



County of Monterey

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

Board Report

File #: EGPFA 19-003, **Version:** 1

Authorize the County Debt Manager to engage in a Tri-Party Agreement between the East Garrison Public Financing Authority - County of Monterey, the Bank of New York Mellon Trust Company, and MUFG Union Bank to complete the transfer of trustee responsibilities.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the County Debt Manager to engage in a Tri-Party Agreement between the East Garrison Public Financing Authority - County of Monterey, the Bank of New York Mellon Trust Company, and MUFG Union Bank to complete the transfer of trustee responsibilities.

SUMMARY/DISCUSSION:

The East Garrison Development Agreement and the Disposition and Development Agreement obligate the County to create a Community Facilities District to finance the acquisition of public facilities. In 2006, to meet this obligation, the County and East Garrison Community Services District (CSD) created a Joint Powers Authority known as the East Garrison Public Financing Authority (EGPFA). The Board of Supervisors serves as the governing board of the EGPFA.

The EGPFA created Community Facilities District No. 2006-1, the East Garrison CFD (CFD). The CFD issued its Special Tax Bonds, Series 2016 (2016 Series Bonds) in December 2016, to reimburse the developer for infrastructure expenditures in Phases 1 and 2 of East Garrison. BNY Mellon Trust was the Trustee for the 2016 Series Bond. After the issuance of the 2016 Series Bonds, County staff and the County's CFD Administrator, Goodwin Consulting Group ("GCG") began the process of administering the CFD utilizing BNY Mellon Trust as the Trustee. County staff and GCG have determined it is in the best interest of the County to replace BNY Mellon Trust as Trustee on the CFD. Based on their experience and great reputation, MUFG Union Bank was recommended for selection as the new Trustee for the CFD.

OTHER AGENCY INVOLVEMENT:

A draft Tri-Party Agreement has been prepared by MUFG legal counsel and reviewed by the County's Bond Counsel ("Orrick") to have BNY Mellon resign as Trustee and MUFG to replace them as Successor Trustee, effective July 17, 2019.

FINANCING:

The above action will have no fiscal impact on the general fund or any debt service fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the administration strategic initiative as trustee services for the debt issuance relating to the Community Facilities District No. 2006-1 (East Garrison Project) ensure efficient and effective resource management.

☐ Economic Development
☒ Administration
☐ Health & Human Services

☐ Infrastructure
☐ Public Safety

Prepared by: Juan Pablo Lopez, Administrative Analyst, ext. 5091

Approved by: Dewayne Woods, Assistant County Administrative Officer, ext. 5309

Attachments: East Garrison Agreement of Removal, Appointment and Acceptance