



Building Removal Bond

FORA Board
August 9, 2019

Peter Said - Senior Project Manager
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- 1. July 2018:** Administrative Committee (**AC**) recommended FORA investigate building removal bond feasibility.
- 2. October 2018:** FORA Board directed staff to investigate legality & feasibility of issuing debt against FORA's statutory share of the **Property Tax Revenue** stream provided to FORA by the **State Legislature as codified in the State of California Health and Safety Code**.
- 3. December 2018 – January 2019:** Public Request for Qualifications.
- 4. March 2019:** NHA Advisors contracted as **Bond Consultant**.

NHA Advisors Scope:

- Phase 1 – confirm legality of financing (Complete)
- Phase 2 – Prepare a financial plan for Board Review (Complete)
- Phase 3 – Implementation of the Bond Financing (upon approval)

April 2019: AC & FORA Board considered bonding legality

Conclusion:

FORA has authority to issue bonds with terms extending beyond dissolution:

- Bonds must be issued under **Marks-Roos Act**
- Tax increment revenues to be used **within the former Fort Ord boundary**

April 2019: AC reviewed **bond financial feasibility**

- NHA coordinated closely with the County Auditor/Controller
- NHA reviewed assumptions with each jurisdiction
- NHA adjusted for “low” vs “high” buildout scenarios
- AC identified additional stakeholders / interested parties:
 - Monterey County Regional Fire District
 - Monterey Bay Peninsula Unified School District and Monterey Peninsula College
 - TAMC, MST, MCWD, and the State Parks

Analysis Summary

- All figures in **Present Value (“PV”)** (=Today’s dollars)
 - PV for one-time payment of bond revenue
 - PV for 30-year estimated cash flow (or annual revenues)

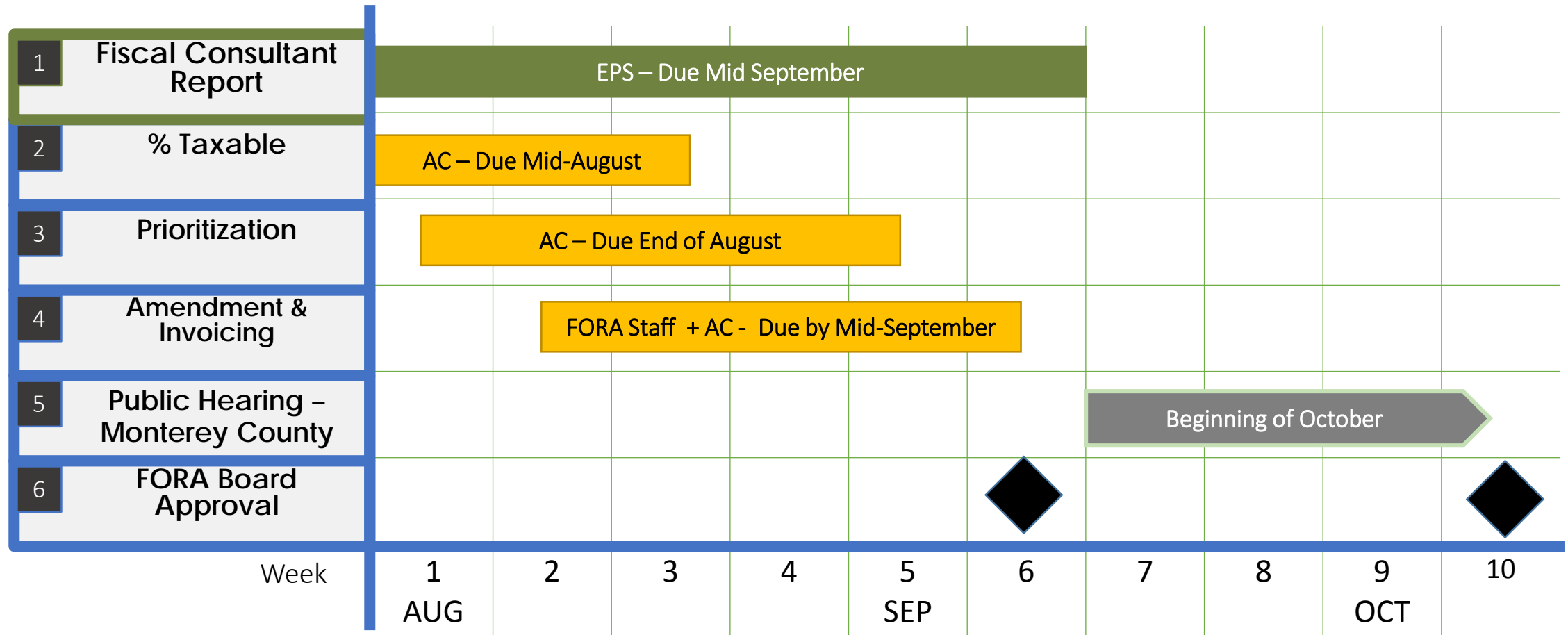
Scenario 2: 2020 Dissolution <i>without</i> Building Removal Bond							HSC 33482.78 Passthroughs	
	Marina	Seaside	Del Rey Oaks	Monterey County (General Fund)	Monterey County Regional Fire District*	MST, MCWD & TAMC	MPUSD	MPC
Net bond proceeds	-	-	-	-	-	-	-	-
PV of increased revenues	4,499,579	3,988,513	1,615,786	23,198,201	30,626,951	-	97,718,616	10,552,817
Total Benefit	4,499,579	3,988,513	1,615,786	23,198,201	30,626,951	-	97,718,616	10,552,817
Scenario 3: 2022 Extention <i>with</i> Building Removal Bond							HSC 33482.78 Passthroughs	
	Marina	Seaside	Del Rey Oaks	Monterey County (General Fund)	Monterey County Regional Fire District*	MST, MCWD & TAMC	MPUSD	MPC
Net bond proceeds	18,737,217	9,500,000	-	2,520,000	-	5,850,000	-	-
PV of increased revenues	5,206,398	3,969,919	1,562,178	22,673,686	29,748,369	-	124,536,313	13,448,868
Total Benefit	23,943,615	13,469,919	1,562,178	25,193,686	29,748,369	5,850,000	124,536,313	13,448,868
Net Benefit (PV)	\$ 19,444,035.8	9,481,406	(53,608)	1,995,485	(878,582)	5,850,000	26,817,697	2,896,051

1. Prepare Fiscal Consultant Report
2. Identify % of Public Rights of Way (ROW) for each removal area
3. Establish prioritization process for fund distribution
4. Establish amendment methodology
 - Cost savings & fund reallocation
 - Unforeseen/unexpected change
5. Establish invoicing & payment methodology
6. Prepare bond documents & provide bond counsel
 - Disclosure documents
 - Standard & Poor's credit package for bond insurance
 - *Negotiating and drafting stakeholder bond administration agreements*

Item 1: Economic & Planning Systems ("EPS") Deliverable (Cost: \$40,000)

Items 2-6: NHA Advisors & Stradling, Yocca, Carlson and Rauth ("SYCR") Deliverable (Cost = \$200,000 contingent on successful bond issuance + \$65,000 contingency)

Schedule



Authorize all necessary preparatory work to issue bonds for building removal and approve Executive Officer to:

- Move forward with the draft schedule presented by NHA Advisors;
- Approve a Fiscal Consultant's Report from EPS – **NTE \$40,000**;
- Approve NHA Advisors as Municipal Advisor and SYCR as Bond Counsel for an amount **NTE \$200,000 + \$65,000 contingency**;
- Work with the County and jurisdictions on post-FORA administration;
- Secure jurisdictional support for the proposed schedule; and
- Work with the Regional Fire District on revenue loss related issues.