

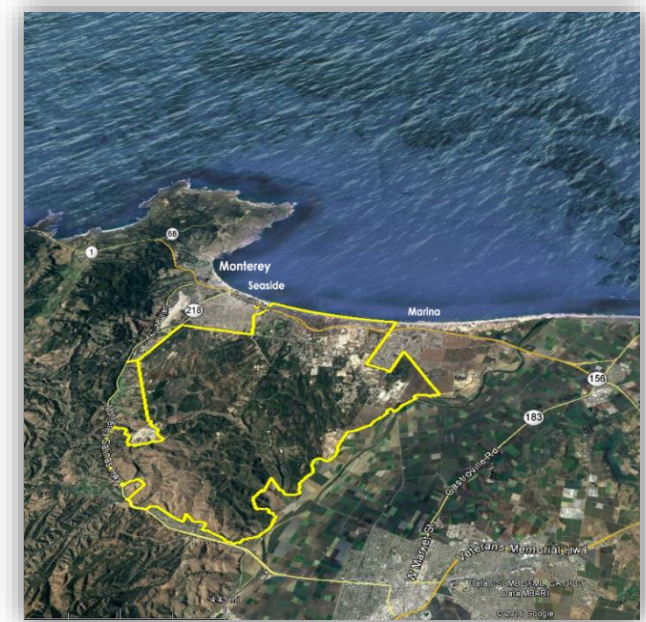
Transition Issues

Presentation to FORA BOARD

October 26, 2017

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

- FORA Act & Transition Directive
- Transition Planning History
- 2017 TTF Recommendation
 - Single Entity Successor
 - CFD Extension
 - Fair & Equitable Contribution
- Frequently Asked Questions
- Next Steps



The transition plan **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: 18 months prior to FORA expiration or 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



- **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**

- **Create single entity successor (JPA)**

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

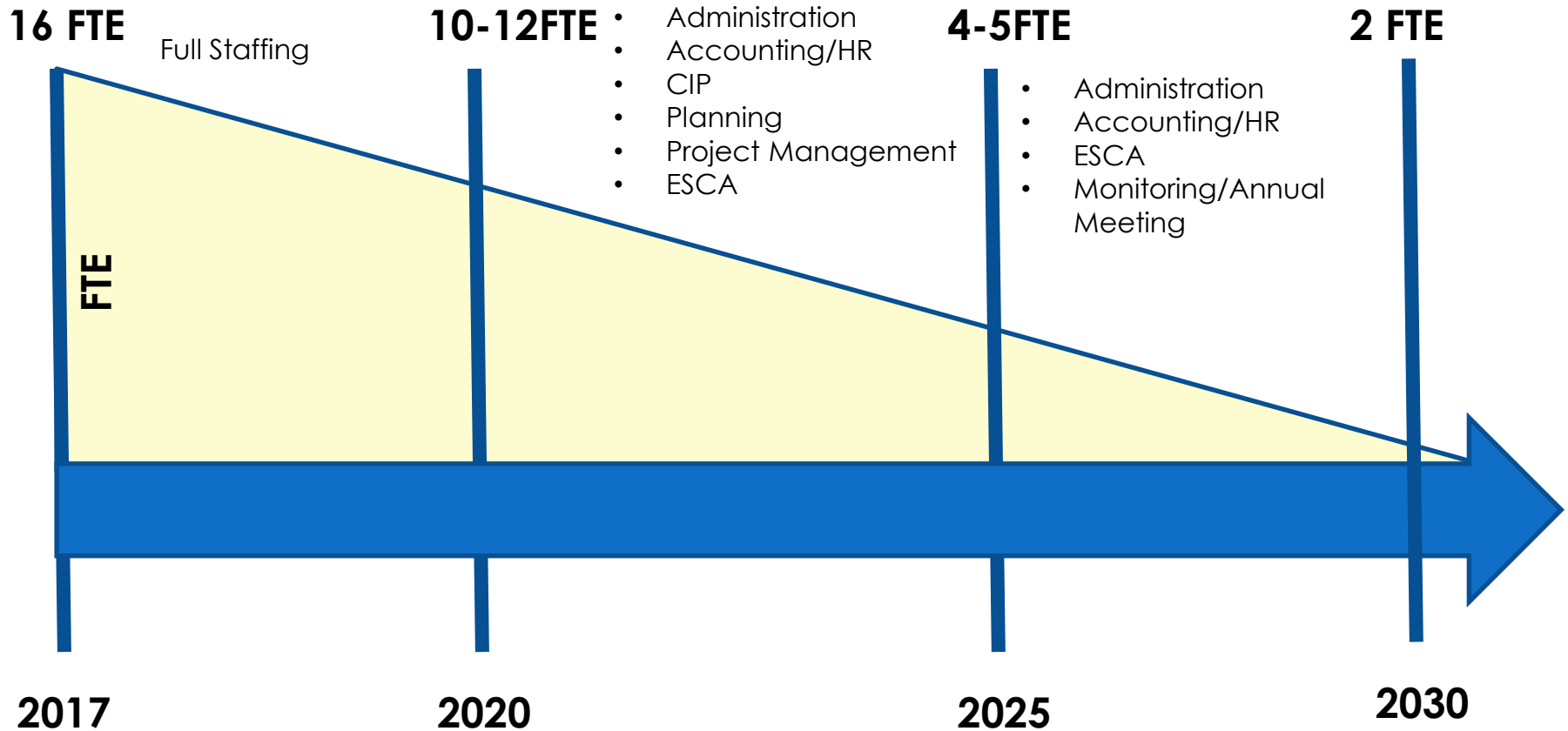
FORA will:

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

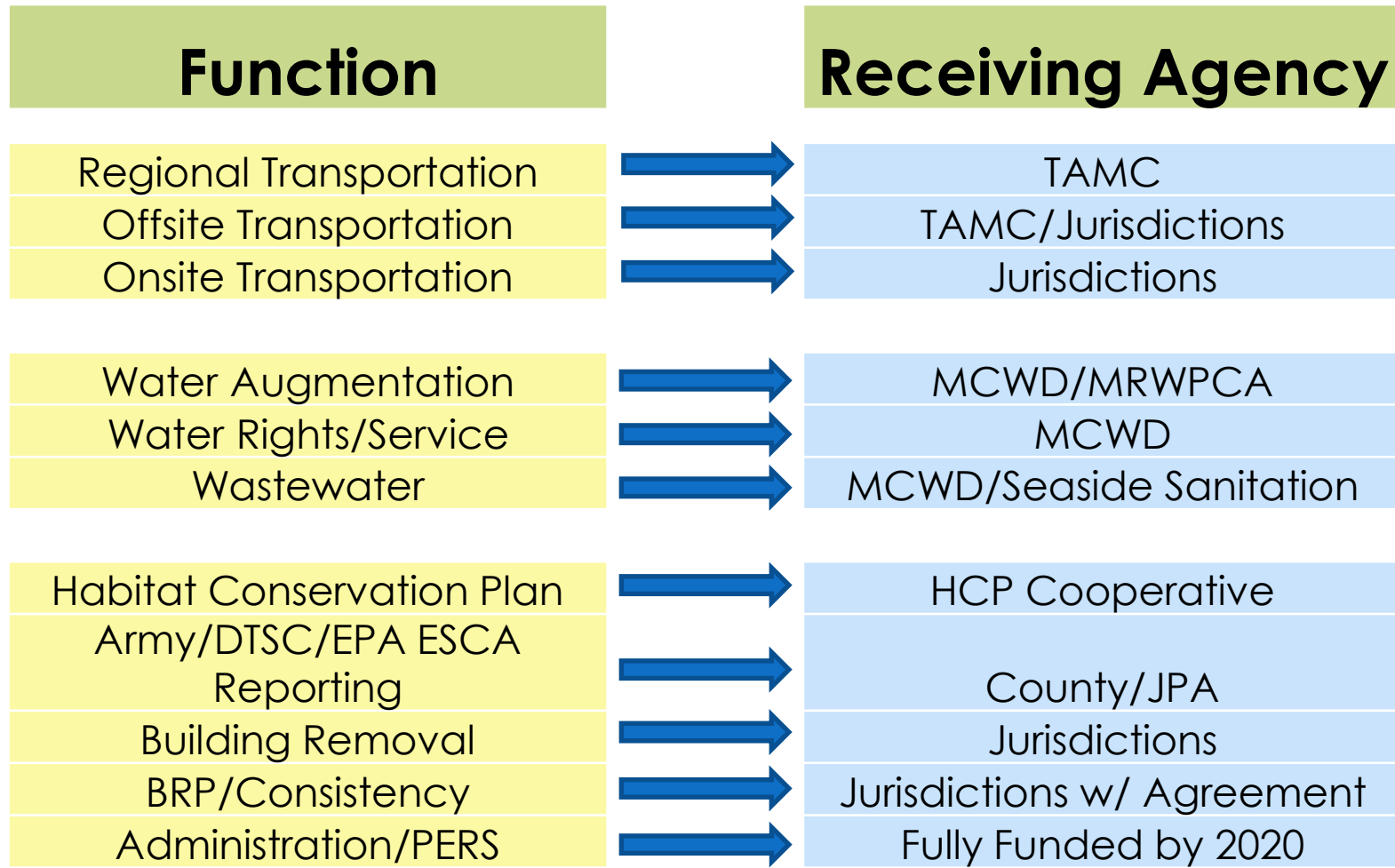
Potential Infrastructure Assignment/Coordination

Off-Site Improvements					
	Proj#	Description	Obligation	Assignment	Est Completion
Monterey County	1	Davis Rd north of Blanco	\$ 720,208	CO	2025-2026
Monterey County	2B	Davis Rd south of Blanco	12,733,317	CO	2022-2023
Monterey County	4D	Widen Reservation-4 lanes to WG	9,390,281	CO	2025-2026
Monterey County	4E	Widen Reservation, WG to Davis	4,978,440	CO	2024-2025
City of Marina	8	Crescent Ave extend to Abrams	399,475	MARINA	2017-2018
City of Marina	10	Del Monte Blvd Extension	947,000	MARINA	
Subtotal Off-Site			\$ 29,168,721		
On-Site Improvements					
	Proj#	Description	Obligation	Assignment	Est Completion
City of Marina	FO2	Abrams	\$ 1,127,673	MARINA	2019-2020
City of Marina	FO5	8th Street	6,443,262	MARINA	2021-2022
FORA	FO6	Intergarrison	6,324,492	CO	2021-2022
FORA	FO7	Gigling	8,495,961	SEASIDE	2020-2021
FORA	FO9C	GJM Blvd	1,083,775	DEL REY OAKS	2019-2020
City of Marina	FO11	Salinas Ave	4,510,693	MARINA	2021-2022
FORA	FO12	Eucalyptus Road	532,830	SEASIDE	2018-2019
FORA	FO13B	Eastside Parkway	18,611,779	CO	2024-2025
FORA	FO14	South Boundary Road Upgrade	3,733,921	DEL REY OAKS	2019-2020
Subtotal On-Site			\$ 50,864,386		

FORA "Lite" or Successor Agency



Multiple Agency Function Transfer



Single Agency Function Transfers

Function		Receiving Agency
Regional Transportation	→	Joint Powers Authority (JPA)
Offsite Transportation	→	JPA
Onsite Transportation	→	JPA
Water Augmentation	→	JPA
Water Rights/Service	→	MCWD*
Wastewater	→	MCWD/Seaside Sanitation*
Habitat Conservation Plan	→	HCP Cooperative/JPA
Army/DTSC/EPA ESCA Reporting	→	JPA
Building Removal	→	JPA
BRP/Consistency	→	JPA
Administration/PERS	→	Fully Funded by 2020

- **Will South County be weighing in on Fort Ord road projects on the Peninsula?**
- Will Seaside/County/DRO/Monterey be represented on MCWD Board?
- **Would FORA's "on-base first" policy be followed by successor agencies?**
- How will non-voting members be assured that their reuse priorities (e.g. habitat conservation, adequate roadway infrastructure, Highway 1 view shed, affordable housing) are adequately addressed?
- **Who will enforce base reuse plan limitations/thresholds?**
- Who will do consistency determinations?
- **How will the fair and equitable contribution/distribution be maintained?**

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 (Taxation v. Nexus) (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; Representation on Boards (MCWD)
Eliminates consistency oversight	PW/BRP/CIP Enforcement – Who & How?

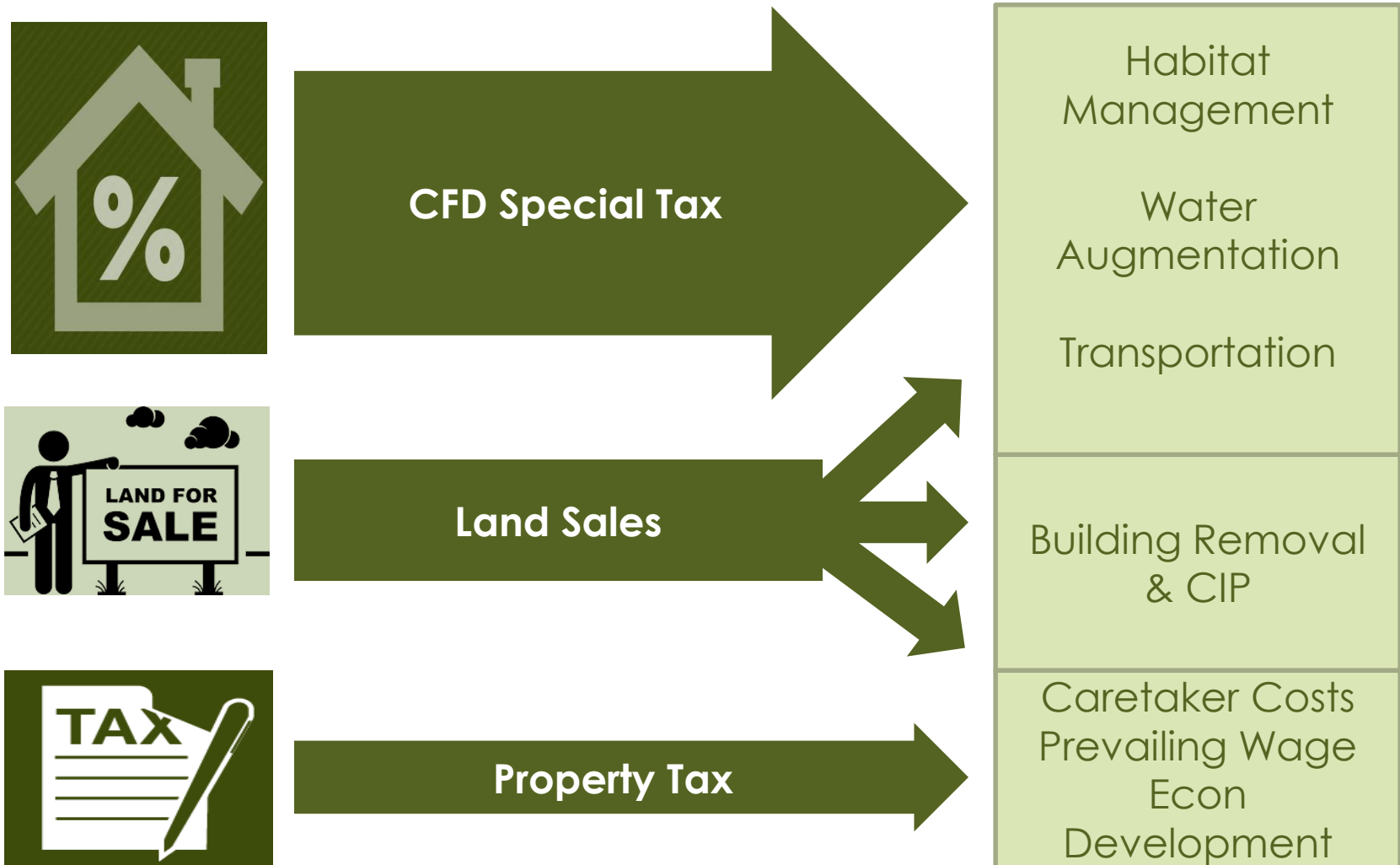
- Seek extension of CFD/powers for successor

Transition Summary (Expenses)

Major Obligations	Assignments	2020	2028
Expenses			
Transportation/Transit	Jurisdictions – On-site and Off-site projects; TAMC – Regional Projects and Transit	\$115.5M	0
Water Augmentation	MCWD/MRWPCA	\$17.8M	0
Habitat Management	Fort Ord Habitat Cooperative (JPA)	\$46.2M	0
Sub-Total		\$179.5M	0
ESCA Program	New JPA or County	\$7-10M*	0
Total		\$189.5M	\$0M
Administrative	New JPA/All Land use/Voting Members?	6.6-8.8M*	0*

Transition Summary (Revenues)

Major Obligations	Assignments	2020	2028
Revenues			
CFD	Unassignable (Jurisdictions can enact new fees) May be amended by resident vote		
Land Sales	Assigned with Implementation Agreements to successor/Returned to Jurisdiction		
Property Tax Formula	Assigned with Implementation Agreements to successor/returned to Jurisdiction and redistributed		
ESCA Grant	May be assigned with Army consent: currently under negotiation		



Entitled CFD Fees

Jurisdiction	CFD Fees
Marina	\$ 45,719,367
County	\$ 22,655,619
Seaside	\$ 3,328,700
Del Rey Oaks	\$ 81,872
Total	\$ 71,785,558

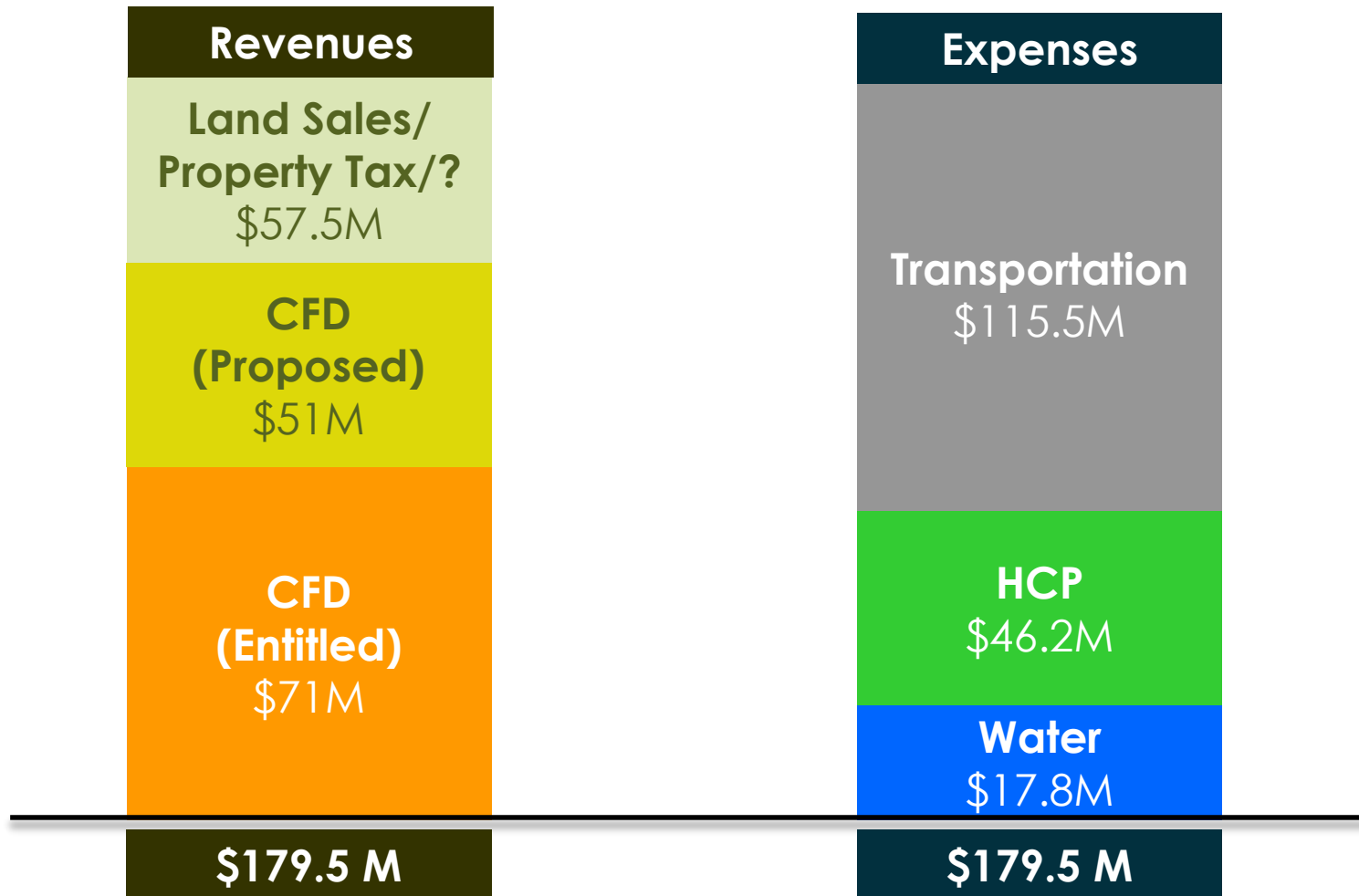
Entitled Projects

Jurisdiction	Entitled Project/Development Agreement	Year
Marina	The Dunes	2005
	Seahaven	2004
	Cypress Knolls	2007
Monterey	NA	NA
Del Rey Oaks	RV Resort	2016
Seaside	Seaside Resort	2005
County	East Garrison	2006

Future Development Fees

Jurisdiction	CFD Fees
Marina	\$ 4,767,400
UC MBEST	\$ 7,712,449
Seaside	\$ 35,733,362
Del Rey Oaks	\$ 2,923,250
City Monterey	\$ 147,987
Total	\$ 51,284,448

Simple Math



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

- **Utilize Implementation Agreement/Percentage assignment for jurisdiction's fair and equitable contribution to successor to complete FORA program**

- **Real Property Based Obligations**
 - Assigned to JPA Successor
 - Assigned to Land Holding Jurisdictions by existing Implementation Agreement formula
- **Administrative/Organizational Liabilities**
 - Assigned to all current Voting Members

Fair and equitable share *means* a financial contribution to FORA to be applied toward a jurisdiction's share of basewide mitigation measures and basewide costs.

- A. Land sale or lease proceeds (50%)
- B. FORA tax share health-safety code 33492.70
- C. FORA fees and assessments
- D. Less jurisdiction performance of basewide mitigation measures and/or costs

Sample Post-2020 Jurisdictional Liability Allocations

	Future Buildout	FORA Program (Buildout)	Voting	Admin
Carmel			8%	\$ 538,462
County	16%	\$ 28,720,000	23%	\$ 1,615,385
CSUMB	0%	\$ -	0%	\$ -
Del Rey Oaks	13%	\$ 23,335,000	8%	\$ 538,462
Marina	37%	\$ 66,415,000	15%	\$ 1,076,923
Monterey	0%	\$ -	8%	\$ 538,462
Pacific Grove		\$ -	8%	\$ 538,462
Salinas		\$ -	8%	\$ 538,462
Sand City		\$ -	8%	\$ 538,462
Seaside	29%	\$ 52,055,000	15%	\$ 1,076,923
UC MBEST	5%	\$ 8,975,000	0%	\$ -
Totals	100%	\$ 179,500,000	100%	\$ 7,000,002

- **Should land use jurisdictions and voting members be required to participate in paying for administrative liabilities?**
 - TTF majority recommended that voting members participate in administrative liabilities by voting percentage
- **How are obligations built, funded and retired?**
 - Continue Implementation Agreement formula (or change formulas?)
 - How is Fair and equitable contribution/distribution maintained if funding mechanism changed and/or CIP is not completed?
 - Does the recommended funding mechanism complete the CIP obligations?
- **Who prioritizes CIP obligations? When do CIP obligations get built?**
 - TTF recommended that a single entity JPA would be best positioned to coordinate and implement the remaining CIP

1. Board direction regarding TTF recommendation (adopt/adjust/more info?)
 - **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**
2. Future Meeting(s)

Discussion

