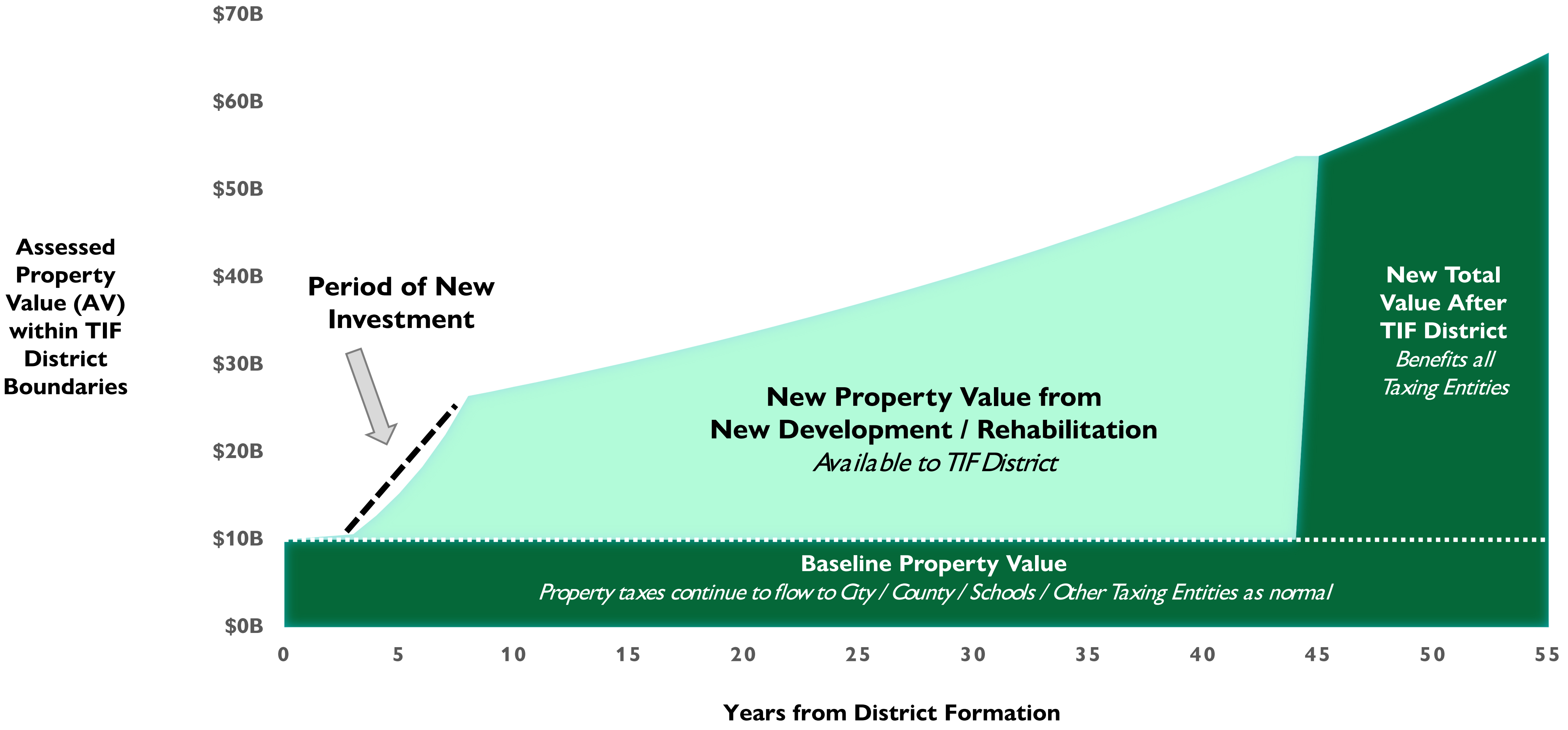
TIF Fundamentals

TIF is a method of capturing increased property tax revenue from new development or property value increases within a designated area to fund public improvements or those that implement public policy, such as housing.

How it Works

As private property investment occurs, the resulting increase in property tax revenue is “captured” and deposited into a separate TIF fund and used to pay for public improvements within a district.

TIF MECHANICS



ADVANTAGES OF TIF

Resource Preservation

No encumbrance of existing city/county resources

Collaboration (OPM = Other Public Money)

Attract tax increment contributions from other taxing entities

Grant Priority (OPM)

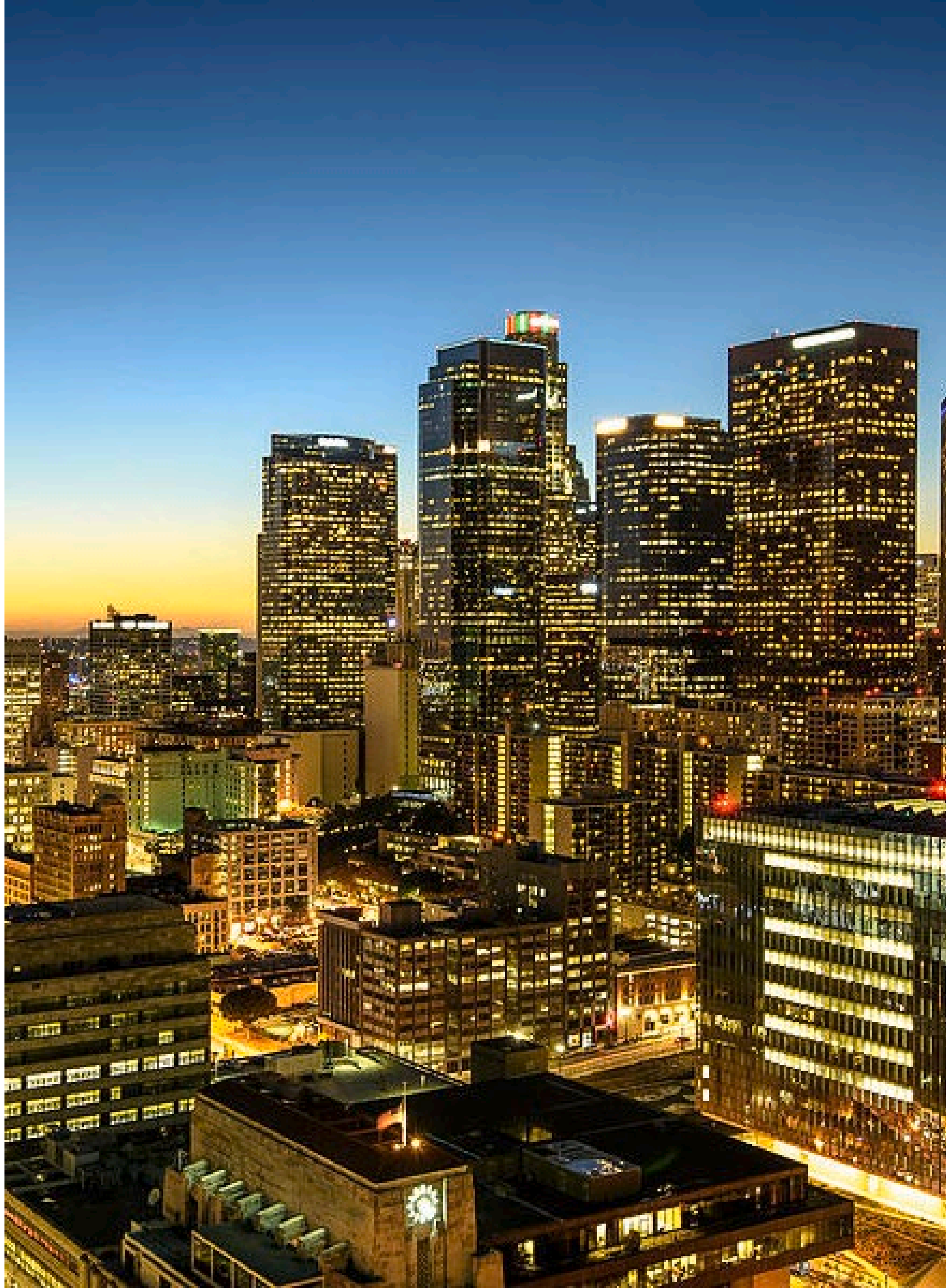
Increased priority for grant funding

Private Sector Catalyst

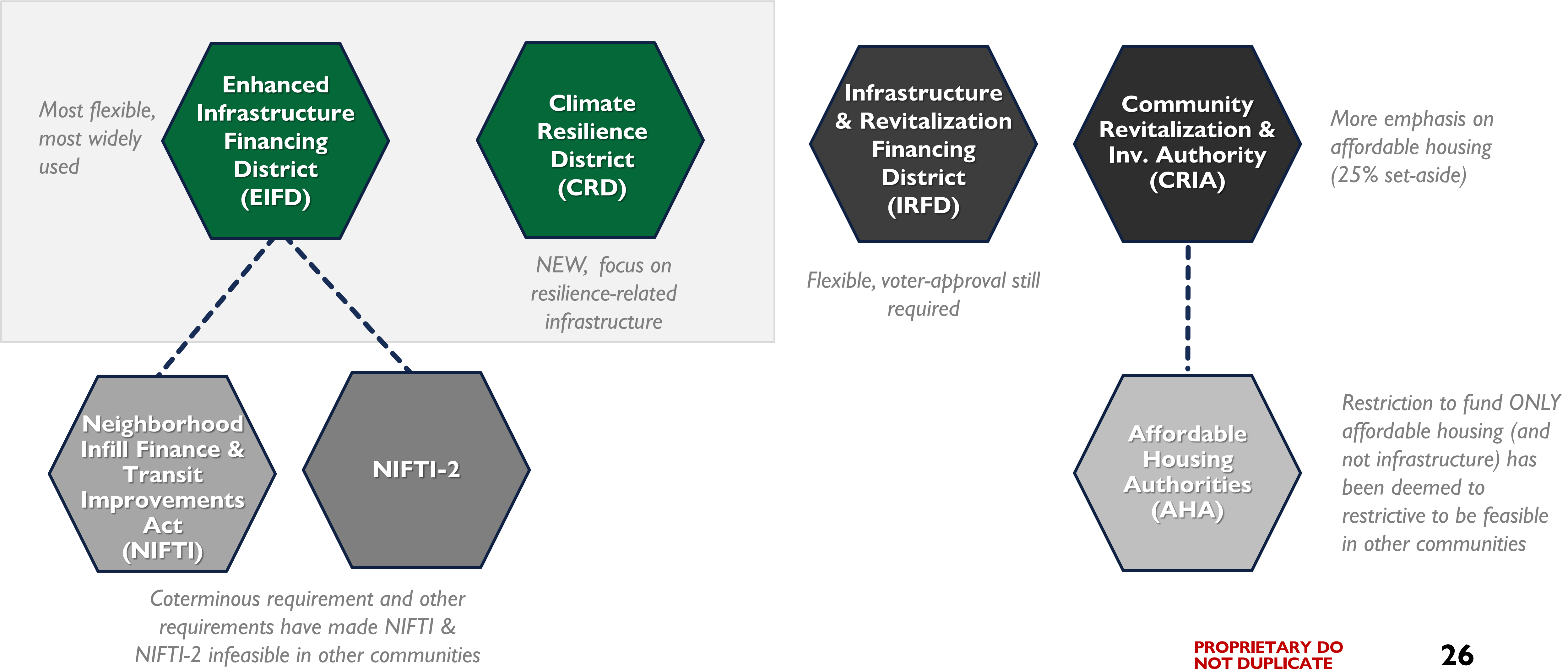
Demonstrated commitment to infrastructure projects to attract private development

No New Taxes

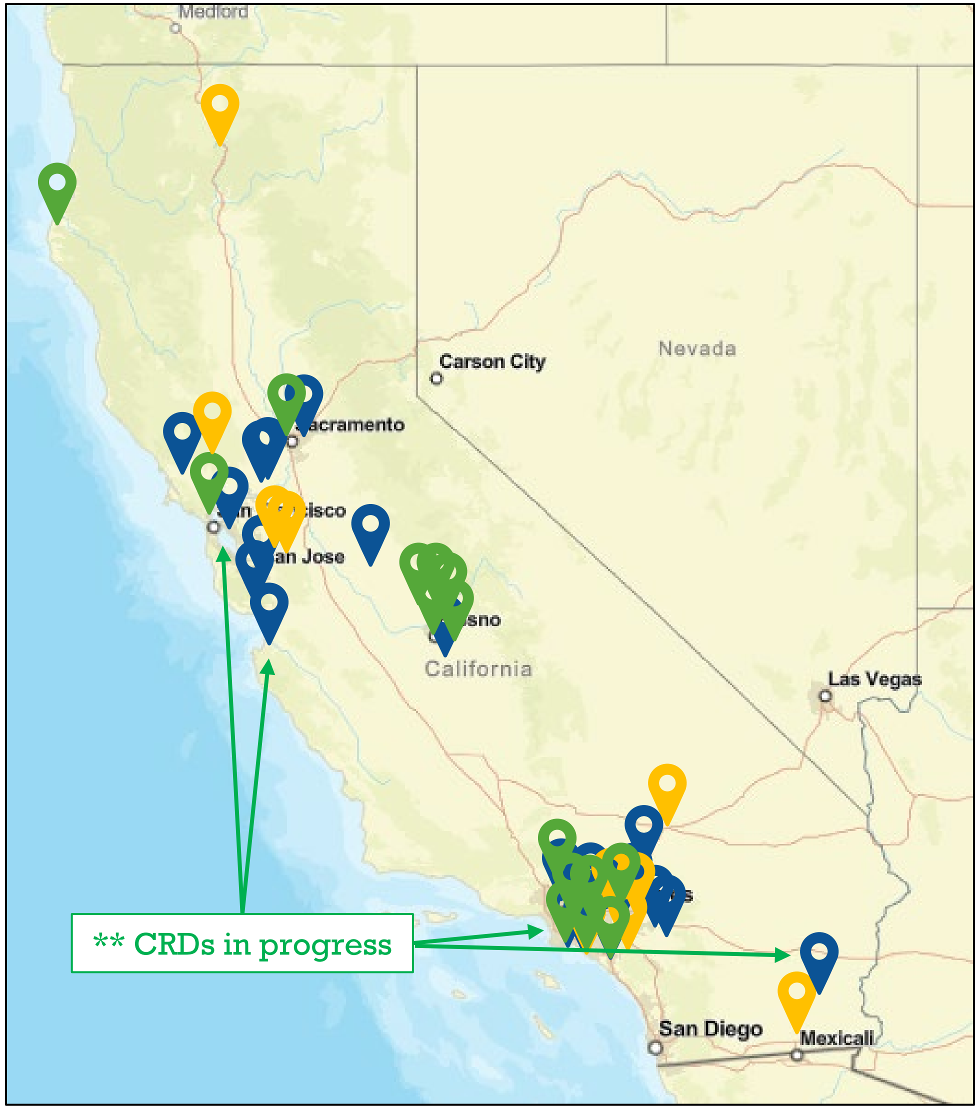
Not a new tax for residents only value capture of new development



TIF ALTERNATIVES IN CALIFORNIA TODAY



TIF PROGRESS STATEWIDE



Jurisdiction	Purpose
Apple Valley	Industrial and housing supportive infrastructure
Banning (CRIA)	Downtown revitalization, industrial infrastructure
Barstow	Industrial and housing supportive infrastructure
Brentwood	Housing, employment, and transit-supportive infrastructure
Buena Park	Mall reimagination, housing-supportive infrastructure
Carson + L.A. County	Remediation, affordable housing, recreation
Citrus Heights	Mall reimagination
Covina	Downtown housing and blended use supportive infrastructure
Fairfield	Downtown, housing, and transit-supportive infrastructure
Fresno	Downtown, housing and transit-supportive infrastructure
Fresno County	Industrial and commercial supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
Inglewood (CRD) **	Transit-related infrastructure
Imperial County	Industrial, renewable energy, and housing and infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Long Beach	Economic empowerment and affordable housing
Los Angeles (Downtown, San Pedro, other)	Affordable housing and transit-supportive infrastructure
Los Angeles County Uninc. 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
Oakland	Affordable housing and infrastructure
Ontario	Industrial and housing infrastructure
Palmdale + L.A. County	Housing and commercial 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 and blended use infrastructure
Redondo Beach + L.A. County	Parks / open space, recreation infrastructure
Riverside	Affordable housing and infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
San Rafael (EIFD + CRD) **	Blended-use and climate resilience infrastructure
Sanger	Housing and commercial supportive infrastructure
Santa Cruz (EIFD + CRD) **	Downtown, blended use, and climate resilience infrastructure
Santa Rosa + County of Sonoma	Downtown investment, affordable housing, hospitality
Selma	Water, sewer, and other housing supportive infrastructure
Vacaville	Housing and business park infrastructure
Yucaipa	Housing and commercial infrastructure

Fully Formed	In Formation Process	Under Evaluation

TIF FORMATIONS: COUNTIES & CITIES TEAMING UP

County Unincorporated EIFDs

1. Fresno County Business and Industrial Center (under study)
2. Humboldt County Unincorporated Samoa Peninsula (formed)
3. Imperial County (under study)
4. Los Angeles County Unincorporated West Carson (formed)
5. Madera County Unincorporated Riverstone (formed)
6. Madera County Unincorporated Tesoro Viejo (formed)
7. Madera County Unincorporated Riverwalk (formed)
8. Riverside County Unincorporated Highway 74 (formed)
9. Riverside County Unincorporated Temecula Wine Country (formed)
10. Riverside County Unincorporated Eastern Coachella Valley (formed)
11. Riverside County Unincorporated Thousand Palms (under study)
12. Sacramento County Unincorporated Metro Air Park (formed)
13. Stanislaus County Unincorporated Crow Landing Business Park (formed)

County EIFD Partnerships with Cities

1. Los Angeles County + Carson (formed)
2. Los Angeles County + La Verne (formed)
3. Los Angeles County + Palmdale (formed)
4. Monterey County + Gonzales (formed)
5. Orange County + Placentia (formed)
6. San Joaquin County + Stockton + Lathrop + Manteca (formed)
7. San Diego County + City of San Diego River Park (under study)
8. Sonoma County + City of Santa Rosa (under study)

Four counties have forged partnerships with cities
Six counties have started their own EIFDs
Seven counties have participation policies in place
Many ready for county partnership consideration

Counties with EIFD Participation Policies

1. Contra Costa County
2. Los Angeles County
3. Monterey County
4. Orange County
5. Sonoma County
6. San Bernardino
7. Sacramento County

EIFD FUNDAMENTALS

District Formation

45 Years from first bond issuance; can be formed in 12-18 months

Governance

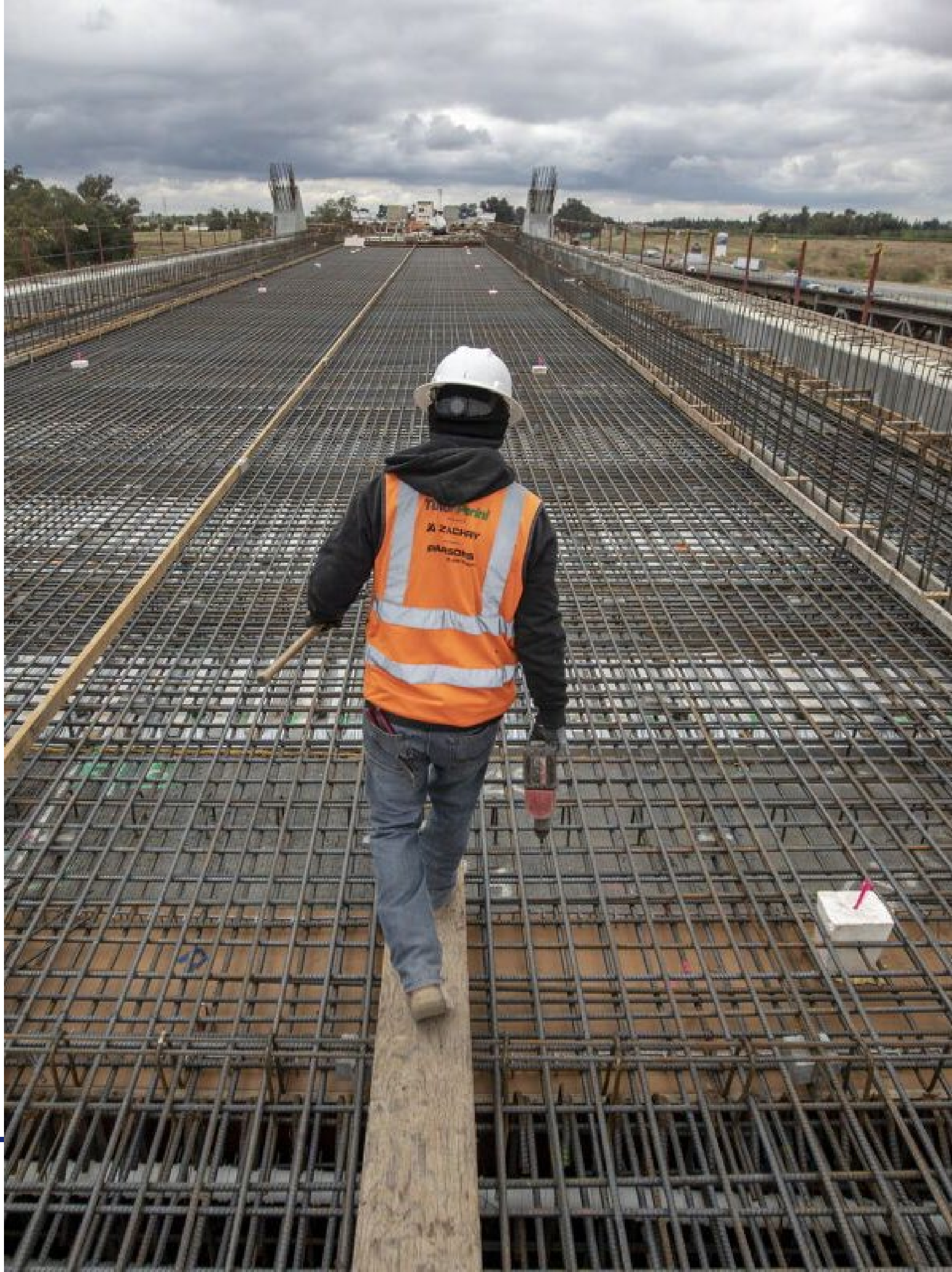
Public Financing Authority (PFA), which prepares and adopts Infrastructure Financing Plan (IFP)

Approvals

Mandatory public hearings for EIFD formation with protest opportunity; no public vote

Eligible Projects

Any property with useful life of 15 or more years and of community-wide significance



CLIMATE RESILIENCE DISTRICTS (CRD): NEW TIF IN TOWN

Eligible Projects	Including, but not limited to: Sea Level Rise / Flooding – sea level rise, sea walls, wetlands restoration, erosion control, levies, structure elevation / relocation, flood easements Extreme Weather – facilities / improvements for extreme heat, extreme cold, rain / snow Wildfire – fire breaks, prescribed burning, structure hardening, vegetation control Drought – land repurposing, groundwater replenishment, groundwater storage
Additional Powers	Taxing power – can levy a benefit assessment, special tax, property-related fee, or other service charge / fee Other funds – can apply for and receive federal / state grants, receive gifts / grants / allocations from public and private entities Administration – powers needed to administer district, like hiring staff

CRD vs. EIFD – SAMPLE OF KEY DIFFERENCES

Climate Resilience Districts (CRD)

- Can fund operating costs, in addition to capital and maintenance costs
- Authority to levy a special tax or special assessment (similar to CFDs), in addition to tax increment financing (TIF) authority
- Authority to hire staff

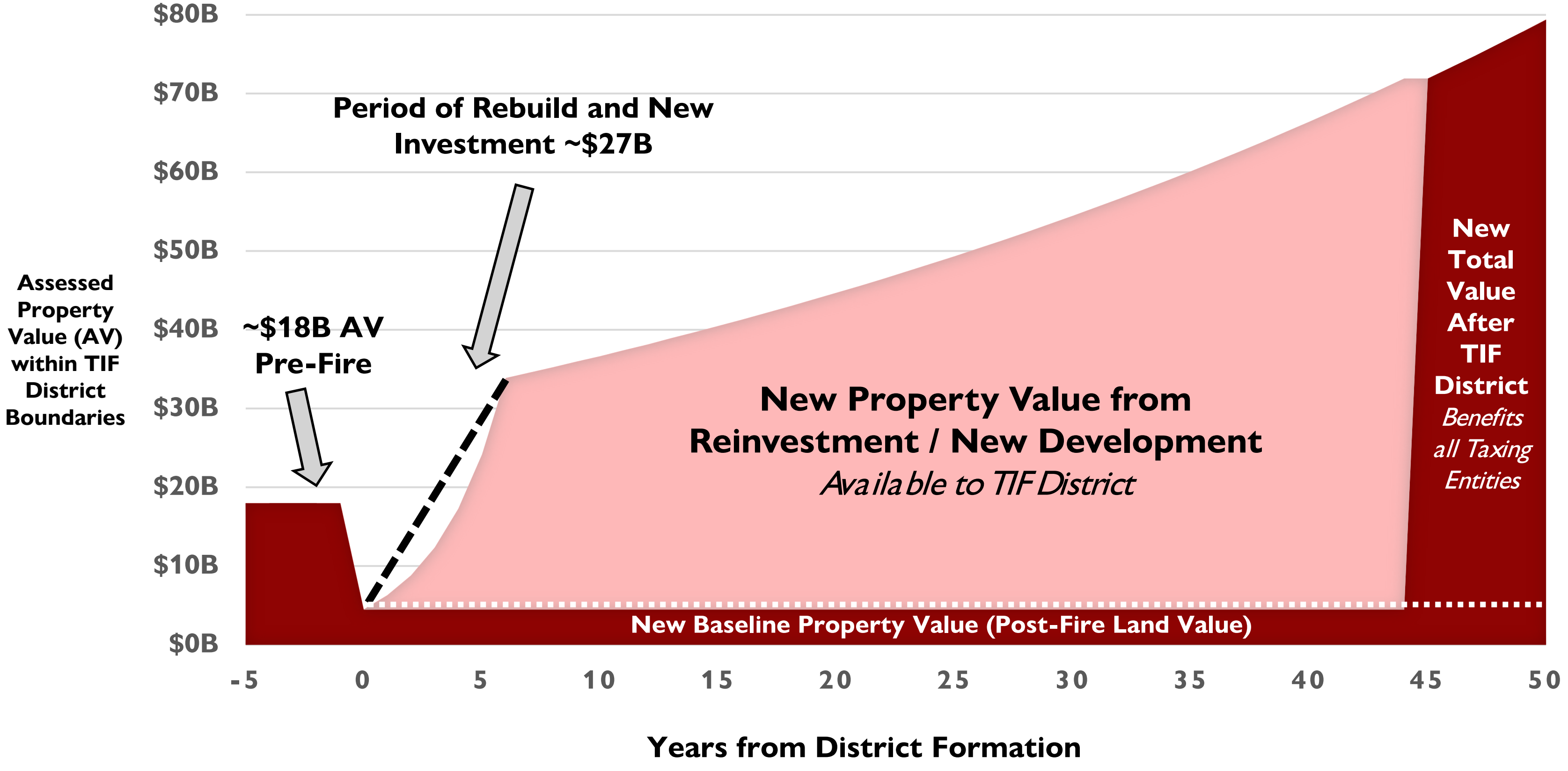
Both CRD and EIFD

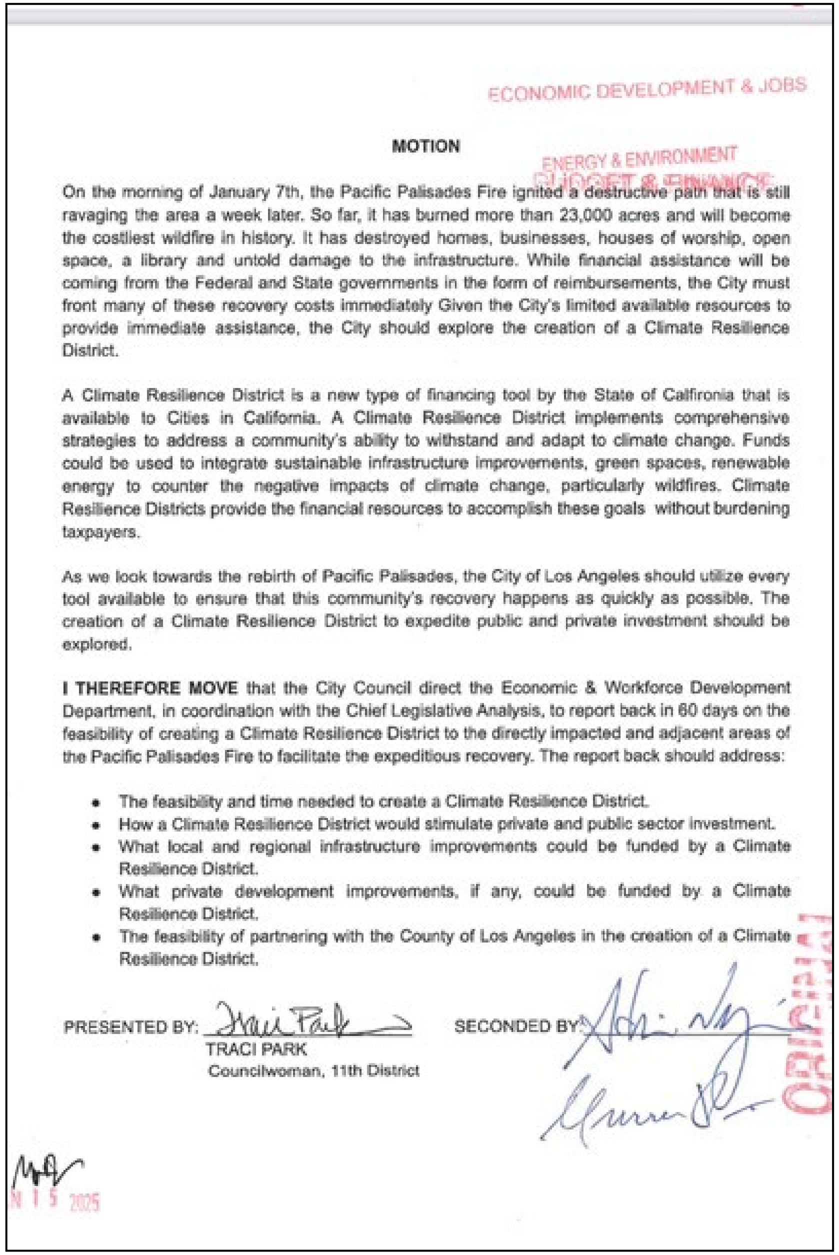
- Can fund climate resilience infrastructure, including capital and maintenance costs
- Tax increment financing (TIF) authority

Enhanced Infrastructure Financing Districts (EIFD)

- Can fund non-climate resilience projects, such as affordable housing

TIF AND THE L.A. FIRE DISASTERS





ECONOMIC DEVELOPMENT & JOBS

ENERGY & ENVIRONMENT

BUDGET & FINANCE

MOTION

On the morning of January 7th, the Pacific Palisades Fire ignited a destructive path that is still ravaging the area a week later. So far, it has burned more than 23,000 acres and will become the costliest wildfire in history. It has destroyed homes, businesses, houses of worship, open space, a library and untold damage to the infrastructure. While financial assistance will be coming from the Federal and State governments in the form of reimbursements, the City must front many of these recovery costs immediately Given the City's limited available resources to provide immediate assistance, the City should explore the creation of a Climate Resilience District.

A Climate Resilience District is a new type of financing tool by the State of Calfironia that is available to Cities in California. A Climate Resilience District implements comprehensive strategies to address a community's ability to withstand and adapt to climate change. Funds could be used to integrate sustainable infrastructure improvements, green spaces, renewable energy to counter the negative impacts of climate change, particularly wildfires. Climate Resilience Districts provide the financial resources to accomplish these goals without burdening taxpayers.

As we look towards the rebirth of Pacific Palisades, the City of Los Angeles should utilize every tool available to ensure that this community's recovery happens as quickly as possible. The creation of a Climate Resilience District to expedite public and private investment should be explored.

I THEREFORE MOVE that the City Council direct the Economic & Workforce Development Department, in coordination with the Chief Legislative Analysis, to report back in 60 days on the feasibility of creating a Climate Resilience District to the directly impacted and adjacent areas of the Pacific Palisades Fire to facilitate the expeditious recovery. The report back should address:

- The feasibility and time needed to create a Climate Resilience District.
- How a Climate Resilience District would stimulate private and public sector investment.
- What local and regional infrastructure improvements could be funded by a Climate Resilience District.
- What private development improvements, if any, could be funded by a Climate Resilience District.
- The feasibility of partnering with the County of Los Angeles in the creation of a Climate Resilience District.

PRESENTED BY: Traci Park
TRACI PARK
Councilwoman, 11th District

SECONDED BY:

ORIGINAL

JAN 15 2025

HARNESSING TAX INCREMENT FOR SUSTAINABLE CLIMATE SOLUTIONS

CRDs are created to focus on projects "**designed and implemented to address climate change mitigation, adaptation, or resilience".**

Extreme heat or the urban heat island effect

River, bay, or sea level rise

Risk of wildfire

Extreme cold, rain, or snow

Drought

OPM "OTHER PUBLIC MONEY":
GRANT FUNDING CAN BE ACCESSED BY CITY/COUNTY TIF DISTRICTS

Preferred strategy includes City partnership with County and other taxing entities

Districts with multiple partners are more likely to win grant funding sources

TIF explicitly increases scoring for CA Pro-housing incentives

Federal Sources

- *Caltrans ATP / HSIP grants*
- *Federal EDA / DOT / EPA*
- *Federal IRA and IIJA direct funds*

State Sources

- *Prop 4 ($10B)*
- *HCD & SGC grant / loan programs (AHSC, IIG, TCC, CERF)*
- *Prop 68 parks & open space grants*
- *Prop1 water/sewer funds*
- *IBank / Climate Financing*

Private Sector Sources

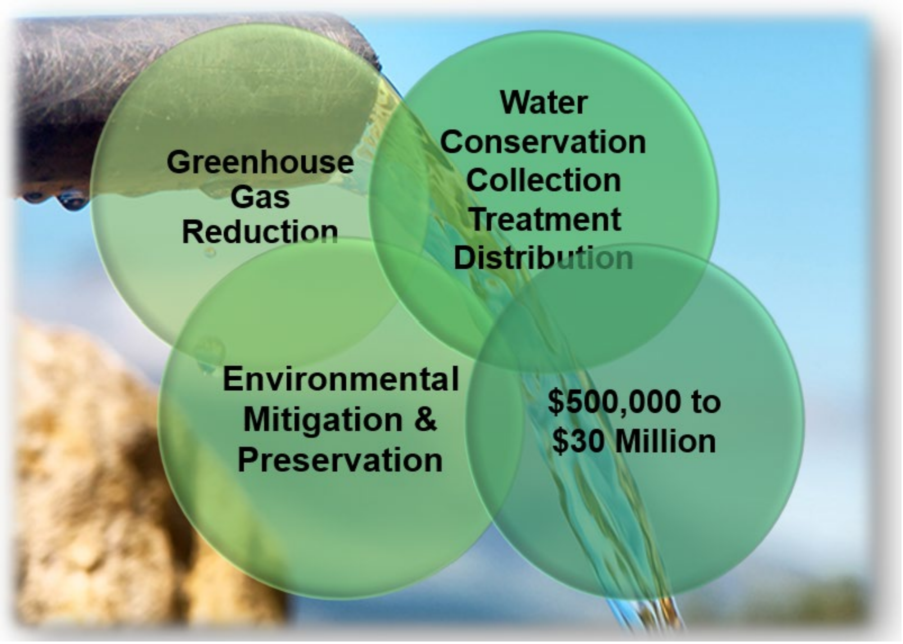
- *Development Agreement / impact fees*
- *Benefit assessments (e.g., contribution from CFD)*
- *Private tax credits available through IRA and IIJA for climate investments*

IBank California Infrastructure & Economic Development Bank

Infrastructure State Revolving Fund Program

Climate Financing

Direct loans and flexible climate financing



Bond Financing Program

Small Business Finance Center

Economic Development Roadmap

The Action Plan for Chasing Public $$ & Private Capital

KNOW WHAT YOU SHOULD BE CHASING: ECON. DEVELOPMENT = HOUSING & CLIMATE

Housing

- Rooftops = local spend
- Wallets staying local

Climate Action

- Sustainability
- Reslience

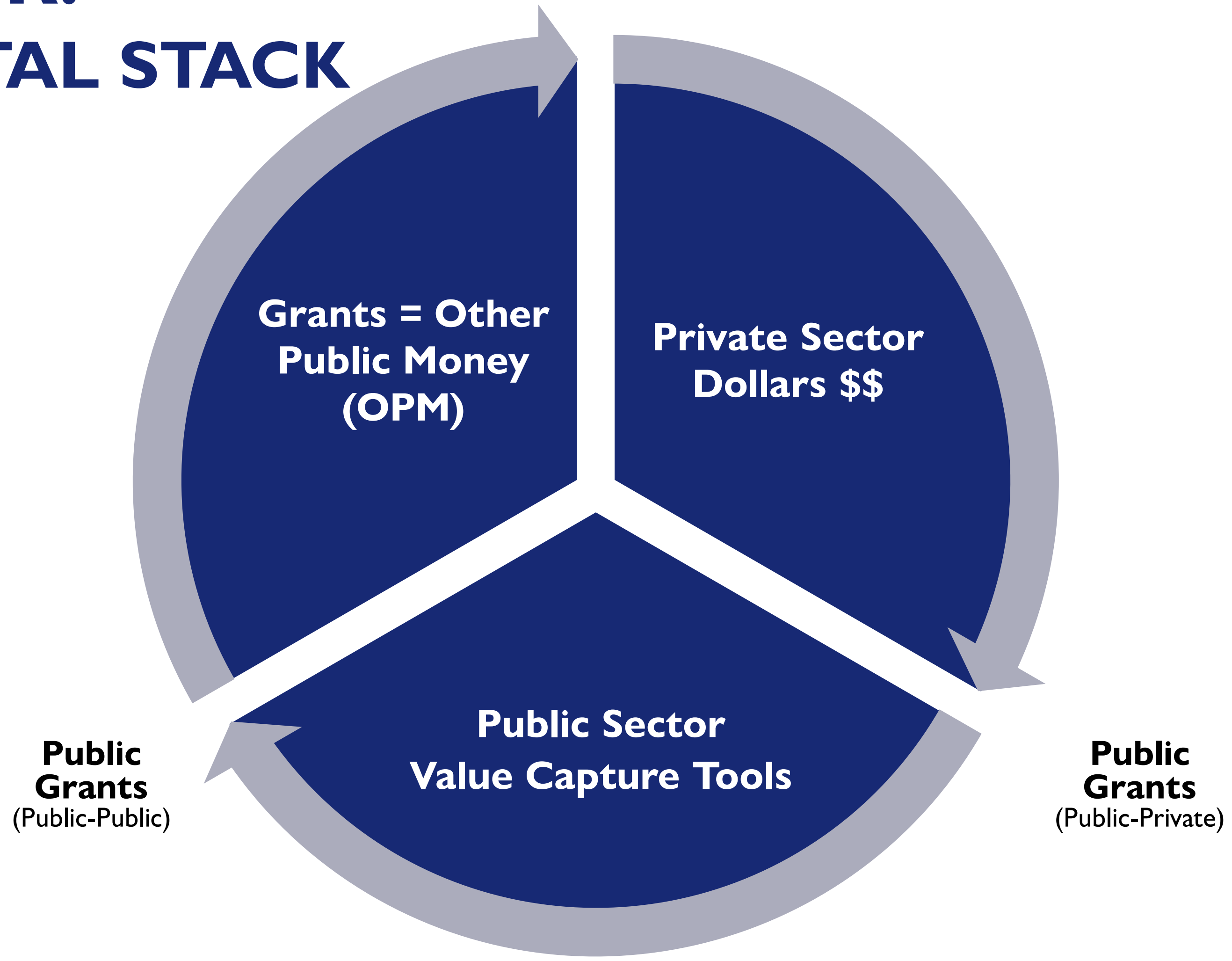
Econ Development

- Match private investment with local priorities

- *Capitalize on consumer preferences and 'spend' such as digital shopping, delivery, remote work*
- *Sustainability and Technology are priorities and preferences for a growing younger consumer base*
- *Housing an engine for vibrant, community-centered economies as constituents prefer to live and invest locally*
- *Economic Development is fueled by innovative approaches to housing and achieving sustainability / resiliency*
- *Induce private investment in projects that meet consumer demand and elevate community quality of life*

PUTTING IT ALL TOGETHER:
ENHANCE THE PROJECT CAPITAL STACK

These strategies support **public-public** as well as **public-private partnerships** – both of which support grant eligibility and **enhance the project capital stack**, whether for infrastructure or supporting private investment.



Public Policy + Econ Dev Tools + Private Investment + Grant Funding = Econ Dev Success

Four “E’s” of Economic Development:
Select a Winning Strategy

Educate
Public & private sector with data analytics and market intelligence

Engage
build community and stakeholder support through workshops & social media

Enable & Entitle
projects that are viable and sustainable

Economic Development Action Plan

☐	Get your financial house in order: budget priorities, comply with audits, GFOA requirements, and understanding revenue / cost imbalances (e.g., unfunded liabilities)
☐	Evaluate economic development strategies focused on value capture, creating zoning currency and TIF Districts to induce private investment
☐	Identify best opportunities to pursue (developer proposals, RHNA compliance, Retail Center redo, industrial/distribution)
☐	Select preferred value capture tools, special districts (EIFD/CRD), and federal / state grant dollars available for projects
☐	Consistently engage community / stakeholders via outreach on tools, amenities, and priorities for amenities and infrastructure
☐	Work with owners / developers on specific projects
☐	Annually reassess your budget, finance, and economic development priorities and progress

A Collaborative Approach Yields Success

Internal Collaboration: City Departments Working Together	**City Manager's Office:** Drive high-level strategy and ensure policy consistency **Planning & Zoning:** Ensure entitlement processes align with market needs and city goals **Public Works & Infrastructure:** Coordinate on roads, utilities, and site readiness **Finance & Budgeting:** Align incentives, tax policies, and funding mechanisms **Economic Development Team:** Act as facilitator, bridging all efforts
Public-Private Collaboration: Partnering with the Private Sector	**Developers & Public Agencie :** Work together to overcome financing and zoning barriers (P3) **Brokers & Business Owners:** Engage local businesses and site selectors early **Investors & Financial Institutions:** Explore creative financing tools and incentives **Chambers of Commerce & Business Associations:** Align economic development goals with business needs
Public-Public Collaboration: Engage Key Stakeholders	**Residents & Workforce:** Ensure economic growth supports local quality of life **Neighboring Cities & Counties, Disticts:** Coordinate on regional strategies –TIF Disticts can be Joint Ventured **State & Federal Agencies:** Leverage funding opportunities and policy alignment **Educational Institutions & Workforce Development Groups:** Build talent pipelines for target industries

Collaboration & Flexibility: Who Do You Need in the Room

Economic Development requires **proactive collaboration** across public and private sectors to shape successful projects and policies

Big Picture Thinkers

- City Manager
- CFO / Municipal Advisor
- City Attorney

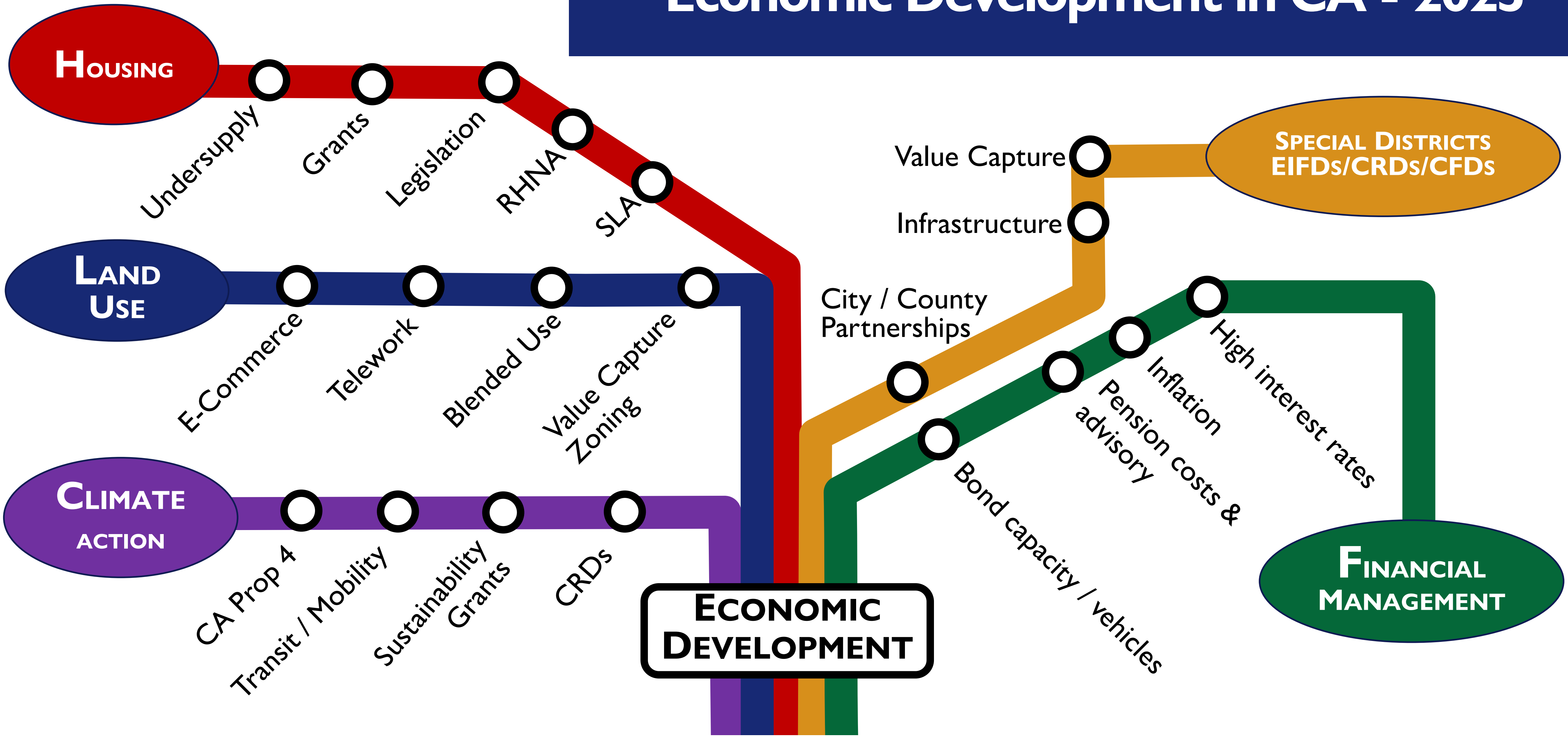
City Specialists

- Econ. Dev. Team
- Community Development
- Public Works
- Police & Fire
- Finance

Trusted Advisors

- Real Estate Advisor
- Public Finance Advisor
- Key Stake-holders
- Retail Analyst/ Market Feasibility Consultant

Economic Development in CA - 2025



Thank you!

Q&A

Larry J. Kosmont, CRE®, Kosmont Companies

April 23, 2025

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