



Monterey County Board of Supervisors

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Salinas, CA 93901
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Board Order

A motion was made by Supervisor Jane Parker, seconded by Supervisor Luis A. Alejo to:

- a. Hold a public hearing regarding the consideration of bonds being issued by the Fort Ord Reuse Authority for use in removing blighted buildings on the former Fort Ord; and
- b. Adopt a Resolution No. 19-412 making findings of significant public benefit by the Fort Ord Reuse Authority to finance projects within the boundaries of the County.

PASSED AND ADOPTED on this 10th day of December 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Lopez, Phillips, Parker and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting December 10, 2019.

Dated: December 17, 2019
File ID: 19-0938
Agenda Item No.: 29.1

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California


Julian Lorenzana, Deputy

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. 19-412

Making Certain Findings of Significant Public Benefit)
Relating to the Issuance of Bonds by the Fort Ord)
Reuse Authority to Finance Projects within the)
Boundaries of the County.....)

WHEREAS, the Fort Ord Reuse Authority (the “Authority”) is a public corporation of the State of California duly formed and presently existing and exercising its powers pursuant to the Fort Ord Reuse Authority Act, Title 7.85 of the Government Code (commencing with Section 67650) (the “Authority Act”); and

WHEREAS, pursuant to Section 67675 of the Authority Act, the Authority has prepared and adopted the Fort Ord Reuse Plan; and

WHEREAS, pursuant to Section 67679 of the Authority Act, the Authority has designated certain base-wide public capital improvements to be planned, designed, constructed, repaired, remodeled, or replaced, and financed by the Authority in conformance with the Fort Ord Reuse Plan, specifically including the cost of waste characterization, abatement, building demolition, building removal, building repair, waste disposal, and remediation of buildings and building sites located at certain parcels of property within the boundaries of the former Fort Ord, which costs shall further include, without limitation, all costs of planning, engineering, management, risk management (including insurance premiums), and associated administrative services required to remove blighted buildings from certain parcels of property within the boundaries of the former Fort Ord (collectively, the “Project”); and

WHEREAS, the Authority is authorized by Section 67679(d)(9) of the Authority Act to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (commencing with Government Code section 6584) (the “Marks-Roos Act”), to finance the Project; and

WHEREAS, the Authority is authorized pursuant to Section 6592(a) of the Marks-Roos Act to pledge to payment of the Bonds any moneys of the Authority, including without limitation the portion of property tax revenues allocated to the Authority pursuant to California Health and Safety Code Section 33492.71(c)(1)(A) and (D), as applicable; and

WHEREAS, in order to finance all or a portion of the Project, the Authority desires to issue one or more series of Tax Allocation Revenue Bonds (the “Bonds”); and

WHEREAS, the Project is located within the boundaries of the County; and

WHEREAS, the Authority has requested the County to hold a public hearing on the financing of the Project with the proceeds of the issuance of the Bonds, in accordance with Section 6586.5 of the Marks-Roos Act, and has provided the County with a letter setting forth the significant public benefits to be received as a result of the Project, which letter is attached hereto as Exhibit A; and,

WHEREAS, the County has, prior to the adoption of this resolution, held the requested public hearing at the Monterey County Government Center, 168 West Alisal Street, Salinas, California, on December 10, 2019; and

WHEREAS, in accordance with Section 6586.5 of the Marks-Roos Act, notice of such hearing was published once at least five days prior to the hearing in the Monterey County Weekly, a newspaper of general circulation in the County; and

WHEREAS, the Board of Supervisors of the County finds and determines that the issuance of the Bonds to finance the Project pursuant to the Act will result in significant public benefits of the type described in Section 6586(a) through (d), inclusive, of the Marks-Roos Act; and

WHEREAS, the County is undertaking this public hearing solely at the request of FORA, and in reliance on FORA'S representations concerning its ability to issue and finance bonds; and

WHEREAS, the County has not committed, and does not commit by adopting this resolution, to participate in the financing of the bonds, and any such decision will be considered at a future meeting;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Monterey as follows:

1. The foregoing recitals are true and correct.
2. The County is undertaking this public hearing solely at the request of FORA, and in reliance on FORA'S representations concerning its ability to issue and finance bonds.
3. The Board of Supervisors has determined and hereby finds that the Authority's assistance in financing the Project by the issuance and delivery of the Bonds will result in significant public benefits of the type described in Section 6586 (a) through (d), inclusive, of the Marks-Roos Act, and as described in Exhibit A.
4. The County hereby expressly approves the Project and the financing of the Project using proceeds of the Bonds.
5. The County has not committed, and does not commit by adopting this resolution, to participate in the financing of the bonds, and any such decision will be considered at a future meeting of the Board of Supervisors.
6. The County Administrative Officer and County Counsel are hereby authorized to take such other and further actions as may be necessary or appropriate to carry out the intent and purposes of this resolution.

PASSED AND ADOPTED on this 10th day of December 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Salinas, Phillips, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting December 10, 2019.

Dated: December 17, 2019
File ID: 19-0938
Agenda Item No.: 29.1

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California


Julian Lorenzana, Deputy



December 3, 2019

Monterey County Board of Supervisors
C/O District 2 – Supervisor John M. Phillips
Castro Plaza
P.O. Box 787
Castroville, CA 95012

RE: Fort Ord Reuse Authority Request for Monterey County to hold a public hearing pursuant to Marks-Roos Act in consideration of bonds for use in removing blighted buildings on the former Fort Ord.

To: Supervisor John Phillips, Chair
Monterey County Board of Supervisors

On August 9, 2019, the Fort Ord Reuse Authority Board authorized me to perform all necessary preparatory work to issue bonds for the building removal projects listed on Exhibit A and approved moving forward with the schedule presented by NHA Advisors.

Based on FORA's organic statute, the Fort Ord Reuse Authority Act, which incorporates the bond issuance provisions of the Marks-Roos Local Bond Pooling Act of 1985, FORA has determined that a precondition to the issuance of bonds by FORA is that a local agency within whose jurisdiction the building removal projects will be carried out hold a noticed public hearing and adopt public benefit findings. This letter constitutes a request by FORA that the Monterey County Board of Supervisors hold that noticed public hearing and adopt those benefit findings. FORA is making this request because all the building removal projects are within the boundaries of the County, and therefore, FORA can satisfy the public hearing and benefit finding requirements most expediently if the County takes these actions.

FORA asserts that the building removal project satisfies one or more of the following significant public benefits listed in the Marks-Roos Act (Gov. Code 6586):

- (a) Providing demonstrable effective interest rate savings given the favorable bond market in the winter of 2019 during which the PIMCO monthly municipal market update for October 2019 reflects that a 30 year, AAA rated municipal bond interest rate has a negative 0.96% Year-To-Date change and a yield of 2.06%.
- (b) Local taxes, levies, or user charges required for removal of blighted buildings on public development parcels, and unfunded by development, are significantly decreased by leveraging and bonding against the FORA property tax pass through allocated to FORA in California Health and Safety Code Sections 33492.71(c)(1)(A) and (D), otherwise unavailable to local agencies following FORA sunset on June 30, 2020. At this time, there is no other viable revenue source by which jurisdictions can remove the \$50M of blight within the boundaries of the former Fort Ord, and any new revenue source would put an undue burden on the region in the form of taxes, levies, and charges.
- (c) Providing employment benefits by undertaking the project in a timely fashion and removing the State-recognized blight and hindrance to economic growth surrounding California State University Monterey Bay. FORA estimates this building removal project will create 250 FTE construction jobs, and make way for

increased CSUMB attendance which will support an additional 500+ FTE at CSUMB, and lead to long-term economic growth within the Project Area.

(d) Removing buildings provides more efficient delivery of local agency services to residential and commercial development by enhancing the means for clearing urban infill areas, for which future development would otherwise be liable to fund. Bonding against the FORA property tax revenue is the only way to complete FORA's mission to remove this blight and reuse the former military base.

The FORA Board and its member jurisdictions have widely recognized the removal of buildings as contemplated by the Base Reuse Plan to be of substantial economic and environmental benefit to the region. Only within the last few years has the property tax revenue been built to a level sufficient to bond against and accomplish this building removal goal critical to the Base reuse and redevelopment. This property tax revenue has always been contemplated by FORA as a primary tool to finalize and complete building removal and any remaining work on the former base. Therefore, FORA intends the specific use of bond funds for "Building Removal" and "Building Removal Costs" (as defined below) to include the removal of hazardous materials and other safety measures in remnant structures.

Exhibit A to this letter lists each component of the building removal project, the local agency proposed to be responsible for the building removal work, the total estimated cost, and the estimated amount of bond proceeds to be allocated to each agency. FORA currently anticipates issuing the bonds in a total principal amount of between \$30M and \$50M by June 30, 2020.

Under the current draft Bond Indenture, "Building Removal" means the cost of waste characterization, abatement, building demolition, building removal, building repair, waste disposal, and remediation of buildings and building sites located at certain parcels of property within the boundaries of the former Fort Ord. "Building Removal Costs" include, without limitation, costs of all planning, engineering, management and risk management including, but not limited to, insurance premiums, legal fees and litigation costs associated with the building removal, and the associated administrative services required to remove blighted buildings from those parcels of property identified on the attached Exhibit A within the boundaries of the former Fort Ord.

FORA intends for each jurisdiction to be solely responsible for all building removal within its respective jurisdiction, to allow the jurisdictions to use only those funds in their Bond Account as allocated by FORA, and to permit the jurisdictions to prioritize their own projects and to choose in their discretion to re-allocate any excess funds while taking responsibility for any shortfall of funds within their jurisdiction.

As a consequence of the Board's action and with the additional support of the FORA Administrative Committee, I am formally requesting the Monterey County Board of Supervisors hold a public hearing to find that the use of bond funds on and within the Project Area of the former Fort Ord is of public benefit to the region.

Best Regards,

Michael A. Houlemard, Jr.
Executive Officer

CC: County Administrative Officer, Charles McKee

Assistant County Administrative Officer, Nick Chilos

EXHIBIT A

BUILDING REMOVAL PARCELS

List of Project Parcels by U.S Army Corps of Engineers (“Army”) Parcel Number.

Jurisdiction	USACE Parcel Number	Description	Bond Account Owner	Total Estimated Cost	Estimated Allocable Share of Bond Proceeds
City of Marina	E4.1.1	Cypress Knolls	City of Marina	\$17,180,000	50.00% \$15 - 20M
	E4.1.2.1	Cypress Knolls	City of Marina		
	E4.1.2.2	Cypress Knolls	City of Marina		
	L5.9.1.1	Marina Radio Club	City of Marina	unknown	
	L5.4.2	Marina Park	City of Marina	5,500,000	
	E2b.3.1.1	Marina Arts District	City of Marina	2,425,000	
	E2c.4.2.1	Commercial/Business Park	City of Marina	1,900,000	
City of Marina	L20.16.1	TAMC Transit Center	TAMC	3,550,000	6.25% \$1.8 – 3.13M
City of Marina	L35.1	MCWD Storage	MCWD	1,550,000	5.25% \$1.5 - \$2.6M
State Parks	S3.1.1	Wastewater Plant	MCWD	1,770,000	
City of Marina	L2.1	MST Transit Center	MST	130,650	1.75% \$530-875K
City of Seaside	L2.4.3.1	MST Storage	MST	300,000	
City of Seaside	L32.4.1.1	Surplus II	City of Seaside	17,575,000	32.25% \$9.6 - \$16.13M
	L19.4	Surplus II	City of Seaside		
	L15.1	Surplus II	City of Seaside		
	F2.3.2	Main Gate	City of Seaside	0	
	F2.3.3	GJMB Parcel	City of Seaside	0	
	F5.2	National Guard	City of Seaside	0	
	L23.5.1	Chartwell School	City of Seaside	2,400,000	
	E18.1.3	Nurses Barracks	City of Seaside	unknown	
County of Monterey	E11b.8	Ammo Supply Point	County of Monterey	750,000	4.50% \$1.3 – 2.25M
	L23.3.2.2	Open Space	County of Monterey	\$1,525,000	
	L23.3.3.1	Open Space	County of Monterey		
	L23.3.3.2	Open Space	County of Monterey		
	L20.2.1	Open Space	County of Monterey		
	L20.2.2	Open Space	County of Monterey		