



Monterey County

Veterans Transition Center
Auditorium
220 Twelfth Street
Marina CA 93933

Fort Ord Committee Report

Agenda Item #1

May 15, 2019

Introduced: 5/3/2019

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

- a. Receive an informational report regarding the East Garrison Public Finance Authority proposed Special Tax Bonds, Series 2019.

RECOMMENDATION:

It is recommended that the Fort Ord Committee:

- a. Receive an informational report regarding the East Garrison Public Finance Authority proposed Special Tax Bonds, Series 2019.

SUMMARY/DISCUSSION:

On December 11, 2018 the Board of Supervisors accepted a portion of completed infrastructure for Phase 3. The EGPFA has established its bond team and is working with the team and developer to prepare to issue a second bond series, Special Tax Bonds, Series 2019, for the Phase 3 infrastructure. Staff plans to bring forward the bond series to the Board of Supervisors, acting as the Governing Body for the EGPFA, in July 2019.

The East Garrison Public Finance Authority (EGPFA) created the East Garrison Community Facilities District No. 2006-01 (EGCFD) in 2006 to provide a mechanism to fund the acquisition of public infrastructure constructed by the developer of East Garrison. Formation of the EGCFD envisioned the issuance of Mello-Roos bonds to acquire up to \$20 million of completed infrastructure. In 2016, the EGCFD issued its first bond series, Special Tax Bonds, Series 2016, in the amount of \$9,540,000 to pay for the infrastructure in Phase 1 and Phase 2 of the development. Of which, the developer received \$8,330,000 as reimbursement payment for public facilities constructed, leaving the developer eligible for an amount of up to \$11,670,000 for infrastructure acquisition in Phase 3.

The second bond series, Special Tax Bonds, Series 2019, for the Phase 3 infrastructure being prepared is estimated to be a maximum of \$13,435,389 distributed for the following uses: 1) Project Fund (developer reimbursement) \$11,670,000; Other Fund Deposits (reserve and interest funds) \$1,115,633; Delivery Date Expenses (costs of issuance) \$649,757. Over the coming month the construction expenses and documentation for the infrastructure to be submitted by the Developer will be reviewed by the Agency's contracted acquisition engineer to determine the actual total costs eligible for reimbursement. Taxes to repay these bonds are assessed/paid with EGCFD special taxes. The EGCFD special tax is currently assessed at the maximum rate, which is within the Board policy limiting the total tax to a maximum of 2%. There will be no increase to the special tax annual assessment rate as a result of the issuance of the Series 2019 bonds.

Please refer to Exhibit A - East Garrison Mello-Roos Special Tax Bonds, Series 2019 Question & Answers, for additional details about the anticipated bond issuance.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel and County Administrative Office, Budget and Analysis Division are providing legal and financial/debt oversight and review, respectively, for the bond issuance.

FINANCING:

The processing and issuance of bonds for this project has no impact to the County General Fund. Staff time and outside professional services to prepare and process the bond issuance are fully reimbursable by the facilities portion of the EGCFD Special Taxes. When the EGCFD issues bonds, none of the County's or the EGPFA's assets are pledged as security for the bonds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Issuance of bonds for the acquisition of completed Phase 3 infrastructure at East Garrison achieves the following Board's FY15-16 Strategic Initiative for Infrastructure by financing the planning and development of sustainable physical infrastructure in East Garrison. The EGCFD was established to achieve fiscal neutrality for the East Garrison project and to protect the County's General Fund from impacts created by the facilities and service needs from development of East Garrison.

Check the related Board of Supervisors Strategic Initiatives:

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

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Approved by: Carl P. Holm, AICP, Acting RMA Director

Attachments:

Exhibit A - East Garrison Mello-Roos Special Tax Bonds, Series 2019 Q&A