



APPROVED

FORT ORD REUSE AUTHORITY
ADMINISTRATIVE COMMITTEE SPECIAL MEETING MINUTES
8:30 a.m., Thursday August 15, 2019 | FORA Conference Room
920nd Avenue, Suite A, Marina, CA 93933

1. CALL TO ORDER

Chair Michael A. Houlemard, Jr. called the meeting to order at 8:30 a.m.

The following members were present:

Jonathan Brinkmann (LAFCO)	Dino Pick* (City of Del Rey Oaks)
Matt Morgensen* (City of Marina)	Melanie Beretti* (County of Monterey)
Patrick Breen (MCWD)	Craig Malin* (City of Seaside)
Hans Uslar* (City of Monterey)	Vicki Nakamura (MPC)
Debbie Hale (TAMC)	Matthew McCluney (MPC)
Nicole Hollingsworth (17 th State Senate District)	*Voting member

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Deputy Chief David Sargenti.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

- Executive Officer Michael A. Houlemard, Jr. reported that no action was taken on Senate Bill (“SB”) 189 during the Senate Committee Meeting on August 14, 2019. A Waiver of Presentation was issued and the Bill is expected to be brought to the Senate floor in 2-3 weeks.
- NHA Advisors Principal Mark Northcross stated that on August 13, 2019 he and Regional Government Services Consultant Kendal Flint gave a presentation to the City of Del Rey Oaks City Council regarding the Transition Plan Implementing Agreements, Building Removal Bonds and SB 189.

4. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Administrative Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes.

There were no public comments received.

5. APPROVAL OF MEETING MINUTES

ACTION

a. July 31, 2019 Meeting Minutes

MOTION: On motion by Committee member Uslar second by Committee member Malin and carried by the following unanimous vote, the Administrative Committee moved to approve the July 31, 2019 regular meeting minutes.

MOTION PASSED UNANIMOUSLY

6. AUGUST 9, 2019 BOARD MEETING FOLLOW UP

INFORMATION

Mr. Houlemard reported that the Board heard the Committee's recommendation to move forward with Bond Acquisition for building removal. He advised the Committee that the Board voted 10-2 in favor and a 2nd vote is required. Additionally, the Board directed the Committee to resolve any outstanding revenue loss issues with the Monterey County Regional Fire District.

This item was for information only.

7. BUSINESS ITEMS

INFORMATION/ACTION

a. Building Removal/Financing Preparatory Work

Mr. Houlemard introduced the item, and Project Manager Peter Said summarized the presentation he gave to the Board at the August 9, 2019 Board meeting. He stated that the overall response was a positive one. Mr. Said noted that the Board had questions regarding FORA statute and how the funds will be distributed amongst the various jurisdictions. NHA Advisors have been working closely with FORA to ensure that the bond continues to move forward by conducting preliminary legal and quantitative analyses. The bond allocation information provided to the Board does not reflect final allocations and it will ultimately be up to the Board and the Administrative Committee to determine a final Bond Agreement.

1. Tax Exemption Allocations

Mr. Northcross introduced Brian Forbath and Vanessa Legbandt of Straddling, Yocca, Carlson & Rauth as bond counsel. Mr. Forbath began by addressing the preliminary questions of the Board and Committee regarding FORA bonding provisions under state law, specifically related to the Marks-Roos Local Bond Pooling Act ("Marks-Roos Act"), which gives FORA the authority to issue revenue bonds. Mr. Forbath proposed a plan under the Marks-Roos Act that would allow FORA to obtain pledges of received tax increment revenue from its various project areas and pledge those revenues to bonds. A special public hearing would be required to establish significant public benefit and Mr. Forbath stated that he is confident in obtaining a legal standard bond counsel opinion to support the validity of bond.

Mr. Forbath addressed concerns regarding the statute as it relates to the payments FORA would receive following dissolution. Options: Statutory pass-through as currently being used or on a Recognized Obligation Payment Schedule (ROBS) as enforced by the county—whichever method is most attractive to investors. Mr. Houlemard suggested that the plan be presented to the Board as having one clear path moving forward with dual approach. It was determined that there was now sufficient information to take to the Board in support of a 2nd Vote.

2. Prioritization Criteria

Mr. Said reported that the Board approved the fiscal study required for bond completion and a fiscal consultant report is in progress. He advised that there are three components the Committee must address: 1) determining tax exemption guidelines; 2) developing a prioritization method for fund allocation; 3) determining terms and conditions, specifically pertaining to the amendment of the bond agreement post-FORA. Mr. Said provided a Building Removal (Bond Program) Area Map. The map identified the areas being considered for building removal, detailing the square footage, governing entity, projected percentage of tax exemption and estimated building removal cost for each site. The estimated total cost of building removal for the 13 proposed areas comes to \$55,230,000. Mr. Said initially estimated that 75% of the bond could be considered taxable and requested the Committee member's direction on the tax status of each parcel. The Committee compared the benefits and limitations of tax exempt/taxable status. Mr. Northcross noted that there is a negligible financial gain between tax exempt and taxable designation and recommended that areas that may require flexibility of use operate under taxable status.

Mr. Said further explained that estimated building removal costs, based on actual costs and known square footages, exceeded the \$37 million bond proceeds, therefore, FORA should adopt a set of criteria for building removal prioritization. The Building Removal (Bond Program) proposed a prioritization process similar to the previously approved evidenced-based prioritization process used for transportation projects. Mr. Houlemard determined from this discussion that the Committee must look into alternative means of prioritization in order to optimize efficiency of resource expenditures. He proposed amending the process to reflect Mr. Malin's approach of allocating funds to the County first, Public Agency partners second, and direct remaining funds to the Cities of Seaside and Marina. Mr. Houlemard reminded the Committee that these issues must be resolved within 60-90 days in order to ensure the maximum bond issuance.

b. 2018 Transition Plan: Transportation Study

Mr. Said gave a brief update regarding the scope of the study and anticipated the next steps in the plan. FORA consultant, Whitson Engineers, Traffic Consultant Kimley-Horn performed the study with a focus on how the existing network operates in relation to the network outside of FORA's jurisdiction, specifically Highway 218, Coe Avenue, Reservation Road and interior roads near East Garrison. The study also included an analysis of the 30-year Capital Improvement Program ("CIP") buildout without the connector road or Gigling Road improvements. Kimley-Horn also performed an analysis on the CIP buildout with three different connector road options: 1) Eucalyptus Road to 8th Avenue; 2) Eucalyptus Road to Inner Garrison Road; 3) Eucalyptus Road to Watkins Gate. The proposed connector options will be assessed to determine the impact of each proposed connector on traffic flow and the region in general. The draft study will be reviewed by Transportation Agency of Monterey County and presented to the Committee at the regular meeting on September 4, 2019. Mr. Said stated that the goal of this study is to provide the Committee with the information needed to make a recommendation to the Board as to Gigling Road and Northeast/Southwest Connector in the Last Year CIP at the September 4th meeting.

c. 2018 Transition Plan Implementing Agreements Progress Report

Mrs. Flint gave a brief report on an August 13, 2019 presentation to the City of Del Rey Oaks regarding Transition Plan Implementing Agreements ("TPIA"), Building Removal Bonds and SB 189. Mrs. Flint stated that she is currently working on a chart comprised of all the TPIAs, including the ESCA, Marina Coast Water District, and other ancillary agreements currently pending. FORA staff will meet with Mrs. Flint to create a schedule in relation to the development of a Joint Powers Authority and determine how it will interact with other entities.

8. ITEMS FROM MEMBERS

None.

9. ADJOURNMENT at: 9:55 a.m.

Minutes Prepared By:
Natalie Van Fleet
Administrative Assistant