

GCG

GOODWIN CONSULTING GROUP

REAL ESTATE
PUBLIC FINANCE AND
URBAN ECONOMICS
ADVISORY SERVICES

STATEMENT
OF
QUALIFICATIONS

JULY 13, 2023

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Section I.

INTRODUCTION TO THE FIRM

Goodwin Consulting Group, Inc. (GCG) is a Sacramento-based firm formed in 2001. GCG has one office and has averaged nine employees over the past five years. GCG's principals have earned a reputation for providing exceptional customer service and high-quality work product. The principals have nearly one hundred years of combined experience in public finance, development economics, real estate market analysis, and municipal consulting, and have completed thousands of contracts for clients throughout the western United States. GCG makes a commitment to each client that a principal will be actively involved in all aspects of project completion; this approach to project management has been extremely well-received by our clients. GCG principals are registered municipal advisors (Series 50, and Series 54 for Managing Principal).

GCG has extensive experience in the fiscal, financial, and economic impact analysis of land development, conversion, and transition. Unlike other firms who specialize in the *planning* of new projects, GCG has expertise in the *implementation* and ongoing *administration* of new developments. This difference is critical to ensuring that a public facilities financing strategy will be feasible from the early development stages through buildout of a project. The GCG staff has considerable knowledge of and experience with challenges that affect the phasing and cost of development in Hawaii and on the mainland, including affordable/workforce housing, water availability, habitat mitigation, regional planning, and local growth control measures and initiatives.

Experience with both public and private sector clients provides GCG staff with the ability to recommend financing strategies that can be implemented after consideration of market constraints, political pressures, competitive projects, and project funding capacity. The principals of GCG have a reputation for facilitating agreement between public agencies and developers throughout the preparation and implementation of impact fee and public financing programs. Each project is approached with the objective of reaching consensus from both public and private sector participants. It has been GCG's experience that, ultimately, the future homeowners and commercial/industrial property owners benefit from this approach to a project. GCG staff members are known to be fair and objective and to maximize benefits and minimize burdens to all interested parties.

GCG specializes in designing funding programs that can accommodate a variety of land uses and ensure that each type of land use remains marketable and feasible to develop. Taking into account limitations inherent in special assessment legislation, GCG develops creative solutions that allow funding programs to respond to changing market conditions, land use plans, and infrastructure phasing plans. Because GCG often remains involved in the ongoing implementation of these funding programs, the firm recognizes the importance of providing flexibility in the initial plan.

GCG principals have been featured speakers at courses and seminars sponsored by the UC Davis Extension program, League of California Cities, American Planning Association, American Public Works Association, California Redevelopment Association, Coalition for Adequate School Housing, and Urban Land Institute, as well as by numerous organizations in Hawaii, such as Hawaii Municipal Attorneys Conference, Hawaii Congress of Planning Officials, Land Use Research Foundation of Hawaii, Hawaii State Association of Counties, and Hawaii Leeward Planning Conference.

The principals of GCG have also prepared, participated in, and instructed programs about Community Facilities Districts, Tax Increment, Development Impact Fees, the financial aspects of planning, options for funding public infrastructure and affordable/workforce housing, fiscal and economic analysis, and new town development. In addition, Ms. Goodwin worked with Senator Henry Mello in CA and his legislative analyst to evaluate the impacts of proposed clean-up legislation affecting the Mello-Roos Act (CFDs), and the proposed changes were ultimately modified to maintain the flexibility in the Act.

Section II.

SERVICES PROVIDED BY GCG

GCG provides a wide range of consulting services throughout all phases of planning and entitlement of a new development, including but not limited to, the following:

Public Facilities Financing Plans

GCG prepares detailed financing strategies that ensure that public infrastructure required to serve a new development will be funded in a timely and efficient manner. Incorporating the nexus requirements mandated by state law, GCG determines the gross impact fees that would be required from each type of land use proposed within a project and evaluates the feasibility of the associated funding burdens. GCG then compares the revenues available from pay-as-you go financing to the phasing of infrastructure costs to determine if other mechanisms are needed to remedy funding gaps. A detailed financing analysis is then prepared which identifies the one-time and annual burdens associated with assessment bonds, Mello-Roos bonds, revenue bonds, certificates of participation, and other indebtedness that is proposed to be used to generate lump-sum funding for project facilities. GCG also evaluates whether a reimbursement program will be needed to maintain equity among landowners in a project. Alternatives to provide such reimbursement, including area-of-benefit fee programs and Integrated Financing Districts, are analyzed in detail to demonstrate to the landowners how reimbursement will ultimately be realized.

Special Tax Consulting Services

GCG has extensive experience writing special tax formulae for Mello-Roos Community Facilities Districts (CFD) throughout California. GCG is the only consulting firm based in northern California that has combined expertise in both preparing the special tax formula during CFD formation and administering the special tax on an annual basis throughout the life of the bonds. Because GCG is involved in the ongoing administration of nearly one hundred and fifty CFDs, our staff is uniquely aware of the components that should be included in a special tax formula to ensure ease of administration, avoid complaints from homeowners and property owners, and require minimal interpretation by the public agency in future years. The principals of GCG have collectively written special tax formulae for hundreds CFDs. These formulae have accommodated multiple bond issues for phased infrastructure funding, escalating special taxes, multiple tax zones to avoid cross-collateralization among landowners, state-of-the-art backup and prepayment mechanisms, extended terms, pay-as-you-go funding, future annexation areas, and other features.

Fiscal Impact Analyses

GCG principals have analyzed the fiscal impacts associated with new development projects, general plan updates, annexations, incorporations, and reorganizations. These analyses have been used to negotiate tax revenue sharing agreements, to determine the most efficient governance structure for new town developments, and to analyze the impact of reallocating revenues from one public agency to another. With a focus on computer analysis and a thorough attention to detail, GCG's fiscal impact studies include (i) a comprehensive

review and analysis of public agency budgets, (ii) detailed revenue and expense projections on an annual basis and at project buildout, and (iii) a calculation of annual special taxes or upfront payments if it is determined that a funding alternative is needed to mitigate fiscal deficits. GCG produces a dynamic fiscal model that can be used to run sensitivity analyses associated with changes in land use, service standards, phasing, cost estimates, and other factors.

Development Impact Fee Justification Studies

GCG has prepared numerous AB 1600 fee justification studies that have withstood extensive scrutiny by the building industry and development community. In establishing nexus and calculating impact fees, GCG considers all components that factor into a fair and objective fee program, including existing vs. preferred facility standards, other available sources of funding, remedies for existing deficiencies, and ongoing maintenance of the fee program. GCG keeps up-to-date on court cases, fee challenges, and legal opinions related to impact fees and nexus findings. In addition, GCG has been hired to conduct critical reviews of various agencies' fee programs, which provides the firm with a keen understanding of the most typical weak points in an agency's nexus finding.

Economic Impact Analyses

GCG prepares analyses of the economic impacts proposed projects will have on a local jurisdiction, existing retailers in a community (including sensitive downtown areas that may be part of ongoing revitalization efforts), or the regional competitive marketplace. These analyses consider job creation and pay levels (during both the construction and operational phases of a project), indirect and induced impacts as well as direct impacts, retail sales capture and leakage patterns, cannibalization of existing sales tax revenue, and other direct and indirect impacts a proposed project may have on the local economy. GCG has prepared analyses associated with a variety of unique land uses, including golf courses, time-share units, age-restricted projects, auto malls, airport-related industrial uses, and hotel/conference center facilities.

Market Absorption Studies

GCG's market absorption analyses evaluate the projected timeframe within which a proposed development project can be expected to absorb within the local marketplace. Alternatively, a GCG market study can be used to determine the most feasible land uses for a site as the land use plan is being developed. As applicable, GCG evaluates supply and demand dynamics within primary, secondary, and tertiary trade areas. GCG's contribution to the planning process avoids a costly plan being prepared that is subsequently determined to be infeasible in the competitive market. Analyses prepared by GCG have been used (i) to determine the highest and best use for vacant parcels considering other land uses and accounting for both existing and proposed competitive projects in the area, (ii) as the basis for land use decisions at the general plan or specific plan level, and (iii) to construct land use policies that set forth density requirements that are reasonable based on market conditions.

Redevelopment Analyses

GCG has prepared redevelopment tax increment projections in association with public infrastructure financing programs, public/private partnership proposals, and pass-through negotiations between public agencies. GCG has taken into account the required allocation of tax increment as set forth in Assembly Bill 1290, including the 20% LMI Set-Aside and stepped-up distribution required over time, and has exploited where applicable the increased flexibility incorporated into the military base reuse chapter of the redevelopment law. GCG has formulated financing strategies that include a combination of land-secured funding mechanisms and tax allocation bonds, which provide funding both in the early years of a project and at buildout of the tax increment-generating land uses. GCG also understands that analyzing fiscal impacts becomes even more critical under these circumstances since the vast majority of property tax increment will likely be utilized for redevelopment projects rather than for discretionary general fund purposes for an extended period of time. The same analyses that formerly applied to redevelopment agency projects in CA can now be applied to study the feasibility of Enhanced Infrastructure Financing Districts (EIFDs) and other tax increment scenarios.

Pro Forma Cash Flow Analyses

GCG staff have analyzed the profitability of a variety of development projects for both public and private sector clients. Complex pro forma cash flow analyses that have been developed by GCG staff consider absorption schedules, sales and rent structures, infrastructure costs and phasing, preservation and rehabilitation costs and financing, public and private financing, land acquisition and ground lease structures, entitlements and other land development issues, preferred distributions, back-end sales participation revenue, and a host of other important assumptions and variables that factor into the net present value, internal rate of return, cash-on-cash return, and other measures of development profitability. GCG staff have also prepared more simplified analyses that ignore timing issues and estimate direct and indirect vertical construction costs, marketing, selling, and other general and administrative expenses, in-tract and lot improvement costs, and other factors to determine builder profit or residual land value. Land development projects involving bulk sales to home builders, residential subdivisions, affordable and workforce housing projects, for-sale and rental multi-family complexes, and non-residential projects involving retail, hotel, office, and industrial development, including golf course development, have all been analyzed by GCG staff.

Section III.

RESUMES FOR GCG PRINCIPALS

Susan Goodwin Managing Principal

Susan Goodwin has an extensive background in public finance and real estate economics, having managed the planning and implementation of hundreds of districts and programs that generate funding for public infrastructure and services. She is experienced in the preparation of comprehensive public facility financing plans, impact fee justification studies, market studies, tax increment projections, and fiscal impact reports for both public and private sector clients. Susan has also worked with numerous public agencies to develop and implement fee credit and reimbursement programs that ensure equity is achieved among landowners within large master-planned communities.

Susan has specialized experience in the preparation of special tax formulas, methods of apportionment, and disclosure documents for Mello-Roos Community Facilities Districts (CFDs). She has been involved in bond issuances that have funded billions of dollars in public infrastructure in California. Susan worked directly with Senator Henry Mello to amend language in proposed Mello-Roos clean-up legislation that would have considerably reduced the flexibility provided in the law relative to allocating special taxes among properties in a CFD. She has also contributed input and ideas to several subsequent Mello-Roos clean-up bills.

Susan was actively involved in the formation and administration of several of California's first Property Assessed Clean Energy (PACE) programs, using the Mello-Roos law with charter cities and contractual assessment law with general law cities and counties. She has also developed complex and creative funding solutions for several of the largest base reuse projects in California.

Susan is a frequent speaker and panelist at Mello-Roos courses and seminars sponsored by the UC Davis and UCLA Extension programs, California Debt and Investment Advisory Commission, League of California Cities, and American Planning Association. She has also served as a guest lecturer at UC Berkeley and UC Davis. Susan has prepared, participated in, and instructed programs about the Mello-Roos Community Facilities Act, the financial aspects of planning, options for funding public infrastructure and services, fiscal and economic analysis, and new town development.

Education

B.S., Business Administration, University of Southern California

Professional Affiliations

Instructor, University of California at Davis Extension Program
Instructor, University of California at Los Angeles Extension Program

David Freudenberger
Senior Principal and Founding Partner

Dave Freudenberger offers comprehensive experience in public finance, fiscal impact analysis, and economic and market feasibility. He has managed numerous studies prepared for small, single-use developments and large, master-planned communities, ranging from dense urban spaces to expansive undeveloped areas. Dave brings nearly three decades of preparing public infrastructure funding strategies, fiscal and economic impact studies, market absorption studies, pro forma cash flow analyses, tax increment projections and redevelopment feasibility studies, and jobs/housing and affordable/workforce housing programs. He also has expertise in valuing real estate portfolios, restructuring the financial elements of real estate deals, and assessing ground lease and related development proposals for residential, non-residential, and institutional land uses.

Dave has personally directed the evaluation, preparation, and implementation of land-secured financing districts and public facilities financing plans designed to fund billions of dollars of infrastructure throughout California, Hawaii, and Nevada. In a hands-on fashion, he has supervised the formation of hundreds of Community Facilities Districts (CFDs), having developed complex cash flow models and special tax formulas that determine the capacity, structure, and timing of land-secured debt financing and ongoing municipal services programs.

Dave has been a conference panelist, moderator, and speaker on public financing topics for the League of California Cities, multiple California chapters of the American Public Works Association, the California Redevelopment Association, the Hawaii Municipal Attorneys Conference, the Hawaii Congress of Planning Officials, the Land Use Research Foundation of Hawaii, the Hawaii State Association of Counties, and the Hawaii Leeward Planning Conference, as well as a guest lecturer at both UC Berkeley and UC Davis.

Education

B.S., Industrial Engineering, Stanford University
M.B.A., University of California at Los Angeles

Victor Irzyk
Senior Principal and Founding Partner

Victor Irzyk has extensive experience in municipal finance and has applied his knowledge to develop complex cash flow models that evaluate the one-time and annual financial impacts associated with new development projects, redevelopment areas, annexations, incorporations, and consolidations. He has prepared numerous economic and fiscal impact studies that project the revenues, expenses, population growth, and job creation impacts from new development projects. Victor has also worked on many land-secured financings that involved multiple bond issues, escalating debt service, and backup tax and prepayment formulas, and he has worked with public agencies to implement CFDs that provide funding for capital improvements and/or municipal services.

Victor has considerable experience developing AB 1600 impact fee programs that are not only consistent with the law but also consider other important factors, such as marketability of the proposed fees and competitiveness with other local jurisdictions. He has structured many

comprehensive development impact fee programs that incorporate multiple fee zones, distinct infill fees, alternate funding sources, and detailed fee credit and reimbursement methodologies. Victor has a keen understanding of the nexus provisions established in the Mitigation Fee Act and is well versed in federal and state case law as it relates to development impact fees.

Victor manages GCG's CFD administration department and is responsible for the calculation and submittal of special tax levies for CFDs throughout the State. As part of the annual CFD administration services, he oversees the preparation and dissemination of SEC-required continuing disclosure reports to the municipal bond market, arbitrage rebate and yield reduction calculations for tax-exempt bond issues, annual reporting to the California Debt and Investment Advisory Commission, bond payoff calculations for property owners, inquiries from taxpayers, and tax delinquency monitoring and foreclosure assistance.

Education

B.S., Mathematics, University of Illinois-Chicago
M.B.A., University of Southern

Cindy Yan ***Principal***

Cindy Yan has considerable experience in a wide range of professional services, including fiscal impact analysis, financial feasibility, economic impact studies, tax increment projections, and AB 1600 impact fee studies. She has prepared comprehensive infrastructure financing strategies for new developments, analyzing both the one-time and annual burdens on new projects as well as reimbursement strategies for oversized facilities. In addition, Cindy has prepared fiscal impact studies that incorporate multiple development scenarios, phasing plans, and public agencies to evaluate impacts from new development.

Cindy has also developed innovative tax apportionment methods for CFDs throughout California and Hawaii, encompassing multiple improvement areas, tax zones, development categories, and land use types. She has extensive knowledge in the area of financing district administration, having supervised the annual levy and collection of special taxes in many California counties. Cindy has significant experience in preparing and reviewing special tax levies, annual CFD and continuing disclosure reports, and backup tax and prepayment calculations.

Cindy's direct experience in these roles spans nearly 20 years, all of them with GCG.

Education

B.A., Political, Legal & Economic Analysis, Mills College
M.B.A., Mills College

Section IV.

REPRESENTATIVE PROJECTS AND PROFESSIONAL REFERENCES IN HI

This section contains a sampling of projects for which GCG provided a variety of consulting services in Hawaii, as well as contact information for multiple Hawaii clients. A partial list of all GCG public and private sector clients is provided in Appendix A of this Real Estate Public Finance and Urban Economics Advisory Services SOQ. For more information about GCG, please visit our website at www.goodwinconsultinggroup.net.

GCG has a long history – spanning well over a decade – of working in Hawaii with State and County public agencies on numerous projects ranging from project feasibility analyses to pro forma cash flow projections, public facilities financing plans, market and economic impact studies, CFD and Improvement District (ID) formation projects, land-secured financing feasibility analyses, parking feasibility studies, project-specific fiscal impact studies, affordable housing projects, and policy level research and analysis reports involving affordable/workforce housing, shoreline acquisition and maintenance, and 21st century schools. We have worked closely with staff at all levels of State government, as well as County Council members, Mayors, Managing Directors, Department Directors, and the Executive Director of a Business Improvement District (BID). GCG has been asked to speak and moderate at multiple conferences and forums in Hawaii, and to deliver presentations to County Councils as well as Mayors and their Cabinets.

We feel confident that we have been, and still are, fostering long-term relationships in Hawaii, and that we have forged strong connections with State and County elected officials and staff, their consultants, and many in the Hawaii real estate industry. Our specific, relevant, and recent experience working directly with folks at all levels in State and County government in Hawaii have allowed us to develop a keen sense of the critical real estate and financial market, political, weather and geography, development cost structure, housing, commercial, and financial feasibility issues and obstacles that must be overcome in this unique area of the country and, indeed, of the planet.

It is likely that no firm knows more than GCG about land-secured financing, as well as tax increment and the issues surrounding tax increment financing, in Hawaii. These and other financing tools that GCG plans, implements, and administers, may be good candidates to facilitate redevelopment. GCG has been analyzing various land-secured financing and tax increment proposals in Hawaii for years, as illustrated in the sample projects presented below. In addition, GCG examined the County of Hawaii tax increment code (HCC Chapter 33), recommended key revisions, and prepared a redline version of Chapter 33 for decision-makers to consider. GCG also was instrumental during state legislative sessions in working with senator's and assemblyperson's offices and the Senate Majority Research Office to craft bills related to land-secured financing and tax increment. GCG played a role in one bill introduced in the State Legislature proposing a constitutional amendment to explicitly permit bond issues secured by tax increment, and in another bill proposing to add public services to the list of authorized facilities and services that may be funded through a CFD. Although neither bill made it out of committee, they may be taken up again when the Legislature reconvenes and, if passed, the tax increment bill could be put on the ballot in the next general election. In addition, GCG has met with and worked with the prior Attorney General, both while he was Managing Director and then as AG, to render a legal opinion from the AG's office confirming that tax increment bonds can be issued, which would provide the needed assurance without a constitutional amendment to effectively utilize this particular financing tools.

Below is the contact information for several Hawaii clients, many of whom are associated with current or very recent projects that GCG has worked on. Subsequent to the contact info is a description of some of the work GCG has performed in Hawaii.

Hawaii Client Contact Information

Roy Takemoto, Executive Assistant to the Mayor (Retired)

County of Hawaii

808-315-6878

roy.takemoto@hawaiicounty.gov

Erin Wade, Senior Planner

County of Maui / Maui Redevelopment Agency

808-269-0649

erin.wade@co.maui.hi.us

Janice Takahashi, Chief Planner

Hawaii Housing Finance & Development Corporation (HHFDC)

808-587-0639

janice.n.takahashi@hawaii.gov

Jeanne Schultz, President & CEO (Retired)

Hawaii Institute for Public Affairs (HIPA)

808-551-7612

jschultz@hipaonline.com

Dave Arakawa, Executive Director

Land Use Research Foundation of Hawaii (LURF)

808-783-9407

darakawa@lurf.org

Todd Apo, Former Vice President Community Development

Howard Hughes Corporation (HHC)

808-781-7761

todd.apo@howardhughes.com

Vincent Shigekuni, Senior Vice President

PBR Hawaii

808-521-5631

vshigekuni@pbrhawaii.com

Hawaii Project Descriptions

Kaloko Heights CFD, County of Hawaii

The Kaloko Heights project is proposed to include approximately 1,100 homes and a small amount of local-serving retail space in an area that comprises approximately 400 acres. Located north of Kona, the project site is bisected by Hina Lani Street, which bifurcates the project into Phase 1 (north of Hina Lani) and Phase 2 (south of Hina Lani). As special tax consultant, GCG coordinated with the developer team and the County team to formulate assumptions regarding home sizes, home prices, and other variables, prepared a CFD cash flow analysis and annual effective tax rate evaluation, developed the rate and method of apportionment for the CFD, and assisted the team in preparing resolutions and other legal materials to establish the CFD. The CFD is structured so that all of the special tax revenue needed to pay debt service on a future bond issue is generated by development within Phase 1. However, the CFD is also equipped with the ability to levy a special tax on property within Phase 2 if necessary to ensure that debt service is covered. CFD 1-2021 was formed in late 2021, and GCG worked with the rest of the County's finance team to prepare for a bond issuance of approximately \$13.1 million in early 2023 to fund a sewer line and related public improvements. GCG continues to work with the County to provide annual levy and administration services for this CFD.

ALOHA Homes, Hawaii Housing Finance and Development Corporation

The ALOHA Homes (Affordable Locally Owned Homes for All) concept has been proposed and refined over the last few years by Senator Stanley Chang with a series of bills introduced to the State Legislature. Recently, the Leg required that the concept be analyzed by HHFDC, which in turn retained a team of consultants to prepare a feasibility and implementation study. That team was led by the Hawaii Budget and Policy Center, and included GCG, Hawaii Planning LLC, Williamson Chang (professor and legal analyst at UHM William S. Richardson School of Law), and others.

The final report includes an analysis of the Singapore housing model (upon which the ALOHA Homes concept is based in part), an analysis of other housing models around the world, an assessment of the financial feasibility of the concept and its ability to maintain housing affordability, an evaluation of other program elements, and a discussion of conclusions and next steps. Research and analysis, as well as several case studies, multiple interviews with developers and housing agencies and community organizations, and four focus groups were utilized to review issues such as innovative approaches to financing infrastructure, State land contributions, 99-year State land leases, streamlined entitlement processes, access to construction financing (mortgage revenue bonds, local lenders, etc.), various dwelling unit restrictions (such as resident/occupancy status and enforcement, income limits, sales price/equity constraints, and native Hawaiian preferences/set-asides), housing project design parameters and construction costs, tenant participation/sweat equity, and government agency involvement.

820 Isenberg Street (Bowl-O-Drome Site), Department of Hawaiian Home Lands

Working as a subconsultant to PBR Hawaii, GCG is assisted the Department of Hawaiian Home Lands (DHHL) in the process to redevelop the old Bowl-O-Drome site at 820 Isenberg Street in Honolulu. It is anticipated that the existing structures would be demolished and a new mixed-use development would be constructed, likely involving ground floor commercial and approximately 15 stories of affordable/workforce housing targeting native Hawaiian households earning up to 80% of

AMI. GCG's role involved assisting in the preparation of an RFP to solicit a master developer, development of the solicitation process schedule, determination of measurable selection criteria, evaluation of proposals, and recommendation of a finalist. A significant portion of GCG's next phase work was intended to focus primarily on financial matters: real estate market depth, absorption, and market values; public facilities financing feasibility and pro forma cash flow viability; and ground lease analysis and key parameters, including a term sheet and development agreement.

Hawaii Housing Action Plan, Hawaii Housing Finance & Development Corporation

This project involved a team of consultants headed by the Hawaii Institute for Public Affairs (HIPA) that included the Land Use Research Foundation (LURF), R.M. Towill Corporation, and GCG, in collaboration with and under the direction of HHFDC. GCG prepared the report, with contributions from the team, entitled "Housing Action Plan Final Report to the Hawaii State Legislature." The report describes in detail many affordable housing programs and infrastructure funding tools that are, or could be, used in Hawaii, presents a series of financing policies and selection criteria, discusses County and State barriers to, and opportunities for, housing production, evaluates five planned housing projects (one in each County, plus a TOD project in Honolulu), and summarizes HHFDC historical activity. The report also offers an array of recommendations to support and encourage the construction of housing in Hawaii, particularly workforce housing.

Alternative Funding Mechanisms for Acquisition, Improvement, and Maintenance of Shoreline Public Access, Office of Planning

Based on research and input from an advisory committee organized by OP and representing government, non-profit, and community interests, this project took a comprehensive look at shoreline public access, evaluating the existing statutory framework for public access, current shoreline access points, access liability management issues, and a vast array of potential funding sources. Working as a subconsultant to PBR Hawaii, GCG researched, described, and organized a set of over 70 existing and alternative funding sources to acquire, improve, and maintain public access to Hawaii's shorelines. The culmination of the project consists of a funding plan that focuses on organizing statewide interests in shoreline access, developing shoreline access plans, bolstering and realigning existing funding sources, and exploring the feasibility of adopting new funding sources.

Funding Alternatives for 21st Century Schools, Hawaii Institute for Public Affairs

Working directly with HIPA, and partnering with the Department of Education (DOE), GCG prepared an initial report to assist DOE in executing its mandate to install, modernize, and manage vibrant learning environments for Hawaii's school-age children. This initial report is intended to be the first step toward, or the basis for, a more formal plan that would include an in-depth analysis of how specific funding mechanisms might be used and applied to public schools in Hawaii. Providing national context, specific DOE context, and the context of schools within the larger umbrella of all public infrastructure, GCG described funding ideas that may be implemented in whole or in part, separately or in combination, to increase the availability of funding tools and funding amounts for the capital needs of public schools. Funding ideas range from state, local, and land-secured tax-exempt bonds, to tax increment financing and development impact fees, to traditional and alternative

public-private partnerships, public-public partnerships, and various cost reduction and revenue generation strategies.

Ward Village, Howard Hughes Corporation

The project area for Ward Village, located in the heart of Honolulu within the Kaka’ako district, is a master-planned community that covers 60 acres. Several high-rise residential towers are in various stages of completion, but much more development within the project will occur over the next decade and beyond, including affordable housing complexes, market-rate and luxury residences, retail stores, entertainment venues, pedestrian friendly streets, and a four-acre central park. When completed, Ward Village will comprise over 4,000 homes and over one million square feet of retail, office, light industrial, and other commercial uses. GCG worked with the project pro forma and developed a detailed infrastructure financing plan, experimented with CFD and tax increment financing programs, and concluded that a CFD could fund a vast array of expensive project-specific and region-serving public facilities. GCG has also worked closely with HHC staff and City and County of Honolulu staff to educate them about CFDs, and to develop a plan to establish a CFD to fund Ward Village infrastructure. GCG has prepared required analyses, resolutions, exhibits, and agreements to start the CFD formation process.

Wailuku Redevelopment Financing Plan and Wailuku Civic Hub Project, County of Maui

The Maui Redevelopment Agency (MRA), which may be the only redevelopment agency in the state, was updating its plans to revitalize downtown Wailuku within the boundaries of the Wailuku Redevelopment Area. GCG worked with the MRA through its planning process to identify the development and redevelopment potential specific to each TMK, analyze when – and how much – real property tax revenue would be generated by future development, evaluate various capture scenarios for a Tax Increment District (TID) based on different TID boundary configurations and/or revenue-sharing approaches with the County, and develop cost estimates for each infrastructure component, streetscape improvement, park and open space amenity, and other capital facilities needed to facilitate the revitalization process.

As a follow up to that preliminary work, GCG was asked to participate on the team selected to plan, design, and implement the proposed Wailuku Civic Hub project, which involves a parking structure, events facility, and public space in the heart of Wailuku. Working with County staff, the project team, which includes PBR Hawaii, and landowners, developers, and merchants in downtown Wailuku, GCG prepared an analysis and report on the fiscal and economic impacts that the proposed project, as well as all of the development and redevelopment that could occur on vacant and underutilized parcels in the immediate vicinity of the project, would generate for the State and the County. GCG also worked with County staff and consultants on a federal Economic Development Administration grant proposal to fund a portion of the project through EDA’s Economic Adjustment Assistance program. GCG finished the financing plan and pro forma cash flow projection for the project, which combined analyzed and demonstrated the opportunities for public-private partnerships (County and landowners) and public-public partnerships (State and County), and the level of feasibility as a County project.

Kamakana Villages at Keahuolu, Forest City Enterprises

This master-planned mixed-use community is planned to include approximately 2,200 residential units designed to meet the needs of households at various income levels, with at least

50% affordable to families with household incomes less than 140% of the area median income. The project also includes nearly 200,000 square feet of commercial development and an elementary school. The first phase of GCG's work involved developing public finance cash flow and bond sizing models with tax increment and land-secured financing, projecting financial feasibility from an infrastructure perspective, and drafting materials that discuss project and infrastructure financing. The second phase of work entailed refining the financial analysis with any changes resulting from the environmental and entitlement process, and developing a complex, but user-friendly, project pro forma cash flow model to evaluate overall project profitability and rate of return based on a detailed waterfall of cash flow distributions and priorities. For the third phase of work, GCG prepared a comprehensive report and application to the County of Hawaii to initiate the process of forming a Community Facilities District (CFD) and issuing bonds to fund public facilities required to serve the project and, to some extent, the region. Future work is anticipated to include implementing the CFD and other financing mechanisms built into the public financing strategy.

Parking Feasibility Study, Kailua Village Business Improvement District (KVBID)

As part of its strategic planning process, KVBID has been examining ways to improve parking in the downtown Kailua Village core, assume responsibility for parking operations, and possibly fund new parking lots or structures. GCG was retained by KVBID to work with PBR Hawaii to develop a parking management strategy, evaluate the authority of KVBID to provide parking services and issue bonds to fund parking facilities, conduct a parking revenue and expense cash flow analysis, and test the feasibility of constructing and funding a parking structure. The results of the analysis indicate that, while a parking structure may not be feasible, a more efficient use of existing parking lots and creation of new lots, together with implementation of an automated parking system, would improve parking and allow KVBID to successfully provide parking services. The next step was to involve Phase 1 of an implementation plan, which would include the pilot program summarized in the GCG analysis.

Kona Community Development Plan Public Facilities Financing Plan, County of Hawaii

The Kona CDP was developed to accommodate the needs of future growth in the Kona area in a proactive way, preserve valued physical and cultural assets, direct growth to appropriate locations within the CDP area, and encourage the construction of affordable, or workforce, housing. The CDP area encompasses the judicial districts of North Kona and South Kona, but focuses on a smaller, designated urban area. The urban area anticipates 10 transit-oriented developments (TODs) distributed from mauka of the Kona International Airport down to the Keauhou area, including redevelopment of Kailua Village. At buildout, nearly 12,700 new dwelling units and 4.8 million square feet of new commercial and industrial space is expected. Working with PBR Hawaii, GCG prepared a Financing Plan to fund nearly \$900 million of public facilities and backbone infrastructure required to serve the CDP area, including neighborhood, community, and regional park sites and facilities. A buildout analysis, as well as three scenarios that contemplate initial development in the northern, central, and southern target zones within the CDP, is included in the Financing Plan. An array of financing tools was required to formulate a feasible plan and to match infrastructure needs with appropriate sources of funding, such as general obligation bond and/or tax increment financing, state revolving fund and federal funding commitments, revenue bonds, community facilities districts, and development impact fees. The financing strategy recognizes the critical need in the CDP area for affordable housing and is designed to facilitate its construction. Finally, the Financing Plan incorporates a detailed set of financing policies to guide the use of financing tools in a consistent manner. The analysis at this regional planning scale was anticipated

to lead to more detailed work as TOD master plans, individual specific plans, and other development opportunities emerge.

Lono Kona Subdivision Sewer Project, County of Hawaii

Located within close proximity to the coastline, the Lono Kona subdivision contains single family units, duplexes, apartments, and several commercial and religious buildings, as well as some undeveloped parcels. The predominant methods of sewage disposal for properties within the subdivision are on-site systems such as large capacity cesspools and septic tanks, and many of the property owners have recently received EPA violation notices related to the use of these sewer facilities. Working with PBR Hawaii, GCG conducted a feasibility analysis that compared two land-secured financing tools to determine the best approach to repay the financing for the new sewer improvements that would connect to the County wastewater system, developed a benefit methodology for the proposed Improvement District (ID), calculated ID required annual assessments for each TMK within the subdivision, ran multiple scenarios with different assumptions regarding USDA Rural Development (RD) grant and below-market interest rate financing, and assisted the County and its consultants in preparing the Preliminary Engineering Report and RD application. The next step for GCG, after the RD application was approved, was to update the analyses, prepare the preliminary assessment roll, and work with the County and PBR Hawaii to draft the Council reports, resolutions, and other documents necessary to form the ID, and then assist the County in the issuance of reimbursable GO bonds.

Waikoloa Regional Connector Roads Financing Analysis and CFD, County of Hawai'i

GCG analyzed the potential for the County of Hawai'i to fund a system of regional connector roads costing more than \$33 million. The Waikoloa area includes nearly 2,200 existing homes as well as 4,300 planned units. GCG coordinated with County staff and developer representatives to determine viable CFD special tax rates for both existing and future development necessary to fund the required infrastructure using a Community Facilities District. After developers expressed concerns regarding a special tax on vacant land, GCG assisted the County with developing an alternative financing mechanism in which reimbursable general obligation bonds would be issued, special tax revenue from developed property would be pledged to repay the bonds, and undeveloped property would only be taxed after a specified number of years had elapsed or a certain development threshold had been triggered.

Waimea Connector Roads/Parker Ranch CFD, County of Hawai'i

GCG analyzed if the County could fund a proposed \$15 million regional connector road under six bond structuring scenarios. GCG evaluated the annual CFD financing costs, maximum special tax rates, and estimated prepayment amounts per net acre for each scenario. Although the Waimea connector is required in three phases as development progresses, the proposed CFD would allow the connector to be built in one phase and in a timely manner. GCG worked closely with County staff and the project developer to ensure that both public and private interests are satisfied.

Kamanu Street CFD, County of Hawai'i

The Kamanu Street CFD encompasses over 400 acres of general industrial, commercial-industrial mixed, and public land uses on the Big Island's west side. GCG analyzed multiple

funding mechanisms, including the use of CFD bonds and general obligation bonds, to fund an extension to Kamanu Street. GCG calculated the required annual burden for each land use by ownership, and drafted a rate and method of apportionment of special tax to include multiple tax zones and rates.

Kilohana Sewer Improvement Financing Analysis, County of Hawaii

Wastewater improvements in the Kilohana area consist of individual cesspools or large capacity cesspools, which potentially pose public health risks and environmental concerns. GCG evaluated multiple scenarios of the annual burden likely to be borne by different subdivisions in the Kilohana area to fund the necessary infrastructure costs. In addition, GCG evaluated the advantages and disadvantages of various funding alternatives, including a Community Facilities District, Improvement District, Tax Increment District, and private financing. The results of the analysis aided the County to select the best funding mechanism for the required infrastructure needs.

North Kona Wastewater Facilities Financing Analysis, County of Hawaii

Nearly 10,000 residential units are proposed on 3,000 acres, and the North Kona area will require almost \$170 million in sewer infrastructure. GCG worked with County staff to develop a baseline analysis and numerous sensitivity tests to evaluate the impact on different land uses from funding all of the wastewater infrastructure requirements. GCG recommended an appropriate funding mechanism, and suggested that the wastewater financing be integrated into a larger financing analysis that considers all of the public facility requirements for the area.

SECTION V.

CURRENT BILLING STRUCTURE

GCG proposes to utilize the following hourly rate schedule when submitting monthly invoices for services. These rates will be effective through June 30, 2024, at which time they may be adjusted to reflect cost of living or other inflationary changes.

GCG HOURLY SERVICE RATES

Managing Principal	\$360 / hour
Senior Principal	\$350 / hour
Principal	\$310 / hour
Vice President	\$275 / hour
Senior Associate	\$250 / hour
Associate	\$230 / hour
Analyst	\$215 / hour
Research Assistant	\$95 / hour

In addition to fees for services, GCG proposes to be reimbursed for direct expenses, including travel, report production, photocopying, data sources, courier, overnight delivery, and long-distance conference call expenses.

Appendix

Goodwin Consulting Group, Inc.
Sampling of Public and Private Sector Clients

GOODWIN CONSULTING GROUP, INC.
 SAMPLING OF PUBLIC AND PRIVATE SECTOR CLIENTS

<p> City of Antioch H.D. Arnaiz Corporation Association of Bay Area Governments City of Atwater Bolinas Fire Protection District County of Calaveras Catellus Development Corporation Centex Homes City of Citrus Heights County of Contra Costa Del Valle Homes City of Dixon Downtown Truckee Merchants Association Duc Housing East West Partners EDAW City of Elk Grove Elk Grove Community Services District EMC Planning Group City of Escalon Fancher Creek Properties Forest City Enterprises City of Fremont City of Fresno City of Galt Gerry Kamilos LLC Grupe Company County of Hawaii State of Hawaii, Office of Planning City of Hayward Heritage Homes Insite Environmental The Irvine Community Development Co. Kailua Village Business Improvement District Kirkwood Meadows Public Utilities District Lammersville School District City of Lathrop Lennar Communities Linden Unified School District City of Los Banos Marin County Redevelopment Agency McSwain Elementary School District Maui Redevelopment Agency City of Merced City of Modesto Mountain House Community Services District </p>	<p> Northstar Community Services District City of Oakdale City of Palmdale City of Patterson City of Pittsburg County of Placer City of Rancho Cordova Ranchwood Homes Corporation Reynen & Bardis City of Rio Vista City of Ripon City of Riverbank River Islands Public Financing Authority City of Rocklin City of Rohnert Park City of Roseville RRM Design Group SACOG City of Sacramento County of Sacramento Salida Area Public Facilities Financing Agency San Francisco Redevelopment Agency City of San Jose City of San Luis Obispo City of Santa Rosa Schools Infrastructure Financing Agency Shea Properties Shea Homes Standard Pacific County of Stanislaus Steiner Development Sterling Pacific Assets City of Stockton County of Sutter City of Tracy Treasure Island Community Development LLC Trimark Communities Town of Truckee University of California, Davis City of Vacaville City of Vallejo Vallejo City Unified School District Werner Group City of Winters City of Woodland County of Yuba </p>
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