



Monterey County

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Board Report

Legistar File Number: 18-581

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Current Status: Consent Agenda

Matter Type: General Agenda Item

Receive a status report on Board Referral No. 2018.05 to determine the County's net gain in property tax distributions when the Fort Ord Reuse Authority sunsets in June 2020.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive a status report on Board Referral No. 2018.05 to determine the County's net gain in property tax distributions when the Fort Ord Reuse Authority sunsets in June 2020.

SUMMARY/DISCUSSION:

Supervisor Parker submitted a referral to determine the County's net gain in property tax distributions when the Fort Ord Reuse Authority ("FORA") sunsets in June 2020. State law created FOR A and entitled the agency to receive a share of property taxes in the area of the former Fort Ord. For fiscal year 2016-17, FORA received approximately \$2 million in property taxes from the various Successor Agencies that have projects within the boundaries of Fort Ord.

Without further legislative action, FORA will dissolve by operation of law in June 2020. At that time, the property tax allocation FORA receives will instead be distributed to the County, Cities, Successor Agencies, and other taxing entities. Under Health and Safety Code section 33492.71, provided that FORA does not have any outstanding debt, the County will receive 38% of FORA's current allocation, or approximately \$760,000 based on the 2016-17 fiscal year. That amount will continue to grow as more projects are completed in the Fort Ord Redevelopment Area.

Although not requested as part of the analysis in the referral, staff further notes that based on FY 16-17, the Successor Agency to the Redevelopment Agency of the County of Monterey would also receive \$139,814 upon the dissolution of FORA. Further, the County's annual contribution of \$28,000 to FORA, under Health and Safety Code section 67690, will cease to be an ongoing expenditure upon the dissolution of FORA.

OTHER AGENCY INVOLVEMENT:

This referral has been coordinated with the CAO, Assistant CAO Auditor-Controller, and County Counsel.

FINANCING:

There is no impact on the general fund at this time; however, it is projected that upon the dissolution of FORA additional (approximately) \$788,000 (and \$139,814 to the Successor Agency) in new general

fund revenues will be generated, with likely yearly increases after 2020.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The increase in property tax revenue upon the dissolution of FOR A would go to the general fund which could be used for any of the Board's Strategic Initiatives.

Prepared by: Nick Chiulos, Assistant CAO, Ext. 5145

Nicholas E. Chiulos, Assistant County Administrative Officer

Date

Mark a check to the related Board of Supervisors Strategic Initiatives

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

Attachments:
Board Report