

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS AGENDA

Subject: Transition Task Force

Meeting Date: November 4, 2016

Agenda Number: 8d

INFORMATION/ACTION

RECOMMENDATION:

Authorize the Executive Officer to 1) work with the State Legislative Offices to consider legislative extension of the Fort Ord Reuse Authority through 2030 and 2) sustain 2020 transition planning, risk/financial analysis and identify resource options.

BACKGROUND/DISCUSSION:

In April 2016, the Fort Ord Reuse Authority (FORA) Board chair convened an *ad hoc* committee to provide information and a recommendation to the Board regarding the 2020 FORA transition. On April 27, 2016, FORA staff presented a power point to the initial TTF meeting outlining potential courses of action and setting forth resources and revenue sources available to implement FORA's obligations. A series of six TTF meetings followed over the next six (6) months. After each presentation, the TTF requested that staff provide more information concerning risk and analysis of resource options.

- In early May, FORA staff was requested to catalog all "governing" agreements and documents and to provide summaries. FORA staff compiled the documents and made them accessible on the FORA web page. Prior to the May 25 meeting, FORA staff met with LAFCO officials and provided information about the feedback received from LAFCO about the dissolution process. Also at the May 25 TTF meeting, FORA staff reported that the list of documents was extensive and the requested legal summaries were in progress.
- At the July 13 TTF meeting, FORA staff presented a summary of the Economic Development Conveyance document and highlighted the complexity of issues and costs associated with that one document and noted there were over 80 documents that would require varying levels of analysis – in some cases rather detailed assessments would be necessary. Also at the July discussion, Special Legal Counsel, Barry Steinberg, presented the Environmental Services Cooperative Agreement (ESCA) and the outstanding post-2020 obligations associated with that contract. The FORA staff was then requested to provide additional summaries of "key" documents.
- FORA staff presented ten key contract summaries to the TTF at the August 2 meeting. TTF then requested FORA staff provide more financial analysis and risk assessment.
- In late August, (29th) FORA staff provided a financial analysis to the TTF, based upon the Board adopted FY 16-17 Capital Improvement Program. FORA staff presented the steps required of the jurisdictions, in the absence of a legislative extension, to effectuate a successful 2020 transition. Those steps generally included: negotiating new agreements relative to mitigation measure revenue and cost sharing and establishing fair share determinations; establishing a new agency; creation of financing districts to implement fair share obligations; reviewing and updating existing agreements and obtaining necessary consents from the Army or state regulators; and finally, evaluate staffing levels. Existence of new state law provisions were also noted that may offer an opportunity to generate resources.

FORA staff posited that the Committee consider recommending that the Board pursue a legislative extension and continue on a parallel track for a 2020 transition. At that August 29 meeting, Marina requested additional analysis on "off-loading" mitigations to TAMC, MCWD and others. The TTF also discussed changing Board policy to return some or all of FORA's share of land sales revenues to the jurisdictions. TTF requested staff provide additional information and analysis on these topics.

- The September 12 TTF meeting was cancelled in part due to the fact, that staff was unable to comply with existing staff demands and meeting TTF requests on such a short turnaround.
- At the October 24 TTF, staff gave a detailed scenario analysis - complete with a market adjustment to the CIP, continued to outline the assumptions, and risks. Staff continued to recommend that the TTF endorse moving ahead with extension through legislation and continue with 2020 transition planning. The scenario analysis appeared to indicate that there could be room to adjust FORA policy and return some revenues to the jurisdictions, but that policy shift would mean a longer implementation/recovery period. A draft potential fair share allocation of mitigation costs, based upon the CIP was also presented to the committee at their request. Ultimately, with Marina dissenting, the TTF recommended the Board approve the Executive Officer work with the legislative offices to seek a legislative extension through 2030 and continue with 2020 transition planning. Implicit in this recommendation is the knowledge that time is of the essence if the legislative option is to be pursued. This does not preclude exploring and identifying alternatives as the transition process continues, including additional analyses and/or validation. The TTF presentation materials can be found at <http://www.fora.org/Transitiontaskforce.html>.

On October 26, 2016, the Administrative Committee was given an update on the TTF recommendation. At that meeting, Marina requested they been given an exemption at the November 4 Board meeting from the three (3) minute comment limitation in order to present information to the Board not previously shared. The Administrative Committee recommended presenting this request to the Executive Committee for its consideration.

On October 26, 2016, the Executive Committee considered the TTF recommendation and also recommends Board approval at the November 2016 FORA Board meeting. It welcomed presentation by Marina (and others) under existing Board rules and procedures.

It is also anticipated that on October 31, 2016, the Legislative Committee will consider legislative extension in its 2017 Legislative Agenda recommendation to the Board.

FISCAL IMPACT:

Reviewed by FORA Controller 

Staff time/legal costs not fully anticipated but to date are within the approved annual budget.

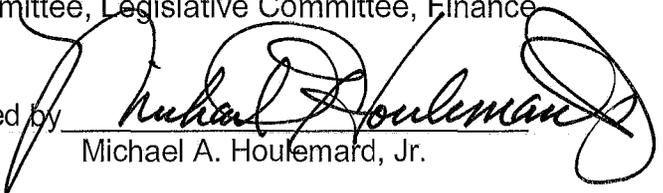
Earlier staff PowerPoint versions were presented to Finance Committee.

COORDINATION:

TTF, Administrative Committee, Executive Committee, Legislative Committee, Finance Committee, Legislative offices

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Approved by


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