

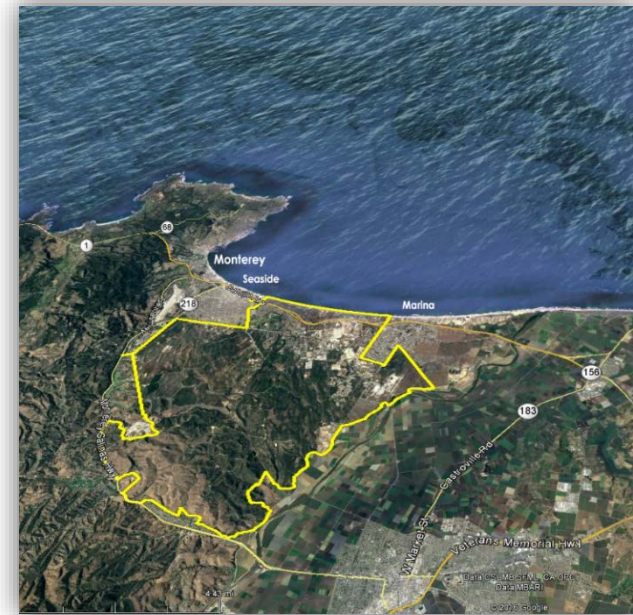
# Transition Plan Update

*Presentation to FORA BOARD*

*January 12, 2018*

*Steve Endsley, Assistant Executive Officer  
Sheri Damon, Prevailing Wage/Risk Coordinator*

- Transition Directive
- Transition Planning History
- 2017 TTF Recommendation
  - Single Entity Successor
  - CFD Extension
  - Fair & Equitable Contribution
- Transition Update
  - Schedule
  - Summary Charts
    - Water/Wastewater
    - Financial/Assets
  - Joint Powers Agency Concept
- Next Steps



**...shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.** The transition plan shall be approved only by a majority vote of the board.

**Delivery Deadline:** December 30, 2018

# Transition Planning History

- **2016 Process**

- Ad hoc Task Force
- Specific charge
- Multiple meetings

- **Recommendation**

- Dual tracks: Legislative extension and continue Transition Planning

- **2017 Process**

- New Ad hoc Task Force
- New 2017 charge
- Multiple meetings

- **Recommendation**

- Single successor agency, seek extension of FORA's CFD and post-FORA obligations/liabilities are paid for using Implementation Agreement formula for completing CIP and Voting Percentage for administrative liabilities



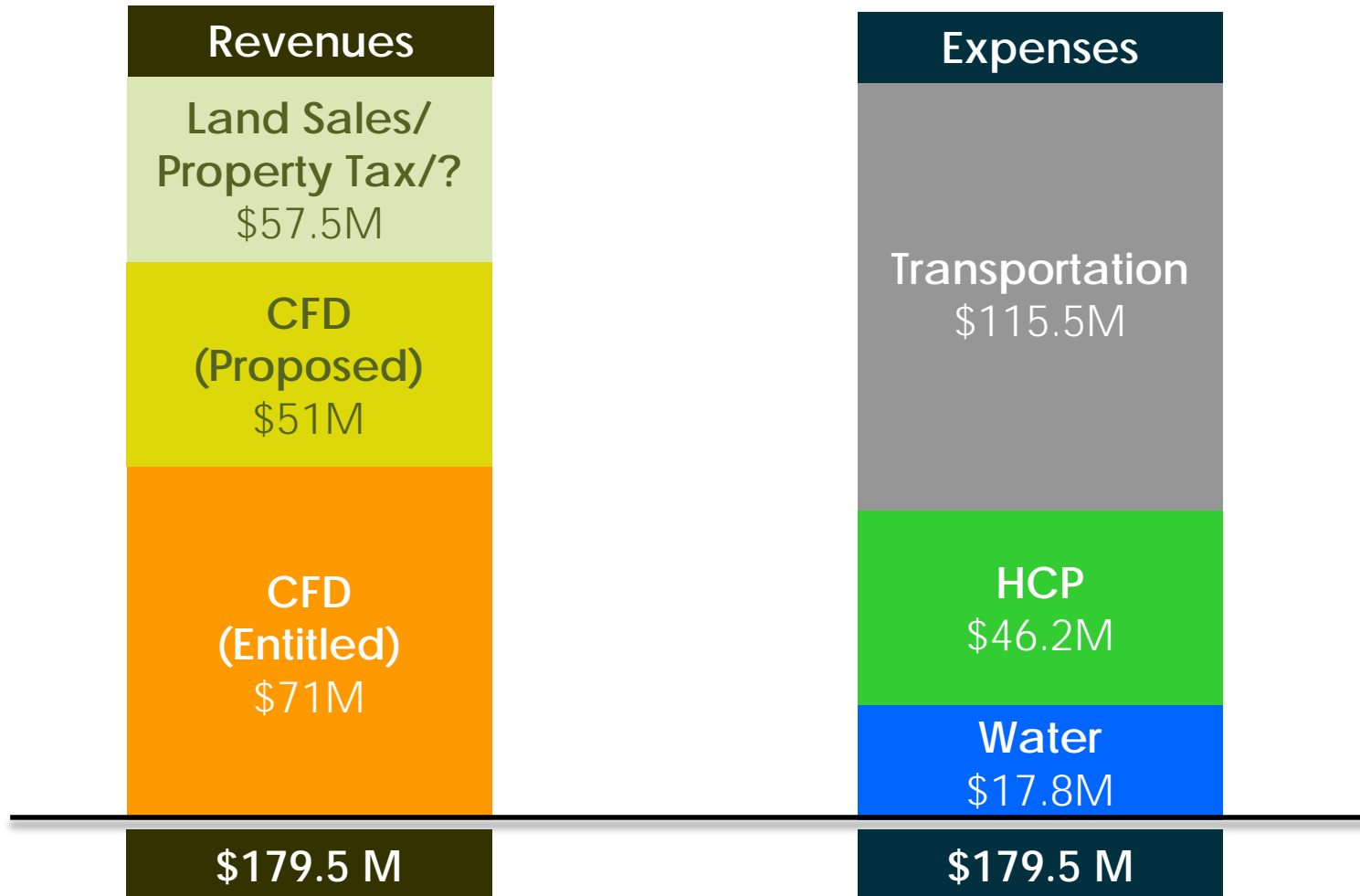
# Single Entity JPA

| Pros  | Cons                                   |
|---|--|
| Program within local agency control         | Limited regional powers                |
| No additional legislation required          | Limited financing mechanisms           |
| Preserves BRP/CIP Implementation continuity | FORA contracts-Revised and/or assigned |
| Separate legal entity                       | Start up costs                         |
| Single Point of Contact                     | Lack of regional track record          |
|   | Less Home Rule                         |

# Multiple Agencies

| Pros  | Cons  |
|---|---|
| Function transfers to subject matter agencies                         | Infrastructure Priorities and timeline  |
| No additional legislation required                                    | Financing Rules Change<br>(Taxation v. Nexus)<br>(Shifts burden to job generators from housing) |
| Cities/County control land use and development (Home Rule)            | Decentralized BRP/CIP Implementation  |
| Cities/County control their own financing districts for local impacts | Non-Fort Ord entities participating in decision making;<br>Representation on Boards (MCWD)      |
| Eliminates consistency oversight                                      | PW/BRP/CIP Enforcement – Who & How?   |

# Simple Math



- Create single entity successor (JPA)
- **Seek extension of CFD/powers for successor**
- Utilize Implementation Agreement/Percentage assignment for jurisdiction's fair and equitable contribution to successor to complete FORA program



## **Land Use Jurisdictions & Successor Entity will:**

- Implement BRP Economic Recovery
- Implement BRP Mitigations
- Implement BRP Policies, *including but not limited to, affordable housing and/or jobs/housing balances*
- Collaborate to Maximize/Leverage Regional Resources
- Commit to Fair and Equitable Distribution and Contribution

## **FORA will:**

- Implement recovery/mitigation/building removal prior to sunset
- Minimize successor liability

- **FORA's CFD is a Mello Roos Special Tax District (Government Code section 53311 and following)**
  - Does not require a nexus;
  - Allows payment for specified **public services** and **public facilities**;
    - Building removal is not currently allowed unless in conjunction with an identified public facility which will remain in existence longer than five years
  - **FORA's CFD terminates on FORA dissolution**;
    - Transfer of CFDs is allowed between County and Cities with written agreement (Mello Roos); no provision for legislated authority to transfer.

1. Extend FORA Act; or
2. Amend Mello Roos to allow for transfer and continuation

Request Area Legislators to review legislative options for extending CFD/Financing (i.e. Infrastructure Bank, Mello Roos) powers - with building removal inclusion

| Opportunities  | Risk  |
|--|---|
| <ul style="list-style-type: none"><li>• Could provide building removal financing vehicle(s) (Successor/Jurisdictions)</li><li>• Assignment of FORA CFD (Successor/Jurisdictions)</li><li>• Future base closure financing flexibility</li></ul> | <ul style="list-style-type: none"><li>• Legislative Process (statewide/local)</li><li>• Burden falls to successor agencies to find financing mechanisms</li></ul> |

- Transition Plan Summary/Charts
  - Subject matter Summaries JAN-MARCH
  - **DRAFT FINAL PLAN TO BOARD** AUGUST-SEPT.
- Draft Joint Powers Agency (JPA) Agreement
  - Agency/Staff level Discussion FEBRUARY-AUGUST
  - Consult with Jurisdiction/Agency Counsel FEBRUARY-AUGUST
  - Adjust/Refine/Edit JPA Agreement MAY-AUGUST
  - Submit for Board Review JULY

- Consult/Collaborate with LAFCO staff
  - Water/Wastewater, Financial/Assets
  - Administration/ESCA
  - Habitat Conservation Plan and Transportation
  - Joint Powers Authority
  - **“Final” Transition Plan**
  - LAFCO Application

FEBRUARY

MARCH

APRIL

AUGUST

OCTOBER

# Summary Charts

| CONTRACT  | YEAR | ASSET/LIABILITY<br>PLEDGE/OBLIGATION | ASSIGNEE/SUCCESSOR  | NOTES |
|---|------|--------------------------------------|---------------------|-------|
| US-MCWRA Agreement  | 1993 | Asset                                | JPA/Successor       |       |
| FORA-MCWD Water/Waste Water Facilities Agreement                          | 1998 |                                      |                     | 1     |
| FORA-MCWD Water/Waste Water Facilities Agreement-Amendment 1              | 2001 |                                      |                     |       |
| FORA-MCWD Water/Waste Water Facilities Agreement - Amendment 2            | 2007 |                                      |                     |       |
| Army-FORA MOA for Sale of Portions of the Former Fort Ord                 | 2000 | Asset/Obligation                     | JPA/Successor; MCWD | 2, 3  |
| FORA, MCWD Quitclaim Deed Ord infrastructure                              | 2001 |                                      | JPA/Successor       | 4     |
| Army-FORA MOA for Sale of Portions of the Former Fort Ord:<br>Amendment 1 | 2002 |                                      | JPA/Successor       | 5     |
| MCWD-FORA Quitclaim deed L35.1 & L35.2                                    | 2004 |                                      |                     |       |
| Army- FORA, MRWPCA, and MCWD MOA  | 2005 |                                      |                     |       |
| MCWD-FORA Quitclaim deed L35.5  | 2006 |                                      |                     |       |
| FORA Recycled Water allocations to jurisdictions                          | 2007 |                                      | JPA/Successor       | 6     |
| FORA Potable Water allocation to jurisdictions                            | 2007 |                                      | JPA/Successor       | 7     |
| Army-Seaside AYH Water Deed   | 2008 |                                      |                     | 8     |
| MOU Water Augmentation and 3 Party Agreement                              | 2015 | Liability/Obligation                 | JPA/Successor       | 9     |
| FORA-MCWD Pipeline Reimbursement Agreement                                | 2016 | Liability                            | JPA/Successor       | 10    |

# Summary Charts

| CONTRACT  | YEAR | ASSET/LIABILITY<br>PLEDGE/OBLIGATION | ASSIGNEE/SUCCESSOR | NOTES |
|---|------|--------------------------------------|--------------------|-------|
| County of Monterey Implementation Agreement   | 2001 | Asset                                | JPA/Successor      | 1     |
| Del Rey Oaks Implementation Agreement   | 2001 | Asset                                | JPA/Successor      | 1     |
| City of Marina Implementation Agreement   | 2001 | Asset                                | JPA/Successor      | 1     |
| City of Marina IA - Amendment #1: Establishing Development Fee Policy Formula                                 | 2013 | Asset                                | JPA/Successor      | 1     |
| City of Monterey Implementation Agreement   | 2001 | Asset                                | JPA/Successor      | 1     |
| City of Seaside Implementation Agreement  | 2001 | Asset                                | JPA/Successor      | 1     |
| CFD-Notice of Tax Lien  |      | Asset                                | JPA/Successor      | 2     |
| Southboundary Road Reimbursement Agreement (DRO)  |      | Asset                                | JPA/Successor      | 3     |
| FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve | 2005 | Liability                            |                    |       |
| Pollution Legal Liability Reimbursement Agreement (DRO)   |      | Asset                                | JPA/Successor      | 3     |
| Pollution Legal Liability Insurance (PLL) CHUBB   | 2015 |                                      | Successor Agencies | 4     |



- Parties
- Fundamental understandings/recitals
- Definitions
- Purpose
- Addition/removal of parties
- JPA governance
  - Voting structure
  - Meeting/contributions/powers/etc.
- Resources and planning
- Boilerplate (sections 6-16)

# Next Steps

1. Board direction
2. Future Meeting(s)

# Discussion

