Building Removal Bond: Information/Action

FORA Board
September 13, 2019

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Senior Project Manager
Background

October 2018 – Investigate Legality and Feasibility of Bond Issuance

January 2019 – NHA Advisors selected as best qualified

May 2019 – NHA provided legal and feasibility assessment

- **Bonding is Legal**
  - Funds considered by Department of Finance as *statutory pass through* since 2011
  - County performs 35% fund property tax intercept and directs it to FORA

- **$30M is feasible**
  - Market is currently favorable
  - Issuance by December 2019: + $5-7M

August 2019 – Board approved the Executive Officer to prepare a bond package
• Contracted with NHA as Municipal Advisors, and SYCR as bond Counsel

• Economic Planning Systems is performing a Fiscal Consultant’s Report

• NHA issued an RFP for Bond Underwriters and Bond Trustee

• NHA provided draft underwriter recommendations for Admin Committee – Review September 18th
<table>
<thead>
<tr>
<th>Area Name</th>
<th>Owner</th>
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<tbody>
<tr>
<td>1 Stockade</td>
<td>Marina</td>
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<tr>
<td>2 Cypress Knolls</td>
<td>Marina</td>
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<tr>
<td>3 MCWD – Storage</td>
<td>Marina</td>
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<td>4 Marina Park</td>
<td>Marina</td>
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<tr>
<td>5 Water Treatment Plant</td>
<td>State Parks / MCWD</td>
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<tr>
<td>6 TAMC – Transit Center</td>
<td>Marina</td>
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<tr>
<td>7 Marina Arts District</td>
<td>Marina</td>
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<tr>
<td>8 MST – Transit Center</td>
<td>Marina</td>
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<tr>
<td>9 MST – Storage</td>
<td>Seaside</td>
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<tr>
<td>10 Surplus II – Hammerheads</td>
<td>Seaside</td>
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<tr>
<td>11 Church &amp; DGS Bldg.</td>
<td>Seaside</td>
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<tr>
<td>12 Former Fast Food</td>
<td>Seaside</td>
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<tr>
<td>13 Ammo Supply Point</td>
<td>County</td>
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Successor Entity

• Bond issuance requires identification of **one Successor Entity** to FORA

• Successor Entity to assume FORA responsibilities:
  • Waste Generator
  • Bond Administration
  • Excess Fund Distribution

• Administrative Committee to consider **Successor Entity** recommendation September 18th.
• Admin Committee working on bond proceed distribution recommendation
  • Not required to issue bond – but, many want consensus prior to bond
  • Legal documents have a mechanism for the SE to amend distribution allocations
• Four different distribution strategies:
  • % to stakeholders based on increment generated
  • % to stakeholders based on % of blight owned
  • $ to stakeholders based on estimated project cost
  • $ to stakeholders based on priority list
• Admin Committee to recommend building removal priorities:
  • Not required to issue bond – but, many want consensus prior to bond
  • Four criteria/methods considered:
    • Public Use first
    • Economic Development first
    • CSUMB view-shed first
    • Highest BR Risk first
Implementation: Risk Assessment

- Implementation Risk:
  - Waste Generation
  - Construction Liability
  - Pollution Liability
  - Multi-agency coordination
  - Cross-boundary coordination
  - Maximize Building Removal $
• Administrative Committee to Consider:
  • Bond Indenture Successor Entity (Bond Administrator)
  • Bond Proceed Distribution
  • Building Removal Priority
  • Method of building removal implementation