



Monterey County

Board of Supervisors
Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: RES 19-142

October 22, 2019

Introduced: 10/16/2019

Current Status: Agenda Ready

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Matter Type: BoS Resolution

- a. Receive a presentation on options for financing for building removal on the former Fort Ord;
- b. Adopt a resolution to authorize and direct the Auditor-Controller to amend FY 2019-20 Resource Management Agency Adopted Budget, Fund 001, Appropriation Unit RMA013, to increase appropriations by \$25,000 to be used for specialized bond counsel services, financed by an operating transfer from General Fund Contingencies, Fund 001, Appropriation Unit CAO020, of \$25,000 (4/5th vote required) and authorize County Counsel to retain specialized bond counsel services in an amount not to exceed \$25,000; and
- c. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a presentation on options for financing for building removal on the former Fort Ord;
- b. Adopt a resolution to authorize and direct the Auditor-Controller to amend FY 2019-20 Resource Management Agency Adopted Budget, Fund 001, Appropriation Unit RMA013, to increase appropriations by \$25,000 to be used for specialized bond counsel services, financed by an operating transfer from General Fund Contingencies, Fund 001, Appropriation Unit CAO020, of \$25,000 (4/5th vote required) and authorize County Counsel to retain specialized bond counsel services in an amount not to exceed \$25,000; and
- c. Provide direction to staff.

SUMMARY/DISCUSSION:

At the October 8, 2019 Board of Supervisors meeting, staff presented an update regarding the proposal by the Fort Ord Reuse Authority (FORA) to issue a bond for purposes of removing buildings on the former Fort Ord. At that meeting, the Board of Supervisors authorized a Standard Agreement with Fieldman, Rolapp, & Associates (Fieldman) for a not-to-exceed-amount of \$25,000 for financial consulting services relating to FORA's proposed bond issuance and authorized expansion of the scope of work to provide preliminary analysis of financing options for removing buildings in the unincorporated area of the County on the former Fort Ord as an alternative to County participation in a FORA bond. To fund the agreement, the Board authorized amending the Resource Management Agency's (RMA) Adopted Budget appropriations, funded by General Fund Contingencies. The Board also directed staff to return on October 22, 2019, with a presentation on options for financing removal of buildings on the former Fort Ord that are in the unincorporated area of the County. The Board directed to hold retaining a specialized bond counsel until this presentation to the Board. The recommendation to retain specialized bond counsel to advise the County on the FORA bond issuance and other financing options in an amount not to exceed \$25,000 is included in this report, should the Board desire to take that action at this time. Fieldman concurs with the recommendation to retain specialized bond counsel in this matter.

On September 23, 2019, the Fort Ord Committee considered issues related to FORA's June 30, 2020 dissolution and matters of concern to the County (See Attachment B-9/23/19 Fort Ord Committee Agenda Item 2 Staff Report). Staff continues to participate in discussions through the FORA Administrative Committee regarding FORA transition matters and continues to monitor how other transition matters could impact the proposed FORA bond or other building removal financing options. The County transition team will meet with FORA's consultant to discuss issues of concern to the County.

RMA requests that the Board receive a presentation on options for building removal financing and provide direction on how to proceed with this matter. Additionally, the Board may consider approving funding for and authorizing County Counsel to retain specialized bond counsel services in an amount not to exceed \$25,000.

OTHER AGENCY INVOLVEMENT:

Supervisors Parker and Phillips serve on the County Board of Supervisors' Fort Ord Committee; Supervisors Adams, Parker, and Phillips serve on the FORA Board; and Supervisor Phillips serves as Chair of the FORA Legislative Committee. RMA represents the County on the FORA Administrative Committee, which is considering the bond issuance. The County Administrative Office, the Office of County Counsel, and RMA are part of the County's FORA transition team. The Budget Committee Chair approved bypassing the Budget Committee to take this item to the Board of Supervisors on October 8, 2019 and is aware of the exigent need to secure consulting services to advise the County on FORA's bond issuance.

FINANCING:

On October 8, 2019, the Board approved an increase of appropriations to Fund 001, Appropriation Unit RMA013 (\$25,000), to be used for financial analysis and preliminary analysis of building removal financing options available to the County. The County's financial consultant for FORA transition, Fieldman, Rolapp & Associates, assisted staff in preparing this report and will provide additional information as part of this presentation.

The Board delayed a budget amendment that would increase appropriations by \$25,000 to cover costs for specialized bond counsel services until further information could be provided (this report). If Board direction is to pursue funding options for building removal further, staff recommends increasing appropriations by \$25,000, financed by an operating transfer from General Fund Contingencies, Fund 001, Appropriation Unit CAO020, to RMA, Fund 001, Appropriation Unit RMA013. The Contingencies fund balance is \$4,512,868; If this appropriation is approved, it would be approximately \$4.487 million. RMA will work with CAO-Budget to true-up actual expenditures at the end of FY 2019-20 to ensure that any unexpended funds for financial consultant and specialized bond services are returned to General Fund Contingencies, Fund 001.

The potential financial impact to the County related to FORA's dissolution and possible impacts related to the proposed FORA bond is unknown. Staff is actively working to identify staffing and funding needs for the County to assume certain responsibilities upon its dissolution. Possible funding sources are also being considered and may include replacement CFD fees from East Garrison (and

future development), County share of FORA’s statutory tax increment (that remains after any FORA debt payment), direct payment/resources from FORA, or other sources to be determined.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Conducting building removal on the former Fort Ord supports the Board’s Economic Development strategic initiative by removing a significant barrier to redevelopment on the former Fort Ord area. Engaging specialized bond counsel services to help inform the County’s consideration of financing options for the County and possible FORA bond issuance supports the Administration strategic initiative by providing for efficient and effective operations and ensuring accountability and transparency.

Facilitating a smooth transition of FORA responsibilities to local agencies by or before FORA’s June 30, 2020 dissolution is, in part, dependent upon the successful execution of a series of agreements (e.g., proposed Multi-Agency TPIA), supporting effective continued governance and economic development for the ongoing reuse and redevelopment of the former Fort Ord.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services
Approved by: Carl P. Holm, AICP, RMA Director

Attachments:
Attachment A-Draft Resolution
Attachment B-9/23/19 Fort Ord Committee Agenda Item 2 Staff Report
(Attachments are on file with the Clerk of the Board)