



Board Report

File #: 19-0505, **Version:** 1

Consider a “Support” Position on SB 189 (Monning), re: Fort Ord Reuse Authority dissolution. (MOVED VIA SUPPLEMENTAL to the 1:30 P.M. Schedule Matters as newly renumbered to Item 23.1)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Consider a “Support” Position on SB 189 (Monning), re: Fort Ord Reuse Authority dissolution.

SUMMARY:

Senate Bill 189, authored by Senator Bill Monning with co-authors Assembly Members Rivas and Stone addresses issues related to the transition and dissolution of the Fort Ord Reuse Authority (FORA). The Board previously reviewed SB 189 on May 7, 2019 and, after discussion, took a “support if amended” position. The bill has subsequently been amended and will be heard in the Assembly Local Government Committee on July 3, 2019. The most recent version of SB189 is attached. Given recent amendments, Senator Monning’s office has requested that the Board consider changing its position to “support”.

DISCUSSION:

SB 189 would extend the FOR A sunset date from June 30, 2020 for 2 years to June 30, 2022. Pursuant to its action on May 7, your Board transmitted a letter under Chair Phillips’ signature to Senator Monning on May 16, 2019. The Board’s May 16 letter (attached) expressed support if the following amendments were made:

1. Retain Health and Safety Code Section 33492.71 regarding property tax distribution upon FOR A dissolution.
2. Extend the Community Facilities District beyond the proposed sunset date of June 30, 2022.
3. Retain weighted voting such that the County would have 3 votes on the newly configured FORA Board of Directors.
4. Prohibit issuance of new debt by FOR A during the period June 30, 2020 to June 30, 2022.
5. Extend FOR A for between 6 to 10 years to allow sufficient time for the region to further recover.

After receipt of the Board’s May 16, 2019 letter, Senator Monning’s staff, in discussion with the County Administrative Office, requested further analysis and clarification/quantification of the County’s concern regarding the proposed elimination of Health and Safety Code Section 33492.71. Accordingly, a team comprised of the Auditor-Controller, County Counsel, RMA, CAO and Monterey County Regional Fire District transmitted to Senator Monning an analysis of the property tax impact of the proposed termination of Section 33492.71. A copy of that June 6, 2019 submission is attached. Based upon this analysis, Senator Monning introduced an amendment on June 17 to *retain* the property tax distribution as set forth in Section 33492.71. In addition, on May 17, 2019 the bill was amended to prohibit FORA from issuing new debt after June 30, 2020.

In conclusion, the current version of SB 189 does the following with regard to County recommendations as set forth in the May 16, 2019 letter to Senator Monning:

1. Health and Safety Code Section 33492.71

- Retained as requested by County.
- 2. Extend CFD beyond June 30, 2022.
 - CFD *Not* extended.
- 3. Weighted voting.
 - No weighted voting; County would have one vote on the proposed FOR A Board.
- 4. Prohibit issuance of New FORA debt.
 - Bill amended to clarify no new debt issued after June 30, 2020.
- 5. Extension period.
 - Bill retains original proposal to extend FOR A to June 30, 2022; no extension beyond that date.

OTHER AGENCY INVOLVEMENT:

County Counsel, RMA and CAO have all participated in overall analysis of SB 189. The financial analysis of property tax distribution, in addition to the previously mentioned departments, included the Auditor-Controller and Monterey County Regional Fire District.

FINANCING:

Retention of Health and Safety Code Section 33492.71 is a positive improvement in that it protects County property tax revenue.

The fact that the bill, as currently amended, does not extend the CFD beyond June 30, 2022, will require that the County look to other methods to finance potential various improvements and habitat management.

Some efforts are already underway to look at alternative funding methods that may be needed or desired. Staff is reviewing the various East Garrison development agreements and has initiated discussions with the East Garrison developer regarding opportunity for continued fee (or equivalent) collection after FORA's dissolution. Through participation in the FORA Administrative Committee, there are efforts to evaluate proposed Habitat Conservation Plan costs, financial terms, and identify potential funding mechanisms (e.g. establishment of new fees) post FORA-CFD.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed draft legislative language to implement the FORA 2018 Transition Plan, and its potential adoption by the legislature, achieves the following Board FY15-16 Strategic Initiatives:

- *Economic Development:* Enhancing the well-being and prosperity of Monterey County Residents through collaboration to continue to facilitate the transfer and reuse of the former Fort Ord, to minimize the disruption caused by the base closure on the local economy, to provide for the reuse and development of the base to maintain and enhance the local economy, and to maintain and protect the unique environmental resources of the base. Managing and preparing for a smooth transition of FORA is vital for protecting County interests and reducing fiscal impacts.
- *Infrastructure:* Meet the facilities, water, technology and transportation needs by planning and developing sustainable physical infrastructure as part of the reuse of the former Fort Ord.

Check the related Board of Supervisors Strategic Initiatives:

Economic Development

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

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Date

Attachments are on file with the Clerk of the Board

Attachments:

- Senate Bill 189
- May 16, 2019 Board transmitted letter
- June 6, 2019 Board transmitted letter