



# Building Removal Bond: Information/Action

FORA Board  
September 13, 2019

Peter Said,  
Senior Project Manager

**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**

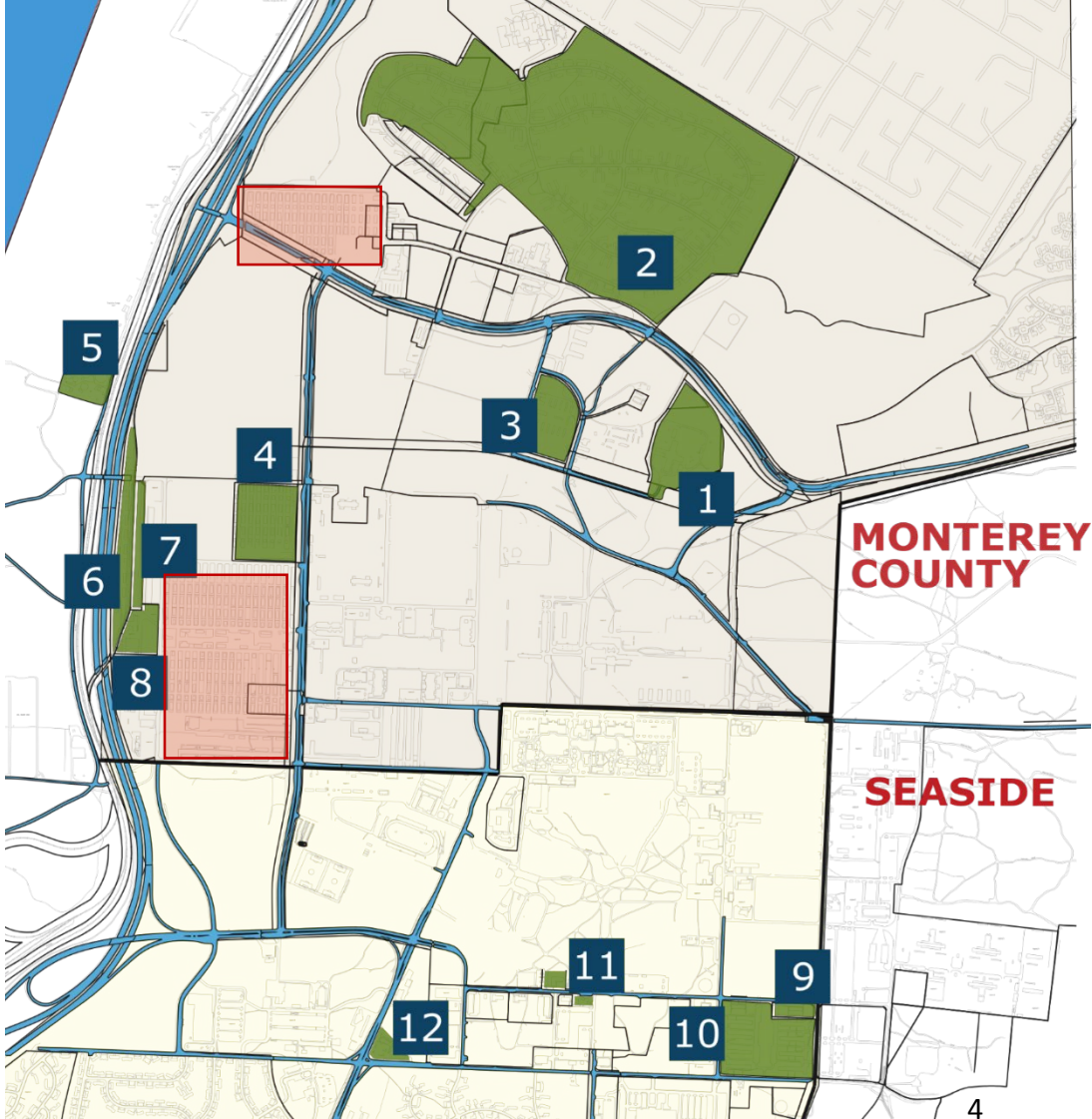
- Market is currently favorable
- Issuance by December 2019: + \$5-7M

**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

# Background

	Area Name	Owner
1	Stockade	Marina
2	Cypress Knolls	Marina
3	MCWD – Storage	Marina
4	Marina Park	Marina
5	Water Treatment Plant	State Parks / MCWD
6	TAMC – Transit Center	Marina
7	Marina Arts District	Marina
8	MST – Transit Center	Marina
9	MST – Storage	Seaside
10	Surplus II – Hammerheads	Seaside
11	Church & DGS Bldg.	Seaside
12	Former Fast Food	Seaside
13	Ammo Supply Point	County



- 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 18<sup>th</sup>.

- 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 \$

Impact	Multiple Entity	Single Entity	JPA
<b>Meet December 2019 Bond Issuance Schedule</b>	X	X	
Manage Bond Proceeds	X	X	X
Bond Administration & Continuing Disclosure	X	X	X
Manage Trustee	X	X	X
Vet Invoices	X	X	X
Vet Invoices for work inside another jurisdiction			X
Provide PLL Insurance	X	X	X
<b>Avoid PLL Risk to Jurisdictional General Fund</b>			X
Provide PLL Insurance for all removal areas		X	X
Coordinate with DTSC for removal		X	X
Responsible for onsite Construction	X	X	X
Responsible onsite "waste generation"	X	X	X
Responsible for onsite Legal Risk (Construction)	X	X	X
<b>Construction inside another jurisdiction</b>			X
<b>Waste Generator inside another jurisdiction</b>			X
<b>Legal Risk (Construction) inside another jurisdiction</b>			X
<b>Equitably reprioritize projects as needed</b>			X
<b>Work with DTSC for local disposal</b>			X



- Administrative Committee to Consider:
  - Bond Indenture Successor Entity (Bond Administrator)
  - Bond Proceed Distribution
  - Building Removal Priority
  - Method of building removal implementation

