

Transition Alternatives

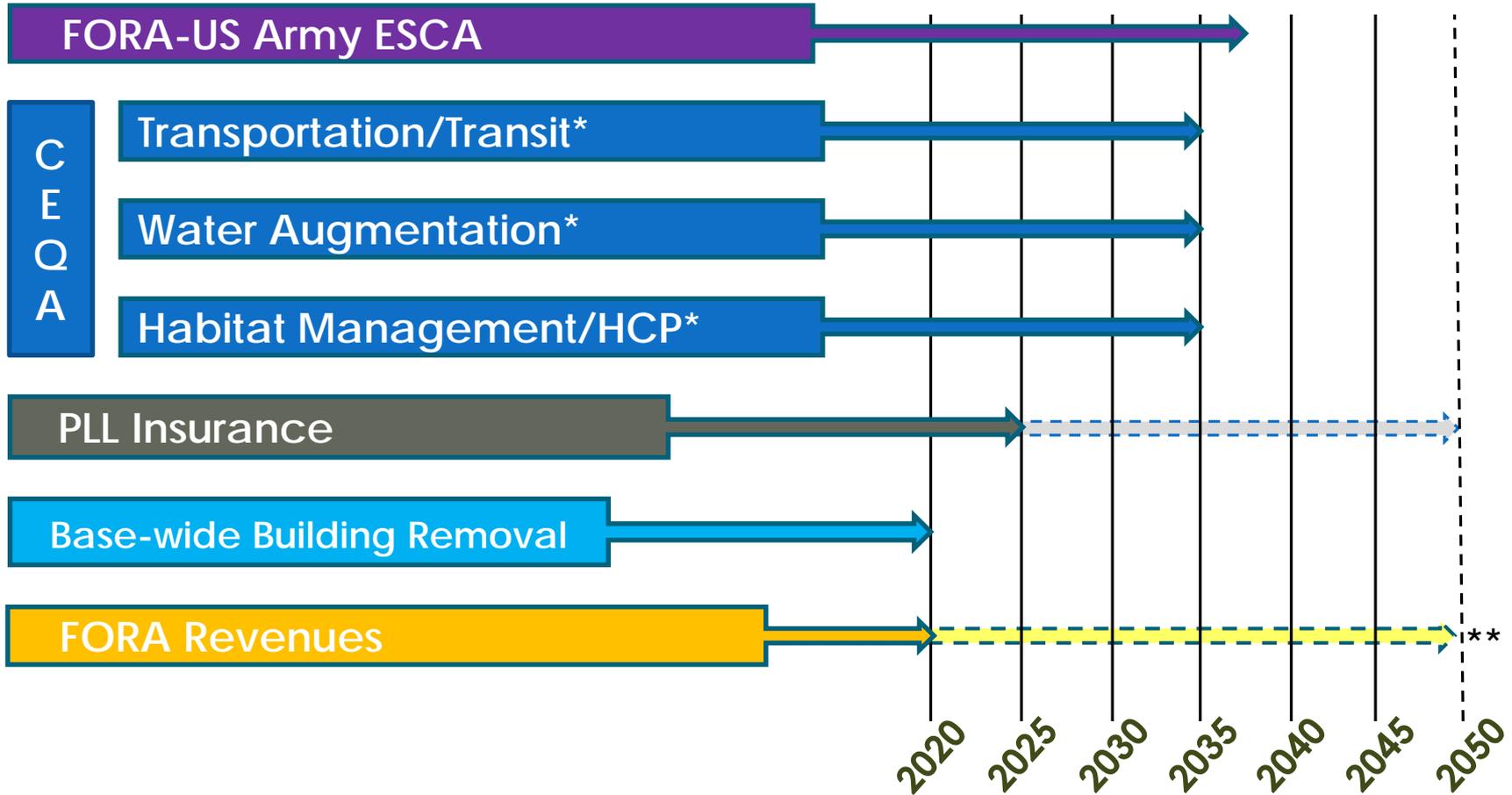
Presentation to Transition Task Force (TTF)

August 29, 2016

Steve Endsley, Assistant Executive Officer

- **Assign Responsibilities to Local Entities**
FORA members and/or regional/state agencies
- **Create New Agency**
Successor, Joint Powers Authority, or County Services Agency
- **Extend FORA**
Retain legislative authorities for fixed term

Obligations/Revenues



*Assumes BRP implementation by 2035

** CFD may continue through 2051

FORA Revenue Sources (Current)



Land Sales and Leases

- **\$20 M (total):** *projected* FORA-share

Property Taxes

- **\$2 M/year:** Health & Safety Code split - increase expected to **\$3M/year**

FORA CFD Special Tax

- **\$32 M(total):** CFD revenues in building permits triggered by development.

Membership Dues

- **\$261K/year:** paid by jurisdictions to FORA

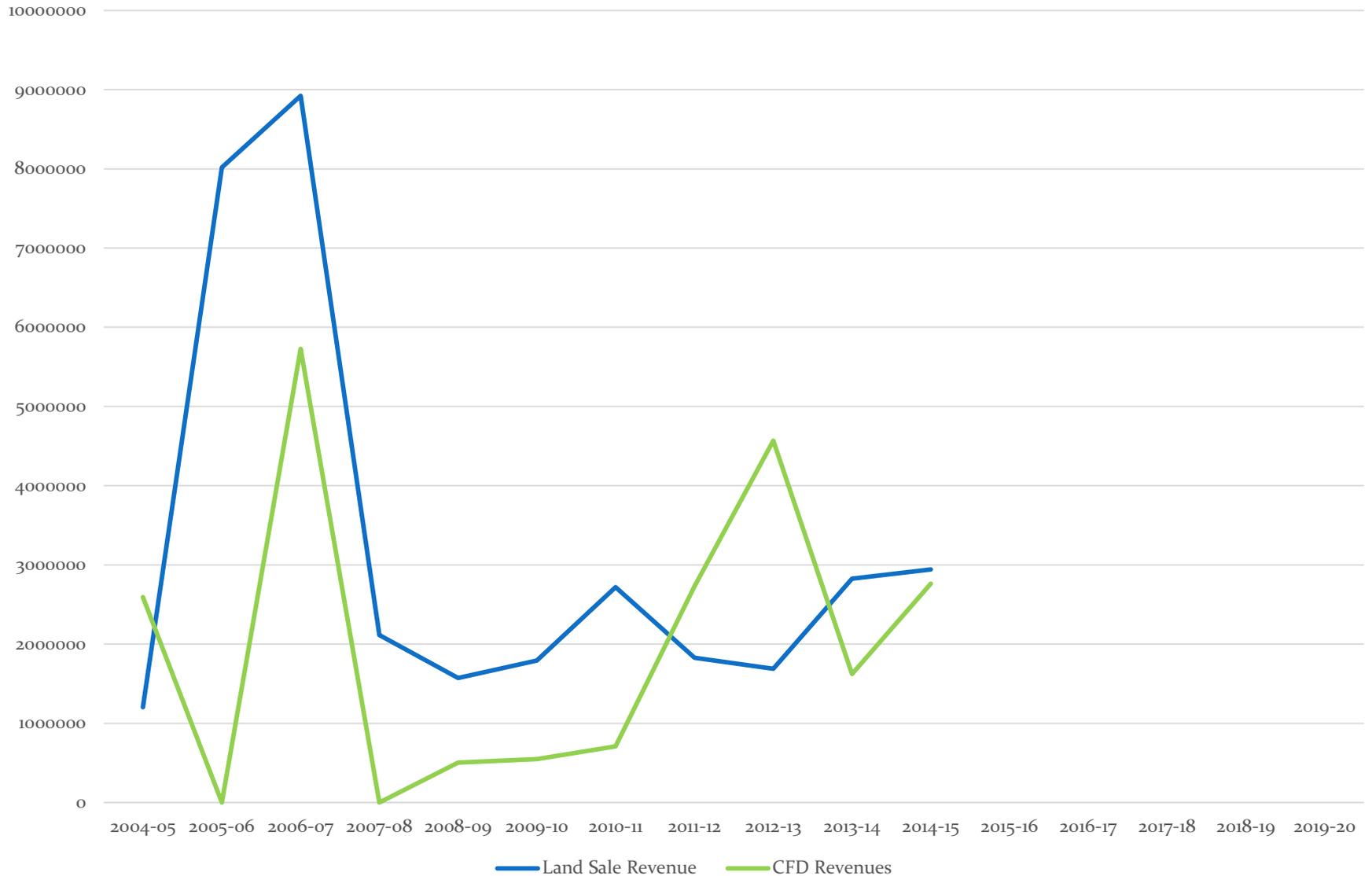
MCWD Revenues

- **\$265 K/year:** from MCWD to FORA.

ESCA grant funds

- **\$98M** granted – to be expended by 2020
- Grant requested for unfunded ESCA obligations thru 2037

Historical Land Sale/CFD Revenue



BRP CEQA Mitigations***

2037

Transportation/Transit

- Current FORA obligation: **Est. \$123 M**
- Post-2020 obligation: **Est. \$64.5 – 74.5M**
- On and Off-site project completion schedule: 2025
- Full completion schedule: 2037

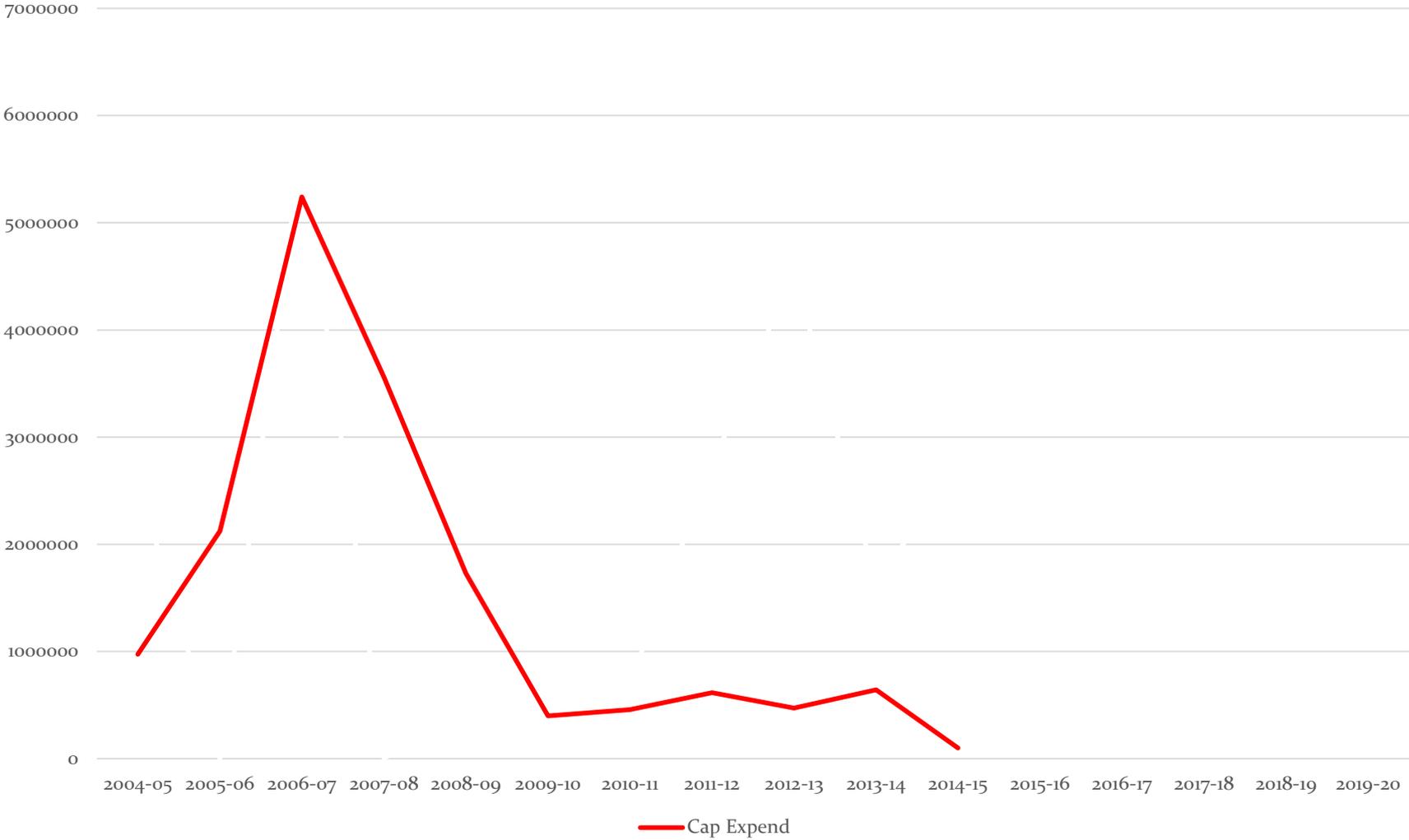
Water Augmentation

- Current FORA obligation: **Est. \$24.3 M**
- Post-2020 obligation: **Est. \$15.6 M** (FORA's mitigation only)
- **Est. \$8.6 M** to be collected by 2020
- Completion schedule: 2018-2037, in phases

Habitat Management Plan/Habitat Conservation Plan (HCP)

- Current FORA obligation: **Est. \$44.8 M**
- Post-2020 obligation: **Est. \$14 – 35.7 M** for HCP endowments
- **Est. \$30.8 M** to be collected by 2020
- Completion schedule: 2037

Historical CFD Expense



Historical CFD Revenue/Expense

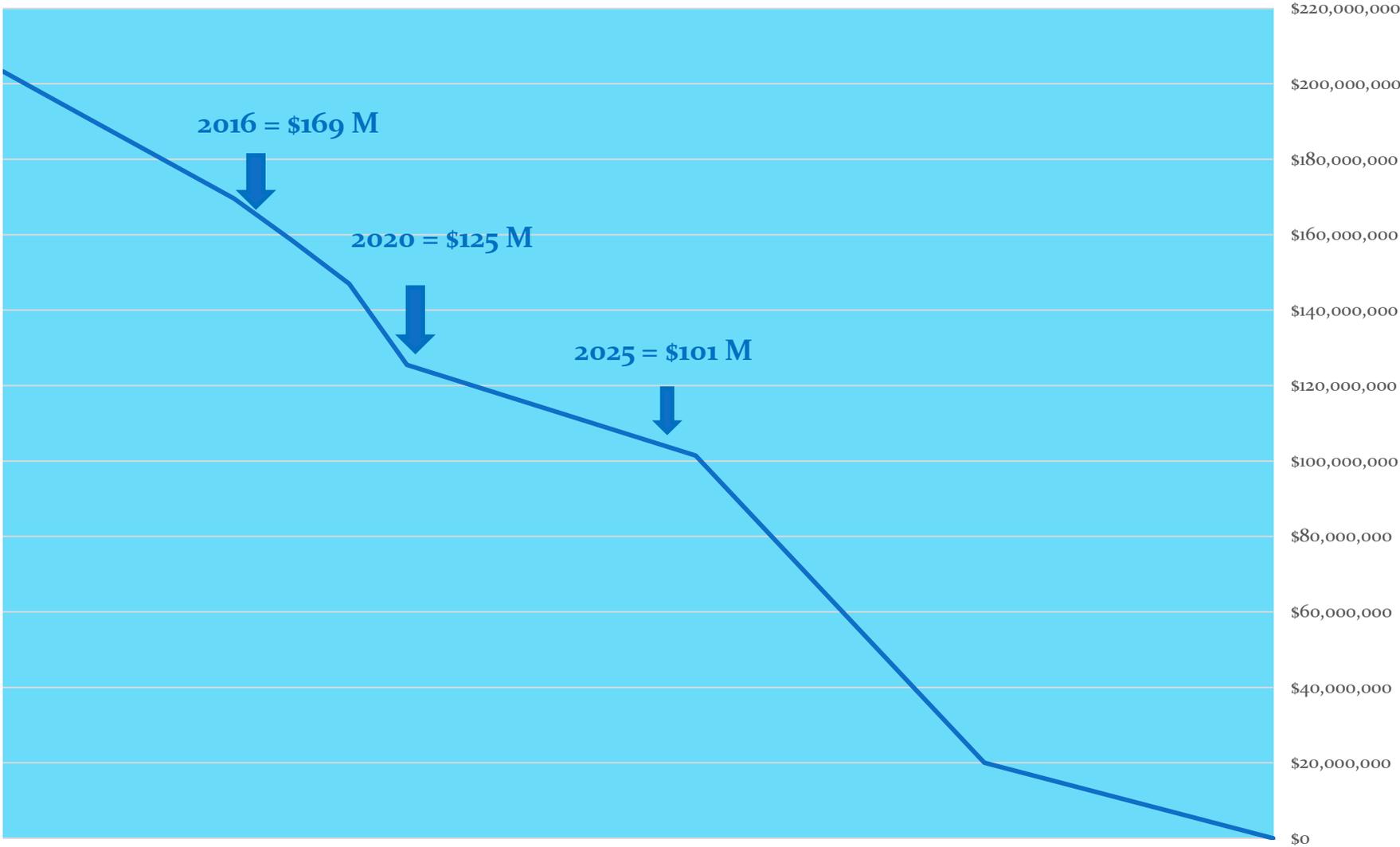


Liabilities

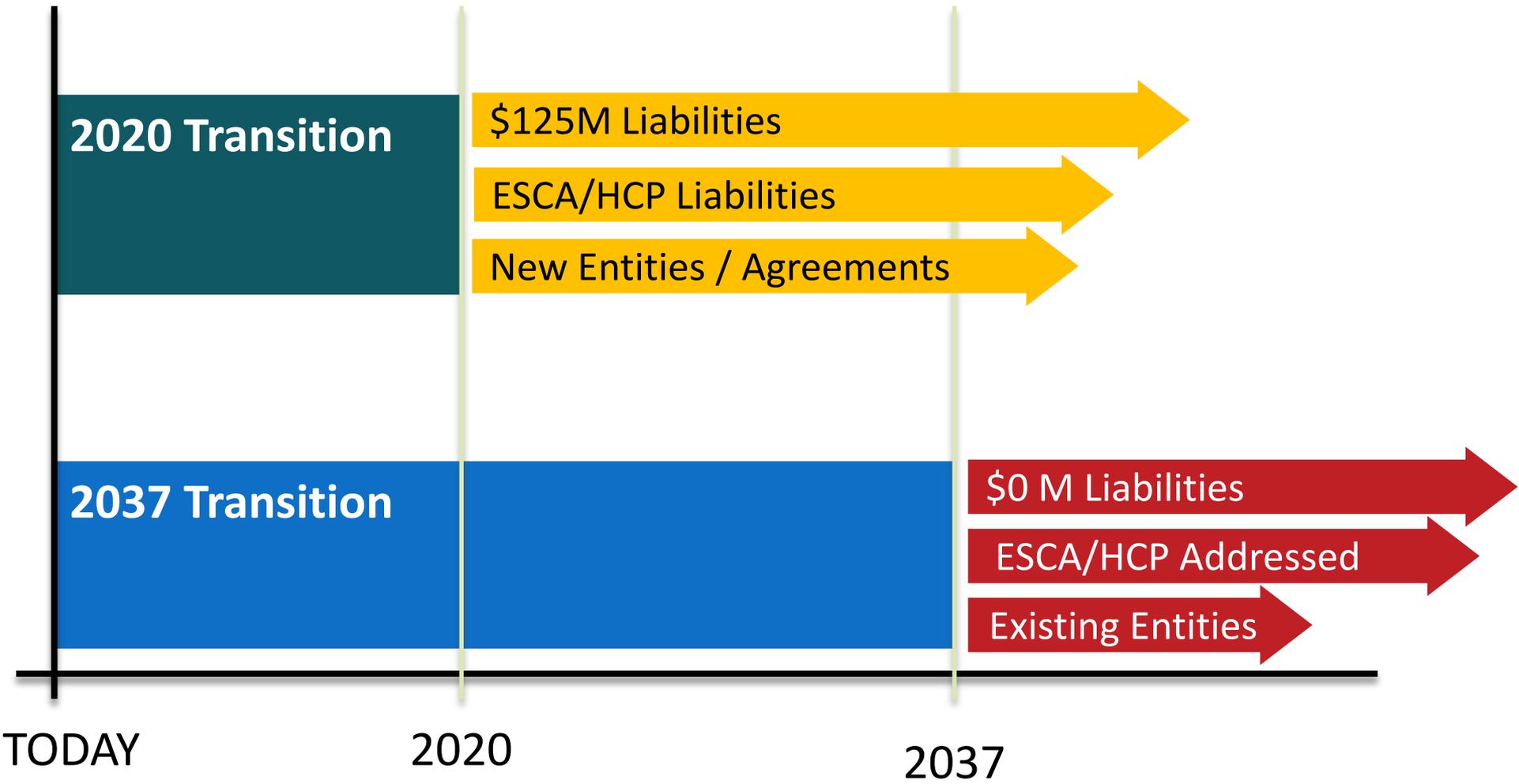
FORA Transition	Liability (M)*
2020	\$125
2025	\$101
2030	\$40
2035	\$10
2037	\$0

*Estimated values (M=million). Assumes recovery proceeds as forecasted.

Remaining Liabilities



Alternatives



Post-2020 Alternatives

A. Extend FORA 'as is' with legislative authority for a fixed term. Requires legislation but not Army consent.

O
B
L
I
G
A
T
I
O
N
S

Post 2020 FORA	
Building Removal Hazardous Waste	
Army ESCA Long-term Obligations	
Water Allocations	
CEQA Mitigations	

Land Sales <u>\$32.6M</u>	CFD/Dev Fees <u>\$91M</u>	Property Taxes <u>\$2-3M/year</u>
Dues <u>\$261K/year</u>	Franchise Fees <u>\$265K/year</u>	ESCA Admin <u>\$1M</u>

Revenue Sources

B. Assign responsibilities to a combination of entities such as FORA member agencies, regional, and state agencies. Requires Army consent

New Entity or Assign to Existing	
Building Removal Haz. Waste	Jurisdictions
Army ESCA LTOs	(LAFCO) To Be Assigned
Water Allocations	(LAFCO) To Be Assigned
CEQA Mitigations	(LAFCO) Fair Share TBA

Land Sales <u>\$32.6M</u> Jurisdictions Receive	CFD/Dev Fees <u>\$0M or more</u> Requires New Fee Structure	Property Taxes <u>\$? /year</u> Percentage Change
Dues <u>\$? /year</u> Jurisdictions Receive	Franchise Fees <u>\$0M</u> Jurisdictions	ESCA Admin <u>\$0M/year</u> Unknown Grant Dependent

- **Negotiate New Agreements (2016-2018)**
 - Mitigation Measure Revenue/Cost Sharing
 - Equitable Fair Share Determinations
- **Establish New Agency (2018)**
 - JPA/Successor/CSA
- **Establish Financing (2018)**
 - District/Mechanism
 - \$125.5M funds needed
- **Review/Update Agreements & Obtain Consents (2018-2020)**
- **Evaluate Staffing (2018-2020)**

"PRO"

- No FORA oversight
- Eliminates FORA membership fees
- Future extension of FORA unnecessary

"CON"

- \$125.5M Jurisdiction liability
- Legal costs/questions
- Multiple complex agreements
- Agency capacity/institutional memory

- **Confirm function transitions**
 - HCP/Transportation/Water
- **Evaluate/Transition Staffing**
- **Review Existing Agreements**
- **Dissolve CFD**
- **Dissolve FORA through LAFCO**

"PRO"

- *ESCA complete*
- *CIP assumed complete*
- *Limited FORA liabilities*

"CON"

- CIP not fully implemented
- Market absorption less than predicted
- CFD Revenues End

- **Confirm On/Off-Site Transportation Improvements Completed**
- **Confirm Function Transfers**
 - HCP/Transportation/Water
- **Evaluate Support Requirements**
- **Assess Board Structure**

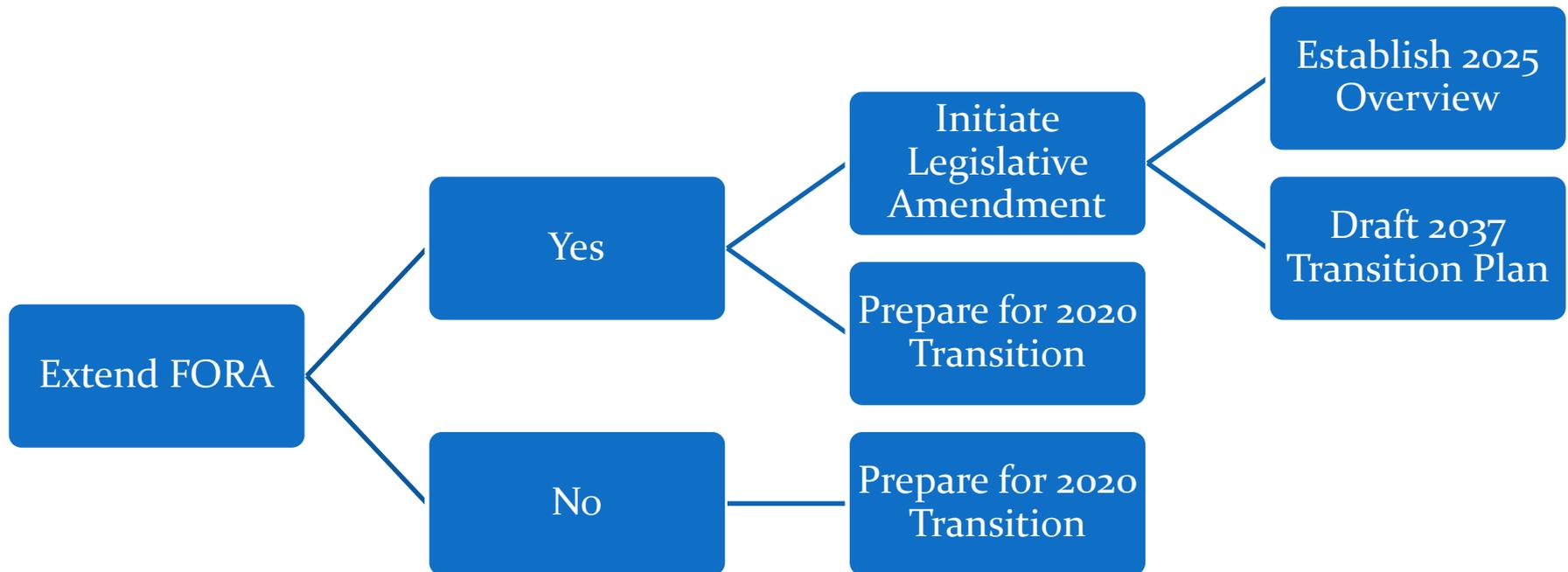
"PRO"

- On/Off-site Transportation Improvements Assumed Complete
- Funding Continues
- Course adjustment

"CON"

- Market downturn
- CIP not proceeding as projected
- Timing

Recommendations



- **Recommend legislative extension through 2037**
- **Direct staff to pursue parallel tracks**
 - **Initiate Legislative Amendment Process**
 - Establish 2025 Overview
 - Draft 2037 Transition Plan
 - **Prepare for 2020 Transition**

Questions?

