

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 4, 2020

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS:

S&P: "AA" (AGM-Insured Bonds)

S&P: "BBB+" (Underlying)

See "RATINGS" herein

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. Interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes.



\$30,405,000* FORT ORD REUSE AUTHORITY TAX ALLOCATION BONDS, SERIES 2020 (FEDERALLY TAXABLE)

Dated: Date of Delivery

Due: September 1, as shown on the inside cover

The \$30,405,000* Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the "Bonds"), are being issued by the Fort Ord Reuse Authority (the "Authority") pursuant to the provisions of the California Government Code, a Resolution adopted by the Board of Directors of the Authority, and an Indenture of Trust, dated as of June 1, 2020 (the "Indenture"), by and among the Authority, the City of Marina, California, as administrator (the "Administrator") and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are being issued to (a) fund Building Removal Costs (as defined in the Indenture) for various public agencies related to property formerly included in the Fort Ord Military Base (the "Former Base") in Monterey County, California, (b) provide funds to satisfy an obligation of the Authority to CalPERS, (c) pay premiums for a municipal bond insurance policy for the Insured Bonds (defined below), and a debt service reserve fund municipal bond insurance policy for the Bonds, (d) make a deposit to an Administrative Expense Account to be used to pay initial administrative expenses of the Bond program, and (e) provide for the costs of issuing the Bonds.

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. Principal of and semiannual interest on the Bonds due on March 1 and September 1 of each year, commencing March 1, 2021, will be payable by the Trustee to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds. See "THE BONDS—Description of the Bonds."

The Bonds are payable from and secured by a first lien on the Pledged Tax Revenues, as defined in the Indenture, constituting certain property taxes arising from properties located within two redevelopment project areas that include territory in the Former Base, which property taxes are allocated to be used to make payments on the Bonds pursuant to provisions of the California Health and Safety Code. The Bonds are also secured by a pledge of and lien on moneys in a Debt Service Fund, including a Reserve Account therein, established under the Indenture. Payment of the interest on the Escrow Term Bonds and the principal, if any, of the Escrow Term Bonds due upon the redemption of Escrow Term Bonds on the Escrow Termination Date, in each case in an amount equal to the Deemed Escrow Bonds, are secured by amounts in the Escrow Interest Account and the Escrow Fund, respectively, as described herein. See "SECURITY FOR THE BONDS."

The Bonds are subject to redemption prior to maturity. \$6,500,000* of the Bond proceeds will be initially deposited to an Escrow Fund established under the Indenture which, if not released in accordance with the terms of the Indenture, will result in a redemption at par of the Escrow Term Bonds (as defined herein) on December 1, 2025*, from amounts on deposit in the Escrow Fund. In addition to the deposit to the Escrow Fund, Bond proceeds will be deposited to an Escrow Interest Account in an amount equal to the scheduled interest on the Escrow Term Bonds to December 1, 2025*. See "THE BONDS—Redemption" and "SECURITY FOR THE BONDS—Escrow Fund."

The scheduled payment of principal of and interest on the Bonds maturing on September 1 in the years ____ through ____, inclusive (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP. See "MUNICIPAL BOND INSURANCE" and APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.



The Bonds and interest thereon are not a debt of the County of Monterey, the City of Marina, the City of Seaside, the State of California (the "State") or any of their political subdivisions except the Authority, and then only to the extent set forth in the Indenture, and none of the County of Monterey, the City of Marina, the City of Seaside, the State or any of their political subdivisions except the Authority is liable thereon. The Bonds and interest thereon are not payable out of any funds or properties other than those pledged to their payment under the Indenture.

MATURITY SCHEDULE

(see inside cover)

This cover page and the inside cover page contain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review this entire Official Statement before making any investment decision with respect to the Bonds.

The Bonds are offered, when, as and if issued, subject to the approval as to their legality of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by Quint & Thimmig LLP acting as Disclosure Counsel to the Authority, and for the Authority by Kennedy, Archer & Giffen, Monterey, California in its capacity as general counsel to the Authority. Certain legal matters will be passed on for the Underwriters by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about June __, 2020.

STIFEL

Citigroup

This Official Statement is dated June __, 2020.

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$30,405,000*
FORT ORD REUSE AUTHORITY
TAX ALLOCATION BONDS,
SERIES 2020 (FEDERALLY TAXABLE)

MATURITY SCHEDULE

\$ _____ Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
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\$ _____ % Term Bonds maturing September 1, _____, Price _____ to Yield _____ % CUSIP† _____
 \$ _____ % Term Bonds maturing September 1, _____, Price _____ to Yield _____ % CUSIP† _____
 \$6,500,000* _____ % Escrow Term Bonds maturing September 1, 2037, Price _____ to Yield _____ % CUSIP† _____

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* Preliminary, subject to change.

FORT ORD REUSE AUTHORITY

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Mary Adams, *Supervisor*
John Phillips, *Supervisor*
Luis Alejo, *Supervisor**
Chris Lopez, *Supervisor**

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Kristin Clark, *Councilmember**

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Colleen Courtney*

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Erica Parker*

Transportation Agency of Monterey County

Debbie Hale
Todd Muck*
Mike Zeller*

Monterey Peninsula Unified School District

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California State University Monterey Bay

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Michele Ovemeyer*

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Keith Van Der Maaten
Dr. Matt Zefferman*
Dr. Tom Moore*
Jan Shriner*

* Alternate

AUTHORITY OFFICIALS

Josh Metz, *Executive Officer*

Helen Rodriguez, *Controller/Finance Manager*
Joan Simon, *Principal Analyst*

Hermalinda Flores, *Accounting Officer*
Harrison Tregenza, *Deputy Clerk/Executive Assistant*

PROFESSIONAL SERVICES

General Counsel

Kennedy, Archer & Giffen
Monterey, California

Fiscal Consultant

Economic & Planning Systems
Sacramento, California

Dissemination Agent

Applied Best Practices, LLC
Irvine, California

Municipal Advisor

NHA Advisors, LLC
San Rafael, California

Trustee

U.S. Bank National Association
Los Angeles, California

Bond Counsel and Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Authority.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or either of the Project Areas since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriters may over-allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriters may discontinue such market stabilization at any time. The Underwriters may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, section 21E of the United States Securities Exchange Act of 1934, as amended, and section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Websites. The Fort Ord Reuse Authority and the Cities of Marina and Seaside maintain Internet websites, but the information on those websites is not incorporated by reference in or otherwise a part of this Official Statement and those websites should be relied upon in making an investment decision with respect to the Bonds.

Municipal Bond Insurance. Assured Guaranty Municipal Corp. (the "Bond Insurer") makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. The Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.

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OFFICIAL STATEMENT

\$30,405,000*

FORT ORD REUSE AUTHORITY TAX ALLOCATION BONDS, SERIES 2020 (FEDERALLY TAXABLE)

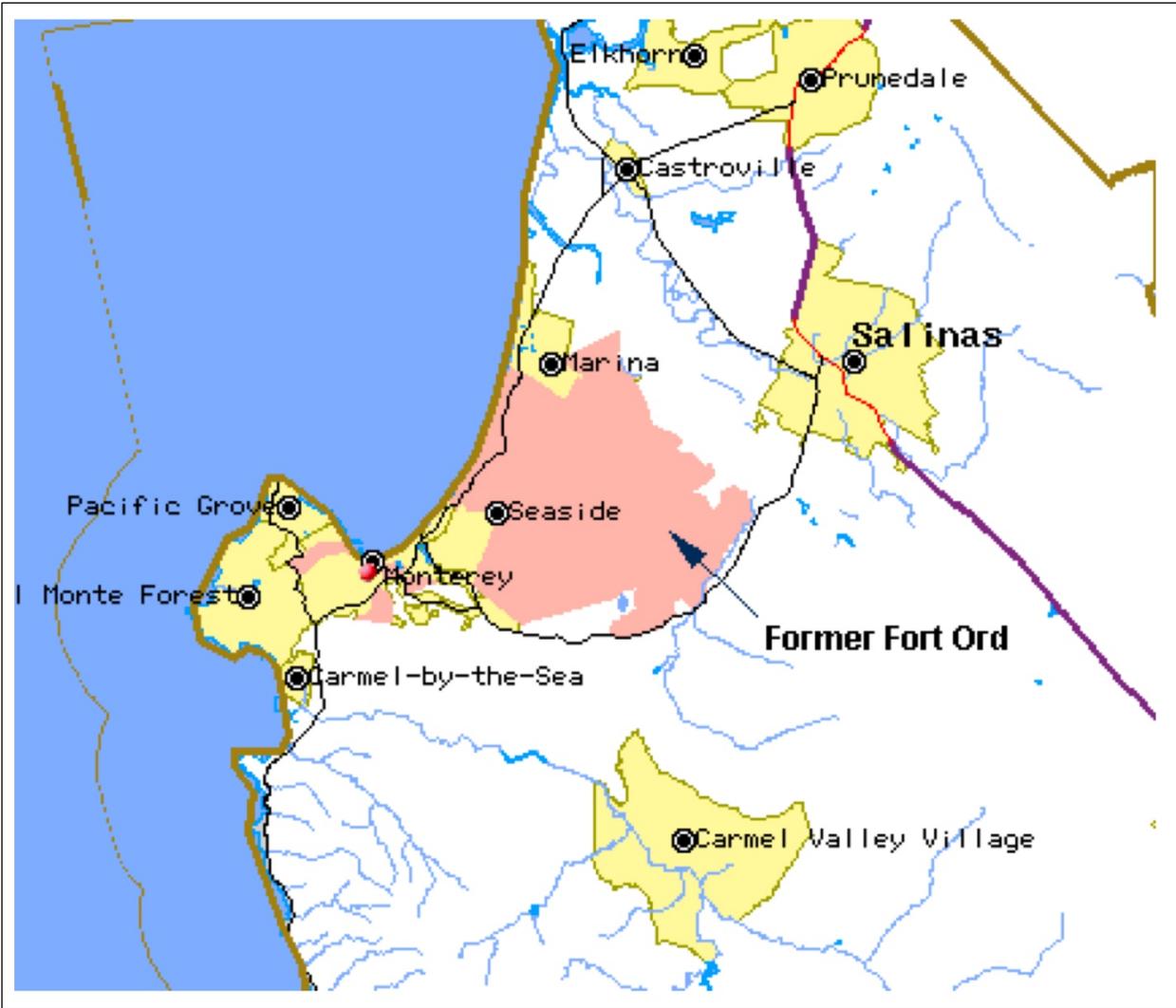
INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Fort Ord Reuse Authority (the “Authority”) of its \$30,405,000* Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the “Bonds”). Capitalized terms used in this Official Statement and not defined herein have the meanings given to them in the Indenture referred to below. See APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions.

Authority and Purpose

The Authority is issuing the Bonds pursuant to authority granted by Section 67679(d)(9) of the California Government Code (the “Government Code”), Resolution No. 19-13 adopted by the Board of Directors of the Authority on December 13, 2019, and an Indenture of Trust, dated as of June 1, 2020 (the “Indenture”) by and among the Authority, the City of Marina, California, as administrator (the “Administrator”) and U.S. Bank National Association, as trustee (the “Trustee”). See “THE BONDS—Authority for Issuance.” The Authority is issuing the Bonds to (a) fund Building Removal Costs (as defined in the Indenture) for various public agencies related to property included in the former Fort Ord military base (the “Former Base”) in Monterey County, California, (b) provide funds to satisfy an obligation of the Authority to CalPERS, (c) pay premiums for a municipal bond insurance policy for the Insured Bonds (defined below), and a debt service reserve fund municipal bond insurance policy for the Bonds, (d) make a deposit to an Administrative Expense Account to be used to pay initial administrative expenses of the Bond program, and (e) provide for the costs of issuing the Bonds. See next page for a map showing the location of the Former Base relative to the Cities of Marina and Seaside.

* Preliminary, subject to change.



The Authority and the Administrator

Authority. The Authority is a public corporation of the State of California (the “State”) established in 1994 pursuant to the Fort Ord Reuse Authority Act, constituting Section 67650 of the Government Code (the “Fort Ord Reuse Act”). The Authority is responsible for the oversight of Monterey Bay area economic recovery from the closure of and reuse planning of the Former Base. The Former Base served as a United States Army base from 1940 until its closure in 1994 as part of the federal Base Realignment and Closure procedures. The Former Base is located on the California coastline near the Monterey Peninsula consisting of approximately 27,800 acres.

The Authority has implemented its mandated mission by overseeing replacement land use; assuring compliance with adopted measures; removing physical barriers to reuse; financing and constructing major components of the required infrastructure and basewide demands; and protecting identified environmental reserves. The Authority has exercised its planning, financing, and monitoring responsibilities under the authority of the Fort Ord Reuse Authority Act. Pursuant to Section 67700 of the Government Code, the Authority will be dissolved on June 30, 2020, and will thereafter cease to exist.

Under Section 33492.71 of the California Health and Safety Code (the “Health and Safety Code”), the Authority receives a specified share of property tax revenue (as more particularly defined in the Indenture and described herein, the “Pledged Tax Revenues”) attributable to the Seaside-Fort Ord Project Area of the former Redevelopment Agency of the City of Seaside and the Marina Project Area No. 3 of the former Marina Redevelopment Agency (collectively, the “Project Areas”) that are located within the Authority’s territorial jurisdiction consisting of the Former Base. The Pledged Tax Revenues are explicitly allocated under the Health and Safety Code to be used to pay Authority debt obligations consisting of the Bonds, and will remain available to pay debt service on the Bonds after the Authority’s dissolution. While there are other redevelopment project areas within the Authority’s territorial jurisdiction that generate tax increment revenues, no tax increment revenues from such other project areas are pledged to, or will be available to make payments on, the Bonds. See “SECURITY FOR THE BONDS—Pledged Tax Revenues.”

Administrator. The City of Marina, California is located in Monterey County, California (the “County”). The City of Marina is located along the central coast of California, adjacent to the City of Seaside and unincorporated Monterey County. For general information regarding the City and the County see APPENDIX F—GENERAL INFORMATION ABOUT THE CITY OF MARINA, THE CITY OF SEASIDE AND THE COUNTY OF MONTEREY.

The City of Marina has entered into the Indenture solely to perform certain limited administrative activities following the dissolution of the Authority, as explicitly set forth in the Indenture. The City has no responsibility whatsoever for the repayment of the Bonds. See “SECURITY FOR THE BONDS—Limited Obligation.”

Authority to Issue Bonds

Section 67679(d)(9) of the California Government Code authorizes the Authority to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 et seq. of the Government Code. The Board of Directors of the Authority approved the issuance of the Bonds on December 13, 2019. See “THE BONDS—Authority for Issuance.”

The Building Removal Program

An integral part of the Authority's mission is to remove or reuse the military structures on the Former Base. When the federal government shut down the Former Base the United States Army left behind several thousand abandoned buildings. Although the Authority has successfully completed this process for approximately 90% of the former military buildings, the remaining 10% of the structures are largely remote and contaminated with friable asbestos, lead-based paint, and other toxins. It is an urgent goal of the highest priority for the Authority to fund the removal of this blight before the Authority's dissolution. The Authority has determined that the issuance of the Bonds to fund costs of the remaining building remediation (as more fully described herein, "Building Removal Costs") is both appropriate and necessary. A portion of the Bond proceeds will be deposited to a Project Fund, and then allocated to five Project Accounts therein to be used by five respective local agencies (collectively, the Local Agencies") to pay Building Removal Costs. See "FINANCING PLAN—The Building Removal Program."

The Pension Obligation

Pursuant to a contract, as amended, between the Authority and CalPERS, upon its dissolution and termination of its employee pension plan established pursuant to such contract, the Authority will have an obligation to make a pension plan termination payment (the "Termination Payment") to CalPERS. The Authority has set aside certain funds to satisfy the Termination Payment; however, the amount of the termination payment will not be determined until sometime following the dissolution of the Authority. The Authority expects that, based on an analysis by an actuarial consultant retained by the Authority, the amount of the Termination Payment will exceed the funds that it has set aside to pay that obligation (the "Shortfall Amount"), so the Indenture provides for a CalPERS Obligation Fund to be funded with a portion of the Bond proceeds in an amount calculated to be well in excess of the expected Shortfall Amount that will be used to fund the portion of the Termination Payment that is in excess of the funds previously set aside by the Authority for that purpose. Under the Indenture, following payment of the Termination Payment, any excess funds in the CalPERS Obligation Fund will be distributed in equal amounts to the Cities of Marina and Seaside to be used by them to pay Building Removal Costs. See "FINANCING PLAN—The Pension Obligation."

Escrow Term Bonds

Portions of the proceeds of the Bonds will be deposited to an Escrow Fund and to an Escrow Interest Account established and held by the Trustee under the Indenture. Amounts in the Escrow Fund may be released to fund additional Building Removal Costs for the City of Marina if certain conditions set forth in the Indenture are satisfied. See "SECURITY FOR THE BONDS—Escrow Fund." Any amounts in the Escrow Fund that have not been released by October 15, 2025* will be used to redeem the Bonds maturing on September 1, 2037 (the "Escrow Term Bonds") on December 1, 2025* (the "Escrow Termination Date"). Until released as described above, amounts in the Escrow Fund and the Escrow Interest Account are pledged solely to the payment of the Escrow Term Bonds.

On the date of issuance of the Bonds, an amount equal to the interest due on the Escrow Term Bonds to and including the Escrow Termination Date will be transferred by the Trustee, from funds otherwise allocated on the Closing Date to the City of Marina for Building Removal Costs, to the Escrow Interest Account. Amounts in the Escrow Interest Account will be used by the Trustee to pay interest on the Escrow Term Bonds representing amounts in the Escrow Fund not released from the Escrow Fund (the "Deemed Escrow Bonds") to and including the Escrow

* Preliminary, subject to change.

Termination Date. Upon each release of funds from the Escrow Fund, amounts in the Escrow Interest Account in excess of the amount needed to pay interest on the Deemed Escrow Bonds to the Escrow Termination Date will be released to fund Building Removal Costs for the City of Marina. See “FINANCING PLAN—Escrow Fund.”

The Project Areas

The Pledged Tax Revenues to be used to pay debt service on the Bonds are derived from an allocation of property tax revenues attributable to two redevelopment project areas that include property located within the Former Base. The two project areas include the Marina Project Area No. 3 and the Seaside-Fort Ord Redevelopment Project Area (collectively, the “Project Areas”). While there are other redevelopment project areas within the Authority’s territorial jurisdiction that generate tax increment revenues, no tax increment revenues from such other project areas are pledged to, or will be available to make payments on, the Bonds.

Certain property tax revenues from the Project Areas are required to be deposited to the redevelopment Property Tax Trust Fund maintained by the County Auditor-Controller, who will distribute the Pledged Tax Revenues from such fund directly to the Trustee pursuant to certain Irrevocable Instructions of the Authority for deposit by the Trustee in the Debt Service Fund established and maintained by the Trustee under the Indenture. See “SECURITY FOR THE BONDS—Pledged Tax Revenues.”

Tax Increment Financing

Prior to the enactment of AB 1X 26 on June 29, 2011 by the California legislature (the “Dissolution Act”), the Health and Safety Code authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies receiving property taxes thereafter received only that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion of property taxes produced by applying then current tax rates to the increase in valuation over the base year. A portion of such incremental tax revenues allocated to a redevelopment agency are to be used to fund certain “pass-through obligations,” which include amounts allocated to the Authority under the Health and Safety Code, and constitute the Pledged Tax Revenues to be used to repay the Bonds.

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to a former redevelopment agency had the former agency not been dissolved pursuant to the operation of the Dissolution Act, using current assessed values on the last equalized roll (the “Tax Revenues”) and to deposit that amount in the Redevelopment Property Tax Trust Fund for the respective successor agency to the former redevelopment agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

Security for the Bonds

Section 33492.71(c)(1)(A) of the Health and Safety Code provides that thirty-five percent of the tax increment revenue received by the County Auditor-Controller related to the Project Areas, after certain amounts required to be deposited in an applicable low and moderate income housing fund has been deducted, shall be paid to the Authority to finance its responsibilities in providing for the reuse of the Former Base. Section 33492.71(a)(D) of the Health and Safety Code

provides that, upon dissolution of the Authority, the amount allocated to the Authority (the “Pledged Tax Revenues”) shall continue to be paid to accounts of the Authority insofar as needed to pay principal and interest or other amounts on debt incurred by the Authority. Notwithstanding the foregoing, the payment of the Pledged Tax Revenues from a Project Area will continue only so long as the Project Area has outstanding obligations unrelated to the Bonds. See “SECURITY FOR THE BONDS.”

The County Auditor-Controller distributes funds from the Redevelopment Property Tax Trust Fund into which tax increment revenues from the Project Areas are deposited in the order specified in the Dissolution Act. Pursuant to an Irrevocable Direction to Transfer Funds of the Authority to the County Auditor-Controller and the County Treasurer-Tax Collector (the “Irrevocable Instructions”), the Authority has irrevocably authorized and directed the County to remit directly to the Trustee all of the Pledged Tax Revenues derived from the Project Areas. The County has no responsibility for the disposition of funds by the Trustee, or any obligation with respect to the payment or administration of the Bonds.

Pursuant to the Indenture, the Bonds are secured by a pledge of the Pledged Tax Revenues. Specifically, the Bonds are limited obligations of the Authority payable solely from and secured by the pledge of Pledged Tax Revenues and moneys on deposit in the Debt Service Fund, including the Reserve Account therein, established under the Indenture. The payment of interest on the Escrow Term Bonds and the principal, if any, of the Escrow Term Bonds due upon the redemption of Escrow Term Bonds on the Escrow Termination Date, in each case in an amount equal to the Deemed Escrow Bonds, are secured by amounts in the Escrow Interest Account and the Escrow Fund, respectively. As previously described, Tax Revenues from the Project Areas are deposited to the Redevelopment Project Tax Trust Fund maintained by the County Auditor-Controller for the Authority, who remits the Pledged Tax Revenues from such fund to the Trustee for deposit by the Trustee in the Debt Service Fund held by the Trustee under the Indenture. Amounts in the Debt Service Fund are used to make payments on the Bonds and to pay Administrative Expenses, with any excess released from the lien of the Indenture (see “THE DISSOLUTION ACT” and “SECURITY FOR THE BONDS—Pledged Tax Revenues”).

The Bonds are not secured by or in any way payable from tax increment revenues from any other redevelopment project areas within the Authority’s territorial jurisdiction. Except for the Pledged Tax Revenues, no other revenues or funds of the Authority, the County, the Administrator or any other taxing agency are pledge to or will be available to pay debt service on the Bonds.

Municipal Bond Insurance Policy; Reserve Account Insurance Policy

The scheduled payment of principal of and interest on the Bonds maturing on September 1 in the years ____ through ____, inclusive (collectively, the “Insured Bonds”), when due will be guaranteed under an insurance policy (the “Municipal Bond Insurance Policy”) to be issued by Assured Guaranty Municipal Corp. (the “Bond Insurer”) concurrently with the issuance of the Insured Bonds. See “MUNICIPAL BOND INSURANCE.”

In addition, the Bond Insurer has made a commitment to issue a municipal bond debt service reserve insurance policy for the Reserve Account (the “Reserve Account Insurance Policy”) in an amount equal to the Reserve Requirement, which Reserve Account Insurance Policy will be held in the Reserve Account for the benefit of Bonds. See “SECURITY FOR THE BONDS—Flow of Funds Under the Indenture” and APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.

Limited Obligation

The Bonds are limited obligations of the Authority and are secured by an irrevocable pledge of, and are payable as to principal and interest from the Pledged Tax Revenues and amounts in the Debt Service Fund and the accounts therein pledged therefore under the Indenture. The portion of the Escrow Term Bonds constituting the Deemed Escrow Bonds are secured by amounts in the Escrow Fund and the Escrow Interest Account. The Bonds are not a debt of the City of Marina, the City of Seaside, the County, the State or any of their political subdivisions except the Authority, and none of the City of Marina, the City of Seaside, the County, the State or any of their political subdivisions except the Authority are liable thereon. **The Bonds are not payable out of any funds other than those pledged to the payment of the Bonds in the Indenture, consisting solely of the Pledged Tax Revenues and amounts in the accounts within the Debt Service Fund, other than the Administrative Expense Account and the Surplus Account therein.** No member of the Board of Directors of the Authority, officer, agent, or employee of the Authority, or member of the City Council of the City of Marina or the City of Seaside, or of the County Board of Supervisors, or any person executing the Bonds, is liable personally on the Bonds by reason of their issuance.

Professionals Involved in the Offering

NHA Advisors, LLC, San Rafael, California (the "Municipal Advisor"), has served as municipal advisor to the Authority and has advised the Authority with respect to the financial structure of the Bonds and as to other financial aspects related to the Bonds.

Economic & Planning Systems, Sacramento, California, has acted as fiscal consultant to the Authority (the "Fiscal Consultant") and advised the Authority as to the taxable values and the revenues projected to be available to pay debt service on the Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to in this Official Statement as the "Fiscal Consultant's Report." See APPENDIX E—FISCAL CONSULTANT'S REPORT.

U.S. Bank National Association, San Francisco, California, will act as Trustee for the Bonds under the Indenture and will serve as the Dissemination Agent under the Continuing Disclosure Certificate for the Bonds.

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Authority. Quint & Thimmig LLP is also acting as Disclosure Counsel to the Authority for the Bonds. Kennedy, Archer & Giffen, Monterey, California, acting as general counsel to the Authority, will render an opinion as to certain legal matters on behalf of the Authority. Certain legal matters will be passed on for the Underwriters by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California, acting as Underwriters' Counsel.

Further Information

Brief descriptions of certain provisions of the Health and Safety Code, the Government Code, the Dissolution Act, the Bonds, the Indenture and the Project Areas are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to the Health and Safety Code, the Government Code, the Dissolution Act, the Bonds, the Indenture, the Constitution and the other laws of the State, are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the Bonds are qualified in their entirety by the form thereof included in the Indenture and by the provisions of the Indenture.

During the period of the offering of the Bonds, copies of the forms of all documents described herein are available upon written request from the Trustee. The Trustee may impose a charge for the copying, mailing and handling of documents.

FINANCING PLAN

The Building Removal Program

An integral part of the Authority's mission is to remove or reuse the military structures on the Former Base. When the federal government shut down the Fort Ord military base the United States Army left behind several thousand abandoned buildings. Although the Authority has successfully completed this process for approximately 90% of the former military buildings, the remaining 10% of the structures are largely remote and contaminated with friable asbestos, lead-based paint, and other toxins. The Authority has determined that the issuance of the Bonds to fund Building Removal Costs is both appropriate and necessary.

The Indenture defines "Building Removal" to mean any or all of the following: 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 Base identified in the Indenture. The Indenture defines "Building Removal Costs" as the costs of Building Removal, including, without limitation, all costs of planning, engineering, management, risk management (including insurance premiums, legal fees and litigation costs associated with the Building Removal), and associated administrative services required to remove blighted buildings from those parcels of property.

In order to carry on Building Removal activities following the dissolution of the Authority, the Authority is issuing the Bonds and, pursuant to the Indenture, on the date of issuance of the Bonds a portion of the proceeds of the Bonds will be allocated and remitted to the Cities of Marina and Seaside, the Marina Coast Water District, Monterey-Salinas Transit and the Transportation Agency for Monterey County (collectively, the "Local Agencies"), in the respective amounts set forth in the Indenture pursuant to separate Building Removal Funding Agreements with each Local Agency. Additional amounts will be allocated to the Cities of Marina and Seaside under the Indenture following the payment of the Termination Payment described below, to the extent funds in the CalPERS Obligation Fund are in excess of the amount needed to pay the CalPERS Obligation. See "FINANCING PLAN—The Pension Obligation." Amounts released from the Escrow Fund and the Escrow Interest Account if the conditions to such release are satisfied prior to the Escrow Termination Date will be remitted to the City of Marina to fund additional Building Removal Costs incurred by the City of Marina. See "FINANCING PLAN—Escrow Fund." The agreements with the Local Agencies obligate each respective Local Agency to use the Bond proceeds and, as applicable, any amounts from the CalPERS Obligation Fund, the Escrow Fund and the Escrow Interest Account so remitted to it to pay Building Removal Costs incurred in respect to the parcel or parcels of property identified in the related Building Removal Funding Agreement.

The expenditure of funds for, and the completion of any Building Removal activities, has no effect on the payment of the Bonds. The Local Agencies have no obligation with respect to the payment or administration of the Bonds, except that the City of Marina is the Administrator under the Indenture with certain limited administrative duties specified in the Indenture. Amounts remitted to the Local Agencies pursuant to the Building Removal Funding Agreements are not pledged to, and will not be available, to make payment of the debt service on the Bonds.

The Pension Obligation

As described under the heading “INTRODUCTION—The Pension Obligation,” it is expected that the Authority will have a payment obligation to CalPERS in respect of its employee pension plan upon the dissolution of the Authority and the concomitant termination of the Authority’s pension plan with CalPERS. That payment obligation (the “Termination Payment”) is expected to be in excess of the funds previously set aside by the Authority for that purpose; but the amount of the Termination Payment will not be determined until after the dissolution of the Authority.

In order to ensure that there are sufficient funds to pay the Termination Payment, a portion of the proceeds of the Bonds in an amount calculated, based on an analysis by an actuarial consultant retained by the Authority to be well in excess of the amount needed, together with funds previously set aside by the Authority for that purpose, to fully pay the Termination Payment, will be deposited to a CalPERS Obligation Fund held by the Trustee under the Indenture. Following payment of the Termination Payment, any remaining funds in the CalPERS Obligation Fund will be allocated and remitted by the Trustee in equal amounts to the Cities of Marina and Seaside to fund additional Building Removal Costs.

Escrow Fund

As described under the heading “INTRODUCTION—Escrow Term Bonds,” portions of the proceeds of the Bonds will be deposited to an Escrow Fund and an Escrow Interest Account, both of which are established and held by the Trustee under the Indenture. Amounts in the Escrow Fund may be released from time to time upon satisfaction of certain requirements set forth in the Indenture to be remitted to the City of Marina to be used to pay Building Removal Costs of the City of Marina. See “SECURITY FOR THE BONDS—Escrow Fund.” Any funds remaining in the Escrow Fund on October 15, 2025* will be used to redeem Escrow Term Bonds on December 1, 2025* (the “Escrow Termination Date”). See “THE BONDS—Redemption – Mandatory Redemption of Escrow Term Bonds.”

On the date of issuance of the Bonds, an amount equal to the interest due on the Escrow Term Bonds to the Escrow Termination Date will be transferred by the Trustee, from funds otherwise allocated on the Closing Date to the City of Marina for Building Removal Costs, to the Escrow Interest Account. Amounts in the Escrow Interest Account will be used to pay interest on the Escrow Term Bonds representing amounts in the Escrow Fund not released from the Escrow Fund (the “Deemed Escrow Bonds”) to and including the Escrow Termination Date. Upon each release of funds from the Escrow Fund, amounts in the Escrow Interest Account in excess of the amount needed to pay interest on the Deemed Escrow Bonds to the Escrow Termination Date will be released to fund Building Removal Costs for the City of Marina. See “FINANCING PLAN—The Building Removal Program.” No assurance can be given as to when and if amounts will be released from the Escrow Fund or the Escrow Interest Account prior to the Escrow Termination Date.

Until released or used to redeem and pay interest on the Escrow Term Bonds as described above, moneys in the Escrow Fund and the Escrow Interest Account will be invested in Federal Securities. See “SECURITY FOR THE BONDS—Escrow Fund.”

* Preliminary, subject to change.

Sources and Uses of Funds

The sources and uses of funds for the financing are summarized below.

Sources:	
Principal Amount of Bonds	\$
Plus (Minus): Original Issue Premium (Discount)	_____
Total Sources	\$ _____
 Uses:	
Deposit to Project Fund ⁽¹⁾	\$
Deposit to CalPERS Obligation Fund ⁽²⁾	
Deposit to Escrow Fund ⁽³⁾	
Deposit to the Escrow Interest Account ⁽⁴⁾	
Deposit to Administrative Expense Account ⁽⁵⁾	
Costs of Issuance ⁽⁶⁾	
Total Uses	\$ _____

- (1) To be used to pay Building Removal Costs of the Local Agencies. See "FINANCING PLAN— The Building Removal Program."
- (2) To be used to satisfy the Termination Payment. SEE "INTRODUCTION—The Pension Obligation" and "FINANCING PLAN—The Pension Obligation."
- (3) Available to pay Building Removal Costs of the City of Marina upon satisfaction of certain conditions set forth in the Indenture. See "INTRODUCTION—Escrow Term Bonds," "FINANCING PLAN—Escrow Fund" and "SECURITY FOR THE BONDS—Escrow Fund."
- (4) To be used to pay interest on the Deemed Escrow Bonds to and including the Escrow Termination Date. See "FINANCING PLAN—Escrow Fund" and "SECURITY FOR THE BONDS—Escrow Fund."
- (5) To be used to pay Administrative Expenses..
- (6) Costs of issuance include the Underwriters' discount, fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Fiscal Consultant, the Trustee, the Administrator, the Authority and Authority counsel, printing expenses, premiums for the Municipal Bond Insurance Policy and the Reserve Account Insurance Policy, and other costs related to the issuance of the Bonds.

Debt Service Schedule

The following table shows the annual debt service schedule for the Bonds, assuming no redemption of the Escrow Term Bonds prior to their stated maturity.

Bond Year Ending September 1	Non-Escrowed Bonds		Escrow Term Bonds ⁽²⁾		Total Debt Service
	Principal ⁽¹⁾	Interest	Principal ⁽³⁾	Interest ⁽⁴⁾	
2021	\$	\$	\$	\$	\$
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
Totals	\$	\$	\$	\$	\$

- (1) Includes scheduled mandatory sinking payment redemptions of the Bonds maturing on September 1, ____, and September 1, ____ that are not the Escrow Term Bonds. See “THE BONDS—Redemption – Mandatory Sinking Account Redemption.”
- (2) Assumes all amounts in the Escrow Fund are released prior to the Escrow Termination Date. See “SECURITY FOR THE BONDS—Escrow Fund.”
- (3) Includes scheduled mandatory sinking payment redemption of the Escrow Term Bonds. See “THE BONDS—Redemption – Mandatory Sinking Account Redemption.”
- (4) Interest on the Deemed Escrow Bonds to and including December 1, 2025 is payable from the Escrow Interest Account. See “PLAN OF FINANCING – Sources and Uses of Funds” and “SECURITY FOR THE BONDS—Escrow Fund – Disbursement.”

THE BONDS

Authority for Issuance

The Bonds were authorized to be issued, and the Indenture was authorized to be executed, by the Authority pursuant to Resolution No. 19-13, adopted by the Board of Directors of the Authority on December 13, 2019. The issuance of the Bonds by the Authority was approved by the Board of Supervisors of the County, following the conduct of a public hearing, pursuant to its Resolution No. 19-412, adopted on December 10, 2019.

Description of the Bonds

The Bonds will be issued and delivered in fully-registered form without coupons in the denomination of \$5,000 or any integral multiple thereof for each maturity of each series of the Bonds, initially in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), as registered owner of all of the Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the “Closing Date”) and will mature on September 1 in the years and in the principal amounts shown on the inside cover page of this Official Statement.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on March 1 and September 1 in each year, commencing on March 1, 2021, by check mailed to the registered owners thereof or upon the request of the Owners of \$1,000,000 or more

in principal amount of Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the applicable Record Date. Record Date is defined in the Indenture as, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX C—BOOK-ENTRY ONLY SYSTEM.

Redemption

No Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Account Redemption. The Bonds maturing on September 1, ____ (the “ ____ Term Bonds”), are subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule on September 1, ____, and on each September 1 thereafter to and including September 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
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The Bonds maturing on September 1, ____ (the “ ____ Term Bonds”), are subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule on September 1, ____, and on each September 1 thereafter to and including September 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
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The Escrow Term Bonds maturing on September 1, ____, are subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule on September 1, ____, and on each September 1 thereafter to and including September 1, ____, at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium; *provided, however*, that if some but not all of the Escrow Term Bonds have been redeemed pursuant to the provisions of the Indenture for the mandatory redemption of the Escrow Term Bonds described below, the total amount of sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Escrow Term Bonds so redeemed by reducing

each such future sinking account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Administrator with the Trustee.

<u>Redemption Date</u> (September 1)	<u>Principal</u> <u>Amount</u>
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Mandatory Redemption of Escrow Term Bonds. The Escrow Term Bonds are subject to mandatory redemption on December 1, 2025*, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from amounts transferred from the Escrow Fund to the Redemption Fund pursuant to the Indenture. See "SECURITY FOR THE BONDS – Escrow Fund."

Notice of Redemption. The Trustee on behalf of and at the expense of the Administrator (any such cost to be in Administrative Expense under the Indenture) will mail (by first class mail, postage prepaid) notice of any redemption at least thirty but not more than sixty days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services; but such mailing is not a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered (except for mandatory Sinking Account redemptions) at the Principal Corporate Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection in such manner as the Trustee shall deem appropriate and shall notify the Administrator thereof. All Bonds redeemed shall be canceled.

* Preliminary, subject to change.

THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to each former redevelopment agency (pursuant to subdivision (b) of section 16 of Article XVI of the State Constitution) had the respective former agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the successor agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

Pursuant to subdivision (b) of section 33670 of the Health and Safety Code and section 16 of Article XVI of the State Constitution and as provided in the redevelopment plans for each of the Project Areas, taxes levied upon taxable property in the Project Areas each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the respective ordinances approving the several redevelopment plans, or the effective dates of ordinances approving amendments to the several redevelopment plans that added territory are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the respective redevelopment project as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the related redevelopment plan, or the respective effective dates of ordinances approving amendments to the respective redevelopment plan that added territory to the related redevelopment project, as applicable (each, a "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the applicable redevelopment plan, following the date of issuance of the Bonds, when collected will be paid into the Redevelopment Property Tax Trust Fund.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

Order of Priority of Distributions from Redevelopment Property Tax Trust Fund. Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a County Auditor-Controller is to distribute funds for each six-month period after deducting permitted administrative costs of the County Auditor-Controller pursuant to Section 34183(a) of the Dissolution Act (which are deducted from deposits to the Redevelopment Property Tax Trust Fund prior to making distributions), in the following order as specified in section 34183 of the Dissolution Act:

(i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act, if any and no later than each January 2 and June 1, amounts required for pass-through payments such entity would have received under provisions of the Health and Safety Code, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its respective recognized obligation payment schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the recognized obligation payment schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing agencies any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing agency's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

The amounts arising from the Project Areas allocated to pay obligations of the Authority under the Health and Safety Code have been classified by the County as a pass-through payment obligation described in clause (i) above. The Authority has not agreed to subordinate the pass-through obligations of the Project Areas that constitute the Pledged Tax Revenues to any bonds or other obligations of either the Successor Agency to the Marina Redevelopment Agency or the Successor Agency to the Redevelopment Agency of the City of Seaside.

Termination of Distributions. The above-described distributions with respect to a Project Area will continue only so long as the respective successor redevelopment agency has outstanding obligations, that do not include the Bonds, payable from its respective tax increment revenues. The Successor Agency to the Marina Redevelopment Agency currently has outstanding tax allocation bonds payable from tax increment revenues allocable to the Marina Project Area No. 3 that mature on September 1, 2038, and the Successor Agency to the Redevelopment Agency of the City of Seaside currently has outstanding tax allocation bonds payable from tax increment revenues allocable to the Seaside-Fort Ord Project Area that mature on August 1, 2033, but are expected to be fully repaid on August 1, 2032 (using funds in a reserve fund for such bonds to repay the final maturity of such bonds). The Cities of Marina and Seaside have agreed in their respective Building Removal Funding Agreements to use their best efforts to prevent their respective successor agency from redeeming such entities' outstanding bonds prior to their stated final maturity described above, except with proceeds of refunding bonds that have a final stated maturity not earlier than the stated maturity of the outstanding bonds. Both Seaside and Marina have further agreed to exercise any influence each may have over its related successor agency or the consultants for the successor agency to avoid the early redemption or retirement of the

respective successor agency's bonds except as described with proceeds of refunding bonds. While the members of the City Council of the respective City are the members of the governing board of the related successor agency, the Cities and their related successor agencies are separate entities under applicable State law. See "RISK FACTORS—Early Retirement of Successor Agency Bonds."

SECURITY FOR THE BONDS

Pledge Under the Indenture

The Bonds are equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues, and the Bonds are also secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Payment of the interest on the Escrow Term Bonds and the principal, if any, of the Escrow Term Bonds due upon the redemption of Escrow Term Bonds on the Escrow Termination Date, in each case in an amount equal to the Deemed Escrow Bonds, are secured by amounts in the Escrow Interest Account and the Escrow Fund, respectively. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Authority, the County or the Administrator are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by owners of the Bonds, the Indenture is deemed to be and constitutes a contract between the Authority and the Administrator, and the Owners from time to time of the Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Authority or the Administrator are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Amounts in the Project Fund, the Administrative Expense Account, the Surplus Account and the CalPERS Obligation Fund are not pledged to the repayment of the Bonds.

Pledged Tax Revenues

As previously described, Tax Revenues from the Project Areas are deposited to the Redevelopment Project Tax Trust Fund maintained by the County Auditor-Controller, who the Authority has irrevocably directed to remit the Pledged Tax Revenues to the Trustee for deposit by the Trustee in the Debt Service Fund held by the Trustee under the Indenture. Payments due on the Bonds are made by the Trustee from the funds in the accounts in the Debt Service Fund.

The term "Pledged Tax Revenues" is defined in the Indenture as all taxes that are allocated, or available to be allocated, from the Project Areas to (a) the Authority pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(A) or (b) the Administrator, as successor in interest to the Authority upon its dissolution, pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(D), as applicable. Pursuant to the Irrevocable Instructions, the County is to remit all of the Pledged Tax Revenues to the Trustee. See "Introduction – Revenue Pledged for Payment of the Bonds" and "Tax Allocation and Disbursement" in the Fiscal Consultant's Report in Appendix E for additional information regarding the Pledged Tax Revenues. The distribution of Pledged Tax Revenues with respect to a Project Area only continues so long as there is debt outstanding with respect to the Project Area.

See “THE DISSOLUTION ACT” and “RISK FACTORS—Early Retirement of Successor Agency Bonds.”

Flow of Funds Under the Indenture

There is established under the Indenture a trust fund known as the Debt Service Fund, and within the Debt Service Fund a Principal Account, an Interest Account, a Reserve Account, an Administrative Expense Account, a Redemption Account and a Surplus Account, each which is to be held by the Trustee under the Indenture in trust. Pledged Tax Revenues received by the Trustee pursuant to the Irrevocable Instructions or otherwise shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall transfer from the Debt Service Fund the following amounts, at the following times, to the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. Not later than the fifth Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of March 1, 2021 the Trustee shall deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, including amounts, if any, transferred from the Escrow Interest Account to be used to pay interest on the portion of the Escrow Term Bonds constituting Deemed Escrow Bonds, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. In addition to the foregoing, interest due on any Escrow Term Bonds upon the redemption thereof on the Escrow Termination Date shall be paid from the amount transferred from the Escrow Interest Account for such purpose. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. Not later than the fifth Business Day preceding September 1 in each year beginning September 1, 2021 the Trustee shall deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Reserve Account. In the event that the amount on deposit in the Reserve Account as of any Interest Payment Date is less than the then Reserve Requirement (taking into account the amount available to be drawn on the Reserve Policy), the Trustee shall transfer to the Reserve Account an amount sufficient to increase the amount in the Reserve Account to the then amount of the Reserve Requirement.

The Reserve Requirement will be satisfied by the delivery of the Reserve Policy by the Bond Insurer on the Closing Date with respect to the Bonds. Neither the Authority nor the Administrator will have any obligation to replace the Reserve Policy or to fund

the Reserve Account with cash if, at any time that the Bonds are Outstanding, any rating assigned to the Bond Insurer is downgraded, suspended or withdrawn or amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy. Notwithstanding anything to the contrary set forth herein the amounts available under the Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the Bonds as described below.

If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Trustee shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement (taking into account the amount available to be drawn on the Reserve Policy). All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers hereunder to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Authority (prior to the Dissolution Date) or the Administrator (after the Dissolution Date) is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two Business Days preceding each Interest Payment Date by the Trustee and deposited in the Surplus Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to the Indenture.

The following provisions of the Indenture shall prevail over any conflicting provisions elsewhere in the Indenture.

(i) If, on any Interest Payment Date, the moneys available in the Principal Account and the Interest Account, respectively, do not equal the amount of the principal and interest, as applicable, then coming due and payable on the Bonds, the Trustee shall apply the moneys available in the Reserve Account to make delinquent amount by transferring the amount necessary for this purpose to the Interest Account and the Principal Account, in that order or shall draw on the Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and the Principal Account, in that order. To the extent there are cash or investments on deposit in the Reserve Account, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other Qualified Reserve Account Credit Facility credited to the Reserve Account in lieu of cash. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Qualified Reserve Account Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a *pro rata* basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Qualified Reserve Account Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such

instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the Reserve Account or there has been a draw on the Reserve Policy, such amount shall be deposited in the Reserve Account to the extent of such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom.

(ii) The Administrator, on behalf of the Authority, shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer, solely from Pledged Tax Revenues transferred to the Administrative Expense Account, as required by paragraph (d) below. Repayment of Policy Costs at the Late Payment Rate shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

(iii) All cash and investments in the Reserve Account, if any, shall be transferred to the Interest Account and the Principal Account for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Qualified Reserve Account Credit Facility in lieu of cash. Payment of any Policy Cost shall be made prior to replenishment of any cash amounts.

(iv) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of the Indenture described above and provide notice to the Bond Insurer at least three (3) Business Days prior to each date upon which interest or principal is due on the Bonds. The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

(d) Administrative Expense Account. On the Closing Date, the Trustee shall make a deposit to the Administrative Expense Fund as required by the Indenture. Thereafter, on each September 1, following the deposits described in subsections (a), (b), and (if applicable) (c) above on such date, the Trustee shall transfer to the Administrative Expense Fund an amount equal to (i) any amounts payable to the Bond Insurer that are then due and owing, as identified in a written certificate of an Authorized Officer or the Bond Insurer (with a copy to the Administrator and the Trustee) and (ii) the Minimum Expense Requirement. Deposits may also be made from the Surplus Account to the Administrative Expense Fund as described in paragraph (f) below.

Amounts in the Administrative Expense Account shall be withdrawn by the Trustee and paid to or as directed by the Administrator upon receipt by the Trustee of a Written Certificate of the Administrator stating the amount to be withdraw, that such amount is to be used to pay an Administrative Expense and the nature of such Administrative Expense.

(e) Redemption Account. On the date on which Escrow Term Bonds are to be redeemed pursuant to the Indenture, the Trustee shall apply any amount transferred from the Escrow Fund to the Redemption Account pursuant to the Indenture to the redemption of Escrow Term Bonds. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Escrow Term Bonds to be redeemed pursuant to the Indenture on the date set for such redemption. Interest due on the Escrow Term Bonds to be redeemed on the date set for redemption shall be paid from funds available therefor in the Interest Account that were transferred from Escrow Interest Account.

(f) Surplus Account. On September 2 of each year, after making the deposits described under subsections (a) through (e) above on the preceding September 1, and so long as no past due amounts are owing on the Bonds and there are no Policy Costs or other amounts then due and owing to the Bond Insurer, the Trustee shall transfer all amounts remaining on deposit in the Debt Service Fund to the Surplus Account. Any amounts transferred to the Surplus Account shall be disposed of by the Trustee as follows: (i) transfer to the Administrative Expense Account an amount determined by the Administrator as necessary to pay Administrative Expenses to the extent amounts in the Administrative Expense Account are not sufficient for such purpose as directed in a Written Request of the Administrator delivered to the Trustee by September 12 of each year; and (ii) promptly following the foregoing transfer to the Administrative Expense Fund, and in any event no later than 10 Business Days following the deposit of funds in the Surplus Fund each year, any remaining amount in the Surplus Fund shall be transferred by the Trustee, without further direction, to the County Auditor-Controller for redistribution by the County Auditor-Controller as provided in Section 33492.71(c)(1)(D) of the California Health and Safety Code.

Reserve Account

The Indenture establishes a Reserve Account within the Debt Service Fund, amounts in which only secure payment of the Bonds. On the Closing Date, the Reserve Policy in an amount equal to the Reserve Requirement will be held for the benefit of the Reserve Account. Reserve Requirement is defined in the Indenture as an amount, as of any date of calculation, equal to the least of (a) Maximum Annual Debt Service on the Bonds (inclusive of Escrow Term Bonds) for the then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service on the Bonds (inclusive of Escrow Term Bonds) for the then current and every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds (inclusive of Escrow Term Bonds).

If, on any Interest Payment Date, the moneys available in the Interest Account or Principal Account of the Debt Service Fund do not equal the amount of the principal and interest on the Bonds then coming due and payable, the Trustee shall apply any moneys available in the Reserve Account, and if funds therein are not sufficient for such purpose, the Trustee will draw on the Reserve Policy, all in order to make delinquent amounts with respect to the Bonds by transferring the amount necessary for this purpose to the Interest Account and the Principal Account, in that order, of the Debt Service Fund.

Under the Indenture, amounts in the Reserve Account (and draws on the Reserve Policy) will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account of the Debt Service Fund as described in the preceding paragraph or, with respect to any funds therein, for payment of the Bonds on the final Interest Payment Date for the Bonds as described below, except that so long as no Event of Default has occurred and is then continuing under the Indenture, any amount in the Reserve Account in excess of the Reserve Requirement (as determined by the Trustee based upon a valuation of investments held in such account performed in accordance with the Indenture) will be withdrawn from the Reserve Account semiannually on or before the second Business Day preceding each Interest Payment Date by the Trustee and deposited in the Interest Account of the Debt Service Fund. Pursuant to the Indenture, all funds in the Reserve Account on the second Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred to the Interest Account or the Principal Account of the Debt Service Fund, in such order, to the extent required to make the deposits required to be made on such Interest Payment Date pursuant to the Indenture.

Escrow Fund

Establishment. The Escrow Fund is established by the Indenture as a separate fund to be held by the Trustee, to which a portion of the proceeds of the Bonds will be deposited on the date of issuance of the Bonds. There is also created within the Escrow Fund a separate Escrow Interest Account to be held by the Trustee, to the credit of which funds will be transferred thereto on the date of issuance of the Bonds from a portion of the amount deposited to the Marina Bond Proceeds Account of the Project Fund. Moneys in the Escrow Fund and the Escrow Interest Account are subject to a lien in favor of the Owners of the Escrow Term Bonds. SEE "THE MARINA PROJECT AREA NO. 3—Projected Assessed Values" for information regarding the determination of the principal of the Escrow Term Bonds.

Disbursements. The Trustee will make disbursements from the Escrow Fund to the Marina Bond Proceeds Account of the Project Fund upon receipt of written certificate of an Authorized Officer stating that the requirements described below have been met as to all or a portion of the Escrow Term Bonds, together with the report and other information required by the Indenture. Upon receipt of any such written certificate, the Trustee shall deposit the amount of the requested disbursement to the Marina Bond Proceeds Account of the Project Fund. On each such date on which the Trustee disburses money from the Escrow Fund, the Trustee shall transfer from the Escrow Interest Account to the Marina Bond Proceeds Account of the Project Fund an amount equal to the amount then in the Escrow Interest Account that is in excess of the amount needed to pay interest on the Deemed Escrow Bonds, calculated as in effect following the release, to and including the Escrow Termination Date, as such excess is set forth in the certificate of the Authorized Officer submitted for the disbursement of an amount in the Escrow Fund described above. The transfers referred to in the preceding sentences shall only be made no more than annually, in each case on or about each October 15.

The Trustee shall transfer from the Escrow Interest Account to the Interest Account on the sixth Business Day prior to each Interest Payment Date, an amount equal to the interest payable on the Deemed Escrow Bonds on the immediately succeeding Interest Payment Date.

In addition to the foregoing, amounts shall be disbursed from the Escrow Fund and the Escrow Interest Account as described below.

Release Test. An Authorized Officer may file with the Trustee a written certificate accompanied by a written report of an Independent Fiscal Consultant which identifies (i) the amount proposed to be released from the Escrow Fund, (ii) the amount of Maximum Annual Debt Service (without regard to the Deemed Escrow Bonds remaining following the proposed release) which results from such release, and (iii) the amount proposed to be released from the Escrow Interest Account (as described above). Such report shall conclude that the amount of Adjusted Pledged Tax Revenues which are identified in such written certificate are at least equal to 125% of the amount of Maximum Annual Debt Service identified in such report. Promptly following receipt of such certificate and report, the Trustee shall withdraw from the Escrow Fund the amount identified in such report and transfer such amount to the Marina Bond Proceeds Account.

The Trustee shall promptly remit the amounts deposited to the Marina Bond Proceeds Account of the Project Fund to the City of Marina to be used to pay Building Removal Costs.

Notwithstanding the foregoing, no transfers pursuant to the foregoing provisions shall be allowed in any Bond Year following a Bond Year where the actual receipts of Pledged Tax Revenues in that Bond Year did not exceed Maximum Annual Debt Service (determined without including debt service on the Deemed Escrow Bonds) by 25%.

For purposes of the foregoing paragraph the following capitalized terms shall have the following meanings:

“Marina Pledged Tax Revenues” means, for any Fiscal Year, the amount of Pledged Tax Revenues from the Marina Project Area No. 3 for such Fiscal Year based on the most recent assessed valuation of property in the Marina Project Area No. 3 as evidenced in a written document from an appropriate official of the County.

“Original Seaside Pledged Tax Revenues” means \$928,194 of Pledged Tax Revenues from the Seaside Fort Ord Project Area. If the assessed valuation for the Seaside Fort Ord Project Area has declined since Fiscal Year 2020-21, the Independent Fiscal Consultant shall recalculate the Original Seaside Pledged Tax Revenues based on the latest assessed valuation for the Seaside Fort Ord Project Area.

“Adjusted Pledged Tax Revenues”, means for any Fiscal Year the sum of (i) the Marina Pledged Tax Revenues, and (ii) the Original Seaside Pledged Tax Revenues.

Disbursements For Bond Redemption; Closing of Fund. On and after October 15, 2025* (the “Escrow Close Date”), the Trustee shall make no further disbursements from the Escrow Fund pursuant to the foregoing paragraph, and on December 1, 2025* (the “Escrow Redemption Date”) the Trustee shall transfer all amounts then on deposit in the Escrow Fund to the Redemption Fund, to be applied to the redemption of Escrow Term Bonds to the maximum extent possible on the Escrow Redemption Date, as provided in the Indenture, and shall transfer all amounts then on deposit in the Escrow Interest Account to the Interest Account to be used to pay interest on the Escrow Bonds to be redeemed on the Escrow Redemption Date, with any funds not needed for such purpose deposited to the Interest Account.

Investment. Moneys in the Escrow Fund and the Escrow Interest Account shall be invested in Federal Securities that mature no later than December 1, 2025*. See APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions.” Investment earnings and profits from such investment of amounts in the Escrow Fund and Escrow Interest Account shall be transferred by the Trustee to the Interest Account of the Debt Service Fund on the Business Day prior to each Interest Payment Date.

Limited Obligation

The Bonds are not a debt of the City of Marina, the City of Seaside, the County, the State or any of their political subdivisions except the Authority, and none of the City of Marina, the City of Seaside, the County, the State or any of their political subdivisions except the Authority are liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Board of Directors of the Authority, or member of the Board of Supervisors of the County or of the City Council of the City of Marina or of the City of Seaside, shall be individually or personally liable for the payment of the principal of or interest on the Bonds. The Bonds are only payable from the Pledged Tax Revenues and investment earnings on amounts in certain accounts within the Debt Service Fund. See “SECURITY FOR THE BONDS.”

* Preliminary, subject to change.

County Administrative Fees

Chapter 466, Statutes of 1990 (referred to as SB 2557), permits the County to withhold a portion of annual tax revenues otherwise to be deposited to the Redevelopment Property Tax Trust Fund for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. Section 34182(a)(3) of the California Health and Safety Code also provides for recovery of county costs in connection with performing duties related to the dissolution of redevelopment agencies. The Fiscal Consultant has deducted such amounts in determining the Pledged Tax Revenues expected to be available to make payments on the Bonds.

No Additional Bonds

The Authority has covenanted in the Indenture not to issue any obligations payable from all or any part of the Pledged Tax Revenues, other than the Bonds. The Indenture provides that neither the Authority nor the Administrator will encumber, pledge or place any charge or lien on any of the Pledged Tax Revenues or other amounts pledged to the Bonds.

MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM" or the "Bonds Insurer") will issue its Municipal Bond Insurance Policy for the Insured Bonds (the "Municipal Bond Insurance Policy"). The Municipal Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Bonds maturing on September 1 in the years ____ through ____, inclusive (referred to herein and in the Indenture as the "Insured Bonds") when due as set forth in the form of the Municipal Bond Insurance Policy included as Appendix G to this Official Statement.

The Municipal Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure), and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such

ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On December 19, 2019, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On November 7, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM

At March 31, 2020:

- The policyholders' surplus of AGM was approximately \$2,573 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$997 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,997 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "MUNICIPAL BOND INSURANCE—Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "MUNICIPAL BOND INSURANCE."

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien

on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the “Taxing Authority”) for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax (each a taxing agency) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Funds.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31. Notwithstanding the foregoing, due to the current pandemic, the County Treasurer-Tax Collector has indicated that it is complying with a Governor’s Executive Order to cancel certain penalties, costs or interest on certain delinquent property taxes. See “RISK FACTORS—COVID-19.”

Supplemental Assessments. California Revenue and Taxation Code section 75.70 provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year’s tax rate to the amount of the increase or decrease in a property’s value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing agencies in the same manner as the general property tax. The receipt of Supplemental Assessment revenues by taxing agencies typically follows the change of ownership by a year or more. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent

that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. If a change in ownership results in a decrease in assessed value, a negative supplemental assessment may occur, requiring a refund of taxes paid to the property owner. Supplemental Assessments have been included in the Fiscal Consultant's projections of Pledged Tax Revenues to pay debt service on the Bonds.

County Property Tax Collection and Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the costs of administering the provisions of the Dissolution Act. For purposes of the Fiscal Consultant's projections of Pledged Tax Revenues available to pay debt service on the Bonds, the Fiscal Consultant assumed that the County will continue to charge for property tax collection and administration and that such charge will increase proportionally with any increases in Redevelopment Property Tax Trust Fund revenue.

Levy and Collection of Taxes; No Teeter Plan. The Authority has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the Pledged Tax Revenues. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability of taxing agencies to collect property taxes. Collection of property taxes in the County is not subject to the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds," as provided for in Section 4701 et seq. of the California Revenue and Taxation Code (known as the "Teeter Plan"). Accordingly, collections of property taxes will reflect actual delinquencies, if any.

See the Fiscal Consultant's Report for a table showing computed tax levies and allocated Redevelopment Property Tax Trust Fund revenues. Substantial delinquencies in the payment of property taxes could impair the timely receipt of Pledged Tax Revenues.

Unitary Property

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the State Board of Equalization are accumulated in a single tax rate area for the County. The tax revenues are then to be allocated to each taxing agency county-wide as follows: (i) each taxing agency will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing agency's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing agency's local secured taxable values are to the local secured taxable values of the County.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in

accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

Unitary revenues are included in Pledged Tax Revenues in projections in the Fiscal Consultant's Report of Pledged Tax Revenues, based on the assumption that the same amount of unitary revenues will be allocated to the Project Areas as was estimated by the Fiscal Consultant for the 2019-2020 Fiscal Year.

Article XIII A of the State Constitution

Article XIII A limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIII A defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIII A (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIII A has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. This amendment to Article XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value (except as noted). Tax rates for

voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the Board of Equalization announces the applicable adjustment factor for the upcoming fiscal year. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Through fiscal year 2010-11 there were six occasions when the inflation factor was less than 2%. Until fiscal year 2010-11 the annual adjustment never resulted in a reduction to the assessed values of individual parcels; however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was -0.237% and this resulted in reductions to the assessed value of parcels in fiscal year 2010-11. The table below reflects the upcoming inflation adjustment factors for fiscal year 2020-21 and 10 prior fiscal years.

Historical Inflation Adjustment Factors	
Fiscal Year	Inflation Adj. Factor
2010-11	-0.237%
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998
2016-17	1.525
2017-18	2.000
2018-19	2.000
2019-20	2.000
2020-21	2.000

Appropriations Limitation—Article XIII B

Article XIII B limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Government Code provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIII B, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including section 33678 of the Redevelopment Government Code. The constitutionality of section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Authority has not adopted an appropriations limit.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, section 16 of the State Constitution to provide that property tax revenue attributable

to the imposition of taxes on property within a redevelopment project for the purpose of paying debt service on certain bonded indebtedness issued by a taxing agency (not the Former Agency or the Authority) and approved by the voters of the taxing agency after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board"). Applications for any fiscal year must be submitted between July 2 and November 30. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed.

The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted. See "Tax Increment Adjustments – Assessment Appeals Activity" in the Fiscal Consultant's Report in Appendix E for a description of appeals activity in the Marina Redevelopment Project No. 3. The Fiscal Consultant has noted that there are no open appeals related to the property in the Seaside-Fort Ord Project Area.

In addition to potential reductions in assessed valuations in the Project Areas due to appeals, the County Assessor also may reduce assessed values pursuant to Section 51 of the California Revenue and Taxation Code (referred to as "Proposition 8" reductions). This code section requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. After a roll reduction is granted under this section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Increases reflect the actual full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has

regained its prior value, adjusted for inflation it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution.

Pledged Tax Revenues securing the payment of the Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Authority revenues or the Authority’s ability to expend revenues.

THE MARINA PROJECT AREA NO. 3

The City of Marina contains three redevelopment areas, Marina Project Area No. 1 (located outside the boundaries of the former Fort Ord), Marina Airport, and Marina Project Area No. 3. Only the Authority’s share of tax increment funds derived from Marina Project Area No. 3 are pledged to the Bonds. Funds from Marina Project Area No. 1 and Marina Airport are not pledged for payment of the Bonds. However, the three Marina redevelopment project areas were fiscally merged in 2009 by the adoption of City of Marina Ordinances 2009-8, 2009-9, and 2009-10. The merged project areas have a combined tax increment limit, discussed below.

Marina Project Area No. 3 was formed in 1999 by adoption of the Marina Redevelopment Project Area No. 3 Redevelopment Plan by the City of Marina. The Marina Project Area No. 3 consists of 1,805 acres located on the Former Base.

Plan Limits

Because the Marina Project Area No. 3 is located within a former military facility, redevelopment plan limitations otherwise eliminated with respect to redevelopment plans generally continue to apply to the redevelopment plan for the Marina Project Area No. 3. The table below summarizes the Marina Project Area No. 3 Redevelopment Plan limits and the base years and assessed values that are used in projecting tax increment to be pledged for debt service payment on the Bonds. The information in this table is obtained from the Marina Project Area No. 3 Redevelopment Plan and the County Auditor-Controller.

TABLE 1
Marina Project Area No. 3
Plan Limits

Item	Total
Redevelopment Plan Limits	
Adoption Date	11/2/1999
Maximum Tax Increment ⁽¹⁾	\$4,000,000,000
Last Fiscal Year of Tax Increment ⁽²⁾	2047-48
Tax Increment Base Fiscal Years and Assessed Values	
Base Year	11/2/1999
Base Year Assessed Value	\$30,389
First Year of Tax Increment	2000-01
Tier 2 Base Year	2009-10
Tier 2 Base Year Assessed Value	\$14,059,736
Tier 3 Base Year	2029-30

(1) Combined limit for Merged Project Areas, including Marina Project No. 3, Marina Airport, and Marina Project #1.

(2) See, however “THE DISSOLUTION ACT—Termination of Distributions” and “RISK FACTORS—Early Retirement of Successor Agency Bonds.”

Source: Fiscal Consultant.

The three Marina redevelopment project areas have a combined tax increment limit of \$4.0 billion. Approximately \$58.1 million of property tax increment has been collected for the three Marina redevelopment project areas through the 2018-19 fiscal year. Based on the most recent Fiscal Year 2019-20 Recognized Obligation Payment Schedule (“ROPS”) from the County Auditor Controller, the last of Marina Project Area No. 3’s enforceable obligations will be paid in Fiscal Year 2047-48, if there are any such enforceable obligations in effect following the maturity of the current bonded indebtedness payable from Marina Project Area No. 3 tax increment revenues, making that the last year in which the Authority is entitled to receive property tax increment from the Marina Project Area No. 3, and thus continue to be a portion of the Pledged Tax Revenues. It is possible that the enforceable obligations could be paid off earlier, in which case Marina Project Area No. 3 would be terminated earlier.

The Successor Agency to the Marina Redevelopment Agency has outstanding tax allocation bonds payable from tax increment revenues arising from the Marina Project No. 3 with a final maturity in 2038, so it is likely that the redevelopment project area will be in effect at least through that year. See “THE DISSOLUTION ACT—Termination of Distributions” and “RISK FACTORS—Early Retirement of Successor Agency Bonds.”

To reach the \$4.0 billion tax increment limit, the three Marina redevelopment project areas would need to generate an additional \$3.94 billion in tax increment revenues by Fiscal Year 2047-48. In Fiscal Year 2018-19, approximately \$5.8 million of property tax increment was collected. Revenues would need to increase at a compounded rate of over 17 percent annually to reach the \$4 billion limit by Fiscal Year 2047-48. The increases in annual revenue that have occurred in recent years are expected to decline as the areas build out, and it is unlikely that the Marina redevelopment project areas will have collected the maximum \$4 billion in tax increment by 2048. The analysis performed for this report projects a total of \$705 million generated through from 2020 through 2048 for Marina Project No. 3. Consequently, the Authority should be allocated Marina Project Area No. 3 tax increment for as long a time period as the redevelopment project area exists.

Land Use

The aggregate designated land use in the Marina Project Area No. 3 for fiscal year 2019-20 is set forth in the following table.

TABLE 2
Marina Project Area No. 3
Taxable Value by Land Use
Fiscal Year 2019-20

Land Use	Number of Parcels	Assessed Value	Pct. of Total AV
Residential			
Single Family	436	\$318,728,733	50.9%
Multifamily	12	286,316	0.0
Vacant	184	79,127,003	12.6
Subtotal Residential	632	\$398,142,052	63.6%
Commercial			
Office	3	\$5,808,695	0.9%
Shell Buildings	5	6,685,462	1.1
Hotel and Motel	1	19,979,845	3.2
Medical	3	73,295,065	11.7
Shopping Centers	9	58,580,000	9.4
Theaters	1	8,317,255	1.3
Parking Lots	5	8,420,000	1.3
Miscellaneous	1	0	0.0
Vacant	22	13,132,615	2.1
Subtotal Commercial	50	\$194,218,937	31.0%
Institutional			
Churches	1	\$0	0.0%
Taxable Schools	3	16,828	0.0
Subtotal Institutional	4	\$16,828	0.0%
Miscellaneous			
Private Roads	12	\$0	0.0%
Condominium Common Areas and Misc. Bldgs.	2	0	0.0
Subtotal Miscellaneous	14	\$0	0.0%
Exempt/Not Buildable			
Exempt	77	\$0	0.0%
Not Buildable	9	0	0.0
Subtotal Exempt/Not Buildable	86	\$0	0.0%
Unsecured	71	\$33,504,227	5.4%
Total Marina Project Area No. 3	857	\$625,882,044	100.0%

(1) Assessed Value net of exemptions, excluding homeowner's exemption.
Source: Fiscal Consultant.

Historical Assessed Values

Table 3 below summarizes year-to-year changes in the assessed values for the Marina Project Area No. 3 for the past ten years based upon the County Auditor-Controller's annual assessed value reports.

TABLE 3
Marina Project Area No. 3
Historical Taxable Values and Annual
Percentage Increase or Decrease
Fiscal Years 2010-11 to 2019-20
(amounts in dollars)

Year	Assessed Value ⁽¹⁾			Percentage Change
	Secured	Unsecured	Total	
2010-11	\$145,561,224	\$25,228,184	\$170,789,408	
2011-12	157,863,128	24,858,763	182,721,891	7.0
2012-13	145,509,402	25,271,835	170,781,237	(6.5)
2013-14	167,208,950	24,849,543	192,058,493	12.5
2014-15	183,654,371	24,078,888	207,733,259	8.2
2015-16	192,884,081	26,312,397	219,196,478	5.5
2016-17	179,237,588	27,684,055	206,921,643	(5.6)
2017-18	317,982,320	27,442,961	345,425,281	66.9
2018-19	463,695,388	29,363,947	493,059,335	42.7
2019-20	592,377,817	33,504,227	625,882,044	26.9
Avg. Ann. Pct. Change	16.9%	3.2%	15.5%	

(1) Assessed values are net of exemptions, excluding Homeowners' Exemption
Source: Fiscal Consultant, based on information obtained from the County Auditor-Controller.

Largest Taxpayers

In fiscal year 2019-2020, the 10 largest taxpayers in the Marina Project Area No. 3 represent 41.6 percent of the total assessed value for the Marina Project Area No. 3. The top 10 taxpayers own a mix of residential and commercial properties.

TABLE 4
Marina Project Area No. 3
Ten Largest Assesseees Fiscal Year 2019-2020

Assessee	Primary Use	Number of Parcels			FY 2019-20 Assessed Value ⁽¹⁾			Pct. of Total
		Sec.	Unsec.	Total	Secured	Unsecured	Total	
1 HAMSTRA-APPLETON LLC	Medical Center	1	0	1	\$51,781,173	\$0	\$51,781,173	8.3%
2 WATHEN CASTANOS PETERSON HOMES INC ET AL	New Homes	3	0	3	46,009,200	0	46,009,200	7.4
3 PACIFIC COAST HIGHWAY PROPERTY LLC	Shopping Center	13	0	13	36,170,000	0	36,170,000	5.8
4 TARGET CORPORATION	Shopping Center	1	1	2	24,000,000	1,574,710	25,574,710	4.1
5 COMMUNITY HOSPITAL PROPERTIES INC	Medical Center	4	1	5	24,227,509	0	24,227,509	3.9
6 MONTEREY PENINSULA HOTELS GROUP LP	Hotel	1	0	1	19,979,845	0	19,979,845	3.2
7 WC MARINA LLC	Single Family Homes	65	0	65	17,401,409	0	17,401,409	2.8
8 ALLIANCE RESIDENTIAL CO INC	Multifamily Homes	0	2	2	0	15,500,564	15,500,564	2.5
9 MARINA COMMUNITY PARTNERS LLC	New Homes & Comm.	25	0	25	14,862,625	0	14,862,625	2.4
10 KOHLS DEPARTMENT STORES INC	Department Store	1	0	1	8,830,000	0	8,830,000	1.4
Subtotal Ten Largest Assesseees		114	4	118	\$243,261,761	\$17,075,274	\$260,337,035	41.6%
Other Assesseees		672	67	739	\$349,116,056	\$16,428,953	\$365,545,009	58.4%
Total Marina Project No. 3		786	71	857	\$592,377,817	\$33,504,227	\$625,882,044	100.0%

(1) Assessed Value net of exemptions, excluding homeowner's exemption.
Source: Fiscal Consultant.

Hamstra-Appleton LLC is the private entity that constructed and owns the fee interest in the 146,000-square foot Maj. Gen. Gourley VA- DoD Outpatient Clinic (“VA Medical Center”) which is under a long-term lease to the U.S. Department of Veterans Affairs. *It is possible that the property could become exempt from property taxes, and no longer provide any tax increment revenues, at some point in the future if, for example, the U.S. Department of Veterans Affairs were to purchase the fee interest in the property.* Wathen Castanos Peterson Homes Inc. Et al and WC Marina LLC are homebuilders and as homes are constructed on property owned by them they may some day cease to be among the ten largest assesses in the Marina Project Area No. 3. See “Assessed Values—Fiscal Year 2019-2020 Ten Largest Taxpayers” in the Fiscal Consultant’s Report in Appendix E for information regarding other taxpayers listed in the table above.

Assessment Appeals

Property values determined by the County Assessor may be subject to an appeal by a property owner. Assessment appeals are filed annually with the County Assessment Appeals Board for a hearing and resolution. A property owner can file for a regular assessment appeal of the current fiscal year assessed valuation between July 2 and November 30. Most appeals heard by an Assessment Appeals Board are scheduled within twelve to eighteen months. Revenue and Taxation Code §1604, however, allows up to two years for an assessment appeal to be decided unless this time limit is waived by the applicant. If the appeal is not decided within the two-year statutory time frame and the time limit is not waived, the assessor is required to use the applicant’s opinion of value.

The Fiscal Consultant has determined that resolved appeals over the last five fiscal years have resulted in an aggregate decrease in assessed value of \$13,734,269, and open appeals during that period are estimated to result in an aggregate additional reduction in assessed value of \$15,804,071, based upon an historic reduction equal to 15.2% of the property owner’s contested value. See the description in Section 4 of the Fiscal Consultant’s Report under the heading “Assessment Appeals Activity” for a description of appeals related to the Marina Project Area No. 3.

Transfers of Ownership and New Development

See “Assessed Values—Projected Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Assessed Values in the Fiscal Consultant’s Report in Appendix E for a description of expected increases in assessed value in the Marina Project Area No. 3 as a result of transfer of ownership of parcels not yet reflected on the County Assessor’s tax roll and expected from development activities underway in the Marina Project Area No. 3.

Projected Assessed Values

The following Table 5 shows the projected tax increment revenues constituting the portion of the Pledged Tax Revenues from the Marina Project Area No. 3 assuming no annual growth in assessed values other than from transfers of the ownership of parcels not yet reflected on the County Assessor’s tax roll and anticipated new development occurring in the Marina Redevelopment Project No. 3.

TABLE 5
Marina Project Area No. 3
Projected Assessed Value – 0% Value Increase

FY Ending	Beginning ⁽¹⁾	Ownership Transfers and New Development ⁽²⁾	Appeals Adjustment ⁽³⁾	Ending Value
2020	\$625,882,044	\$69,412,853	(\$15,804,071)	\$679,490,826
2021	679,490,826	18,987,286	0	698,478,112
2022	698,478,112	0	0	698,478,112
2023	698,478,112	0	0	698,478,112
2024	698,478,112	0	0	698,478,112
2025	698,478,112	0	0	698,478,112
2026	698,478,112	0	0	698,478,112
2027	698,478,112	0	0	698,478,112
2028	698,478,112	0	0	698,478,112
2029	698,478,112	0	0	698,478,112
2030	698,478,112	0	0	698,478,112
2031	698,478,112	0	0	698,478,112
2032	698,478,112	0	0	698,478,112
2033	698,478,112	0	0	698,478,112
2034	698,478,112	0	0	698,478,112
2035	698,478,112	0	0	698,478,112
2036	698,478,112	0	0	698,478,112
2037	698,478,112	0	0	698,478,112
2038	698,478,112	0	0	698,478,112

(1) See Table 5.1 in the Fiscal Consultant’s Report in Appendix E.

(2) See Table 3.10 in the Fiscal Consultant’s Report in Appendix E.

(3) See Table 3.13 in the Fiscal Consultant’s Report in Appendix E.

Source: Fiscal Consultant; Underwriters.

In order to determine the amount of the Escrow Term Bonds, the City of Marina retained the firm of Keyser Marston to prepare projections of the new development that is expected to take place in the Dunes and Sea Haven projects within the Marina Project Area No. 3 based on development plans for the Dunes and Sea Haven projects prepared by the developers of those projects. The City’s baseline projections for additional development in the Marina Project Area No. 3 through the January 1, 2025 lien date for FY 2025-26 had assumed 1,289 new dwelling units, 294 new hotel rooms and 154,000 square feet of new retail and office/industrial space. This additional development was projected by the City’s consultant to increase assessed value in the Marina Project Area No. 3 by approximately \$910 million by fiscal year 2025-26 and increase the Pledged Tax Revenues derived from Marina Project Area No. 3 by \$2.026 million above the \$1.58 million in FY22 projected by the Fiscal Consultant.

With the uncertain potential impact of the COVID-19 pandemic on the pace of new real estate development, the City of Marina has sized the Escrow Bonds assuming a more conservative pace of development in the Project Area. Specifically, the Escrow Bonds were sized assuming only 860 new dwelling units of the projects noted above are completed by January 1, 2025. Those

860 new dwelling units were projected by the City’s consultant to increase assessed value in the Project Area by approximately \$476 million by fiscal year 2025-26 and increase the Pledged Tax Revenues derived from Marina Project Area No. 3 by approximately \$1.04 million above the \$1.58 million in FY22 projected by the Fiscal Consultant. If Pledged Tax Revenues from the Marina Project Area No. 3 increase by at least \$831,000 above the FY22 projections by the Fiscal Consultant by fiscal year 2025-26, the City of Marina should be able to fully satisfy the release test for the entire Escrow Term Bonds with required debt service coverage. No assurance can be given that any such growth in tax increment revenues will occur or that all or any portion of the funds in the Escrow Fund will be released prior to October 15, 2025* and thereby not used to redeem Escrow Term Bonds on December 1, 2025*. See “THE BONDS—Redemption – Mandatory Redemption of Escrow Term Bonds” and “SECURITY FOR THE BONDS—Escrow Fund.

THE SEASIDE FORT ORD PROJECT AREA

Seaside-Fort Ord was formed in 2002 by adoption of the Seaside-Fort Ord Redevelopment Project Redevelopment Plan by the City of Seaside Ordinance No. 901. Seaside-Fort Ord contains 3,937 acres located on the Former Base.

Plan Limits

Because the Seaside-Fort Ord Project Area is located within a former military facility, redevelopment plan limitations otherwise eliminated with respect to redevelopment plans generally continue to apply to the redevelopment plan for the Seaside-Fort Ord Project Area. The table below summarizes the Seaside-Fort Ord Project Area Redevelopment Plan limits and the base years and assessed values that are used in projecting tax increment to be pledged for debt service payment on the Bonds. The information in this table is obtained from the Seaside-Fort Ord Project Area Redevelopment Plan and the County Auditor-Controller.

TABLE 6
Seaside-Fort Ord Project Area
Plan Limits

Item	Total
Tax Increment Limits	
Redevelopment Plan Adoption Date	4/18/2002
RDA Maximum Tax Increment	\$1,065,000,000
Last Fiscal Year of Tax Increment ⁽¹⁾	2046-47
Tax Increment Base Fiscal Years and Assessed Values	
Base Year	1996-97
Base Year Assessed Value	\$3,677,200
First Year of Tax Increment	2003-04
Tier 2 Base Year	2013-14
Tier 2 Base Year Assessed Value	\$287,885,735
Tier 3 Base Year	2033-34

(1) See, however “THE DISSOLUTION ACT—Termination of Distributions” and “RISK FACTORS—Early Retirement of Successor Agency Bonds.”
Source: Fiscal Consultant.

The Seaside-Fort Ord Project Area Redevelopment Plan specifies a tax increment limit of \$1.065 billion. Approximately \$47.0 million of property tax increment has been collected through

* Preliminary, subject to change.

the 2018-19 fiscal year. Based on the most recent fiscal year 2019-20 Recognized Obligation Payment Schedule (“ROPS”) from the County Auditor Controller, the last of Seaside’s enforceable obligations will be paid in fiscal year 2046-47 if there are any such enforceable obligations in effect following the maturity of the current bonded indebtedness payable from Seaside-Fort Ord Area tax increment revenues, making that the last year in which property tax increment from the Seaside- Fort Ord Project Area will be a portion of the Pledged Tax Revenues. It is possible that Seaside-Fort Ord’s enforceable obligations could be paid off earlier, in which case it would be terminated earlier.

The Successor Agency to the Redevelopment Agency of the City of Seaside has outstanding tax allocation bonds payable from the tax increment revenues arising from the Seaside-Fort Ord Project Area, with bond debt service payments that are expected to end on August 1, 2032, so it is likely that the Successor Agency will be in effect at least through fiscal year 2031-32. See “THE DISSOLUTION ACT—Termination of Distributions” and “RISK FACTORS—Early Retirement of Successor Agency Bonds.”

To reach the \$1.065 billion tax increment limit, Seaside-Fort Ord would need to generate an additional \$1.02 billion by fiscal year 2046-47. In fiscal year 2018-19, approximately \$3.7 million of property tax increment was collected. To reach the \$1.065 billion limit, revenues would need to increase at a compounded rate of over 13 percent annually through fiscal year 2046-47. The annual increase in property tax increment over the last 5 years has ranged between 2 and 7 percent. Development in Seaside-Fort Ord is expected to increase in the coming years, but it is unlikely that the \$1.065 billion limit will be reached by 2047. The analysis performed for this report projects a total of \$422 million generated through from 2020 through 2047 for Seaside-Fort Ord. Consequently, the Authority is entitled to receive property tax increment from the Seaside-Fort Ord Project Area for as long a time period as redevelopment project area exists.

Land Use

The aggregate designated land use in the Seaside-Fort Ord Project Area for fiscal year 2019-20 is set forth in the following table.

TABLE 7
Seaside-Fort Ord Project Area
Taxable Value by Land Use
Fiscal Year 2019-290

Land Use	Number of Parcels	Assessed Value ⁽¹⁾	Pct. of Total AV
Residential			
Single Family	383	\$311,226,858	80.6%
Multifamily	1	37,870,000	9.8
Mobilehome Park	1	5,031,130	1.3
Mobilehomes	223	2,850,995	0.7
Vacant Residential	29	9,218,356	2.4
Subtotal Residential	637	\$366,197,339	94.9%
Institutional			
Taxable Schools	4	\$447,413	0.1%
Miscellaneous			
Private Roads	8	\$0	0.0%
Exempt / Not Buildable			
Exempt	77	\$0	0.0%
Not Buildable	17	0	0.0
Subtotal Exempt / Not Buildable	94	\$0	0.0%
Unsecured	67	\$19,374,390	5.0%
Total Seaside-Fort Ord Project Area	810	\$386,019,142	100.0%

(1) Assessed Value net of exemptions, excluding homeowner's exemption.
Source: Fiscal Consultant.

Historical Assessed Values

Table 8 below summarizes year-to-year changes in the assessed values for the Seaside-Fort Ord Project Area for the past ten years based upon the County Auditor-Controller's annual assessed value reports.

TABLE 8
Seaside-Fort Ord Project Area
Historical Taxable Values and Annual
Percentage Increase or Decrease
Fiscal Years 2020-11 to 2019-20
(amounts in dollars)

Year	Assessed Value ⁽¹⁾			Percentage Change
	Secured	Unsecured	Total	
2010-11	\$286,093,764	\$16,841,181	\$302,934,945	
2011-12	274,924,811	19,470,031	294,394,842	(2.8)
2012-13	259,826,136	20,624,430	280,450,566	(4.7)
2013-14	267,657,589	20,228,146	287,885,735	2.7
2014-15	303,787,926	18,464,766	322,252,692	11.9
2015-16	315,626,351	19,278,265	334,904,616	3.9
2016-17	331,787,742	19,961,418	351,749,160	5.0
2017-18	340,502,172	19,424,641	359,926,813	2.3
2018-19	356,190,788	19,070,458	375,261,246	4.3
2019-20	366,644,752	19,374,390	386,019,142	2.9
Avg. Ann. Pct. Change	2.8%	1.6%	2.7%	

(1) Assessed values are net of exemptions, excluding Homeowners' Exemption
Source: Fiscal Consultant.

Largest Taxpayers

In fiscal year 2019-2020, the 10 largest taxpayers in the Seaside-Fort Ord Project Area represent 21.6 percent of the total assessed value for the Seaside-Fort Ord Project Area. With the exception of the second largest taxpayer, the top 10 taxpayers own residential properties. The second largest taxpayer, B & B Golf Course Properties, LLC, is a golf course operator.

TABLE 9
Seaside-Fort Ord Project Area
Ten Largest Assesseees Fiscal Year 2019-2020

Assessee	Primary Use	Number of Parcels			FY 2019-20 Assessed Value(1)			Pct. of Total
		Sec.	Unsec.	Total	Secured	Unsecured	Total	
1 SUNBAY RESORT ASSOCIATES LLC	Multifamily (31+ units)	1	0	1	\$37,870,000	\$0	\$37,870,000	9.8%
2 B & B GOLF COURSE PROPERTIES LLC	Golf Course Operations	0	3	3	0	16,564,882	16,564,882	4.3
3 BAY VIEW COMMUNITY LLC	Mobile Home Park	223	0	223	7,870,825	0	7,870,825	2.0
4 SEASIDE RESORT ESTATES I LLC	Vacant Single Family	25	0	25	6,550,875	0	6,550,875	1.7
5 MACHADO LAURA C TR	Single Family Homes	6	0	6	4,441,853	0	4,441,853	1.2
6 CHUNG HAI RYONG TR	Single Family Homes	4	0	4	3,398,737	0	3,398,737	0.9
7 TIER GAYLE D TR	Single Family Homes	1	0	1	1,957,754	0	1,957,754	0.5
8 MADDEN DWAIN J TR	Single Family Homes	2	0	2	1,730,542	0	1,730,542	0.4
9 MILOWICKI EDWARD J & PATRICIA M TRS	Single Family Homes	2	0	2	1,597,735	0	1,597,735	0.4
10 AN YU	Single Family Homes	2	0	2	1,454,142	0	1,454,142	0.4%
Subtotal Ten Largest Assesseees		266	3	269	\$66,872,463	\$16,564,882	\$83,437,345	21.6%
Other Assesseees		477	64	541	\$299,772,289	\$2,803,588	\$302,575,877	78.4%
Total Seaside-Fort Ord Project Area		743	67	810	\$366,644,752	\$19,368,470	\$386,013,222	100.0%

(1) Assessed Value net of exemptions, excluding homeowner's exemption.
Source: Fiscal Consultant.

See "Assessed Values – Fiscal Year 2019-2020 Ten Largest Taxpayers in the Fiscal Consultant's Report in Appendix E for additional information regarding the taxpayers listed as 1 and 2 in the table above.

Assessment Appeals

The Fiscal Consultant has advised that there are no open appeals with the respect to the property in the Seaside-Fort Ord Project Area.

New Development

The Fiscal Consultant has not included any expected increase in assessed values as a consequence of any development activities in the Seaside-Fort Ord Project Area.

Projected Assessed Values

The following Table 10 shows the projected tax increment revenues constituting the portion of the Pledged Tax Revenues from the Seaside-Fort Ord Project Area assuming no annual growth in assessed values.

TABLE 10
Seaside-Fort Ord Project Area
Projected Assessed Values – 0% Value Increase

FY Ending	Assessed Value ⁽¹⁾
2020	\$386,019,142
2021	386,019,142
2022	386,019,142
2023	386,019,142
2024	386,019,142
2025	386,019,142
2026	386,019,142
2027	386,019,142
2028	386,019,142
2029	386,019,142
2030	386,019,142
2031	386,019,142
2032	386,019,142
2033	386,019,142

(1) See Table 3.8A in the Fiscal Consultant’s Report in Appendix E.
Source: Fiscal Consultant.

HISTORICAL AND PROJECTED PLEDGED TAX REVENUES AND ESTIMATED DEBT SERVICE COVERAGE

The property tax increment received by the Authority from each of the two Project Areas since fiscal year 2013-14 is summarized in Table 11 below. The property tax increment has been steadily increasing each year as development has occurred in the Project Areas.

TABLE 11
Tax Increment Revenue Received by the Authority

Fiscal Year Ending	Seaside-Fort Ord Project Area	Marina Project Area No. 3 ⁽¹⁾	Total
2014	\$696,834	\$448,852	\$1,145,686
2015	761,895	499,854	1,261,750
2016	791,741	517,046	1,308,787
2017	850,661	666,305	1,516,966
2018	874,971	809,475	1,684,446
2019	868,442	1,013,262	1,881,704
2020	939,452	1,396,583	2,336,035

(1) Does not include Tax Increment Revenues attributable to ownership transfers and new development. See Table 5 under the heading “THE MARINA PROJECT AREA NO. 3—Projected Assessed Values.”
Source: Fiscal Consultant.

Table 12 below shows expected Pledged Tax Revenues assuming no growth in assessed values except as noted in Table 5 above, and includes projected debt service on the Bonds,

excluding debt service on the Escrow Term Bonds, all of which are considered Deemed Escrow Bonds as of the date of issuance of the Bonds. The projection incorporates the valuation assumptions made in the Fiscal Consultant's Report.

TABLE 12
Projection of Pledged Tax Revenues
and Debt Service Coverage
Assumes No Growth on Assessed Value Except as Noted in Table 5
(dollars in thousands)

Fiscal Year Ending	Projected Pledged Tax Revenues			Bonds Excluding Escrow Term Bond		Escrow Term Bond
	Seaside- Fort Ord Project Area	Marina Project Area No. 3	Total Pledged Tax Revenue	Debt Service ⁽³⁾	Debt Service Coverage ⁽³⁾	Net Debt Service ^{(2),(3)}
2020	\$928,194	\$1,421,694	\$2,349,888			
2021	928,194	1,538,420	2,466,614	\$1,970,712	125%	-
2022	928,194	1,579,762	2,507,956	2,005,778	125	-
2023	928,194	1,579,762	2,507,956	2,005,310	125	-
2024	928,194	1,579,762	2,507,956	2,001,680	125	-
2025	928,194	1,579,762	2,507,956	2,004,129	125	\$200,000
2026	928,194	1,579,762	2,507,956	2,003,111	125	600,676
2027	928,194	1,579,762	2,507,956	2,003,023	125	658,433
2028	928,194	1,579,762	2,507,956	2,004,088	125	657,073
2029	928,194	1,579,762	2,507,956	2,002,095	125	660,156
2030	928,194	1,579,762	2,507,956	2,002,430	125	662,496
2031	928,194	1,579,762	2,507,956	2,004,866	125	659,092
2032	928,194	1,579,762	2,507,956	2,004,924	125	660,130
2033	928,194	1,579,762	2,507,956	1,262,841	199	660,425
2034	0	1,579,762	1,579,762	1,260,020	125	664,976
2035	0	1,579,762	1,579,762	1,260,950	125	663,597
2036	0	1,579,762	1,579,762	1,260,454	125	661,475
2037	0	1,579,762	1,579,762	1,263,530	125	658,609
2038	0	1,579,762	1,579,762			

(1) Revenues presented on a Fiscal Year basis; debt service presented on the lagging Bond Year basis.

(2) Interest capitalized through December 1, 2025. See "SECURITY FOR THE BONDS—Escrow Fund."

(3) Preliminary, subject to change.

Source: Fiscal Consultant; Underwriters.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Limited Source of Funds to Repay Bonds

The Bonds are payable from the Pledged Tax Revenues, which are derived solely from increases in the property tax revenues arising from the Project Areas. See “SECURITY FOR THE BONDS.” Reductions in the assessed value of the property in the Project Areas would result in a reduction in the Pledged Tax Revenues, and could result in a failure to make timely payment of the debt service due on the Bonds. See “RISK FACTORS—Reduction in Taxable Value.”

Reduction in Taxable Value

Pledged Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and thereby available to pay principal of and interest on the Bonds are determined by the amount of incremental taxable value in the Project Areas and the current rate or rates at which property in the Project Areas is taxed. The reduction of taxable values of property in the Project Areas caused by economic factors such as sale of property to a non-profit corporation or governmental entity exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Pledged Tax Revenues available to pay debt service on the Bonds. Such reduction of Pledged Tax Revenues to pay debt service on the Bonds could have an adverse effect on the ability to make timely payments of principal of and interest on the Bonds.

As described in greater detail under the heading “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution,” Article XIII A provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds with respect to property in the Project Areas could reduce the Pledged Tax Revenues available to pay debt service on the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and thereby the Pledged Tax Revenues. Although the federal and State Constitutions include clauses generally prohibiting the Legislature’s impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the source of repayment and security of the Bonds.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “COVID-19 Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the State of California and local governmental agencies within the State, as well as the entire United States. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

The COVID-19 Pandemic has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools. The United States is restricting certain non-US citizens and permanent residents from entering the country. In addition, job losses throughout the United States have been significant and financial markets in the United States and globally have been volatile.

On March 4, 2020, the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19. Under the California Emergency Services Act, during a state of emergency, the Governor has authority over all agencies of the state government and can exercise the State's police powers. His powers also include the power to promulgate, issue, and enforce orders and regulations as he deems necessary.

Since declaring the emergency, the Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include his March 19, 2020 Executive Order N-33-20, which orders all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of certain critical infrastructure sectors, as described in that order and later designations. The County has also declared a local public health emergency and issued a series of orders which align with the Governor's orders. These actions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy. The shelter in place orders from the State and the County are ongoing and are expected to continue to be enforced until the threat to public health from the COVID-19 pandemic can be adequately managed.

The Governor issued Executive Orders N-29-20 and N-35-20 relaxing state and local agency open meeting laws to accommodate social distancing. The Authority has held recent meetings of its Board of Directors remotely, unhindered by the COVID-19 Pandemic. The Authority's employees and its consultants have continued to work remotely, leveraging available technology to continue operations. The Cities do not expect their business operations related to the Authority to be materially curtailed; however, the Authority offers no assurances that Board member or employee absences due to COVID-19 illnesses will not materially and adversely impact its operations.

At present all construction activities in the County, including building removal activities funded with Bond proceeds, are allowed subject to certain protocols and social distancing requirements.

On May 6, 2020 the Governor issued Executive Order N-61-20 to address the financial hardships on certain taxpayers resulting from the March 4, 2020 proclamation of the state of emergency. Executive Order N-61-20 directs County Tax Collectors to cancel such penalties, costs or interests on delinquent property tax payments for residential property or that qualifies as a small business if certain conditions are met and hardship resulting from the pandemic is demonstrated. Property owners qualifying for relief under Executive Order N-61-20 are not relieved of their obligation to pay property taxes, only penalties and interest on late payments are eliminated. On May 7, 2020, the County Treasurer-Tax Collector indicated that they are beginning the process of complying with Executive Order N-61-20.

Future property taxes, and therefore Pledged Tax Revenues, could be impacted. The initial impact could occur because upcoming property tax installments could be deferred, or some taxpayers may be unable to make their property tax payments. While the January 1 lien date for the determination of the assessed value of property for fiscal year 2020-21 reflects market conditions before the impacts of the COVID-19 pandemic began to occur, the value of property

on the 2020-21 and future tax rolls could be reduced due to the widespread economic impacts of the Covid-19 pandemic. At this time, there is no way to provide an estimate of the impact that the pandemic could have on future property taxes and therefore the Pledged Tax Revenues. See also “RISK FACTORS—Risks to Real Estate Market.”

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”) against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the “Redistribution Provisions” thereof (i.e., California Health and Safety Code sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the “contract clauses” of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the “Takings Clauses” of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders’ and Syncora’s contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora’s constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora’s takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Authority does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the ability to timely pay debt service on the Bonds.

Early Retirement of Successor Agency Bonds

As described under the heading “THE DISSOLUTION ACT,” distributions of tax increment revenues from the Project Areas continue only so long as the respective project area has outstanding obligations. The Successor Agency to the Marina Redevelopment Agency has outstanding bonds payable from tax increment revenues allocable to the Marina Project Area No. 3 with a final maturity of September 1, 2038, and the Successor Agency to the Redevelopment Agency of the City of Seaside has outstanding bonds payable from tax increment revenues allocable to the Seaside-Fort Ord Project Area expected to be repaid on August 1, 2032. Each of the Cities of Marina and Seaside have covenanted in their respective Building Removal Funding Agreements to take certain actions to attempt to have its respective successor agency not redeem or retire its outstanding bonds earlier than such dates (see “THE DISSOLUTION ACT—Termination of Distributions”). However, the successor agencies are separate legal entities from

their related Cities, and while the members of the respective City Council are the same persons as the members of the governing board of the related successor agency, the Cities cannot legally bind their related successor agencies to any obligation not to repay their respective bonds earlier than the applicable dates set forth above. The scheduled debt service on the Bonds has been structured in reliance on the successor agencies not redeeming or retiring their outstanding bonds earlier than such dates, so that a shortfall in Pledged Tax Revenues to repay the Bonds could occur if either of the aforementioned successor agencies retires or redeems its bonds earlier than as described above.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of the Bonds and the obligations of the Authority may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under state law of certain remedies: the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Bond Owners.

Risks to Real Estate Market

The ability to make payments on the Bonds will be dependent upon the assessed values of the property in the Project Areas and may be affected by the economy of the region. Assessed property values in the Project Areas will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Project Areas could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the County, assessed-values of property could be reduced, and/or the owners of property within the Project Areas may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the County, and thereby the Pledged Tax Revenues. See "HISTORICAL AND PROJECTED PLEDGED TAX REVENUES AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the projected debt service coverage on the Bonds. See also "RISK FACTORS—COVID-19" for a discussion of the impacts and potential impacts on property of the COVID-19 pandemic.

The general economy of a redevelopment project will be subject to all the risks generally associated with real estate development. Projected development may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected

by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project is delayed or halted, the economy of the redevelopment project could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues. See also “RISK FACTORS—COVID-19” for a discussion of the impacts and potential impacts on property of the COVID-19 pandemic.

A decline in development activity in the Project Areas may not, in itself, adversely impact the ability to pay debt service on the Bonds in light of the debt service coverage provided by fiscal year 2019-20 Pledged Tax Revenues, and anticipated increases due to sales and development activity in the Marina Project Area No. 3. See “THE MARINA PROJECT AREA NO. 3—Projected Assessed Values” and “HISTORICAL AND PROJECTED PLEDGED TAX REVENUES AND DEBT SERVICE COVERAGE.”

Reduction in Inflationary Rate

As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. See “PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution.” The Authority is unable to predict if any further adjustments to the full cash value base of real property within the Project Areas, whether an increase or a reduction, will be realized in the future.

Future Land Use Regulations and Growth Control Initiatives

In the past, citizens of a number of local communities in California have placed measures on the ballot designed to limit the issuance of building permits or impose other restrictions to control the rate of future growth in those areas. It is possible that future initiatives could be enacted that could be applicable to the City of Marina or the City of Seaside and have a negative impact on the ability of developers in the respective Project Areas to complete any existing or proposed development. Bond Owners should assume that any event that significantly affects the ability to develop land in the Project Areas could cause the land values within the Project Areas to decrease substantially and could affect the willingness and ability of the owners of land within the Project Areas to pay property taxes when due.

There can be no assurance that land development within the Project Areas will not be adversely affected by future governmental policies, including, but not limited to, government policies to restrict or control development. Under current State law, it is generally accepted that proposed development is not exempt from future land use regulations until building permits have been issued and substantial work has been performed and substantial liabilities have been incurred in good faith reliance on the permits prior to the adoption of such regulations.

Assessment Appeals

Property taxable values may be reduced as a result of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the Project Areas and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Pledged Tax Revenues. Reductions have occurred in tax increment revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. See "THE MARINA PROJECT AREA NO. 3—Assessment Appeals" and Section 4 of the Fiscal Consultant's Report in Appendix E under the heading "Assessment Appeals Activity" for information regarding assessment appeal activity in the Marina Project Area No. 3. The Fiscal Consultant has advised that there are no open appeals with respect to the property in the Seaside-Fort Ord Project Area. Note, however, as discussed under the heading "PROPERTY TAXATION IN CALIFORNIA—Appeals of Assessed Values," the County Assessor could reduce assessed values pursuant to Section 51 of the California Revenue and Taxation Code.

Levy and Collection of Taxes

The Authority has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Pledged Tax Revenues used to pay debt service on the Bonds.

Delinquencies in the payment of property taxes by the owners of land in the Project Areas, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the ability to make timely payments on the Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from which the Pledged Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Although such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, the Authority believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2019-20 Pledged Tax Revenues. See "HISTORICAL AND PROJECTED PLEDGED TAX REVENUES AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Estimated Revenues

In estimating that Pledged Tax Revenues will be sufficient to pay debt service on the Bonds, the Fiscal Consultant has made certain assumptions with regard to present and future

assessed valuation in the Project Areas, future tax rates and percentage of taxes collected. The Authority believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the Pledged Tax Revenues available to pay debt service on the Bonds will be less than those projected and such reduced revenues may be insufficient to provide for the payment of principal of and interest on the Bonds. See "HISTORICAL AND PROJECTED PLEDGED TAX REVENUES AND ESTIMATED DEBT SERVICE COVERAGE."

Seismic Factors and Flooding

The occurrence of severe seismic activity and/or flooding in the Project Areas could result in substantial damage to property, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction could result in a decrease in Pledged Tax Revenues.

The San Andreas Fault runs through the southeastern portion of the County for approximately 30 miles and poses the single greatest seismic risk to the land in the Project Areas. Other faults include the Palo Colorado-San Gregorio Fault zone, the Monterey Bay Fault zone, which lies seaward of the City of Marina extending northwesterly to the Pacific Ocean, the Chupines and Navy Faults, the King City-Reliz-Rinconada Fault, the Zayante-Vergeles Fault, and the Ord Terrace Fault and the Seaside Fault that run through the City of Seaside.

The western boundary of the City of Marina is located on the Pacific Ocean and the City of Marina is at risk of tsunami inundation along the shoreline and in the Salinas River flood plain to the north of the City; however, the property in the Marina Project No. 3 is not located in any Federal Emergency Management Agency flood zone. Certain areas within the City of Seaside are located within Zone "A" 100-year flood plain, as defined by Federal Emergency Management Agency but the majority of the City (including the area within the Seaside-Fort Ord Project Area) is located within a Zone "B," therefore subject to inundation by a 100- to 500-year flood event.

Hazardous Substances

An environmental condition that may result in the reduction in the assessed value of parcels in the Project Areas would be the discovery of a hazardous substance that would limit the beneficial use of the property. In general, the owners and operators of an assessed parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as CERCLA or the Superfund Act, is the most well known and widely applicable of these laws but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition on the property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the assessed parcels be affected by a hazardous substance would be to reduce the marketability and value of the parcel by the costs of remedying the condition, since the purchaser, upon becoming owner, will become obligated, along with the seller, to remedy the condition.

Environmental Conditions

The Project Areas are located within the Former Base. In 1990 the United States Environmental Protection Agency (the "EPA") placed the Former Base on the Superfund program's National Priorities List in accordance with the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA" or the "Superfund Law"). The Former Base site contained leaking petroleum underground storage tanks, a 150-acre landfill used

to dispose of residential waste and small amounts of commercial waste generated by the Former Base, a former live fire drill area where munitions were fired, motor pool maintenance areas, small dumpsites, small arms target ranges, an 8,000-acre firing range and other limited areas that pose threats from unexploded ordnance. Under CERCLA the military service that operated the Former Base, the U.S. Army, is responsible for implementing the cleanup and remediation of hazardous substances.

The cleanup and investigation of the Former Base has been separated into three programs: the U.S. Army's Soil and Groundwater Contamination Cleanup Program, the U.S. Army's Munitions and Explosives of Concern ("MEC") Program, and the Authority's Privatized Cleanup Program. The Authority's Privatized Cleanup Program is the result of an agreement in 2007 among the EPA, the California Department of Toxic Substances Control, the U.S. Army, and the Authority with approximately \$100 million in funding provided by the U.S. Army.

While site investigations and long-term cleanup activities are ongoing, extensive remediation and removal activities that have been completed that have reduced the potential of exposure to contaminants. Removal and remediation activities include the continuing operation of the groundwater treatment systems at the former fire practice area, the capping of the landfill and removal and treatment of landfill gas; the successful completion of a pilot soil vapor extraction system for volatile organic compounds in the vadose zone above a carbon tetrachloride plume; and the removal of soil and debris. MEC removal actions, fencing, warning signs and patrols have further reduced exposure to MEC. The Building Removal to be funded with Bond proceeds will accomplish further cleanup activities. See "INTRODUCTION—The Building Removal Program" and "FINANCING PLAN—The Building Removal Program."

All of the property within Marina Project Area No. 3 and the Seaside-Fort Ord Project Area that has been developed or is currently being developed by third parties has received a Finding of Suitability to Transfer (FOST) or a Finding of Suitability for Early Transfer (FOSET). *The primary purpose of a FOST is to document that the property is environmentally suitable for transfer by deed under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and Department of Defense (DoD) FOST Guidance. The FOST process was developed to meet the statutory and regulatory requirements associated with transferring federal real estate. A FOST must demonstrate that either the property is uncontaminated or that all necessary remediation has been completed or is in place and operating properly and successfully. These demonstrations are necessary to support the deed covenant required by CERCLA Section 120(h) that all remedial action necessary to protect human health and the environment has been taken. The primary purpose a FOSET is to identify environmental factors associated with the proposed property transfer and to demonstrate that the proposed property transfer prior to completion of all remedial actions, with the appropriate land use controls, is consistent with the protection of human health and environment.*

Additional information concerning the status of the clean-up of the Former Base can be found at <https://fortordcleanup.com/> and at <https://cumulis.epa.gov/supercpad/cursites/csinfo.cfm?id=0902783>. Such websites are not incorporated in this Official Statement by reference.

Wildland and Urban Fire Hazards

The Safety Element of the City of Seaside's General Plan States that Seaside is subject to both wildland fires and structural fires. The undeveloped areas in the northern and eastern portions of the City are highly prone to wildland fires. These areas contain grassland with many steeper areas with brushland and wooded slopes. The State of California Department of Forestry rates these areas in the County as extreme wildfires hazard areas based on slope characteristics, climate, fuel loading, and water availability. These areas could create safety hazards for residents

within the Seaside-Fort Ord Project Area. As with seismic and flood hazards, the occurrence of wildland or urban fire damage to property located in the Project Areas could lead to successful appeals for reduction of assessed values of such property and any reduction of assessed valuation could result in a reduction of the Pledged Tax Revenues that secure the Bonds.

The City of Marina advises that it has no particular area subject to wildland and urban fire hazards.

Municipal Bond Insurance

In the event of default of the payment of the scheduled principal of or interest on the Insured Bonds when it becomes due, the Trustee on behalf of any owner of the Insured Bonds will have a claim under the Municipal Bond Insurance Policy for such payments. The Bond Insurer may direct and must consent to any remedies with respect to the Insured Bonds and the Bond Insurer's consent may be required in connection with amendments to the Indenture. See APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Provisions Relating to the Municipal Bond Insurance Policy.

The Bond Insurer is also providing the Reserve Policy that is available to be drawn on to pay debt service on the Bonds under certain conditions. See "SECURITY FOR THE BONDS—Flow of Funds Under the Indenture" herein.

The long-term, insured rating on the Insured Bonds is dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and the rating on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. See "RATINGS" herein.

The obligations of the Bond Insurer under the Municipal Bond Insurance Policy and the Reserve Policy are unsecured contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the Authority, the Administrator, the Underwriters or the Municipal Advisor has made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability to make the debt service payments on the Bonds from the Pledged Tax Revenues and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" herein for further information regarding the Bond Insurer and the Municipal Bond Insurance Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

Changes in State Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Health and Safety Code or other laws or the Constitution of the State resulting in a reduction of the Pledged Tax Revenues available to pay debt service on the Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Finally, the Authority does not intend to make an application for the assignment of a rating for the Bonds, which may further limit a secondary market for the Bonds. See “NO RATING.”

TAX MATTERS

In the opinion of Quint & Thimmig LLP, Bond Counsel, under existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds. INTEREST ON THE BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX B—FORM OF OPINION OF BOND COUNSEL.

VALIDATION

On January 28, 2020, the Authority, acting pursuant to the provisions of sections 860 et seq. of the California Code of Civil Procedure and Section 53511 of the Government Code, filed a complaint in the Superior Court of the State of California for the County of Monterey seeking judicial validation of the Bonds and certain other matters, including the pledge and use of the Pledged Tax Revenues to repay the Bonds. On March 12, 2020, the Court entered a judgment to the effect, among other things, that the Bonds and the Indenture were valid, legal and binding obligations of the Authority; that the payments to the Authority under Section 33492.71(c)(1)(A) and (D) of the California Health and Safety Code are valid payments and shall continue as necessary to repay the Bonds; and that the County Auditor-Controller is entitled and obligated to distribute amounts described in Section 33492.71, subdivisions (c)(1)(A) or (D), as applicable, of the Health and Safety Code to the Authority to repay the Bonds until the Bonds have been paid in full. The time period for the filing of appeals with respect to the judgment expired on June 1, 2020 and no appeals were filed, therefore the judgment is final and unappealable. In issuing its opinion as to the validity of the Bonds, Bond Counsel has relied upon the entry of the foregoing judgment.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated and Citigroup Global Markets, Inc. (collectively, the “Underwriters”). The Underwriters have agreed to purchase the Bonds at a price of \$_____ (being the principal amount of the Bonds of \$_____, less an Underwriter’s discount of \$_____, and plus (minus) an original issue premium (discount) of \$_____). The Underwriters will purchase all of the Bonds if any are purchased.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price

through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

The Underwriters may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

MUNICIPAL ADVISOR

NHA Advisors, LLC, San Rafael, California, has served as municipal advisor (the "Municipal Advisor") to the Authority in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. The fees of the Municipal Advisor are contingent upon the sale and delivery of the Bonds.

LEGAL OPINIONS

The proposed form of Bond Counsel's approving opinion with respect to the Bonds is attached hereto in APPENDIX B—FORM OF OPINION OF BOND COUNSEL. In addition to those matters opined on by Bond Counsel, certain legal matters will be passed on for the Authority by Quint & Thimmig LLP, in its capacity as Disclosure Counsel to the Authority for the Bonds and by Kennedy, Archer & Giffen, Monterey, California, in its capacity as general counsel to the Authority. Certain legal matters will be passed on for the Underwriters by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California, in its capacity as Underwriters' Counsel.

LITIGATION

There is no action, suit or proceeding known to the Authority to be pending and notice of which has been served upon and received by the Authority, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority taken with respect to any of the foregoing. See, however, "RISK FACTORS—Challenges to Dissolution Act."

RATINGS

S&P is expected to assign the rating of "AA" to the Insured Bonds based on the issuance of a Municipal Bond Insurance Policy by the Bond Insurer at the time of delivery of the Bonds. See "MUNICIPAL BOND INSURANCE." In addition, S&P has assigned the underlying rating of "BBB+" to the Bonds without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of the S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The Authority and the Administrator have covenanted for the benefit of owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the Authority (the "Annual Report") by not later than April 1 after the end of the Administrator's fiscal year (the current end of the Administrator's fiscal year is on June 30),

commencing with the report for the 2020-21 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Administrator with the Municipal Securities Rulemaking Board (the "MSRB"). The notices of enumerated events will be filed by the Administrator with the MSRB. The specific nature of the information to be made available and to be contained in the notices of material events is summarized below under the caption APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule").

The Authority has not incurred any prior continuing disclosure obligations under the Rule within the last five years. The City of Marina and the Successor Agency to the Redevelopment Agency of the City of Marina have incurred prior continuing disclosure obligations under the Rule within the last five years and have complied in all material respects with these undertakings made pursuant to the Rule.

MISCELLANEOUS

All of the preceding summaries of the Indenture, the Health and Safety Code, the Government Code, other applicable legislation, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Authority for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the Executive Officer of the Authority, has been duly authorized by the Authority.

FORT ORD REUSE AUTHORITY

By _____
Executive Officer

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture of Trust for the Bonds. The following also includes definitions of certain terms used therein and in this Official Statement. This summary is not intended to be definitive. Reference is made to the Indenture of Trust for the complete terms thereof.

Definitions

Unless the context otherwise requires, the terms defined in the Indenture will, for all purposes of the Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document mentioned in the Indenture, have the following meanings.

"Administrative Expense Account" means the account by that name established in the Debt Service Fund pursuant to the Indenture.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the Indenture and the Bonds: fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; any fees or expenses of the County (including its legal counsel) under or in connection with the Irrevocable Instructions; any Policy Costs or costs and expenses related to the Insurance Policy; the costs incurred by the Authority or the Administrator to comply with or implement any provision of the Indenture, the Continuing Disclosure Certificate or any provision of the Marks-Roos Act or the Fort Ord Reuse Authority Act relating to the Bonds or the payment thereof; costs related to the release of funds from the Escrow Fund; an allocable share of the salaries of Authority and Administrator staff related to the foregoing and a proportionate amount of Authority or Administrator general administrative overhead related thereto.

"Administrator" means the City of Marina, California, in its capacity as Administrator under the Indenture.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (b) the principal or sinking fund amount of the Outstanding Bonds payable by their terms in such Bond Year.

"Authority" means the Fort Ord Reuse Authority, a public corporation formed pursuant to the Fort Ord Reuse Authority Act, Title 7.85 of the California Government Code, commencing with Section 67650.

"Authorized Denomination" means \$5,000 or any integral multiple thereof.

"Authorized Officer" means, prior to the Dissolution Date, the Chair or the Executive Officer of the Authority and, after the Dissolution Date, the City Manager or the Finance Director of the City of Marina, California.

"Bond Counsel" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes.

"Bond Year" means each twelve (12) month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Bonds will commence on the Closing Date and end on September 1, 2020.

"Bonds" means the Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) issued and Outstanding under the Indenture.

"Building Removal" means any or all of the following: 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 listed on Exhibit B to the Indenture.

"Building Removal Costs" means the costs of Building Removal, including, without limitation, all costs of planning, engineering, management, risk management (including insurance premiums, legal fees and litigation costs associated with the Building Removal), and associated administrative services required to remove blighted buildings from certain parcels of property within the boundaries of the former Fort Ord listed on Exhibit B to the Indenture.

"Business Day" means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

"CalPERS Obligation" means the amount owed by the Authority to CalPERS upon termination of the Authority's contract with CalPERS as in effect on the Dissolution Date related to the Authority's unfunded pension liability, that is in excess of the funds otherwise set aside by the Authority for that purpose.

"CalPERS Obligation Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Closing Date" means the date upon which the Bonds are delivered by the Authority to the Original Purchasers thereof in exchange for the amount representing the purchase price of the Bonds by the Original Purchasers.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of June 1, 2020, executed by the Authority and the Administrator, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, Insurance Policy and Reserve Policy premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, municipal advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Authority and the Administrator incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, the fees and expenses of counsel to the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"County" means the County of Monterey, California.

"County Auditor-Controller" means the Auditor-Controller of the County.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Deemed Escrow Bonds” means, as of any date of determination, Escrow Term Bonds in a principal amount equal to the amount then on deposit in the Escrow Fund (not including any amounts on deposit in the Escrow Interest Account, and excluding any investment earnings allocable to the amount on deposit in the Escrow Fund and the Escrow Interest Account).

“Defeasance Obligations” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Authority’s investment policies then in effect (provided that the Trustee will be entitled to rely upon any investment direction from the Authority as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Authority’s investment policies then in effect): (a) Cash; (b) non-callable, direct obligations of the United States of America; (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America; and (d) other investments approved by the Insurer.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to the Indenture.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Dissolution Date” means June 30, 2020, the day on which the Authority will be dissolved.

“Escrow Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Escrow Interest Account” means the account by that name within the Escrow Fund established pursuant to the Indenture.

“Escrow Term Bonds” means the Term Bonds indicated as such in the Indenture.

“Escrow Termination Date” means December 1, 2025.

“Event of Default” means any of the events described in the Indenture.

“Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Authority to the Trustee in writing as its official fiscal year period.

“Fort Ord Reuse Authority Act” means the Fort Ord Reuse Authority Act, codified at Title 7.85 of the California Government Code, commencing with Section 67650, and the acts amendatory thereof and supplementary thereto.

“Funding Agreements” means, collectively, the five Building Removal Funding Agreements, each dated as of June 1, 2020, each among a Local Agency, the Authority and the Administrator.

“Indenture” means the Indenture of Trust by and among the Authority, the Administrator and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions of the Indenture.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Administrator, and who, or each of whom: (a) is in fact independent and not under domination of the Authority or the Administrator; (b) does not have any substantial interest, direct or indirect, with the Authority or the Administrator; and (c) is not connected with the Authority or the Administrator as an officer or employee of the Authority or the Administrator, but who may be regularly retained to make reports to the Authority or the Administrator.

“Independent Fiscal Consultant” means any consultant or firm of such consultants appointed by the Administrator, and who, or each of whom: (a) is judged by the Administrator to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Authority or the Administrator; (c) does not have any substantial interest, direct or indirect, with the Authority or the Administrator; and (d) is not connected with the Authority or the Administrator as an officer or employee of the Authority or the Administrator, but who may be regularly retained to make reports to the Authority or the Administrator.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, (at <http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as an Authorized Officer may designate in writing to the Trustee.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

“Insured Bonds” means the Bonds maturing on September 1 in the years ____ through ____ inclusive.

“Insurer or “Bond Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Interest Account” means the account by that name established and held by the Trustee pursuant to the Indenture.

“Interest Payment Date” means each March 1 and September 1, commencing March 1, 2021, for so long as any of the Bonds remain Outstanding under the Indenture.

“Irrevocable Instructions” means that certain Irrevocable Direction to Transfer of the Authority to, and acknowledged by, the County Auditor-Controller and the County Treasurer and Tax Collector and the Administrator, dated as of the Closing Date for the Bonds.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) then applicable highest rate of interest on the Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly

announced prime or base lending rate of such bank, banking association or trust company bank as the Insurer in its sole and absolute discretion shall specify.

"Local Agency" and *"Local Agencies"* means, individually and collectively, the City of Marina, California, the City of Seaside, California, TAMC, MCWD and MST.

"Marina Bond Proceeds Account" means the account of that name established within the Project Fund.

"Marina Project Area No. 3" means the redevelopment project area by that name established by the former Marina Redevelopment Agency.

"Marks-Roos Act" means the Marks-Roos Local Bond Pooling Act of 1985, codified at Article 4 of Chapter 6 of Division 7 of Title 1 of the California Government Code, commencing with Section 6584, and the acts amendatory thereof and supplementary thereto.

"MCWD" means the Marina Coast Water District.

"MCWD Bond Proceeds Account" means the account of that name established within the Project Fund.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest amount for the current or any future Bond Year payable on the Bonds in such Bond Year. For purposes of such calculation, (i) the amount of interest on any Bonds that is payable from the proceeds of such Bonds that is set aside solely for such purpose will not be included in the calculation of Maximum Annual Debt Service; and (ii) there also will be excluded payments with respect to the Bonds to the extent that amounts due with respect to the Bonds are prepaid or otherwise discharged in accordance with the Indenture.

"MST" means Monterey-Salinas Transit District.

"MST Bond Proceeds Account" means the account of that name established within the Project Fund.

"Minimum Administrative Expense Requirement" means \$10,000 for Fiscal Year 2020-21, increasing 2% compounded annually; not to exceed, however, \$15,000 for any Fiscal Year.

"Moody's" means Moody's Investors Service and its successors.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Original Purchasers" means, collectively, Stifel Nicolaus & Company Incorporated and Citibank, N.A.

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid pursuant to the terms of the Indenture; and (c) Bonds in lieu of or in substitution for which other Bonds will have been authorized, executed, issued and delivered by the Authority pursuant to the Indenture.

"Owner" or *"Bondowner"* means, with respect to any Bond, the person in whose name the ownership of such Bond will be registered on the Registration Books.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Authority’s investment policies then in effect (provided that the Trustee will be entitled to rely upon any investment direction from the Authority as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Authority’s investment policies then in effect):

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the Authority itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the Authority itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAM-G, AAAM or AAM, and a rating by Moody’s of Aaa, Aa1 or Aa2, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF, secured at all times

by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated "A" or better by Moody's and "A" or better by S&P, or unconditionally guaranteed by an entity rated "A" or better by Moody's and "A" or better by S&P;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1+" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds, money market deposits or bankers acceptances of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's, and "A-1+" or better by S&P; and

(k) The Local Agency Investment Fund that is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

"Pledged Tax Revenues" means all taxes attributable to the Seaside-Fort Ord Project Area and the Marina Project Area No. 3 that are allocated, or available to be allocated, to (a) the Authority pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(A) or (b) the Administrator, as successor in interest to the Authority upon its dissolution, pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(D), as applicable.

"Policy Costs" means amounts needed to repay draws on the Reserve Policy, and payment of expenses and accrued interest thereon at the Late Payment Rate.

"Principal Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Principal Corporate Trust Office" means the corporate trust office of the Trustee in San Francisco, California, or such other or additional offices as the Trustee may designate in writing to the Authority from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office of the Trustee at which, at any particular time, its corporate trust agency or corporate trust operations business is conducted.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Qualified Reserve Account Credit Instrument" means (i) the Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody's have assigned a long-term credit rating at the time of issuance of such Qualified Reserve Account Credit Instrument to such bank or insurance company of "A" (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw

thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required by the Indenture.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Registration Books" means the records maintained by the Trustee for the registration and transfer of ownership of the Bonds pursuant to the Indenture.

"Report" means a document in writing signed by an Independent Fiscal Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"Reserve Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer for the Bonds.

"Reserve Requirement" means, subject to the terms specified in the Indenture, the lesser of (i) 125% of the average Annual Debt Service, (ii) Maximum Annual Debt Service, or (iii) 10% of the original principal amount of the Bonds; provided, that the Authority may meet all or a portion of the Reserve Requirement by providing to the Trustee for deposit to the Reserve Account a Qualified Reserve Account Credit Instrument (including the Reserve Policy) meeting the requirements thereof under the Indenture.

"Reuse Plan" means the Fort Ord Reuse Plan prepared by the Authority, dated May 1996, as amended and supplemented from time to time.

"S&P" means S&P Global Ratings, LLC, a Standard & Poor's Financial Services LLC business, and its successors.

"Seaside-Fort Ord Project" means the redevelopment project area by that name established by the former Redevelopment Agency of the City of Seaside.

"Seaside Bond Proceeds Account" means the account of that name established within the Project Fund.

"Securities Depositories" means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Request of the Authority delivered to the Trustee.

"Serial Bonds" means all Bonds other than Term Bonds.

"State" means the State of California.

“Supplemental Indenture” means any resolution, agreement or other instrument which has been duly adopted or entered into by the Authority and the Administrator (if prior to the Dissolution Date), or by the Administrator (after the Dissolution Date), but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

“Surplus Account” means the account by that name established and held by the Trustee pursuant to the Indenture.

“TAMC” means the Transportation Agency of Monterey County.

“TAMC Bond Proceeds Account” means the account of that name established within the Project Fund.

“Term Bonds” means (i) the Bonds payable from mandatory sinking account payments as indicated in the Indenture, and (ii) the Escrow Term Bonds payable from mandatory sinking account payments, amounts in the Escrow Interest Account and undisbursed amounts in the Escrow Fund to the extent provided in in the Indenture.

“Termination Payment” has the same meaning as the term *“CalPERS Obligation.”*

“Trustee” means U.S. Bank National Association, as trustee under the Indenture, or any successor thereto appointed as trustee under the Indenture in accordance with the provisions thereof.

“Written Request of the Administrator” or *“Written Certificate of the Administrator”* means a request or certificate, in writing signed by the City Manager of the Administrator, or the designee of either, or by any other officer of the Administrator or the City duly authorized by the Administrator for that purpose.

“Written Request of the Authority” or *“Written Certificate of the Authority”* means a request or certificate, in writing signed by the Executive Officer or Treasurer of the Authority, or the designee of either, or by any other officer of the Authority duly authorized by the Authority for that purpose.

Security of Bonds; Equal Security

Except as may otherwise be provided in the Indenture, the Bonds will be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues, and the Bonds will also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Escrow Term Bonds in an amount equal to the amount of the Deemed Escrow Bonds will be additionally secured by amounts in the Escrow Fund and the Escrow Interest Account. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Authority, the County or the Administrator will be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In the event the Administrator receives any moneys that constitute Pledged Tax Revenues, the Administrator will promptly transfer to the Trustee such Pledged Tax Revenues for deposit by the Trustee in the Debt Service Fund. Prior to the payment in full of the principal of and interest on the Bonds and the payment in full of all other amounts payable under the Indenture (including any Policy Costs or other amounts owing to the Insurer), neither the Authority nor the Administrator will have any beneficial right to or interest in the Pledged Tax Revenues, except as may be provided in the Indenture.

Amounts in the Project Fund (and the accounts therein), the CalPERS Obligation Fund, the Surplus Account and the Administrative Expense Account are not pledged to the repayment of the Bonds.

The Authority and the Administrator will not be obligated to make any payments required under the Indenture or under any Bond, or be deemed to incur any liability under the Indenture or by reason thereof or arising out of any of the transactions contemplated thereby, payable from any funds or assets other than the Pledged Tax Revenues and amounts in the Debt Service Fund and the accounts therein as provided in the Indenture. The Bonds and the obligation to pay principal of and interest thereon will not constitute an indebtedness or an obligation of the Authority, the members and officers of the Authority, the Administrator, any agency, any district, any city, the County, the State or any other political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds will be limited obligations of the Authority, payable solely from the Pledged Tax Revenues and amounts in the Debt Service Fund and the accounts therein duly pledged therefor. Neither the faith and credit nor the taxing power of the Authority, the Administrator, any agency, any district, any city, the County, the State or any political subdivision thereof is pledged to the payment of the Bonds.

In consideration of the acceptance of the Bonds by those who will hold the same from time to time, the Indenture will be deemed to be and will constitute a contract between the Authority and the Administrator, and the Owners from time to time of the Bonds, and the covenants and agreements in the Indenture set forth to be performed on behalf of the Authority or the Administrator will be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Funds and Accounts

Costs of Issuance Fund. The Indenture establishes a separate fund to be known as the “Costs of Issuance Fund,” which will be held by the Trustee in trust. The moneys in the Costs of Issuance Fund, which are not pledged as security for the Bonds, will be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Bonds, upon submission of a Written Request of the Authority (delivered to the Trustee prior to the Dissolution Date) or the Written Request of the Administrator (delivered to the Trustee on or after the Dissolution Date), stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the Bonds, or upon the earlier Written Request of the Administrator, all amounts (if any) remaining in the Costs of Issuance Fund will be withdrawn therefrom by the Trustee and transferred to the Administrative Expense Account and the Costs of Issuance Fund will be closed.

Project Fund. The Indenture establishes a separate and segregated fund to be known as the Project Fund and within the Project Fund a Marina Bond Proceeds Account, a Seaside Bond Proceeds Account, a MCWD Bond Proceeds Account, a MST Bond Proceeds Account, and a TAMC Bond Proceeds Account, which fund and accounts will be held by the Trustee. Amounts deposited to the Project Fund and the accounts therein will be held by the Trustee in cash uninvested.

On the Closing Date, the Trustee will remit the amount deposited in the respective Accounts of the Project Fund to the applicable Local Agency (other than the City of Marina) as directed in the Funding Agreement for the Local Agency, to be applied by the Local Agencies to the payment of the costs of the Building Removal and of expenses incidental thereto pursuant to the Funding Agreements. Of the amount deposited to the Marina Bond Proceeds Account, the Trustee shall, on the Closing Date, transfer an amount specified in the Indenture to the Escrow Interest Account, and shall remit the remaining amount deposited to such account to the City of Marina as directed by the City of Marina in writing to the Trustee, to be applied by the City of Marina to the payment of Building Removal Costs and of expenses incidental thereto pursuant to the Funding Agreement to which the City of Marina is a party. Upon disbursement of amounts in the MCWD

Bond Proceeds Account, the MST Bond Proceeds Account and the TAMC Bond Proceeds Account, such accounts shall closed by the Trustee.

Within two Business Days following the CalPERS Obligation Payment Date, the Trustee will deposit in the respective Accounts of the Project Fund the Excess Amount, 50% to the Marina Bond Proceeds Account and 50% to the Seaside Bond Proceeds Account. The Trustee will then remit the amounts so deposited in the respective Accounts of the Project Fund to the applicable Local Agency as directed by the applicable Local Agency, to be applied by the Local Agencies to the payment of Building Removal Costs and of expenses incident thereto pursuant to the Funding Agreements.

Promptly following receipt of a certificate and report required for the release of funds in the Escrow Fund, the Trustee shall withdraw from the Escrow Fund the amount identified in such report and transfer such amounts to the Marina Bond Proceeds Account. In addition to the foregoing, on each date on which the Trustee disburses money from the Escrow Fund, the Trustee shall transfer from the Escrow Interest Account to the Marina Bond Proceeds Account of the Project Fund an amount equal to the amount then in the Escrow Interest Account that is in excess of the amount needed to pay interest on the Deemed Escrow Bonds to and including the Escrow Termination Date, as such excess is set forth in the certificate of the Authorized Officer submitted for the disbursement of an amount in the Escrow Fund described above. The Trustee shall promptly remit the amounts deposited to the Marina Bond Proceeds Account of the Project Fund to the City of Marina according to written wire transfer instructions of the City of Marina delivered to the Trustee upon which the Trustee may rely.

In making transfers pursuant to the foregoing, the Trustee may conclusively rely upon the wire transfer instructions provided by the respective Local Agencies in making disbursements from the Project Fund to each Local Agency.

None of the Authority, the Administrator, the County or the Trustee will be under any liability of any kind or character whatsoever with respect to the use by the Local Agencies of the amounts remitted to them, or the payment of any Building Removal Costs, and that any such Building Removal Costs will be the responsibility of the applicable Local Agency.

Amounts in the Project Fund (and the accounts therein) are not pledged to the repayment of the Bonds.

CalPERS Obligation Fund. The Indenture establishes a separate and segregated fund to be held by the Trustee to which a deposit will be made on the Closing Date pursuant to the Indenture. The amount deposited to the CalPERS Obligation Fund and any investment earnings thereon will be disposed of as follows: (i) upon submission to the Trustee of a written certificate executed by an Authorized Officer specifying the Termination Payment and the manner in which payment is to be made in respect thereof, the Trustee will transfer such amount to CalPERS as specified in such written certificate, the date of such payment by the Trustee being referred to in the Indenture as the "CalPERS Obligation Payment Date;" and (ii) within two Business Days following the CalPERS Obligation Payment Date the Trustee will transfer all remaining amounts in the CalPERS Obligation Fund (the "Excess Amount") to the Project Fund, with such Excess Amount to be allocated to and deposited in the Accounts within the Project Fund as described in the Indenture. Following the transfers referred to in the preceding sentence, the CalPERS Obligation Fund will be closed.

Amount in the CalPERS Obligation Fund will be invested as provided in the Indenture. Investment earnings on amounts in the CalPERS Obligation Fund will be retained in such fund to be used for the purposes of such fund.

Escrow Fund. The Indenture establishes a separate fund to be held by the Trustee to the credit of which a deposit will be made as required by the Indenture. There is also created within the Escrow Fund a separate Escrow Interest Account to be held by the Trustee, to the credit of which a deposit

will be made pursuant to the Indenture. Moneys in the Escrow Fund and the Escrow Interest Account will be held by the Trustee and, pending disbursement as provided in the Indenture, will be subject to a lien in favor of the Owners of the Escrow Term Bonds, and will be administered as provided in the Indenture. The provisions of the Escrow Fund can be found in the body of this Official Statement under the heading "SECURITY FOR THE BONDS—Escrow Fund.

Debt Service Fund. The Indenture establishes a trust fund to be known as the Debt Service Fund, and within the Debt Service Fund a Principal Account, an Interest Account, a Reserve Account, an Administrative Expense Account, a Redemption Account and a Surplus Account, each which will be held by the Trustee in trust under the Indenture. Pledged Tax Revenues received by the Trustee pursuant to the Irrevocable Instructions or otherwise will be deposited by the Trustee in the Debt Service Fund. The provisions of the Debt Service Fund can be found in the body of this Official Statement under the heading "SECURITY FOR THE BONDS—Flow of Funds Under the Indenture."

Deposit and Investment of Moneys in Funds

Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account, the Administrative Expense Account, the Redemption Account, the Surplus Account, the CalPERS Obligation Fund and the Costs of Issuance Fund will be invested by the Trustee in Permitted Investments as directed by the Administrator in the Written Request of the Administrator filed with the Trustee, except that moneys in the Reserve Account will not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Administrator, the Trustee will invest any such moneys in Permitted Investments described in clause (d) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out under the Indenture; provided, however, that any such investment will be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee will have received a Written Request of the Administrator specifying a specific money market fund and, if no such Written Request of the Administrator is so received, the Trustee will hold such moneys uninvested. The Trustee will invest moneys in the Escrow Fund and the Escrow Interest Account in Federal Securities. The Trustee will be entitled to rely conclusively upon the written instructions of the Administrator directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and will not be required to make further investigation with respect thereto.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee under the Indenture will be retained in the respective fund or account from which the investment was made. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee will incur no liability for losses arising from any investments made at the direction of the Authority or otherwise made in accordance with the applicable provisions of the Indenture. For investment purposes only, the Trustee may commingle the funds and accounts established by the Indenture, but will account for each separately.

All moneys held by the Trustee will be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee will not be liable to pay interest on any moneys received by it, but will be liable only to account for earnings derived from funds that have been invested. Investments of funds on deposit in the Reserve Account will be valued on August 1 of each year at their market value.

Other Covenants of the Authority and the Administrator

Punctual Payment. The Administrator, on behalf of the Authority, will punctually pay or cause to be paid the principal and interest to become due on the Bonds together with any premium thereon, if applicable, in strict conformity with the terms of the Bonds and of the Indenture, solely

from the Pledged Tax Revenues and other amounts pledged to such payments under the Indenture. The Authority will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture, all Supplemental Indentures and the Bonds.

Limitation on Additional Indebtedness; Against Encumbrances. The Authority covenants that, so long as the Bonds are Outstanding, the Authority will not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues. Neither the Authority nor the Administrator will encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds.

Extension of Payment. Neither the Authority nor the Administrator will directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest will be extended or funded, whether or not with the consent of the Authority or the Administrator, such Bond or claim for interest so extended or funded will not be entitled, in case of default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which will not have been so extended or funded.

Enforcement of Irrevocable Instructions. The Administrator, on behalf of the Authority, covenants to take such actions within its power as may be reasonable and necessary to compel the County Auditor-Controller to comply with the direction set forth in the Irrevocable Instructions to transfer to the Trustee for deposit in the Debt Service Fund, all of the Pledged Tax Revenues in the amounts and at the times provided in the California Health and Safety Code and other applicable law.

Payment of Claims. The Administrator, on behalf of the Authority, will promptly pay and discharge from funds in the Administrative Expense Fund, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Pledged Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing contained in the Indenture will require the Administrator to make any such payment so long as the Administrator in good faith will contest the validity of said claims or if there are not sufficient funds in the Administrative Expense Fund to make such payment.

Books and Accounts; Financial Statements. The Administrator, on behalf of the Authority, will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Administrator, in which complete and correct entries will be made of all transactions relating to the Pledged Tax Revenues and the Administrative Expense Fund. Such books of record and accounts will at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

Protection of Security and Rights of Owners. The Administrator, on behalf of the Authority, will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to the Bonds, the Bonds will be incontestable by the Authority or the Administrator.

Maintenance of Pledged Tax Revenues. The Authority (prior to the Dissolution Date) and the Administrator on behalf of the Authority (after the Dissolution Date) will comply with all requirements of the California Health and Safety Code to ensure the allocation and payment to the Trustee of the Pledged Tax Revenues pursuant to the Irrevocable Instructions or otherwise. The Authority will not undertake proceedings for amendment of the Reuse Plan or the Authority's transition plan if such amendment will result in a reduction in the amount of Pledged Tax Revenues available to pay the Bonds.

Continuing Disclosure. The Administrator covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Administrator to comply with the Continuing Disclosure Certificate will not be considered an Event of Default; however, any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Further Assurances. The Authority and the Administrator, as applicable, will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in the Indenture.

The Trustee

Duties, Immunities and Liabilities of Trustee. The Trustee will, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Indenture and no implied covenants, duties or obligations will be read into the Indenture against the Trustee. The Trustee will, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Administrator may remove the Trustee at any time, and will remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Administrator has knowledge that the Trustee will cease to be eligible in accordance with subsection (f) of this Section, or will become incapable of acting, or will be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property will be appointed, or any public officer will take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal will be accomplished by the giving of written notice of such removal by the Administrator to the Trustee, whereupon the Administrator will appoint a successor Trustee by an instrument in writing.

The Trustee may at any time resign by giving written notice of such resignation to the Administrator and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Administrator will promptly appoint a successor Trustee by an instrument in writing, with notice of such appointment to be furnished to any Insurer.

Any removal or resignation of the Trustee and appointment of a successor Trustee will become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee will have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Administrator for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture will signify its acceptance of such appointment by executing, acknowledging and delivering to the Administrator and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, will become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Indenture; but, nevertheless at the Written Request of the Administrator or the request of the successor

Trustee, such predecessor Trustee will execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and will pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions in the Indenture set forth. Upon request of the successor Trustee, the Administrator will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Administrator will cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts under the Indenture to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

If an Event of Default under the Indenture occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided under the Indenture, then the Trustee will immediately give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default will have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure to make any payment on the Bonds when due, the Trustee will, within thirty (30) days of the Trustee's knowledge thereof, give such notice to the Bondowners, provided that the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

The Authority and the Administrator agree that, so long as any Bonds are Outstanding, the Trustee will be a financial institution having a corporate trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company will have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee will cease to be eligible in accordance with the provisions of this subsection (f), the Trustee will resign immediately in the manner and with the effect specified in this Section.

Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it will be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company will be eligible under the applicable provision of the Indenture, will be the successor to such Trustee without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

Liability of Trustee. The recitals of facts in the Indenture and in the Bonds contained will be taken as statements of the Authority and the Trustee will not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of the Indenture or of the security for the Bonds nor will incur any responsibility in respect thereof, other than as expressly stated in the Indenture. The Trustee will, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee will not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct. The Trustee will not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee will represent the Owners of a majority in principal amount of the Bonds then Outstanding.

The Trustee will not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

The Trustee will not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture, except for actions arising from the negligence or misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in the Indenture, such right will not be construed as a mandatory duty.

The Trustee will not be deemed to have knowledge of any Event of Default under the Indenture unless and until a responsible officer will have actual knowledge thereof, or will have received written notice thereof from the Administrator at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under the Indenture. Except as otherwise expressly provided in the Indenture, the Trustee will not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements in the Indenture or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee will not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Administrator's certificates to establish the Administrator's compliance with its financial covenants under the Indenture, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Debt Service Fund.

The Trustee will have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds or with respect to the observance or performance by the Authority or the Administrator of the other conditions, covenants and terms contained in the Indenture.

No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers. The Trustee will be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Trustee may execute any of the trusts or powers under the Indenture or perform any duties under the Indenture either directly or by or through agents, attorneys or receivers and the Trustee will not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it under the Indenture.

The Trustee will have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Before taking any action at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee will have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the Administrator elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such

instructions will be deemed controlling. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority or the Administrator, as applicable, agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Trustee will not be liable to the parties to the Indenture or deemed in breach or default under the Indenture if and to the extent its performance under the Indenture is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure will include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Trustee will not be responsible for or accountable to anyone for the subsequent use or application of any moneys which will be released or withdrawn in accordance with the provisions thereof.

Right to Rely on Documents and Opinions. The Trustee will have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and will not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Authority, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by the Trustee under the Indenture in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee will deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be in the Indenture specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Authority or a Written Certificate of the Administrator, which will be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture in reliance upon such written certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Fiscal Consultant appointed by the Administrator.

Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture will be retained in its possession and will be subject at all reasonable times upon reasonable notice to the inspection of and copying by the Administrator and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Compensation and Indemnification. The Administrator will pay to the Trustee from time to time, solely from amounts in the Administrative Expense Account, reasonable compensation for all services rendered under the Indenture in accordance with the letter proposal from the Trustee approved by the Authority and/or the Administrator, as applicable, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant

with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under the Indenture. The Trustee will have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee under the Indenture, subordinate to the lien of the Bondowners thereon, to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Administrator further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities including legal fees and expenses which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties under the Indenture, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Administrator and the rights of the Trustee under this Section 6.06 will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

The Trustee's compensation under the Indenture will constitute an Administrative Expense.

Accounting Records and Financial Statements. The Trustee will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries will be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to the Indenture. Such books of record and account maintained by the Trustee will be available for inspection by the Administrator upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee will furnish to the Administrator, on at least a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to the Indenture.

Other Transactions with Administrator. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Administrator.

Modification and Amendment

The Indenture and the rights and obligations of the Authority, the Administrator, the Trustee and of the Owners may be modified or amended at any time by a Supplemental Indenture which will become binding upon adoption without the consent of any Owners to the extent permitted by law, but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority, or of the Administrator for itself or on behalf of the Authority, in the Indenture contained, other covenants and agreements thereafter to be observed, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers in the Indenture reserved to or conferred upon the Authority or the Administrator; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in any other respect whatsoever as the Administrator may deem necessary or desirable, provided under any circumstances that such modifications or amendments will not, in the reasonable determination of the Administrator, materially adversely affect the interests of the Owners; or

(c) to comply with additional requirements of a provider of a Qualified Reserve Account Credit Instrument; provided that such amendment does not have an adverse impact on the Insurer's rights under the Indenture or the availability of Pledged Tax Revenues for the Bonds.

Except as set forth in the preceding paragraph, the Indenture and the rights and obligations of the Authority, or of the Administrator for itself or on behalf of the Authority, and of the Owners may be modified or amended at any time by a Supplemental Indenture which will become binding when the prior written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment will (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority, or of the Administrator on behalf of the Authority, to pay the principal and interest at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event will any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event will any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties to the Indenture or thereto and all Owners, as the case may be, will thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification thereof pursuant to this Article VII, the Administrator may determine that any or all of the Bonds will bear a notation, by endorsement in form approved by the Administrator, as to such amendment or modification and in that case upon demand of the Administrator the Owners of such Bonds will present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action will be made on such Bonds. In lieu of such notation, the Administrator may determine that new Bonds will be prepared at the expense of the Administrator and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Administrator, the Owners of the Bonds will present such Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

Amendment by Mutual Consent. The Indenture does not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond and, provided further that written consent to such amendment will first be obtained from any Insurer.

Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee will be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under the Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under the Indenture and does not adversely affect the exclusion of interest on the Bonds issued as tax-exempt bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

Copy of Supplemental Indenture to S&P. The Trustee will provide to S&P, for so long as S&P maintains a rating on any of the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date..

Events of Default and Remedies

The following events will constitute Events of Default under the Indenture:

(a) if default will be made in the due and punctual payment of the principal of or interest on any Bond when and as the same will become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default will be made by the Authority or the Administrator in the observance of any of the covenants, agreements or conditions on its respective part in the Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default will have continued for a period of thirty (30) days following receipt by the Authority and the Administrator (prior to the Dissolution Date), or to the Administrator (from and after the Dissolution Date) of written notice from the Trustee or written notice from any Owner (with a copy of said notice delivered to the Trustee) of the occurrence of such default, provided that if in the reasonable opinion of the Administrator the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the Administrator within such thirty (30) day period and the Administrator thereafter diligently and in good faith cures such failure in a reasonable period of time; or

(c) If the Authority or the Administrator files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the Administrator seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the Authority or the Administrator, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Authority or the Administrator or of the whole or any substantial part of its respective property.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee will give notice of such Event of Default to the Authority and the Administrator (if prior to the Dissolution Date) or the Administrator (from and after the Dissolution Date) confirmed in writing. With respect to any Event of Default described in subsections (a) or (c) above the Trustee will, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail.

If an Event of Default has occurred under the Indenture and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee will, subject to applicable provision of the Indenture, exercise any remedies available to the Trustee and the Bondowners in law or at equity, including mandamus.

Any Bondowner will have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) mandamus, suit, action or proceeding, to compel the Authority, prior to the Dissolution Date, and the Administrator, from and after the Dissolution Date, and their respective officers, agents or employees to perform each of their respective covenants and agreements contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements and the fulfillment of the respective duties specifically imposed upon them under the Indenture;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights; or

(c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the Authority, prior to the Dissolution Date, and the Administrator, from and after the Dissolution Date, and their respective employees to account as if they were the trustees of an express trust with regard to any of the Pledged Tax Revenues or any funds held in any of the funds and accounts under the Indenture.

Application of Funds Upon Default. So long as an Event of Default has occurred and is continuing, all amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of the Indenture (including any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee under the Indenture, and all sums thereafter received by the Trustee under the Indenture, will be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in the Indenture, including reasonable compensation to its agents, advisors, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest will have been collected), and in case such moneys will be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest.

Third, to the Insurer, any then unpaid Policy Costs or other amounts owed to the Insurer.

Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, will have taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Indenture, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it will have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee will not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds under the Indenture opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Limitation on Owner's Right to Sue. No Owner of any Bond issued under the Indenture will have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such Owner will have previously given to the Authority and the Administrator (prior to the Dissolution Date) or the Administrator (from and after the Dissolution Date), and the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding will have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners will have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in

compliance with such request; and (d) the Trustee will have refused or omitted to comply with such request for a period of sixty (60) days after such written request will have been received by, and said tender of indemnity will have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Indenture; it being understood and intended that no one or more Owners will have any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner in the Indenture provided, and that all proceedings at law or in equity to enforce any provision of the Indenture will be instituted, had and maintained in the manner in the Indenture provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as in the Indenture provided, will not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of the Indenture.

Non-Waiver. Nothing in the Indenture or in the Bonds will affect or impair the obligation of the Authority, and the Administrator on behalf of the Authority, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged under the Indenture, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as in the Indenture provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee will not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Marks-Roos Act or by the Indenture may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy will be abandoned or determined adversely to the Owners or the Trustee, the Authority, the Administrator, the Trustee and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Remedies Not Exclusive. No remedy in the Indenture conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given under the Indenture or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Marks-Roos Act or any other law.

Determination of Percentage of Bondowners. Whenever in the Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

The Administrator

Duties, Immunities and Liabilities of Administrator. The Administrator is entering into the Indenture solely as an accommodation to the Authority, the Trustee and the Bondowners in light of

the dissolution of the Authority on the Dissolution Date. To that end, the Administrator will be obligated to perform such duties and only such duties as are specifically set forth in the Indenture to be performed by it and no implied covenants, duties or obligations will be read into the Indenture against the Administrator. Where the Administrator is given the permissive right to do things enumerated in the Indenture, such right will not be construed as a mandatory duty.

Liability of Administrator. The Administrator will have no obligation to use any of its own funds (i) to make payments on the Bonds or to the Trustee in respect thereof, or (ii) to pay any costs or expenses of the Trustee, except from amounts in the Administrative Expense Account. The recitals of facts in the Indenture and in the Bonds contained will be taken as statements of the Authority, and the Administrator will not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of the Indenture or of the security for the Bonds nor will incur any responsibility in respect thereof. The Administrator will not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or misconduct.

The Administrator will not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture, except for actions arising from the negligence or misconduct of the Administrator.

The Administrator will not be deemed to have knowledge of any Event of Default under the Indenture unless and until it will have received written notice thereof from the Trustee or an owner of the Bonds. In the absence of such actual knowledge or notice, the Administrator may conclusively assume that no Event of Default has occurred and is continuing under the Indenture. Except as otherwise expressly provided in the Indenture, the Administrator will not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements in the Indenture or of any of the documents executed in connection with the Bonds, or as to the existence of any default thereunder.

No provision of the Indenture will require the Administrator to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, if amounts in the Administrative Expense Account are not available for that purpose. Nonetheless, the Administrator will be entitled to interest on any amounts voluntarily advanced by it from its own funds at the maximum rate permitted by law.

The Administrator will have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

The Administrator will not be liable to the parties to the Indenture or deemed in breach or default under the Indenture if and to the extent its performance under the Indenture is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Administrator and could not have been avoided by exercising due care. Force majeure will include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Administrator will not be responsible for or accountable to anyone for the subsequent use or application of any moneys which are transferred to Local Agencies in accordance with the provisions of the Indenture.

Discharge of Indenture

If the Administrator will cause to be paid from the Pledged Tax Revenues or amounts in the funds and accounts created under the Indenture and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, or an escrow agent, in an irrevocable escrow, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to the Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal and interest, or;

(c) by irrevocably depositing with the Trustee, in trust, or an escrow agent, in an irrevocable escrow, Defeasance Obligations in such amount as an Independent Accountant will determine will, together with such other money as may be deposited with the Trustee plus the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion thereof (including all principal and interest) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption will have been given pursuant to the applicable provision of the Indenture or provision satisfactory to the Trustee will have been made for the giving of such notice, then, at the election of the Administrator, and notwithstanding that any Bonds will not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in the Indenture and all other obligations of the Trustee, the Authority and the Administrator under the Indenture will cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the obligation of the Trustee to transfer and exchange Bonds under the Indenture, (B) the obligations of the Administrator under the Indenture, and (C) the obligation of the Administrator to pay or cause to be paid to the Owners from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Administrator will, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee will be authorized to take such actions and execute and deliver to the Administrator all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Administrator has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee will be paid over to the Administrator and applied by the Administrator consistent with the Fort Ord Reuse Authority Act and the Marks-Roos Act, as applicable.

Municipal Bond Insurance Provisions

Notwithstanding anything to the contrary set forth in the Indenture, the insurance provisions described below shall govern and such provisions shall not be amended without the prior written consent of the Insurer.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any Qualified Reserve Account Credit Facility, other than the Reserve Policy, provided in lieu of a cash deposit into the Reserve Account.

(b) The Insurer shall be deemed to be the sole owner of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the owners of the Insured Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured Bond, the Trustee and each Insured Bondowner appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the

continuation of any proceeding by or against the Administrator under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Insured Bondowner delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Insured Bondowner in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Insured Bondowners shall expressly include mandamus.

(c) The maturity of the Insured Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Insured Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Administrator) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Insured Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer is included as a third-party beneficiary to the Indenture.

(f) The exercise of any provision of the Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Insured Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, the Indenture that requires the consent of Insured Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(h) The rights granted to the Insurer under the Indenture to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Insured Bondowners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Insured Bondowners or any other person is required in addition to the consent of the Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Insured Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Insured Bonds, the Administrator shall cause to be delivered to the Insurer (i) a report of an independent firm of nationally recognized certified public accountants

or such other accountant as shall be acceptable to the Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Insured Bonds are no longer “Outstanding” under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Administrator, the Trustee and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Insured Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Administrator, on behalf of the Authority, in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(k) Each of the Administrator and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Pledged Tax Revenues under the Indenture under applicable law.

(l) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date with respect to the Insured Bonds (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Trustee”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Trustee (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer’s Trustee by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Insured Bondowners, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Administrator on any Insured Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (described below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Insured Bondowners referred to in the Indenture as

the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Insured Bondowners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Insured Bondowners in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the Indenture regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Administrator agrees to pay to the Insurer, solely from Pledged Tax Revenues, (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). The Administrator, on behalf of the Authority, covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Tax Revenues and payable from the Pledged Tax Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Insured Bond payment date shall promptly be remitted to the Insurer.

(m) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority, or the Administrator, on behalf of the Authority, to the Insurer under the Indenture shall survive discharge or termination of the Indenture.

(n) The Administrator, on behalf of the Authority, shall pay or reimburse the Insurer, solely from Pledged Tax Revenues, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Indenture; (ii) the pursuit of any remedies under the Indenture or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture.

(o) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Administrator or rebate only after the payment of past due and current debt service on the Insured Bonds and amounts required to restore the Reserve Account to the Reserve Requirement (subject to the provisions of the Indenture).

(p) The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Administrator (as such terms are defined in the Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(q) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Insured Bonds or the rights of the Insured Bondowners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(r) No contract shall be entered into or any action taken by the Authority, the Administrator or the Trustee by which the rights of the Insurer or security for or sources of payment of the Insured Bonds or Policy Costs may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

June __, 2020

Fort Ord Reuse Authority
920 2nd Avenue, Suite A
Marina, California 93933

OPINION: \$_____ Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020
(Federally Taxable)

Members of the Authority:

We have acted as bond counsel in connection with the issuance by the Fort Ord Reuse Authority (the "Authority"), of its \$_____ Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the "2020A Bonds"), pursuant to the provisions of Section 67679(d)(9) of the California Government Code (the "Law"), Resolution No. 19-13 adopted by the Board of Directors of the Authority on December 13, 2019, and an Indenture of Trust, dated as of June 1, 2020 (the "Indenture"), by and among the Authority, the City of Marina, California, as administrator, and U.S. Bank National Association, as trustee.

In connection with this opinion, we have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Authority is a public corporation of the State of California, duly created and validly existing, with the power to enter into the Indenture, perform the agreements on its part contained therein and issue the Bonds.
2. The Indenture has been duly approved by the Authority and constitutes a valid and binding obligation of the Authority enforceable upon the Authority in accordance with its terms.
3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds.
4. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Indenture.
5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the Authority and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company (“DTC”), New York, New York, and DTC’s book-entry system has been obtained from DTC and the Authority takes no responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Government Code, a “banking organization” within the meaning of the New York Banking Government Code, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates

representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate"), dated as of June 1, 2020, is executed and delivered by the FORT ORD REUSE AUTHORITY (the "Authority") and the CITY OF MARINA, CALIFORNIA, in its capacity as Administrator under the Indenture defined below (the "Administrator"), in connection with the issuance of \$_____ Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2020 (the "Indenture"), by and among the Authority, the Administrator, and U.S. Bank National Association, as trustee (the "Trustee"). The Authority and the Administrator covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"Annual Report" shall mean any Annual Report provided by the Administrator pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean Applied Best Practices, LLC, or any successor Dissemination Agent designated in writing by the Administrator and which has filed with the Administrator a written acceptance of such designation. In the absence of such a designation, the Administrator shall act as the Dissemination Agent.

"EMMA" or *"Electronic Municipal Market Access"* means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Official Statement" means the Official Statement with respect to the Bonds, dated June __, 2020.

"Participating Underwriter" shall mean, collectively, the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Significant Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority and the Administrator for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Administrator shall, or shall cause the Dissemination Agent to, not later than the April 1 occurring after the end of each fiscal year of the Administrator (which currently ends on June 30), commencing with the report due not later than April 1, 2021, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) *Change of Fiscal Year.* If the Administrator's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Administrator shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Authority. If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file event shall have occurred and the Authority irrevocably directs the Dissemination Agent in a timely manner to send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) *Report of Non-Compliance.* If the Administrator is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Administrator shall send, in a timely manner, a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Administrator is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send, in a timely manner, a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Administrator, file a report with the Administrator certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. (a) *Annual Reports.* The Annual Report shall contain or incorporate by reference the following:

- (1) Outstanding Bond principal.
- (2) Ten Largest Property Taxpayers for each Project Area (substantially in the form of Tables 4 and 9 in the Official Statement) for the then current fiscal year.

- (3) Historical Taxable Values and Annual Percentage Increase or Decrease for each Project Area (substantially in the form of Tables 3 and 8 in the Official Statement) including the then current fiscal year, and Tax Increment Revenue Received by the Authority (substantially in the form of Table 11 in the Official Statement) including for the then current fiscal year.
- (4) Projection of Pledged Tax Revenues and Debt Service Coverage for the Bonds (excluding any debt service attributable to any Deemed Escrow Bonds) in a format similar to Table 12 in the Official Statement for the current fiscal year, but with no requirement to project future years' values.
- (5) The amount of the Reserve Requirement for the Bonds as of the end of such fiscal year, the amount applicable to be drawn on the Reserve Policy and the amount of any funds on deposit as of such date in the Reserve Account of the Debt Service Fund.
- (6) Until, but including, the Annual Report that follows the Escrow Termination Date, the amount of any funds released from the Escrow Fund pursuant to Section 3.06 of the Indenture since the date of the last Annual Report, the amount of the Deemed Escrow Term Bonds and the amount in the Escrow Interest Account as of the date of such Annual Report, and the amount of any Escrow Term Bonds, if any, redeemed with amounts transferred from the Escrow Fund.
- (7) Until, but including, the Annual Report following the closing of the CalPERS Obligation Fund pursuant to Section 3.05 of the Indenture, the amount of the Termination Payment and the excess amount, if any, released from the CalPERS Obligation Fund under Section 3.05 of the Indenture.

(b) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which are available to the public on EMMA. The Authority shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(c) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (a) of this Section 4, the Administrator shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) The Administrator shall, or shall cause the Dissemination Agent (if not the Administrator) to, give timely notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Authority, the Administrator or other obligated person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Authority, the Administrator or an obligated person, or the sale of all or substantially all of the assets of the Authority, the Administrator or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a financial obligation of the Authority or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority or other obligated person, any of which affect security holders, if material; or
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority or other obligated person, any of which reflect financial difficulties.

(b) Whenever the Administrator obtains knowledge of the occurrence of a Significant Event, the Administrator shall, or shall cause the Dissemination Agent (if not the Administrator) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

(c) The Administrator acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a)(xv) of this Section 5 contain the qualifier "if material." The Administrator shall cause a notice to be filed as set forth

in paragraph (b) above with respect to any such event only to the extent that the Administrator determines the event's occurrence is material for purposes of U.S. federal securities law. The Administrator intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018), or any further guidance or releases provided by Securities and Exchange Commission.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority or the Administrator in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the Administrator, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority, or the Administrator, as applicable.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Administrator's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Administrator shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent*. The Administrator has initially appointed Applied Best Practices, LLC as the Dissemination Agent. The Administrator may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Administrator, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Administrator pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Administrator. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Administrator shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Administrator.

(b) *Compensation of Dissemination Agent*. The Dissemination Agent shall be paid compensation by the Administrator for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Administrator from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Administrator, owners or Beneficial

Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Administrator or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Administrator. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Administrator may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Administrator that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Administrator shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Administrator.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Administrator from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Administrator chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Administrator shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Administrator to comply with any provision of this Disclosure Certificate, any Bond owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Administrator to comply with their obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Administrator to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the Administrator agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, but solely from amounts in the Administrative Expense Account established under the Indenture. The obligations of the Administrator under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

FORT ORD REUSE AUTHORITY

By: _____
Executive Officer

CITY OF MARINA, CALIFORNIA

By: _____
City Manager

ACKNOWLEDGED and AGREED:

APPLIED BEST PRACTICES, LLC,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Fort Ord Reuse Authority
Names of Issue: Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable)
Date of Issuance: June __, 2020

NOTICE IS HEREBY GIVEN that the City of Marina, California, in its capacity as Administrator thereunder (the "Administrator"), has not provided, on behalf of the Obligor, an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated the Date of Issuance, furnished by the Obligor and the Administrator in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

Applied Best Practices, LLC, as
Dissemination Agent

By _____
Authorized Officer

APPENDIX E
FISCAL CONSULTANT'S REPORT

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The Economics of Land Use



Fiscal Consultant Report for 2020 Fort Ord Reuse Authority Bond Issuance

Prepared for:

Fort Ord Reuse Authority

Prepared by:

Economic & Planning Systems, Inc. (EPS)

May 2020

*Economic & Planning Systems, Inc.
400 Capitol Mall, 28th Floor
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

EPS #192102

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Appendix A: Detailed FCR Tables—Scenarios 1 and 2

1. INTRODUCTION

Introduction

Economic & Planning Systems, Inc. (EPS) has been retained as Fiscal Consultant to the Fort Ord Reuse Authority (FORA) to prepare a review of assessed values and a projection of revenues available for payment of debt service on the FORA proposed Tax Allocation Bonds, Series 2020 (Bonds). FORA is proposing to issue the Bonds to finance building removal projects on the former Fort Ord military base.

The bond issuance would be secured by a pledge of property tax revenues received by FORA, in accordance with the formula set forth in statute and the County of Monterey's (County) interpretation of those relevant statutes related to the apportionment of property tax revenues within the FORA jurisdiction. This Fiscal Consultant Report (FCR) provides in-depth information regarding the property tax revenues to be used to support repayment of the bonds.

Fort Ord Reuse Authority

The former Fort Ord military base is located on the California coastline near the Monterey Peninsula consisting of 45 square miles and 28,000 acres. The Fort Ord military base was officially closed pursuant to the federal Defense Base Closure and Realignment Act of 1990 (Federal Base Closure Act). In accordance with the Federal Base Closure Act and related Department of Defense regulations, the California Legislature adopted special legislation to create the Fort Ord Reuse Authority (FORA) to oversee the planning and reuse of Fort Ord.

California Government Code Sections 67650 et seq. (FORA Act) therefore established FORA for the purpose of facilitating the transfer and reuse of the former Fort Ord and to oversee the Monterey Bay area's economic recovery resulting from the closure. FORA implements this legislatively mandated mission by overseeing replacement land use; assuring compliance with adopted measures; removing physical barriers to reuse; financing and constructing major components of the required infrastructure and basewide demands; and protecting identified environmental reserves.

FORA is governed by a 13-member board comprising voting members from the County of Monterey as well as the Cities of Del Rey Oaks, Marina, Monterey, Seaside, Sand City, Salinas, Pacific Grove, and Carmel-by-the-Sea. In 1997, the FORA Board adopted the Fort Ord Reuse Plan pursuant to the provisions of the FORA Act to guide the development of the Former Fort Ord. The Base Reuse Plan establishes planning and development parameters for each land use jurisdiction with responsibility for controlling development on the former Fort Ord. Land use jurisdictions responsible for implementing the reuse of former Fort Ord property in accordance with the Base Reuse Plan include the following entities:

- City of Marina
- City of Seaside
- City of Del Rey Oaks
- City of Monterey
- County of Monterey

- University of California
- California State University
- California Department of Parks and Recreation

Each land use jurisdiction approving development within the former Fort Ord is required to adopt General Plan Elements or Master Plans consistent with the Reuse Plan and is subject to other specific statutory provisions related to the reuse of property within the former Fort Ord.

As further specified in the FORA act, FORA will sunset on June 30, 2020. In preparation for the June 30, 2020 dissolution date, in December 2018, the FORA Board approved a transition plan that assigned all FORA assets and liabilities, designated responsible successor agencies and provided a schedule of remaining obligations. The transition plan was submitted to the Monterey County Local Agency Formation Commission, who is responsible for ensuring the orderly dissolution of FORA, including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by FORA are honored and properly administered, and that all assets of FORA are appropriately transferred.

FORA Redevelopment Project Areas

The following two redevelopment project areas are located on the former Fort Ord and will generate property tax increment that FORA plans to use to secure the Bonds:

- Seaside-Fort Ord (Seaside)
- Marina Project Area #3

These redevelopment project areas are further described in **Chapter 2** of this report. There are three additional redevelopment project areas (County East Garrison, County Fort Ord and Marina Airport) located on the former Fort Ord that will not be involved securing the bond issuance or paying bond debt.

Special provisions of the Community Redevelopment Law (CRL) govern the establishment and operation of all redevelopment project areas on the former Fort Ord. In particular, Health and Safety Code (HSC) Section 33492.71 sets forth specific provisions related to the distribution of tax increment revenues generated by redevelopment project areas established within the FORA boundary. In accordance with those provisions, which will be detailed further later in this Report, net tax increment received by a former Redevelopment Agency (RDA) (now Successor Agency) with a redevelopment project area on the former Fort Ord (after consideration of various pass-through and set-aside requirements) is distributed to the following entities:

- FORA
- County of Monterey
- Former RDA (now Successor Agency)
- All Other Affected Taxing Entities (ATEs)

Upon FORA's sunset, HSC Section 33492.71 specifies that FORA may still receive tax increment needed to repay debt incurred by FORA. The remaining tax increment that would have been distributed to FORA is then redistributed to the County, Redevelopment/Successor Agency and all other affected taxing entities.

Redevelopment Dissolution Act

By order of the California State Supreme Court in a decision issued December 29, 2011 (California Redevelopment Association et al. v. Ana Matosantos), all redevelopment agencies in the State of California were dissolved, effective February 1, 2012, pursuant to the provisions of AB 26, as substantively amended by AB 1484 and other related legislation (collectively referred to as the RDA Dissolution Act).

The obligations of former RDAs were assumed by RDA Successor Agencies charged with winding down the affairs of the RDA and making payments on any remaining enforceable obligations, as defined in the RDA Dissolution Act.

Under the RDA Dissolution Act, tax increment revenues are no longer distributed to the RDA (or the Successor Agency). Instead, all revenues are deemed property tax revenues and are deposited by the County Auditor-Controller into a Real Property Tax Trust Fund (RPTTF), established for each Successor Agency. The County Auditor Controller is responsible for determining the amounts that would have been allocated to each RDA had the RDA not been dissolved. Those funds are then used to fund various implementation and administrative fees, pass-through payments, and recognized obligations as specified on the Recognized Obligation Payment Schedule (ROPS). Any remaining RPTTF balance is distributed to other ATEs.

The Monterey County Auditor Controller's office provided information regarding the impact of RDA dissolution and the distribution of property tax revenues for redevelopment project areas on the former Fort Ord. The special CRL provisions that govern the establishment and operation of redevelopment project areas on the former Fort Ord remain in place so long as these redevelopment project areas are in effect. Property tax revenues are deposited into the RPTTF and then distributed to the County, FORA, the former RDA and the ATEs in accordance with HSC 33492.71. Property tax revenues that would have been received by the RDA are now apportioned to the Successor Agency. Once all obligations of the former RDA /Successor Agency are met, the redevelopment project area will terminate in accordance with the provisions of the CRL and RDA Dissolution act.

For each redevelopment project area, EPS compiled detailed information obtained from FORA, the cities of Marina and Seaside, the County, the Redevelopment Plans, the County Auditor-Controller, the County Tax Assessor, and Bond Issuance Official Statements for use in this report. This information includes: the years in which property tax increment can be generated, the base years for use in the calculation of property tax increment and educational pass-through payments, base years assessed valuation, and limits on tax increment revenue for each redevelopment project area.

Revenue Pledged for Payment of the Bonds

FORA receives a portion of the tax increment revenue generated within each redevelopment area established within the FORA boundary. The RDA Dissolution Act and HSC Section 33492.71 legislate the distribution of the annual tax increment to various entities for redevelopment project areas on the former Fort Ord. The portion that is distributed to FORA from the Seaside-Fort Ord and Marina

Project Area #3 areas will be pledged for payment of the Bonds. The legislated distribution is summarized below and detailed in **Chapter 5**:

1. 20 percent set-aside of the tax increment is deposited into the Low and Medium Income Housing Fund (LMIHF). Note that because the LMIHF no longer exists, the 20 percent set-aside is ultimately distributed to the relevant Successor Agency.
2. From the remaining tax increment, pass-through payments are made to local school and community college districts.
3. The remaining tax increment after accounting for the distributions in steps 1 and 2 is distributed as follows:
 - Monterey County: 25 percent
 - Other Entities: 5 percent
 - Relevant Successor Agency: 35 percent
 - FORA: 35 percent

FORA's 35 percent of the remaining tax increment will be pledged for payment of the Bonds.

Purpose of Report

This FCR has been prepared to estimate the annual tax revenue for each redevelopment project area that will be available for debt service payment of the Bonds from the 2019-2020 fiscal year through the 2037-38 fiscal year, the last year in which tax increment is likely to be available for any of the redevelopment project areas. Tax revenue projections reflect reported fiscal year 2019-2020 assessed values and City and County records regarding transfers of ownership and new construction in 2019 and 2020, as well as current construction in progress. In addition, for each redevelopment project area this FCR contains information about the plan limits, historic assessed value trends, current year assessed value distribution by land use type, current year largest taxpayers, possible impacts on assessed value from outstanding assessment appeals, and historic tax collections.

The value and revenue estimates contained in this report are based on information and data that we believe to be reasonable and accurate. Information provided by representatives of Monterey County informed our understanding of assessment practices and procedures, but may be subject to administrative process changes. Estimates of revenues presented herein are based on a series of assumptions that are subject to a degree of uncertainty and variation. Every attempt was made to ensure that all assumptions contained herein are conservative and based on reliable information provided by FORA, the County, the FORA land use jurisdictions, and the Redevelopment Successor Agencies to the former RDAs.

Report Layout

The remainder of this report is organized into the following chapters and appendix.

Chapter 2 provides a description of the redevelopment project areas.

Chapter 3 details the historical, current, and projected assessed valuations for each redevelopment project area.

Chapter 4 details the property tax levies, collections, and potential adjustments for each redevelopment project area.

Chapter 5 describes the property tax allocation and disbursement methodology and details the FORA portion of tax revenue available for bond debt service from each redevelopment project area.

Appendix A contains the detailed tables developed for this analysis.

2. PROJECT AREAS

Introduction

As discussed in **Chapter 1**, the following two redevelopment project areas are located on the former Fort Ord and will generate FORA property tax increment that will be pledged to the Bonds:

- Seaside-Fort Ord (Seaside)
- Marina Project Area #3

For each redevelopment project area, this chapter provides the following information:

- Redevelopment Plan Limits
- Base Years and Assessed Base Year Assessed Values

The Redevelopment Plan limits include the years during which property tax increment can be generated and the maximum property tax increment. The base years are used in the calculation of property tax increment and educational pass-through payments. This Redevelopment Plan limits and base year information is further described below.

Redevelopment Plan Limits

Time and revenue limits on the allocation of tax increment specified in the respective redevelopment plans remain in effect. The RDA Dissolution Act did not eliminate redevelopment plan limits applicable to redevelopment project areas on former military bases.

The property tax increment limits pertinent to payment of FORA bond debt therefore include the maximum allowable tax increment to be generated by the redevelopment project area, the anticipated Successor Agency termination date, and the anticipated date by which all enforceable obligations will be paid and the redevelopment project area terminated. After the redevelopment project area is terminated, FORA will no longer receive property tax increment from that project area.

Maximum Property Tax Increment

The maximum property tax increment for each redevelopment project area defines the limit on property tax increment during the redevelopment project area's existence. It is important to estimate how much tax increment has been generated to date and the likelihood that tax increment will be available during the remainder of the redevelopment project area's existence to support the bond issuance.

Anticipated Redevelopment Project Area Termination Date

The redevelopment project area will terminate upon the date specified in the Redevelopment Plan, or upon satisfaction of all enforceable obligations, whichever is earlier. For purposes of this analysis, the redevelopment project areas are generally assumed to terminate on the date by which all enforceable obligations are expected to be satisfied. After that date, the redevelopment project area will cease to exist and FORA will no longer receive property tax increment from that project area.

This date is important for determining the time period in which property tax increment will be available for payment of bond debt service.

Base Years and Base Year Assessed Values

The base year data is used to estimate the amount of property tax increment collected and distributed to FORA. The property tax increment distributed to FORA is the amount available to use for bond debt service. There are two types of base year values, redevelopment project area base year values and Tier 1, 2, and 3 base year values.

Redevelopment Project Area Base Year and Assessed Value

The redevelopment project area's base year is the year in which the base assessed value is established. The base year value is defined as the amount of the taxable assessed value within a redevelopment project area on the last equalized tax roll in the year before adoption of the project area's Redevelopment Plan. In each subsequent year, the taxable assessed value in excess of the base year value is referred to as the incremental taxable value. In each year in which property tax increment is collected (until the time when the redevelopment project area is dissolved), the tax increment is calculated as 1 percent of the incremental taxable value.

Tier 1, 2, and 3 pass-through Base Years and Assessed Values

Tier 1, 2, and 3 base years and base year assessed values are used to calculate the pass-through payments to school districts that occur before the property tax increment is distributed to FORA, the County, the Successor Agency, and other affected taxing entities (ATEs). This process is detailed in **Chapter 5**. The Tier 1 base value is the taxable assessed value in the redevelopment project area's base year, the Tier 2 base year value is the taxable value in the 10th year in which property tax increment is collected, and the Tier 3 base year value is the taxable value in the 30th year in which property tax increment is collected. The Tier 1 pass-through of property tax increment begins in the first year of property tax increment, the Tier 2 pass-through begins in the 11th year, and the Tier 3 pass-through begins in the 31st year. The Tier 1, 2, and 3 pass-through payments each last as long as the Successor Agency is in existence and property tax increment is generated.

Redevelopment Project Areas Summary

For each redevelopment project area, the table below summarizes the Redevelopment Plan limits and the base years and assessed values that are used in projecting tax increment to be pledged for debt service payment on the Bonds. The information in this table is obtained from the redevelopment plans and the County Auditor-Controller.

Item	Seaside- Fort Ord	Marina Project Area #3 [1]
Acres	3,937	1,805
Tax Increment Limits		
Redevelopment Plan Adoption Date	4/18/2002	11/2/1999
RDA Maximum Tax Increment	\$1,065,000,000	\$4,000,000,000
Time Limit on Receipt of Tax Increment (Fiscal Year) [2]	2048-49	2047-48
Estimated Last Fiscal Year of Tax Increment [3]	2032-33	2037-38
Tax Increment Base Fiscal Years and Assessed Values		
Base Year	1996-97	1999-00
Base Year Assessed Value	\$3,677,200	\$30,389
First Year of Tax Increment	2003-04	2000-01
Tier 2 Base Year	2013-14	2009-10
Tier 2 Base Year Assessed Value	\$287,885,735	\$14,059,736
Tier 3 Base Year	2033-34	2029-30

[1] Maximum tax increment is combined limit for Merged Project Areas, including Marina Project #3, Marina Airport, and Marina Project #1.

[2] Final year in which tax increment can be received based on Redevelopment Plans and Bond Official Statements.

[3] Anticipated year by which enforceable obligations will be paid.

Seaside-Fort Ord

Redevelopment Project Area

Seaside-Fort Ord was formed in 2002 by adoption of the Seaside-Fort Ord Redevelopment Project Redevelopment Plan by the City of Seaside Ordinance No. 901. Seaside-Fort Ord contains 3,937 acres located on the former Fort Ord.

Redevelopment Plan Limits

The Seaside-Fort Ord Redevelopment Plan specifies a tax increment limit of \$1.065 billion. Approximately \$47.0 million of property tax increment has been collected through the 2018-19 fiscal year. Seaside-Fort Ord's bond debt service payments for the 2014 Tax Allocation Refunding Bonds are scheduled to end in 2033. Consequently, it is likely that the Successor Agency will be in effect at least through that year. For the purposes of estimating available tax increment to use for FORA debt service, it is conservatively estimated that tax increment will be collected and distributed to FORA through fiscal year 2032-33 only.

To reach the \$1.065 billion tax increment limit, Seaside-Fort Ord would need to generate an additional \$1.02 billion by fiscal year 2032-33. In fiscal year 2018-19, approximately \$3.7 million of property tax increment was collected. To reach the \$1.065 billion limit, revenues would need to increase at a compounded rate of over 35 percent annually through fiscal year 2032-33. The annual

increase in property tax increment over the last 5 years has ranged between 2 and 7 percent. Development in Seaside-Fort Ord is expected to increase in the coming years, but it is unlikely that the \$1.065 billion limit will be reached by 2033. Consequently, FORA should be able to receive Seaside-Fort Ord tax increment through 2033.

Marina Redevelopment Project Area # 3

Redevelopment Project Area

Marina Project Area #3 was formed in 1999 by adoption of the Marina Redevelopment Project Area #3 Redevelopment Plan by the City of Marina. The Marina Project Area #3 consists of 1,805 acres located on the former Fort Ord.

The City of Marina contains three redevelopment areas, Marina Project Area #1 (located outside the boundaries of the former Fort Ord), Marina Airport, and Marina Project Area #3. Only FORA funds received from Marina Project Area #3 are pledged to the Bonds. Funds from Marina Project Area #1 and Marina Airport are not pledged for payment of the Bonds. However, the three Marina redevelopment project areas were fiscally merged in 2009 by the adoption of City of Marina Ordinances 2009-8, 2009-9, and 2009-10. The merged project areas have a combined tax increment limit, as discussed in the next section.

Redevelopment Plan Limits

The three Marina redevelopment project areas have a combined tax increment limit of \$4.0 billion. Approximately \$61.0 million of property tax increment has been collected for the Marina redevelopment project areas through the 2018-19 fiscal year. Marina Project Area #3's bond debt service payments for the 2018 Tax Allocation Bonds are scheduled to end in 2038. Consequently, it is likely that the redevelopment project area will be in effect at least through that year. For the purposes of estimating available tax increment to use for FORA debt service, it is conservatively estimated that tax increment will be collected and distributed to FORA through fiscal year 2037-38.

To reach the \$4.0 billion tax increment limit, the Marina redevelopment project areas would need to generate an additional \$3.94 billion by fiscal year 2037-38. In fiscal year 2018-19, approximately \$7.2 million of property tax increment was collected. Revenues would need to increase at a compounded rate of over 28 percent annually to reach the \$4.0 billion limit by fiscal year 2037-38. The increases in annual revenue that have occurred in recent years are expected to decline as the areas build out, and it is unlikely that the Marina redevelopment project areas will have collected the maximum \$4 billion in tax increment by 2038. Consequently, FORA should be able to receive Marina Project Area #3 tax increment through 2038.

3. ASSESSED VALUES

Introduction

Each year, the County Assessor prepares the assessed values for all County parcels. The County Auditor-Controller compiles the assessed values by tax rate areas (TRAs). For each redevelopment project area, the total assessed value is calculated as the sum of the assessed values by TRA across all TRAs in the redevelopment project area. The incremental assessed value for each redevelopment project area is the assessed value in excess of the base year assessed value and is used to calculate the Successor Agency property tax increment available for distribution.

The assessed value for each redevelopment project area consists of secured and unsecured assessed values. Secured assessed values are the assessed values of property that cannot be moved, such as land and buildings. Unsecured assessed values are the assessed values of property that is owned by someone different from the landowner and that is portable and can be moved. Examples are mobile homes, airplanes, boats, and business equipment.

Historical Assessed Values

Historical assessed values were compiled for the past 10 years for each redevelopment project area. These assessed values reflect taxable values, net of exemptions. The following table summarizes the historical assessed values. The assessed values shown are the sum of secured and unsecured assessed values, net of exemptions for property that is not taxable.

The average annual percentage change shown in the table represents a combination of the change in existing assessed values and the addition of assessed values for new development. In general, the assessed values have been steadily increasing over the last 10 years, with larger increases in Marina Project Area #3 where there has been substantial new development in recent years.

FY Ending	Historical Assessed Value		
	Seaside- Fort Ord	Marina Project Area #3	Total
2011	\$302,934,945	\$170,789,408	\$473,724,353
2012	\$294,394,842	\$182,721,891	\$477,116,733
2013	\$280,450,566	\$170,781,237	\$451,231,803
2014	\$287,885,735	\$192,058,493	\$479,944,228
2015	\$322,252,692	\$207,733,259	\$529,985,951
2016	\$334,904,616	\$219,196,478	\$554,101,094
2017	\$351,749,160	\$206,921,643	\$558,670,803
2018	\$359,926,813	\$345,425,281	\$705,352,094
2019	\$375,261,246	\$493,059,335	\$868,320,581
2020	\$386,019,142	\$625,882,044	\$1,011,901,186
Avg. Ann. Change	2.73%	15.52%	8.80%

Fiscal Year 2019-2020 Assessed Values by Land Use

For each redevelopment project area, the current fiscal year 2019-20 assessment roll reflects the assessed value as of January 1, 2019. The table below summarizes the 2019-2020 fiscal year assessed values by land use category for each redevelopment project area. Additional detail is provided in the tables at the end of this report. For Seaside-Fort Ord and Marina Project Area #3 combined, the residential property currently accounts for 75.5 percent and commercial property for 19.2 percent of the total assessed value, with institutional property accounting for less than 0.1 percent and unsecured property accounting for only 5.2 percent of the total assessed value.

Property Use	Seaside-Fort Ord	Marina Project Area #3	Total
Number of Parcels			
Residential	637	632	1,269
Commercial	0	50	50
Institutional	4	4	8
Miscellaneous [1]	102	100	202
Unsecured	67	71	138
Total	810	857	1,667
Taxable Value			
Residential	\$366,197,339	\$398,142,052	\$764,339,391
Commercial	\$0	\$194,218,937	\$194,218,937
Institutional	\$447,413	\$16,828	\$464,241
Miscellaneous [1]	\$0	\$0	\$0
Unsecured	\$19,374,390	\$33,504,227	\$52,878,617
Total	\$386,019,142	\$625,882,044	\$1,011,901,186
Percentage of Taxable Value			
Residential	94.9%	63.6%	75.5%
Commercial	0.0%	31.0%	19.2%
Institutional	0.1%	0.0%	0.0%
Miscellaneous [1]	0.0%	0.0%	0.0%
Unsecured	5.0%	5.4%	5.2%
Total	100.0%	100.0%	100.0%

Source: County Auditor-Controller and EPS.

[1] Includes private roads, utilities, common areas, and exempt and unbuildable properties.

Fiscal Year 2019-2020 Ten Largest Taxpayers

For each redevelopment project area, the 10 largest taxpayers in the current 2019-2020 fiscal year are based on the property owners with the 10 largest assessed values net of tax exemptions, excluding the homeowner's exemption. The top 10 taxpayers in each redevelopment project area are detailed separately in **Table 3.15** and **Table 3.16** of **Appendix A** of this report. In Seaside-Fort Ord, the top 10 taxpayers account for approximately 21.6 percent of the total assessed value and 21.8 percent of the total incremental assessed value, whereas in Marina Project Area #3, the top ten taxpayers account for approximately 41.6 percent of the total assessed value and total incremental assessed value.

The top 10 taxpayers for the two redevelopment project areas combined are summarized in the following table and discussed in the remainder of this section.

Taxpayer	Redevelopment Project Area	Primary Use	No. of Parcels	Assessed Value	Percent of AV	
					Total	Incremental
Ten Largest Taxpayers						
1 HAMSTRA-APPLETON LLC	Marina Project Area #3	Medical Center	1	\$51,781,173	5.12%	5.14%
2 WATHEN CASTANOS PETERSON HOMES INC	Marina Project Area #3	New Homes	3	\$46,009,200	4.55%	4.56%
3 SUNBAY RESORT ASSOCIATES LLC	Seaside-Fort Ord	Resort Rentals	1	\$37,870,000	3.74%	3.76%
4 PACIFIC COAST HIGHWAY PROPERTY LLC	Marina Project Area #3	Shopping Center	13	\$36,170,000	3.57%	3.59%
5 TARGET CORPORATION	Marina Project Area #3	Shopping Center	2	\$25,574,710	2.53%	2.54%
6 COMMUNITY HOSPITAL PROPERTIES INC	Marina Project Area #3	Medical Center	5	\$24,227,509	2.39%	2.40%
7 MONTEREY PENINSULA HOTELS GROUP LP	Marina Project Area #3	Hotel	1	\$19,979,845	1.97%	1.98%
8 WC MARINA LLC	Marina Project Area #3	Single Family Homes	65	\$17,401,409	1.72%	1.73%
9 B & B GOLF COURSE PROPERTIES LLC	Seaside-Fort Ord	Golf Course Operations	3	\$16,564,882	1.64%	1.64%
10 ALLIANCE RESIDENTIAL CO INC	Marina Project Area #3	Multifamily Homes	2	\$15,500,564	1.53%	1.54%
Total Ten Largest Taxpayers			94	\$291,079,292	28.77%	28.87%
Total Assessed Value				\$1,011,901,186	100.00%	
Total Incremental Assessed Value				\$1,008,193,597		100.00%

[1] Assessed Value net of exemptions, excluding homeowner's exemption.

In fiscal year 2019-2020, the 10 largest taxpayers in the redevelopment project areas combined represent approximately 28.8 percent of the total assessed value and 28.9 percent of the total incremental assessed value. Each of the ten largest taxpayers is described below.

1. Hamstra-Appleton LLC is the private developer for the Veterans Affairs and Department of Defense Health Care Center development project, now known as the Major General William H. Gourley VA-DOD Outpatient Clinic. Hamstra-Appleton LLC constructed and owns this development.
2. Wathen Castanos Peterson Homes Inc. is a residential developer that operates in the Fresno, Clovis, Madera, Arroyo Grande, San Luis Obispo, and Monterey areas.
3. Sunbay Resort Associates LLC is the top taxpayer in the Seaside-Fort Ord redevelopment project area. Sunbay Resort Associates LLC is the owner of the Sunbay Resort that includes hotel and other residential rentals.
4. Pacific Coast Highway Property LLC is the owner of The Dunes on Monterey Bay Shopping Center.
5. Target Corporation is the owner of a Target retail store in Marina.
6. Community Hospitals Properties Inc. owns the Community Hospital of the Monterey Peninsula, which has a number of sites in Monterey and Marina. The Marina site includes an outpatient care center and fitness facility.
7. Monterey Peninsula Hotels Group is the owner of the Marriot Springhill Suites Hotel in Marina.
8. WC Marina LLC is a new home builder and is currently constructing homes in Marina.
9. B&B Golf Course Properties LLC is the current operator of both the Bayonet and Black Horse golf courses. B&B Golf Course Properties LLC has a ground lease with the City of Seaside.
10. Alliance Residential Company, Inc. is one of the largest private multifamily companies in the United States with offices throughout the country. It constructs, acquires, and manages multifamily communities.

Projected Fiscal Year 2020-2021 and Fiscal Year 2021-2022 Assessed Values

Fiscal Year 2020-21

For each redevelopment project area, the projected assessed value for fiscal year 2020-21 is estimated as the sum of the following values:

- Fiscal year 2019-20 assessed value.
- New assessed value generated by transfers of ownership in 2019.
- New assessed value generated by new construction in 2019.
- Estimated appeals adjustment for fiscal year 2019-20.

The projected fiscal year 2020-21 assessed value for each redevelopment project area is summarized in the table below.

Item	Projected Assessed Value - Fiscal Year 2020-21		
	Seaside-Fort Ord	Marina Project Area #3	Total
Fiscal Year 2019-20 Assessed Value	\$386,019,142	\$625,882,044	\$1,011,901,186
Transfer of Ownership in 2019	\$0	\$62,910,313	\$62,910,313
New Construction in 2019	\$0	\$6,502,540	\$6,502,540
Appeals Adjustment	\$0	(\$15,804,071)	(\$15,804,071)
Fiscal Year 2020-21	\$386,019,142	\$679,490,826	\$1,065,509,968

Each component is briefly described below.

Fiscal Year 2019-20 Assessed Value

For each redevelopment project area, the certified assessed values as of January 1, 2019, are used as the basis for the fiscal year 2019-20 property tax levy. The January 1, 2019, values are the most recent assessed value compiled and reported by the Auditor Controller.

Transfer of Ownership in 2019

The increase in assessed value from transfers of ownership are based on the difference between the fiscal year 2019-20 assessed values and the sales prices for new units sold to homeowners in 2019.

New Construction in 2019

The increase in assessed value from new construction is based on the building permit valuations for building permits finalized in 2019.

Appeals Adjustment

Pending assessment appeals may result in a reduced assessed value for fiscal year 2020-21. The amount of reduction is estimated for all open appeals by applying a percentage reduction based on the average percentage reduction for resolved appeals during the prior 5 fiscal years. The methodology for estimating the appeals adjustment is detailed in the next chapter. It is assumed that all open appeals will be resolved in fiscal year 2020-21.

Fiscal Year 2021-22

For each redevelopment project area, the projected assessed value for fiscal year 2021-22 is estimated as the sum of the following values:

- Projected fiscal year 2020-21 assessed value.
- New assessed value generated by transfers of ownership in 2020 (to date).
- New assessed value generated by new construction completed in 2020 (to date).
- New assessed value generated by construction in progress to date.

These are the same items as for fiscal year 2020-21 with two exceptions. First, any construction in progress as of January 1, 2020, is assumed to be completed during 2020, and thus the building permit valuations for these projects will be added for fiscal year 2021-22. Second, there will be no appeals adjustments, as it is assumed that all pending appeals will be decided upon during 2020, and the adjustments will be applied to fiscal year 2020-21 assessed values.

The projected fiscal year 2021-22 assessed value for each redevelopment project area is summarized in the table below.

Item	Projected Assessed Value - Fiscal Year 2021-22		
	Seaside-Fort Ord	Marina Project Area #3	Total
Fiscal Year 2020-21 Assessed Value (est.)	\$386,019,142	\$679,490,826	\$1,065,509,968
Transfer of Ownership in 2020	\$0	\$6,444,608	\$6,444,608
New Construction in 2020	\$0	\$657,806	\$657,806
Pending Construction in 2020	\$0	\$11,884,872	\$11,884,872
Fiscal Year 2021-22	\$386,019,142	\$698,478,112	\$1,084,497,254

Each component is briefly described below.

Fiscal Year 2020-21 Assessed Value

For each redevelopment project area, the projected assessed value for fiscal year 2020-21 are estimated as described in the prior "Fiscal Year 2020-21" section.

Transfer of Ownership in 2020

The increase in assessed value from transfers of ownership are based on the difference between the fiscal year 2020-21 assessed values and the sales prices for new units sold to homeowners through mid-March of 2020.

New Construction in 2020

The increase in assessed value from new construction is based on the building permit valuations for building permits finalized in 2020 through mid-March.

Pending Construction in 2020

The increase in assessed value from pending construction is based on the building permit valuations for building permits issued but not yet finalized as of mid-March 2020.

Annual Percentage Increase

EPS ran two scenarios for this report. The first scenario based future assessed values on the methodology described above with constant assessed values from fiscal year 2021-22 on. The second scenario assumes an annual 2 percent increase in existing assessed values beginning in fiscal year 2020-21. Both scenarios are detailed in **Appendix A** of this report. The Scenario 2 assumption of the annual 2 percent increase in assessed value is described below.

Assessed values for both secured and unsecured property currently on the tax roll in California are limited to a maximum increase of 2 percent annually. This maximum annual inflationary increase was instituted with the passage of California Proposition 13 in 1978. The provisions of Proposition 13 are contained in Article XIIA of the California Constitution. Assessed values are increased annually by the percentage change in the California Consumer Price Index from October of 1 year to October of the next year, up to a maximum of 2 percent. The table below shows the annual assessed value increases since fiscal year 2009-10.

FY Ending	Inflation Adjustment Factor
2010	2.000%
2011	(0.237%)
2012	0.753%
2013	2.000%
2014	2.000%
2015	0.454%
2016	1.998%
2017	1.525%
2018	2.000%
2019	2.000%
2020	2.000%
2021	2.000%

Source: State Board of Equalization

There are 5 years since fiscal year 2009-10 in which the assessed values on existing property either decreased or increased by less than 2 percent, but the annual increase has been 2 percent since fiscal year 2017-18. Given the overall history of the annual increases, it is assumed that 2 percent assessed value increases could continue for all future years included in this analysis. Consequently, a scenario that increases future assessed values by 2 percent annually is included in this report.

4. TAX INCREMENT ADJUSTMENTS

Redevelopment project areas generate annual property tax revenue in the form of secured and unsecured property tax increment and unitary tax revenue. Each redevelopment project area's taxable value and property tax revenue are compiled by the County Auditor-Controller based on assessed valuations assigned by the County Assessor. For each redevelopment project area, tax revenue is deposited by the County Auditor Controller into the project area's Redevelopment Property Tax Trust Fund (RPTTF) as it is collected throughout the year. For redevelopment project areas on the former Fort Ord, these revenues are then distributed by the County Auditor-Controller to FORA and other entities pursuant to HSC 33492.71.

The levied property taxes can be reduced by assessment appeals and delinquent taxes and can be increased by penalties and supplemental taxes. This chapter details the tax levies and collections, as well as the assessment appeals for each redevelopment project area.

Tax Levies

Secured and Unsecured Tax Increment

For each redevelopment project area, the annual secured and unsecured tax increment levy consists of 1 percent of the secured and unsecured assessed valuation in the redevelopment project area in excess of the assessed valuation in the redevelopment project area's base year (assessed valuation increment).

The property tax rates that apply to taxable assessed values consist of the basic 1 percent rate and an override rate that is levied to fund voter approved indebtedness. When the redevelopment agencies were dissolved in 2012, allocation of the override levies to the redevelopment areas ended, so the tax increment deposited into the RPTTF is now derived from the base 1 percent tax only.

Secured and unsecured tax rolls for a fiscal year are based on 1 percent of the taxable assessed values with a lien date of the prior January 1. For example, the fiscal year 2019-2020, tax rolls are based on the taxable values as of January 1, 2019. The secured taxes are due in 2 payments on December 10 and April 10 of the applicable fiscal year, and the unsecured taxes are due on August 31 of the same fiscal year. Thus, the secured taxes for the 2019-2020 fiscal year would be due on December 10, 2019 and April 10, 2020, while the unsecured taxes would be due on August 31, 2020.

Unitary Tax Revenue

Unitary property is utility and railroad property that is assessed by the State Board of Equalization. This property may be revalued annually. Unitary tax revenue for the entire County is accumulated in a single County tax rate area and allocated by the County Auditor-Controller to all local agencies and school districts, including the redevelopment project areas. Each agency generally receives the same proportionate amount of unitary revenue as in the prior year.

Tax Levy vs. Collections

For each redevelopment project area, this section presents a comparison of the secured and unsecured tax levies and collections for the past 5 years. For each fiscal year, the tax levy is an aggregation of the calculated tax revenue (including secured and unsecured tax increment and unitary tax revenue) for all redevelopment project area properties on the assessment roll for that year, and the collections are the amounts deposited into Redevelopment Property Tax Trust Fund (RPTTF) during the fiscal year.

A table is included for each redevelopment project area that compares the tax levy for each of the past 5 years to the collections described below:

- Collections of the applicable year's property taxes.
- Collections of the applicable year's property taxes, supplemental taxes charged during the year, and delinquent taxes and penalties for prior years.

In general, when considering collections of the applicable year's taxes only, the collections are just over 98 percent of the tax levy. When considering all tax collections during the year, however, including supplemental taxes and prior years' delinquent taxes, the collections vary from just over 100 percent to almost 120 percent of the levy, depending on the amount of new development and supplemental taxes for the area.

Seaside-Fort Ord and Marina Project Area #3 Combined

The table below compares the calculated property tax levy to the property tax collections and deposits into the RPTTF for Seaside-Fort Ord and Marina Project Area #3 combined. When considering collections for the applicable fiscal year taxes only based on that year's assessment roll, the collections over the 5-year period average 98.3 percent of the calculated tax increment. When also including the collections during the year for supplemental taxes and prior years' taxes, the collections over the 5-year period average 105.1 percent of the calculated tax increment. The approximately 5 percent greater tax collections than tax levy is in large part because of significant supplemental tax collections that are a result of significant development in Marina Project Area #3.

Fiscal Year	Tax Levy	Assessment Rolls [1]		All Collections [2]	
		Collections	Pct. of Levy	Collections	Pct. of Levy
2014-15	\$5,270,691	\$5,178,446	98.25%	\$5,284,864	100.27%
2015-16	\$5,518,519	\$5,353,014	97.00%	\$5,506,398	99.78%
2016-17	\$6,572,060	\$6,464,667	98.37%	\$7,032,272	107.00%
2017-18	\$7,046,051	\$6,963,354	98.83%	\$7,730,272	109.71%
2018-19	\$8,678,866	\$8,540,809	98.41%	\$9,424,229	108.59%
Average			98.17%		105.07%

Source: County Auditor-Controller and EPS.

[1] Secured, unsecured, and unitary rolls.

[2] Assessment rolls, delinquent taxes, penalties, and supplemental taxes.

Seaside-Fort Ord

The table below compares the calculated tax levy to the collections and deposits into the RPTTF for Seaside-Fort Ord. When considering collections for the applicable fiscal year taxes only based on that year's assessment roll, the collections over the 5-year period average approximately 98.3 percent of the calculated tax increment. When also including the collections during the year for supplemental taxes and prior years' taxes, the collections over the 5-year period are nearly 100 percent of the calculated tax increment.

Fiscal Year	Tax Levy	Assessment Rolls [1]		All Collections [2]	
		Collections	Pct. of Levy	Collections	Pct. of Levy
2014-15	\$3,191,938	\$3,135,498	98.23%	\$3,197,871	100.19%
2015-16	\$3,322,541	\$3,222,939	97.00%	\$3,272,081	98.48%
2016-17	\$3,495,616	\$3,445,100	98.55%	\$3,490,258	99.85%
2017-18	\$3,581,195	\$3,538,942	98.82%	\$3,589,508	100.23%
2018-19	\$3,735,976	\$3,684,729	98.63%	\$3,752,665	100.45%
Average			98.25%		99.84%

Source: County Auditor-Controller and EPS.

[1] Secured, unsecured, and unitary rolls.

[2] Assessment rolls, delinquent taxes, penalties, and supplemental taxes.

Marina Project Area #3

The table below compares the calculated tax levy to the collections and deposits into the RPTTF for Marina Project Area #3. When considering collections for the applicable fiscal year taxes only based on that year's assessment roll, the collections over the 5-year period average approximately 98.1 percent of the calculated tax increment. When also including the collections during the year for supplemental taxes and prior years' taxes, the collections over the 5-year period are over 110 percent of the calculated tax increment. Approximately 93 percent of the additional tax increment collection is supplemental tax revenue. There is significant ongoing development in Marina Project Area #3, which largely accounts for the supplemental revenue.

Fiscal Year	Tax Levy	Assessment Rolls [1]		All Collections [2]	
		Collections	Pct. of Levy	Collections	Pct. of Levy
2014-15	\$2,078,753	\$2,042,947	98.28%	\$2,086,993	100.40%
2015-16	\$2,195,978	\$2,130,075	97.00%	\$2,234,317	101.75%
2016-17	\$3,076,444	\$3,019,567	98.15%	\$3,542,014	115.13%
2017-18	\$3,464,856	\$3,424,412	98.83%	\$4,140,764	119.51%
2018-19	\$4,942,890	\$4,856,080	98.24%	\$5,671,565	114.74%
Average			98.10%		110.31%

Source: County Auditor-Controller and EPS.

[1] Secured, unsecured, and unitary rolls.

[2] Assessment rolls, delinquent taxes, penalties, and supplemental taxes.

Assessment Appeals Activity

Assessment appeals occur when a property owner appeals the assessed value of his or her property. The appeal includes the property owner's opinion of the property's value. A hearing is held for each appeal, after which the County issues the final assessed value, referred to as the stipulated value. The stipulated value may or may not reflect a reduction from the original assessed value.

Because of the impact that assessment appeals can have on property tax increment, a review of the recent appeals was conducted for this FCR, and an appeals adjustment was made to the fiscal year 2020-21 assessed values to account for a possible reduction in value for all pending open appeals. Only Marina Project Area #3 currently has open appeals, so the only appeals included in this report are for Marina Project Area #3.

Resolved Appeals

The following table summarizes the resolved appeals over the past five fiscal years for Marina Project Area #3.

Fiscal Year	Resolved Appeals			Assessed Valuation				
	Withdrawn	Stipulated	Total	Contested Value	Applicant Opinion	Resolved Value	Value Reduction	Percent Reduction
2014-2015	1	1	2	\$7,007,551	\$3,273,900	\$6,677,832	\$329,719	4.7%
2015-2016	0	0	0	\$0	\$0	\$0	\$0	0.0%
2016-2017	0	1	1	\$6,169,541	\$4,500,000	\$5,100,000	\$1,069,541	17.3%
2017-2018	1	14	15	\$65,944,192	\$41,623,000	\$56,040,884	\$9,903,308	15.0%
2018-2019	0	1	1	\$11,261,701	\$5,631,000	\$8,830,000	\$2,431,701	21.6%
Total	2	17	19	\$90,382,985	\$55,027,900	\$76,648,716	\$13,734,269	15.2%

Open Appeals

The following table summarizes the open appeals over the past five fiscal years for Marina Project Area #3. The average percentage reduction in the contested assessed valuation shown in the above table for the prior five years is applied to the open appeals contested values to estimate the appeals adjustment to apply to the fiscal year 2020-21 assessed valuation. The previous chapter describes the application of this appeals adjustment.

Fiscal Year	Open Appeals Filings	Assessed Valuation		Estimated Resolved Assessed Valuation		
		Contested Value	Applicant Opinion	Resolved Value	Value Reduction	Percent Reduction
2014-2015	13	\$17,255,081	\$5,764,800	\$14,633,062	\$2,622,019	15.2%
2015-2016	0	\$0	\$0	\$0	\$0	0.0%
2016-2017	10	\$19,276,345	\$9,008,772	\$16,347,182	\$2,929,163	15.2%
2017-2018	7	\$11,985,554	\$4,196,000	\$10,164,273	\$1,821,281	15.2%
2018-2019	19	\$55,487,036	\$31,371,042	\$47,055,428	\$8,431,608	15.2%
Total	49	\$104,004,016	\$50,340,614	\$88,199,945	\$15,804,071	15.2%

5. TAX ALLOCATION AND DISBURSEMENT

Summary

Former redevelopment areas receive annual property tax revenue in the form of secured and unsecured property tax increment and unitary tax revenue. As summarized in **Chapter 1**, under the RDA Dissolution Act, all property tax revenue for each redevelopment project area is deposited into the RPTTF as it is collected throughout the year. Twice a year, the tax revenue for each redevelopment project area is distributed to various entities in a manner prescribed in special provisions of the Community Redevelopment Law (CRL) specifically for redevelopment project areas within the FORA Boundaries. In particular, Health and Safety Code (HSC) Section 33492.71 sets forth specific provisions related to the distribution of tax increment revenues for these project areas. In accordance with those provisions, property tax revenue for redevelopment project areas within the FORA boundaries (after consideration of various pass-through and set-aside requirements) is distributed to the following entities:

- FORA
- County of Monterey
- Successor Agency (for the former redevelopment agency)
- Other Affected Taxing Entities (ATEs)

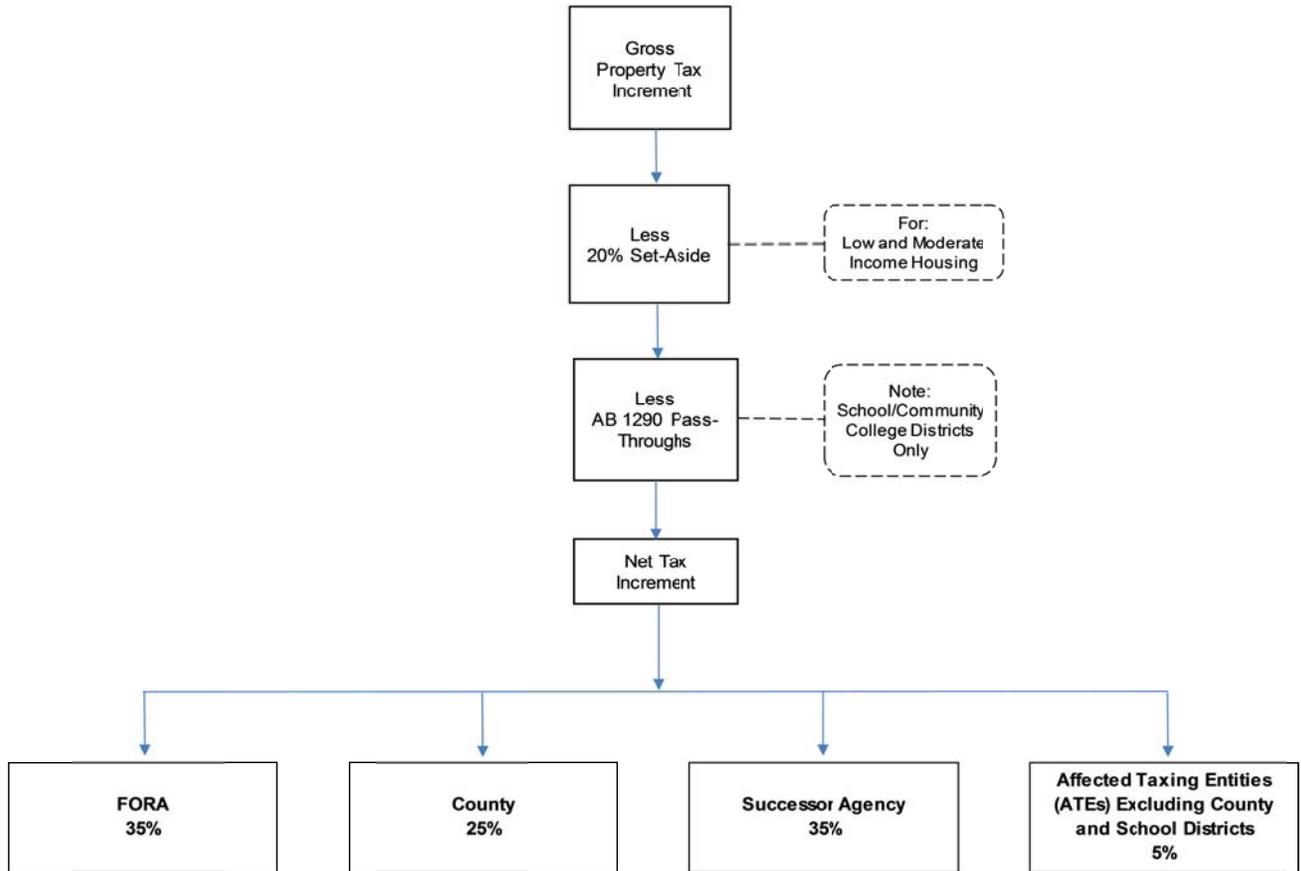
Upon FORA's sunset, HSC Section 33492.71 specifies that that FORA may still receive tax increment needed to repay debt incurred by FORA. The remaining tax increment that would have been distributed to FORA is then redistributed to the County, Successor Agency and all other ATEs.

The remainder of this chapter details the tax allocation procedures for the redevelopment project areas within FORA's boundaries and summarizes the annual projected tax revenue available to FORA to use for bond debt service.

Tax Allocation Procedures

The prescribed manner in which property tax revenue for each redevelopment project area is distributed to the various entities that receive a portion of the tax revenue is shown in the flow chart below and detailed in the remainder of this section.

Distribution of Property Tax Increment



Gross Property Tax Increment

The property tax revenue for each redevelopment project area consists of secured and unsecured tax increment and unitary tax revenue. The annual secured and unsecured tax increment is calculated as 1 percent of the secured and unsecured assessed valuation in excess of the base year assessed valuation. Unitary tax revenue is tax revenue associated with utility and railroad property. Further detail on these tax revenues is provided in the previous chapter.

20 Percent Set-Aside

The first step in the distribution of annual tax revenue is to set aside 20 percent of the total gross property tax increment. Before redevelopment agencies were eliminated in 2012, this 20 percent set-aside was deposited into the Low and Moderate Income Housing Fund (LMIHF) prior to the distribution of the remaining 80 percent of gross tax revenue. Since the dissolution of redevelopment agencies, the 20 percent set-aside is no longer deposited in the LMHIF and is ultimately distributed to the Successor Agency. However, the County is required to calculate the property tax increment received by FORA and other entities as if RDAs and the LMIHF were still in effect.

Educational Pass-Through Payments

After the 20 percent set-aside, 80 percent of the tax increment remains to be distributed. Local school districts and community college districts receive a specific portion of this remaining tax increment through statutory pass-through payments before distribution to any other entities.

Pass-through payments requirements were originally established by the Community Redevelopment Law Sections 33607.5 and 33607.7. Under redevelopment law, statutory pass-through payments are made to all ATEs using the Assembly Bill 1290 (AB 1290) percentage factors to determine the portion of the pass-through payment for each ATE. There are established AB 1290 factors for each TRA in each redevelopment project area. The AB 1290 factors specify the percentage of total property tax revenue distributed to each ATE. When redevelopment agencies were established, however, the property tax increment was redirected to the redevelopment agencies. Consequently, pass-through payments were established to ensure that the ATEs received at least a portion of the tax revenue that they received prior to redevelopment agencies being established.

Health and Safety Code 33492.71 specifies that only the pass-through payments associated with local school and community college districts, as provided in Section 33492.78, will be retained for redevelopment project areas located within FORA's boundaries and that Section 33607.5 does not apply. There are three tiers of pass-through payments as summarized below. Note that the pass-through payments are calculated based on the remaining tax increment after deducting the 20 percent set-aside.

Tier 1

The Tier 1 pass-through payments begin in the first year in which the redevelopment project area receives property tax increment and continue through the last year. For each of those years, each applicable school and community college district receives 25 percent of the district's prior share of property tax increment, as determined by the district's AB 1290 factor. For example, if a district's AB 1290 factor equals 0.40 (or 40 percent), then the district will receive 25 percent of 40 percent (or 10 percent) of the remaining tax increment after the 20 percent set-aside.

Tier 2

The Tier 2 pass-through payments begin in the eleventh year in which the redevelopment project area receives property tax increment and continue through the last year. For each of those years, each applicable school and community college district receives 21 percent of the district's prior share of property tax increment, as indicated by the district's AB 1290 factor. The tenth year of tax increment payments to the redevelopment project area is used as the base year. The total tax increment is calculated as the tax increment in excess of the base year increment (after accounting for the 20 percent set-aside). The Tier 2 tax increment pass-through payments are in addition to the Tier 1 pass-through payments.

Tier 3

The Tier 3 pass-through payments begin in the 31st year in which the redevelopment project area receives property tax increment and continue through the last year. For each of those years, each applicable school and community college district receives 14 percent of the district's prior share of property tax increment, as indicated by the district's AB 1290 factor. The 30th year of tax increment payments to the redevelopment project area is used as the base year. The total tax increment is

calculated as the tax increment in excess of the base year increment (after accounting for the 20 percent set-aside). The Tier 3 tax increment pass-through payments are in addition to the Tier 1 and Tier 2 pass-through payments.

Net Tax Increment

After deducting the 20 percent set-aside and the school and community college district pass-through payments, the remaining annual tax increment is distributed in the following proportions:

- FORA: 35 percent
- Successor Agency: 35 percent
- Monterey County: 25 percent
- Other ATEs: 5 percent

The tax increment distributed to FORA is available to pledge as revenue for payment of debt service on the Bonds. Any amount not used to debt service will be redistributed to the County, the Successor Agency, and the other ATEs in accordance with the proportions specified in Health and Safety Code 334192.71.

Historical FORA Property Tax

The property tax increment received by FORA from each redevelopment project area since fiscal year 2013-14 is summarized in the table below. The property tax increment has been steadily increasing each year as development has occurred in the FORA redevelopment project areas.

FY Ending	Property Tax Revenue Received by FORA		
	Seaside- Fort Ord	Marina Project Area #3	Total
2014	\$696,834	\$448,852	\$1,145,686
2015	\$761,895	\$499,854	\$1,261,750
2016	\$791,741	\$517,046	\$1,308,787
2017	\$850,661	\$666,305	\$1,516,966
2018	\$874,971	\$809,475	\$1,684,446
2019	\$868,442	\$1,013,262	\$1,881,704
2020	\$939,452	\$1,396,583	\$2,336,035

Pledged Revenue for Payment of Bonds

2019-2020 Pledged Revenue Estimate

The annual property tax increment distributed to FORA, as described in the previous section, is available to pledge as revenue for payment of debt service on the Bonds. The following table summarizes the estimated FORA share of property tax increment in the current 2019-2020 fiscal year for both of the redevelopment project areas in this report.

Item	Fiscal Year 2019-20		
	Seaside-Fort Ord	Marina Project Area #3	Total
Incremental Assessed Value			
Secured Assessed Value	\$366,644,752	\$592,377,817	\$959,022,569
Unsecured Assessed Value	\$19,374,390	\$33,504,227	\$52,878,617
Total Secured and Unsecured	\$386,019,142	\$625,882,044	\$1,011,901,186
Less Base Year Assessed Value	(\$3,677,200)	(\$30,389)	(\$3,707,589)
Total Incremental Assessed Value	\$382,341,942	\$625,851,655	\$1,008,193,597
Tax Increment Revenue			
Tax Increment on Assessed Value	\$3,823,419	\$6,258,517	\$10,081,936
Unitary Revenue	\$18,125	\$10,538	\$28,663
Total Tax Increment	\$3,841,544	\$6,269,054	\$10,110,599
Less 20% Housing Set-Aside	(\$764,684)	(\$1,251,703)	(\$2,016,387)
Less School Pass-Through Amounts	(\$424,877)	(\$955,369)	(\$1,380,245)
Remaining Tax Increment	\$2,651,984	\$4,061,983	\$6,713,966
FORA Share (35%)	\$928,194	\$1,421,694	\$2,349,888

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Source: Monterey County Auditor Controller and EPS

Future Pledged Revenue Estimate

For each redevelopment project area, EPS prepared projections of the annual property tax increment through the project area's likely termination date and of the portion to be distributed to FORA and pledged to the payment of debt service on the Bonds. Note that the likely termination date differs by redevelopment project area and is based on the payment of all enforceable obligations as discussed in **Chapter 2**. The annual property tax increment projections are estimated as summarized below:

- **Estimate Annual Assessed Value**

The method for estimating annual assessed value was detailed in **Chapter 3**.

- **Estimate Annual Property Tax Increment**

The annual property tax increment is estimated as 1 percent of the projected annual assessed value in excess of the base year value. In addition, it is assumed that the same amount of unitary revenue will be allocated to each redevelopment project area as was estimated for the current 2019-2020 fiscal year. In each year, the total property tax increment is equal to the projected annual property tax increment plus the estimated unitary revenue.

- **Calculate Distribution of Annual Property Tax Increment**

The amount of property tax increment distributed to FORA is estimated according to the procedures detailed earlier in this chapter in the Tax Allocation Procedures section. The table

below summarizes the FORA distributions for each redevelopment project area. Note that the time period for the property tax increment differs for each redevelopment project area based the estimated termination dates. As described in **Chapter 2**, the termination dates are based on the likely dates that all enforceable obligations are paid.

The summary table below assumes no annual growth in existing assessed valuation. **Appendix A** of this report includes the detail used to calculate the FORA tax increment distribution for each redevelopment project area. In addition, **Appendix A** also includes the detailed analysis and results for the second scenario in which a 2 percent annual increase is applied to assessed valuation.

FY Ending	FORA Tax Increment		
	Seaside- Fort Ord	Marina Project #3	Total
2020	\$928,194	\$1,421,694	\$2,349,888
2021	\$928,194	\$1,538,420	\$2,466,614
2022	\$928,194	\$1,579,762	\$2,507,956
2023	\$928,194	\$1,579,762	\$2,507,956
2024	\$928,194	\$1,579,762	\$2,507,956
2025	\$928,194	\$1,579,762	\$2,507,956
2026	\$928,194	\$1,579,762	\$2,507,956
2027	\$928,194	\$1,579,762	\$2,507,956
2028	\$928,194	\$1,579,762	\$2,507,956
2029	\$928,194	\$1,579,762	\$2,507,956
2030	\$928,194	\$1,579,762	\$2,507,956
2031	\$928,194	\$1,579,762	\$2,507,956
2032	\$928,194	\$1,579,762	\$2,507,956
2033	\$928,194	\$1,579,762	\$2,507,956
2034	\$0	\$1,579,762	\$1,579,762
2035	\$0	\$1,579,762	\$1,579,762
2036	\$0	\$1,579,762	\$1,579,762
2037	\$0	\$1,579,762	\$1,579,762
2038	\$0	\$1,579,762	\$1,579,762



APPENDIX A:
Detailed FCR Tables—
Scenario 1: 0% Annual Assessed Value Growth

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**Table 3.1
Fort Ord Reuse Authority Tax Increment Analysis
Historical Assessed Value Summary - Seaside-Fort Ord**

Seaside-Fort Ord

Year	Assessed Value [1]			Percentage Change
	Secured	Unsecured	Total	
2010-11	\$286,093,764	\$16,841,181	\$302,934,945	
2011-12	\$274,924,811	\$19,470,031	\$294,394,842	(2.8%)
2012-13	\$259,826,136	\$20,624,430	\$280,450,566	(4.7%)
2013-14	\$267,657,589	\$20,228,146	\$287,885,735	2.7%
2014-15	\$303,787,926	\$18,464,766	\$322,252,692	11.9%
2015-16	\$315,626,351	\$19,278,265	\$334,904,616	3.9%
2016-17	\$331,787,742	\$19,961,418	\$351,749,160	5.0%
2017-18	\$340,502,172	\$19,424,641	\$359,926,813	2.3%
2018-19	\$356,190,788	\$19,070,458	\$375,261,246	4.3%
2019-20	\$366,644,752	\$19,374,390	\$386,019,142	2.9%
Avg. Ann. Pct. Change	2.8%	1.6%	2.7%	

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[1] Assessed values are net of exemptions, excluding Homeowners' Exemption

Table 3.2
Fort Ord Reuse Authority Tax Increment Analysis
Historical Assessed Value - Seaside-Fort Ord

Seaside-Fort Ord

Area / TRA	Secured Assessed Value			Unsecured Assessed Value			TOTAL
	Assessed Value	Less Exemptions [1]	Total	Assessed Value	Less Exemptions	Total	
2010-11							
010-007	\$0	\$0	\$0	\$574,710	(\$1,490)	\$573,220	\$573,220
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$303,455,667	(\$17,361,903)	\$286,093,764	\$16,447,581	(\$179,620)	\$16,267,961	\$302,361,725
Total	\$303,455,667	(\$17,361,903)	\$286,093,764	\$17,022,291	(\$181,110)	\$16,841,181	\$302,934,945
2011-12							
010-007	\$0	\$0	\$0	\$740,570	\$0	\$740,570	\$740,570
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$292,535,284	(\$17,610,473)	\$274,924,811	\$18,831,501	(\$102,040)	\$18,729,461	\$293,654,272
Total	\$292,535,284	(\$17,610,473)	\$274,924,811	\$19,572,071	(\$102,040)	\$19,470,031	\$294,394,842
2012-13							
010-007	\$0	\$0	\$0	\$875,990	\$0	\$875,990	\$875,990
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$277,279,629	(\$17,453,493)	\$259,826,136	\$19,845,360	(\$96,920)	\$19,748,440	\$279,574,576
Total	\$277,279,629	(\$17,453,493)	\$259,826,136	\$20,721,350	(\$96,920)	\$20,624,430	\$280,450,566
2013-14							
010-007	\$0	\$0	\$0	\$800,910	\$0	\$800,910	\$800,910
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$285,856,488	(\$18,198,899)	\$267,657,589	\$19,508,496	(\$81,260)	\$19,427,236	\$287,084,825
Total	\$285,856,488	(\$18,198,899)	\$267,657,589	\$20,309,406	(\$81,260)	\$20,228,146	\$287,885,735
2014-15							
010-007	\$0	\$0	\$0	\$745,450	\$0	\$745,450	\$745,450
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$322,074,075	(\$18,286,149)	\$303,787,926	\$17,796,526	(\$77,210)	\$17,719,316	\$321,507,242
Total	\$322,074,075	(\$18,286,149)	\$303,787,926	\$18,541,976	(\$77,210)	\$18,464,766	\$322,252,692
2015-16							
010-007	\$0	\$0	\$0	\$868,520	\$0	\$868,520	\$868,520
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$334,309,787	(\$18,683,436)	\$315,626,351	\$18,567,495	(\$157,750)	\$18,409,745	\$334,036,096
Total	\$334,309,787	(\$18,683,436)	\$315,626,351	\$19,436,015	(\$157,750)	\$19,278,265	\$334,904,616
2016-17							
010-007	\$0	\$0	\$0	\$745,200	\$0	\$745,200	\$745,200
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$350,317,626	(\$18,529,884)	\$331,787,742	\$19,379,658	(\$163,440)	\$19,216,218	\$351,003,960
Total	\$350,317,626	(\$18,529,884)	\$331,787,742	\$20,124,858	(\$163,440)	\$19,961,418	\$351,749,160
2017-18							
010-007	\$0	\$0	\$0	\$696,490	\$0	\$696,490	\$696,490
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$359,401,524	(\$18,899,352)	\$340,502,172	\$18,823,771	(\$95,620)	\$18,728,151	\$359,230,323
Total	\$359,401,524	(\$18,899,352)	\$340,502,172	\$19,520,261	(\$95,620)	\$19,424,641	\$359,926,813
2018-19							
010-007	\$0	\$0	\$0	\$44,080	\$0	\$44,080	\$44,080
010-027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
010-029	\$375,730,727	(\$19,539,939)	\$356,190,788	\$19,114,078	(\$87,700)	\$19,026,378	\$375,217,166
Total	\$375,730,727	(\$19,539,939)	\$356,190,788	\$19,158,158	(\$87,700)	\$19,070,458	\$375,261,246
2019-20							
010-007	\$0	\$0	\$0	\$8,080	\$0	\$8,080	\$8,080
010-027	\$0	\$0	\$0	\$5,920	\$0	\$5,920	\$5,920
010-029	\$386,463,137	(\$19,818,385)	\$366,644,752	\$19,438,930	(\$78,540)	\$19,360,390	\$386,005,142
Total	\$386,463,137	(\$19,818,385)	\$366,644,752	\$19,452,930	(\$78,540)	\$19,374,390	\$386,019,142

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[1] Excludes Homeowners' Exemption

**Table 3.3
Fort Ord Reuse Authority Tax Increment Analysis
Historical Assessed Value Summary - Marina Project Area #3**

Marina Project Area #3

Year	Assessed Value [1]			Percentage Change
	Secured	Unsecured	Total	
2010-11	\$145,561,224	\$25,228,184	\$170,789,408	
2011-12	\$157,863,128	\$24,858,763	\$182,721,891	7.0%
2012-13	\$145,509,402	\$25,271,835	\$170,781,237	(6.5%)
2013-14	\$167,208,950	\$24,849,543	\$192,058,493	12.5%
2014-15	\$183,654,371	\$24,078,888	\$207,733,259	8.2%
2015-16	\$192,884,081	\$26,312,397	\$219,196,478	5.5%
2016-17	\$179,237,588	\$27,684,055	\$206,921,643	(5.6%)
2017-18	\$317,982,320	\$27,442,961	\$345,425,281	66.9%
2018-19	\$463,695,388	\$29,363,947	\$493,059,335	42.7%
2019-20	\$592,377,817	\$33,504,227	\$625,882,044	26.9%
Avg. Ann. Pct. Change	16.9%	3.2%	15.5%	

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[1] Assessed values are net of exemptions, excluding Homeowners' Exemption

Table 3.4
Fort Ord Reuse Authority Tax Increment Analysis
Historical Assessed Value - Marina Project Area #3

Marina Project Area #3

Area / TRA	Secured Assessed Value			Unsecured Assessed Value			TOTAL
	Assessed Value	Less Exemptions [1]	Total	Assessed Value	Less Exemptions	Total	
2010-11							
012-011	\$118,100,888	(\$2,334,467)	\$115,766,421	\$9,036,367	(\$162,140)	\$8,874,227	\$124,640,648
012-022	\$39,318,088	(\$9,523,285)	\$29,794,803	\$17,098,927	(\$744,970)	\$16,353,957	\$46,148,760
Total	\$157,418,976	(\$11,857,752)	\$145,561,224	\$26,135,294	(\$907,110)	\$25,228,184	\$170,789,408
2011-12							
012-011	\$129,522,337	(\$2,258,443)	\$127,263,894	\$8,244,734	(\$133,155)	\$8,111,579	\$135,375,473
012-022	\$39,481,216	(\$8,881,982)	\$30,599,234	\$16,747,184	\$0	\$16,747,184	\$47,346,418
Total	\$169,003,553	(\$11,140,425)	\$157,863,128	\$24,991,918	(\$133,155)	\$24,858,763	\$182,721,891
2012-13							
012-011	\$117,956,390	(\$3,512,014)	\$114,444,376	\$8,981,251	(\$139,964)	\$8,841,287	\$123,285,663
012-022	\$39,917,767	(\$8,852,741)	\$31,065,026	\$16,430,548	\$0	\$16,430,548	\$47,495,574
Total	\$157,874,157	(\$12,364,755)	\$145,509,402	\$25,411,799	(\$139,964)	\$25,271,835	\$170,781,237
2013-14							
012-011	\$147,829,097	(\$9,428,255)	\$138,400,842	\$9,136,908	(\$119,018)	\$9,017,890	\$147,418,732
012-022	\$40,364,972	(\$11,556,864)	\$28,808,108	\$15,831,653	\$0	\$15,831,653	\$44,639,761
Total	\$188,194,069	(\$20,985,119)	\$167,208,950	\$24,968,561	(\$119,018)	\$24,849,543	\$192,058,493
2014-15							
012-011	\$160,583,285	(\$9,604,650)	\$150,978,635	\$8,914,821	(\$573,297)	\$8,341,524	\$159,320,159
012-022	\$44,235,898	(\$11,560,162)	\$32,675,736	\$15,737,364	\$0	\$15,737,364	\$48,413,100
Total	\$204,819,183	(\$21,164,812)	\$183,654,371	\$24,652,185	(\$573,297)	\$24,078,888	\$207,733,259
2015-16							
012-011	\$170,791,801	(\$31,699,249)	\$139,092,552	\$8,993,146	(\$451,088)	\$8,542,058	\$147,634,610
012-022	\$71,774,344	(\$17,982,815)	\$53,791,529	\$17,770,339	\$0	\$17,770,339	\$71,561,868
Total	\$242,566,145	(\$49,682,064)	\$192,884,081	\$26,763,485	(\$451,088)	\$26,312,397	\$219,196,478
2016-17							
012-011	\$215,487,283	(\$36,987,002)	\$178,500,281	\$10,721,011	(\$506,329)	\$10,214,682	\$188,714,963
012-022	\$19,439,687	(\$18,702,380)	\$737,307	\$17,469,373	\$0	\$17,469,373	\$18,206,680
Total	\$234,926,970	(\$55,689,382)	\$179,237,588	\$28,190,384	(\$506,329)	\$27,684,055	\$206,921,643
2017-18							
012-011	\$259,184,421	(\$38,951,273)	\$220,233,148	\$11,500,489	(\$493,746)	\$11,006,743	\$231,239,891
012-022	\$116,827,752	(\$19,078,580)	\$97,749,172	\$16,436,218	\$0	\$16,436,218	\$114,185,390
Total	\$376,012,173	(\$58,029,853)	\$317,982,320	\$27,936,707	(\$493,746)	\$27,442,961	\$345,425,281
2018-19							
012-011	\$296,184,122	(\$42,449,754)	\$253,734,368	\$13,395,487	(\$487,703)	\$12,907,784	\$266,642,152
012-022	\$230,248,719	(\$20,287,699)	\$209,961,020	\$16,456,163	\$0	\$16,456,163	\$226,417,183
Total	\$526,432,841	(\$62,737,453)	\$463,695,388	\$29,851,650	(\$487,703)	\$29,363,947	\$493,059,335
2019-20							
012-011	\$309,562,377	(\$43,285,701)	\$266,276,676	\$16,418,916	(\$473,799)	\$15,945,117	\$282,221,793
012-022	\$347,013,719	(\$20,912,578)	\$326,101,141	\$17,559,110	\$0	\$17,559,110	\$343,660,251
Total	\$656,576,096	(\$64,198,279)	\$592,377,817	\$33,978,026	(\$473,799)	\$33,504,227	\$625,882,044
TOTAL	\$2,913,824,163	(\$367,849,894)	\$2,545,974,269	\$272,880,009	(\$4,285,209)	\$268,594,800	\$2,814,569,069

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[1] Excludes Homeowners Exemption

Table 3.5
Fort Ord Reuse Authority Tax Increment Analysis
Combined Project Areas
Estimate of Assessed Value for Fiscal Year 2019-2020

TRA	Secured						Unsecured						TOTAL
	Parcels	Land	Improvements	Personal Property	Other Exemptions	Total	Parcels	Land	Improvements	Personal Property	Other Exemptions	Total	
Seaside													
010-007	0	\$0	\$0	\$0	\$0	\$0	4	\$0	\$0	\$8,080	\$0	\$8,080	\$8,080
010-027	0	\$0	\$0	\$0	\$0	\$0	1	\$0	\$0	\$5,920	\$0	\$5,920	\$5,920
010-029	743	\$161,203,768	\$222,312,634	\$2,946,735	(\$19,818,385)	\$366,644,752	63	\$12,582,927	\$5,212,104	\$1,643,899	(\$78,540)	\$19,360,390	\$386,005,142
Total	743	\$161,203,768	\$222,312,634	\$2,946,735	(\$19,818,385)	\$366,644,752	68	\$12,582,927	\$5,212,104	\$1,657,899	(\$78,540)	\$19,374,390	\$386,019,142
Marina Project #3													
012-011	205	\$89,645,336	\$217,572,101	\$2,344,940	(\$43,285,701)	\$266,276,676	53	\$16,448	\$10,181,652	\$6,220,816	(\$473,799)	\$15,945,117	\$282,221,793
012-022	581	\$175,904,345	\$171,108,694	\$680	(\$20,912,578)	\$326,101,141	18	\$5,571,321	\$10,972,941	\$1,014,848	\$0	\$17,559,110	\$343,660,251
Total	786	\$265,549,681	\$388,680,795	\$2,345,620	(\$64,198,279)	\$592,377,817	71	\$5,587,769	\$21,154,593	\$7,235,664	(\$473,799)	\$33,504,227	\$625,882,044
TOTAL	1,529	\$426,753,449	\$610,993,429	\$5,292,355	(\$84,016,664)	\$959,022,569	139	\$18,170,696	\$26,366,697	\$8,893,563	(\$552,339)	\$52,878,617	\$1,011,901,186

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**Table 3.6
Fort Ord Reuse Authority Tax Increment Analysis
Assessed Value Summary 2019-20 - Seaside-Fort Ord**

Seaside- Fort Ord

Land Use	Number of Parcels	Assessed Value	Pct. of Total AV
Residential			
Single Family	383	\$311,226,858	80.6%
Multifamily	1	\$37,870,000	9.8%
Mobilehome Park	1	\$5,031,130	1.3%
Mobilehomes	223	\$2,850,995	0.7%
Vacant Residential	29	\$9,218,356	2.4%
Subtotal Residential	637	\$366,197,339	94.9%
Institutional			
Taxable Schools	4	\$447,413	0.1%
Miscellaneous			
Private Roads	8	\$0	0.0%
Exempt / Not Buildable			
Exempt	77	\$0	0.0%
Not Buildable	17	\$0	0.0%
Subtotal Exempt / Not Buildable	94	\$0	0.0%
Unsecured	67	\$19,374,390	5.0%
Total Seaside	810	\$386,019,142	100.0%

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[1] Assessed Value net of exemptions, excluding homeowner's exemption.

**Table 3.7
Fort Ord Reuse Authority Tax Increment Analysis
Assessed Value Summary 2019-20 - Marina Project Area #3**

Marina Project Area #3

Land Use	Number of Parcels	Assessed Value	Pct. of Total AV
Residential			
Single Family	436	\$318,728,733	50.9%
Multifamily	12	\$286,316	0.0%
Vacant	184	\$79,127,003	12.6%
Subtotal Residential	632	\$398,142,052	63.6%
Commercial			
Office	3	\$5,808,695	0.9%
Shell Buildings	5	\$6,685,462	1.1%
Hotel and Motel	1	\$19,979,845	3.2%
Medical	3	\$73,295,065	11.7%
Shopping Centers	9	\$58,580,000	9.4%
Theaters	1	\$8,317,255	1.3%
Parking Lots	5	\$8,420,000	1.3%
Miscellaneous	1	\$0	0.0%
Vacant	22	\$13,132,615	2.1%
Subtotal Commercial	50	\$194,218,937	31.0%
Institutional			
Churches	1	\$0	0.0%
Taxable Schools	3	\$16,828	0.0%
Subtotal Institutional	4	\$16,828	0.0%
Miscellaneous			
Private Roads	12	\$0	0.0%
Condominium Common Areas and Misc. Bldgs.	2	\$0	0.0%
Subtotal Miscellaneous	14	\$0	0.0%
Exempt / Not Buildable			
Exempt	77	\$0	0.0%
Not Buildable	9	\$0	0.0%
Subtotal Exempt / Not Buildable	86	\$0	0.0%
Unsecured	71	\$33,504,227	5.4%
Total Marina Project #3	857	\$625,882,044	100.0%

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[1] Assessed Value net of exemptions, excluding homeowner's exemption.

Table 3.8A
Fort Ord Reuse Authority Tax Increment Analysis
Annual Assessed Value - Seaside-Fort Ord
Scenario 1: 0% Annual Assessed Value Growth

Seaside-Fort Ord
0% Annual AV Growth

FY Ending	Assessed Value - Seaside			
	Beginning	Annual Value Increase	New Dev.	Ending Value
<i>Formula</i>	<i>A</i>	<i>B=A*2%</i>	<i>B</i>	<i>C+D+E</i>
<i>Annual Escalation</i>		<i>0.00%</i>		
2020	\$386,019,142	\$0	\$0	\$386,019,142
2021	\$386,019,142	\$0	\$0	\$386,019,142
2022	\$386,019,142	\$0	\$0	\$386,019,142
2023	\$386,019,142	\$0	\$0	\$386,019,142
2024	\$386,019,142	\$0	\$0	\$386,019,142
2025	\$386,019,142	\$0	\$0	\$386,019,142
2026	\$386,019,142	\$0	\$0	\$386,019,142
2027	\$386,019,142	\$0	\$0	\$386,019,142
2028	\$386,019,142	\$0	\$0	\$386,019,142
2029	\$386,019,142	\$0	\$0	\$386,019,142
2030	\$386,019,142	\$0	\$0	\$386,019,142
2031	\$386,019,142	\$0	\$0	\$386,019,142
2032	\$386,019,142	\$0	\$0	\$386,019,142
2033	\$386,019,142	\$0	\$0	\$386,019,142

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Table 3.9A
Fort Ord Reuse Authority Tax Increment Analysis
Annual Assessed Value - Marina Project Area #3
Scenario 1: 0% Annual Assessed Value Growth

Marina Project Area #3
2019 & 2020 New Dev. AV
0% Annual Growth

FY Ending	Assessed Value - Marina Project #3				
	Beginning	Annual Value Increase	New Dev.	Appeals Adjustment	Ending Value
<i>Source</i>	<i>Table 5.1</i>		<i>Table 3.10</i>	<i>Table 3.13</i>	
<i>Annual Escalation</i>		<i>0.00%</i>			
2020	\$625,882,044	\$0	\$69,412,853	(\$15,804,071)	\$679,490,826
2021	\$679,490,826	\$0	\$18,987,286	\$0	\$698,478,112
2022	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2023	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2024	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2025	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2026	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2027	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2028	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2029	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2030	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2031	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2032	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2033	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2034	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2035	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2036	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2037	\$698,478,112	\$0	\$0	\$0	\$698,478,112
2038	\$698,478,112	\$0	\$0	\$0	\$698,478,112

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Table 3.10
Fort Ord Reuse Authority Tax Increment Analysis
Total Added Assessed Value - Marina Project Area #3

Marina Project Area #3

Item	2019		2020	
	Number	Amount	Number	Amount
<i>Lien Date</i>		<i>1/1/2020</i>		<i>1/1/2021</i>
<i>Fiscal Year Assessed Value</i>		<i>Fiscal Year 2020-21</i>		<i>Fiscal Year 2021-22</i>
Transfer of Ownership [1]	95	\$80,612,500	8	\$11,844,500
Less Existing AV on FY 2019-20 Roll		(\$17,702,187)		(\$5,399,892)
Net Increase in AV for FY 2020-21 or FY 2021-22		\$62,910,313		\$6,444,608
New Construction [2]				
Permit Value	16	\$6,502,540	2	\$657,806
Construction in Progress [3]				
Permit Value			37	\$11,884,872
Total AV Added to Tax Roll (FY 2020-21 or FY 2021-22)	111	\$69,412,853	47	\$18,987,286

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Source: City of Marina, Parcel Quest, and EPS.

- [1] Based on recorded sales.
- [2] Based on finalized building permits with no recorded sales yet.
- [3] Based on issued building permits that have not been finalized.

Table 3.11
Fort Ord Reuse Authority Tax Increment Analysis
New Home Sales - Marina Project Area #3

Marina
Project Area #3

APN	Use	Address	Assessed Value		Increase in Assessed Value	Sale Date
			as of Jan. 1, 2019	Sale Price		
031-275-012	Single Family	3011 Abrams Drive	\$180,540	\$749,000	\$568,460	1/11/2019
031-275-018	Single Family	3008 Bluffs Drive	\$180,540	\$882,500	\$701,960	1/11/2019
031-274-004	Single Family	582 Rosa Monte Way	\$55,054	\$656,000	\$600,946	1/15/2019
031-256-017	Single Family	2762 Sea Glass Avenue	\$90,059	\$796,500	\$706,441	1/16/2019
031-274-006	Single Family	586 Rosa Monte Way	\$49,755	\$753,000	\$703,245	1/23/2019
031-256-018	Single Family	2760 Sea Glass Avenue	\$412,857	\$768,000	\$355,143	1/24/2019
031-272-016	Single Family	462 Logan Way	\$188,700	\$966,500	\$777,800	1/29/2019
031-274-007	Single Family	588 Rosa Monte Way	\$47,159	\$696,500	\$649,341	1/29/2019
031-275-019	Single Family	3006 Bluffs Drive	\$180,540	\$783,000	\$602,460	1/30/2019
031-275-020	Single Family	3004 Bluffs Drive	\$180,540	\$773,000	\$592,460	2/5/2019
031-274-009	Single Family	592 Rosa Monte Way	\$88,169	\$701,500	\$613,331	2/7/2019
031-255-025	Single Family	2607 3rd Avenue	\$65,220	\$764,000	\$698,780	2/14/2019
031-274-021	Single Family	605 Matterhorn Court	\$188,700	\$891,000	\$702,300	2/21/2019
031-274-022	Single Family	603 Matterhorn Court	\$188,700	\$929,000	\$740,300	2/22/2019
031-275-022	Single Family	3000 Bluffs Drive	\$180,540	\$864,000	\$683,460	2/22/2019
031-274-029	Single Family	600 Matterhorn Court	\$178,500	\$742,000	\$563,500	2/28/2019
031-275-008	Single Family	3003 Abrams Drive	\$180,540	\$828,000	\$647,460	2/28/2019
031-275-009	Single Family	3005 Abrams Drive	\$180,540	\$768,500	\$587,960	3/8/2019
031-275-010	Single Family	3007 Abrams Drive	\$180,540	\$800,500	\$619,960	3/14/2019
031-274-008	Single Family	590 Rosa Monte Way	\$92,093	\$682,000	\$589,907	4/8/2019
031-252-013	Single Family	3009 Boardwalk Avenue	\$385,999	\$719,000	\$333,001	4/12/2019
031-274-012	Single Family	623 Matterhorn Court	\$85,006	\$719,000	\$633,994	4/12/2019
031-255-029	Single Family	2602 Sandy Clay Lane	\$364,757	\$876,000	\$511,243	4/18/2019
031-255-030	Single Family	2604 Sandy Clay Lane	\$340,111	\$807,000	\$466,889	4/19/2019
031-256-024	Single Family	2751 Moonshell Lane	\$362,322	\$817,500	\$455,178	4/23/2019
031-255-031	Single Family	2606 Sandy Clay Lane	\$328,119	\$747,000	\$418,881	4/25/2019
031-256-025	Single Family	2753 Moonshell Lane	\$340,469	\$801,000	\$460,531	4/25/2019
031-274-025	Single Family	597 Matterhorn Court	\$188,700	\$1,081,000	\$892,300	4/26/2019
031-274-005	Single Family	584 Rosa Monte Way	\$53,360	\$695,000	\$641,640	4/29/2019
031-274-030	Single Family	598 Matterhorn Court	\$179,337	\$746,000	\$566,663	4/29/2019
031-256-026	Single Family	2755 Moonshell Lane	\$353,857	\$835,000	\$481,143	4/30/2019
031-274-026	Single Family	595 Matterhorn Court	\$188,700	\$1,210,000	\$1,021,300	4/30/2019
031-274-031	Single Family	596 Matterhorn Court	\$322,483	\$758,000	\$435,517	4/30/2019
031-256-027	Single Family	2757 Moonshell Lane	\$358,469	\$850,000	\$491,531	5/2/2019
031-274-100	Single Family	612 Braden Way	\$419,800	\$1,037,500	\$617,700	5/7/2019
031-274-013	Single Family	621 Matterhorn Court	\$84,740	\$670,000	\$585,260	5/8/2019
031-275-023	Single Family	2998 Bluffs Drive	\$180,540	\$1,025,500	\$844,960	5/8/2019
031-275-024	Single Family	2996 Bluffs Drive	\$180,540	\$887,000	\$706,460	5/10/2019
031-275-021	Single Family	3002 Bluffs Drive	\$180,540	\$816,000	\$635,460	5/13/2019
031-273-002	Single Family	2943 Abrams Drive	\$130,248	\$657,500	\$527,252	5/16/2019
031-275-025	Single Family	2994 Bluffs Drive	\$233,000	\$800,500	\$567,500	5/16/2019
031-274-085	Single Family	585 Bluffs Drive	\$193,800	\$937,500	\$743,700	5/24/2019
031-252-011	Single Family	3005 Boardwalk Avenue	\$385,999	\$720,000	\$334,001	5/28/2019
031-274-098	Single Family	608 Braden Way	\$193,800	\$1,059,000	\$865,200	5/28/2019
031-273-009	Single Family	2957 Abrams Drive	\$180,540	\$741,500	\$560,960	5/30/2019
031-275-026	Single Family	2992 Bluffs Drive	\$188,700	\$1,203,000	\$1,014,300	5/30/2019
031-256-028	Single Family	2759 Moonshell Lane	\$238,469	\$787,500	\$549,031	6/4/2019
031-273-008	Single Family	2955 Abrams Drive	\$180,540	\$808,000	\$627,460	6/6/2019
031-274-099	Single Family	610 Braden Way	\$193,800	\$985,000	\$791,200	6/10/2019
031-256-029	Single Family	2761 Moonshell Lane	\$268,469	\$811,000	\$542,531	6/11/2019
031-256-030	Single Family	2763 Moonshell Lane	\$345,501	\$802,500	\$456,999	6/13/2019
031-255-033	Single Family	2610 Sandy Clay Lane	\$563,311	\$905,000	\$341,689	6/18/2019
031-252-034	Single Family	2019 Canvas Way	\$80,022	\$989,000	\$908,978	6/25/2019
031-252-009	Single Family	3001 Boardwalk Avenue	\$80,022	\$716,000	\$635,978	6/27/2019
031-252-033	Single Family	2015 Canvas Way	\$80,022	\$947,000	\$866,978	6/27/2019
031-274-084	Single Family	587 Bluffs Drive	\$193,800	\$968,500	\$774,700	6/27/2019

Table 3.11
Fort Ord Reuse Authority Tax Increment Analysis
New Home Sales - Marina Project Area #3

Marina Project Area #3

APN	Use	Address	Assessed Value		Increase in Assessed Value	Sale Date
			as of Jan. 1, 2019	Sale Price		
031-273-006	Single Family	2951 Abrams Drive	\$14,969	\$823,000	\$808,031	7/3/2019
031-252-032	Single Family	2013 Canvas Way	\$80,022	\$890,000	\$809,978	7/12/2019
031-273-007	Single Family	2953 Abrams Drive	\$180,540	\$899,500	\$718,960	7/16/2019
031-273-005	Single Family	2949 Abrams Drive	\$180,540	\$794,000	\$613,460	7/17/2019
031-252-014	Single Family	3012 Canvas Way	\$80,022	\$652,500	\$572,478	7/23/2019
031-252-015	Single Family	3010 Canvas Way	\$80,022	\$622,500	\$542,478	7/25/2019
031-273-004	Single Family	2947 Abrams Drive	\$180,540	\$892,000	\$711,460	7/25/2019
031-273-003	Single Family	2945 Abrams Drive	\$180,540	\$848,000	\$667,460	7/26/2019
031-252-016	Single Family	3008 Canvas Way	\$80,022	\$684,000	\$603,978	7/30/2019
031-252-017	Single Family	3006 Canvas Way	\$80,022	\$625,000	\$544,978	8/1/2019
031-252-018	Single Family	3004 Canvas Way	\$80,022	\$608,000	\$527,978	8/8/2019
031-274-083	Single Family	589 Bluffs Drive	\$193,800	\$1,151,500	\$957,700	8/8/2019
031-252-019	Single Family	3002 Canvas Way	\$80,022	\$697,500	\$617,478	8/15/2019
031-252-029	Single Family	2003 Canvas Way	\$80,022	\$914,000	\$833,978	8/27/2019
031-252-030	Single Family	2007 Canvas Way	\$80,022	\$823,000	\$742,978	9/3/2019
031-252-031	Single Family	2011 Canvas Way	\$80,022	\$958,000	\$877,978	9/5/2019
031-252-043	Single Family	3006 Lighthouse Lane	\$738,022	\$1,117,000	\$378,978	9/10/2019
031-252-044	Single Family	3004 Lighthouse Lane	\$780,022	\$1,191,000	\$410,978	9/13/2019
031-254-049	Single Family	2701 Lighthouse Lane	\$78,475	\$939,000	\$860,525	9/24/2019
031-254-050	Single Family	2703 Lighthouse Lane	\$50,862	\$853,000	\$802,138	9/26/2019
031-254-051	Single Family	2705 Lighthouse Lane	\$64,309	\$888,000	\$823,691	10/15/2019
031-274-088	Single Family	588 Braden Way	\$188,700	\$1,024,000	\$835,300	10/16/2019
031-254-052	Single Family	2707 Lighthouse Lane	\$66,318	\$837,500	\$771,182	10/17/2019
031-274-081	Single Family	593 Bluffs Drive	\$193,800	\$858,500	\$664,700	10/22/2019
031-274-018	Single Family	611 Matterhorn Court	\$188,700	\$952,000	\$763,300	10/29/2019
031-272-017	Single Family	464 Logan Way	\$188,700	\$902,000	\$713,300	10/30/2019
031-274-041	Single Family	588 Bluffs Drive	\$193,800	\$945,000	\$751,200	10/30/2019
031-274-044	Single Family	594 Bluffs Drive	\$193,800	\$897,500	\$703,700	11/8/2019
031-255-038	Single Family	2601 Sandy Clay Lane	\$69,904	\$802,000	\$732,096	11/20/2019
031-274-017	Single Family	613 Matterhorn Court	\$188,700	\$946,000	\$757,300	11/21/2019
031-255-039	Single Family	2602 Lighthouse Lane	\$69,904	\$828,500	\$758,596	12/4/2019
031-255-040	Single Family	2604 Lighthouse Lane	\$50,206	\$777,500	\$727,294	12/4/2019
031-255-042	Single Family	2608 Lighthouse Lane	\$58,146	\$762,500	\$704,354	12/5/2019
031-274-040	Single Family	586 Bluffs Drive	\$193,800	\$906,000	\$712,200	12/10/2019
031-274-043	Single Family	592 Bluffs Drive	\$193,800	\$959,000	\$765,200	12/18/2019
031-255-037	Single Family	2603 Sandy Clay Lane	\$58,146	\$890,000	\$831,854	12/19/2019
031-255-041	Single Family	2606 Lighthouse Lane	\$58,146	\$881,000	\$822,854	12/26/2019
031-274-067	Single Family	3035 Andesite Drive	\$193,800	\$890,000	\$696,200	12/30/2019
031-274-079	Single Family	597 Bluffs Drive	\$193,800	\$952,500	\$758,700	12/31/2019
Subtotal 2019	95		\$17,702,187	\$80,612,500	\$62,910,313	
031-274-047	Single Family	600 Bluffs Drive	\$193,800	\$1,061,000	\$867,200	1/10/2020
031-255-036	Single Family	2605 Sandy Clay Lane	\$58,146	\$833,000	\$774,854	1/13/2020
031-255-035	Single Family	2607 Sandy Clay Lane	\$58,146	\$777,000	\$718,854	1/16/2020
031-274-042	Single Family	590 Bluffs Drive	\$193,800	\$1,010,500	\$816,700	2/7/2020
031-274-070	Single Family	3029 Andesite Drive	\$193,800	\$958,000	\$764,200	2/19/2020
031-274-046	Single Family	598 Bluffs Drive	\$193,800	\$951,000	\$757,200	2/27/2020
031-274-082	Single Family	591 Bluffs Drive	\$193,800	\$955,000	\$761,200	2/27/2020
Multiple APNs	Single Family	Lot Sale to Builder	\$4,314,600	\$5,299,000	\$984,400	1/7/2020
Subtotal 2020	8		\$5,399,892	\$11,844,500	\$6,444,608	
Total Marina Average	103		\$23,102,079	\$92,457,000	\$69,354,921	
			\$224,292	\$897,641	\$673,349	

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Source: City of Marina and Parcel Quest

Table 3.12
Fort Ord Reuse Authority Tax Increment Analysis
New Construction and Construction in Progress - Marina Project Area #3

Marina Project Area #3

APN	Use	Address	Permit Valuation	Year
New Construction				
031-252-062	Single Family	3005 Shorebird Place	\$421,571	2019
031-252-063	Single Family	3007 Shorebird Place	\$470,421	2019
031-252-064	Single Family	3009 Shorebird Place	\$421,571	2019
031-252-065	Single Family	3011 Shorebird Place	\$471,421	2019
031-252-066	Single Family	3013 Shorebird Place	\$421,571	2019
031-252-067	Single Family	3015 Shorebird Place	\$470,421	2019
031-254-002	Single Family	2707 3rd Avenue	\$421,571	2019
031-254-003	Single Family	2709 3rd Avenue	\$470,421	2019
031-254-004	Single Family	2711 3rd Avenue	\$421,571	2019
031-254-005	Single Family	2713 3rd Avenue	\$470,421	2019
031-254-006	Single Family	2715 3rd Avenue	\$421,571	2019
031-254-007	Single Family	2717 3rd Avenue	\$470,421	2019
031-254-008	Single Family	2719 3rd Avenue	\$421,571	2019
031-274-010	Single Family	627 Matterhorn Court	\$211,683	2019
031-274-011	Single Family	625 Matterhorn Court	\$228,445	2019
031-274-068	Single Family	3033 Andesite Drive	\$287,885	2019
Subtotal 2019	16		\$6,502,540	
031-274-069	Single Family	3031 Andesite Drive	\$327,222	2020
031-274-071	Single Family	3027 Andesite Drive	\$330,584	2020
Subtotal 2020	2		\$657,806	
Total Marina	18		\$7,160,346	
Average			\$397,797	
Construction in Progress				
031-274-072	Single Family	3025 Andesite Drive	\$412,595	2020
031-274-080	Single Family	595 Bluffs Drive	\$370,742	2019
031-274-078	Single Family	599 Bluffs Drive	\$284,957	2020
031-274-077	Single Family	601 Bluffs Drive	\$330,584	2020
031-274-076	Single Family	603 Bluffs Drive	\$370,742	2020
031-274-075	Single Family	605 Bluffs Drive	\$327,222	2018
031-274-050	Single Family	606 Bluffs Drive	\$284,957	2018
031-274-074	Single Family	607 Bluffs Drive	\$355,359	2018
031-274-051	Single Family	608 Bluffs Drive	\$284,957	2020
031-274-073	Single Family	609 Bluffs Drive	\$366,972	2018
031-274-053	Single Family	612 Bluffs Drive	\$287,885	2019
031-274-054	Single Family	614 Bluffs Drive	\$396,628	2019
031-274-096	Single Family	604 Braden Way	\$355,359	2018
031-274-097	Single Family	606 Braden Way	\$355,359	2018
031-273-031	Single Family	2965 Garnet Way	\$393,725	2019
031-273-032	Single Family	2967 Garnet Way	\$454,205	2019
Lot 358	Single Family	482 Hood Way	\$223,655	2020
Lot 359	Single Family	484 Hood Way	\$223,655	2020
Lot 844	Single Family	490 Hood Way	\$223,655	2020
031-274-020	Single Family	607 Matterhorn Court	\$355,359	2018
031-274-019	Single Family	609 Matterhorn	\$355,359	2018

Table 3.12
Fort Ord Reuse Authority Tax Increment Analysis
New Construction and Construction in Progress - Marina Project Area #3

Marina Project Area #3

APN	Use	Address	Permit Valuation	Year
Lot 337	Single Family	480 McKinley Drive	\$396,628	2020
Lot 338	Single Family	482 McKinley Drive	\$287,885	2020
Lot 349	Single Family	483 McKinley Drive	\$329,616	2020
Lot 339	Single Family	484 McKinley Drive	\$330,584	2020
Lot 348	Single Family	485 McKinley Drive	\$329,616	2020
Lot 340	Single Family	486 McKinley Drive	\$370,742	2020
Lot 347	Single Family	487 McKinley Drive	\$249,299	2020
Lot 341	Single Family	488 McKinley Drive	\$330,584	2020
Lot 346	Single Family	489 McKinley Drive	\$223,655	2019
Lot 345	Single Family	491 McKinley Drive	\$223,655	2019
Lot 344	Single Family	493 McKinley Drive	\$249,299	2019
Lot 361	Single Family	480 Hood Way	\$329,616	2020
Lot 360	Single Family	486 Hood Way	\$249,299	2020
Lot 645	Single Family	602 Bluffs Drive	\$287,885	2020
031-274-049	Single Family	604 Bluffs Drive	\$355,359	2020
031-274-052	Single Family	610 Bluffs	\$327,222	2018
Total	37		\$11,884,872	
Average			\$321,213	

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Source: City of Marina and Parcel Quest

**Table 3.13
Fort Ord Reuse Authority Tax Increment Analysis
Assessment Appeals Summary**

Marina Project Area #3

Fiscal Year	Number of Appeals					Assessed Valuation				
	Total Number of Filings	Open Filings	Resolved Appeals			Contested Value	Applicant Opinion	Resolved Value	Value Reduction	Percent Reduction
			Withdrawn	Stipulated	Total Approved					
<i>Resolved Appeals</i>										
2014-2015	15	13	1	1	2	\$7,007,551	\$3,273,900	\$6,677,832	\$329,719	4.7%
2015-2016	0	0	0	0	0	\$0	\$0	\$0	\$0	0.0%
2016-2017	11	10	0	1	1	\$6,169,541	\$4,500,000	\$5,100,000	\$1,069,541	17.3%
2017-2018	22	7	1	14	15	\$65,944,192	\$41,623,000	\$56,040,884	\$9,903,308	15.0%
2018-2019	20	19	0	1	1	\$11,261,701	\$5,631,000	\$8,830,000	\$2,431,701	21.6%
Total	68	49	2	17	19	\$90,382,985	\$55,027,900	\$76,648,716	\$13,734,269	15.2%
<i>Open Appeals</i>										
<i>Estimated</i>										
2014-2015		13				\$17,255,081	\$5,764,800	\$14,633,062	\$2,622,019	15.2%
2015-2016		0				\$0	\$0	\$0	\$0	15.2%
2016-2017		10				\$19,276,345	\$9,008,772	\$16,347,182	\$2,929,163	15.2%
2017-2018		7				11,985,554	\$4,196,000	\$10,164,273	\$1,821,281	15.2%
2018-2019		19				\$55,487,036	\$31,371,042	\$47,055,428	\$8,431,608	15.2%
Total Open		49				\$104,004,016	\$50,340,614	\$88,199,945	\$15,804,071	15.2%

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Table 3.14
Fort Ord Reuse Authority Tax Increment Analysis
Assessment Appeals (2014-15 - 2018-19) - Marina Project Area #3

Marina Project Area #3

Fiscal Year	APN	RCVD Date	Roll Value			Applicant Opinion of Value			Stipulated Value	Reduction in Value
			Land	Structure	Total	Land	Structure	Total		
2014-2015										
Approved	031-251-046	12/01/2014	\$1,029,719		\$1,029,719	\$343,900		\$343,900	\$700,000	\$329,719
Withdrawn	031-282-001	11/25/2014	\$688,873	\$5,288,959	\$5,977,832	\$330,000	\$2,600,000	\$2,930,000	\$5,977,832	\$0
Total Resolved	2		\$1,718,592	\$5,288,959	\$7,007,551	\$673,900	\$2,600,000	\$3,273,900	\$6,677,832	\$329,719 4.7%
Open										
	031-251-047	12/01/2014	\$854,885		\$854,885	\$286,900		\$286,900		
	031-282-015	12/01/2014	\$4,043,867		\$4,043,867	\$1,350,700		\$1,350,700		
	031-282-018	12/01/2014	\$1,311,522		\$1,311,522	\$438,000		\$438,000		
	031-282-025	12/01/2014	\$2,220,215		\$2,220,215	\$741,600		\$741,600		
	031-282-038	12/01/2014	\$414,233		\$414,233	\$138,400		\$138,400		
	031-282-039	12/01/2014	\$423,265		\$423,265	\$141,400		\$141,400		
	031-282-040	12/01/2014	\$472,223		\$472,223	\$157,700		\$157,700		
	031-282-041	12/01/2014	\$755,078		\$755,078	\$252,200		\$252,200		
	031-282-044	12/01/2014	\$768,121		\$768,121	\$256,600		\$256,600		
	031-282-045	12/01/2014	\$2,220,215		\$2,220,215	\$741,600		\$741,600		
	031-282-046	12/01/2014	\$762,259		\$762,259	\$254,600		\$254,600		
	031-282-048	12/01/2014	\$788,983		\$788,983	\$263,500		\$263,500		
	031-282-060	12/01/2014	\$2,220,215		\$2,220,215	\$741,600		\$741,600		
Total Open	13		\$17,255,081	\$0	\$17,255,081	\$5,764,800	\$0	\$5,764,800	\$0	\$0
2015-2016										
2016-2017										
Approved	031-282-001	11/23/2016	\$692,641	\$5,476,900	\$6,169,541	\$2,250,000	\$2,250,000	\$4,500,000	\$5,100,000	\$1,069,541
Total Resolved	1		\$692,641	\$5,476,900	\$6,169,541	\$2,250,000	\$2,250,000	\$4,500,000	\$5,100,000	\$1,069,541 17.3%
Open										
	031-282-015	11/30/2016	\$4,187,564		\$4,187,564	\$1,440,501		\$1,440,501		
	031-282-018	11/30/2016	\$1,358,126		\$1,358,126	\$467,200		\$467,200		
	031-282-038	11/30/2016	\$428,952		\$428,952	\$147,543		\$147,543		
	031-282-039	11/30/2016	\$438,304		\$438,304	\$150,783		\$150,783		
	031-282-040	11/30/2016	\$489,003		\$489,003	\$168,245		\$168,245		
	031-282-041	11/30/2016	\$781,909		\$781,909	\$268,945		\$268,945		
	031-282-044	11/30/2016	\$795,415		\$795,415	\$273,647		\$273,647		
	031-282-048	11/30/2016	\$817,018		\$817,018	\$281,072		\$281,072		
	031-282-060	11/30/2016	\$2,299,108		\$2,299,108	\$790,934		\$790,934		
	031-282-062	11/30/2016	\$1,511,405		\$1,511,405	\$519,902		\$519,902		
Total Open	10		\$13,799,445	\$5,476,900	\$19,276,345	\$6,758,772	\$2,250,000	\$9,008,772	\$5,100,000	\$0

Table 3.14
Fort Ord Reuse Authority Tax Increment Analysis
Assessment Appeals (2014-15 - 2018-19) - Marina Project Area #3

Marina Project Area #3

Fiscal Year	APN	RCVD Date	Roll Value			Applicant Opinion of Value			Stipulated Value	Reduction in Value
			Land	Structure	Total	Land	Structure	Total		
2017-18										
Approved/Withdrawn										
Approved	031-282-001	12/05/2017	706,493	5,586,438	\$6,292,931	514,000	4,071,000	\$4,585,000	\$ 5,200,000.00	\$1,092,931
Approved	031-282-002	12/05/2017	435,208	1,333,714	\$1,768,922	317,000	973,000	\$1,290,000	\$ 1,500,000.00	\$268,922
Approved	031-282-003	12/05/2017	2,434,646		\$2,434,646	1,775,000		\$1,775,000	\$ 2,000,000.00	\$434,646
Approved	031-282-006	12/05/2017	271,927	1,723,937	\$1,995,864	198,000	1,257,000	\$1,455,000	\$ 1,700,000.00	\$295,864
Approved	031-282-007	12/05/2017	500,240	4,432,781	\$4,933,021	366,000	3,229,000	\$3,595,000	\$ 4,000,000.00	\$933,021
Approved	031-282-008	12/05/2017	795,384	6,275,417	\$7,070,801	579,000	4,576,000	\$5,155,000	\$ 5,875,000.00	\$1,195,801
Approved	031-282-009	12/01/2017	2,099,262	8,941,017	\$11,040,279	630,000	2,682,000	\$3,312,000	\$ 8,830,000.00	\$2,210,279
Approved	031-282-010	12/05/2017	482,539	3,713,349	\$4,195,888	355,000	2,705,000	\$3,060,000	\$ 3,475,000.00	\$720,888
Approved	031-282-011	12/05/2017	761,907	4,054,013	\$4,815,920	555,000	2,955,000	\$3,510,000	\$ 4,000,000.00	\$815,920
Approved	031-282-019	12/01/2017	710,824		\$710,824	213,000		\$213,000	\$ 570,000.00	\$140,824
Approved	031-282-020	12/01/2017	3,275,574		\$3,275,574	983,000		\$983,000	\$ 2,600,000.00	\$675,574
Approved	031-282-021	12/05/2017	3,400,450		\$3,400,450	2,480,000		\$2,480,000	\$ 2,825,000.00	\$575,450
Approved	031-282-022	12/05/2017	2,852,922		\$2,852,922	2,080,000		\$2,080,000	\$ 2,350,000.00	\$502,922
Approved	031-282-023	12/05/2017	115,266		\$115,266	85,000		\$85,000	\$ 75,000.00	\$40,266
Withdrawn	031-282-009	12/05/2017	\$2,099,867	\$8,941,017	\$11,040,884	\$1,529,000	\$6,516,000	\$8,045,000	\$11,040,884	\$0
Total Resolved	15		\$20,942,509	\$45,001,683	\$65,944,192	\$12,659,000	\$28,964,000	\$41,623,000	\$56,040,884	\$9,903,308 15.0%
Open										
	031-282-015	12/05/2017	\$4,271,315		\$4,271,315	\$1,495,000		\$1,495,000		
	031-282-018	12/05/2017	\$1,385,288		\$1,385,288	\$485,000		\$485,000		
	031-282-041	12/05/2017	\$797,547		\$797,547	\$279,000		\$279,000		
	031-282-044	12/05/2017	\$811,323		\$811,323	\$284,000		\$284,000		
	031-282-048	12/05/2017	\$833,358		\$833,358	\$292,000		\$292,000		
	031-282-060	12/05/2017	\$2,345,090		\$2,345,090	\$821,000		\$821,000		
	031-282-062	12/05/2017	\$1,541,633		\$1,541,633	\$540,000		\$540,000		
Total Open	7		\$11,985,554	\$0	\$11,985,554	\$4,196,000	\$0	\$4,196,000	\$0	\$0
2018-19										
Approved/Withdrawn										
Approved	031-282-009	11/21/2018	\$2,141,864	\$9,119,837	\$11,261,701	\$1,071,000	\$4,560,000	\$5,631,000	\$8,830,000	\$2,431,701
	1				\$11,261,701			\$5,631,000	\$8,830,000	\$2,431,701 22%
Open										
	031-282-001	11/30/2018	\$720,622	\$5,698,166	\$6,418,788	\$360,000	\$2,850,000	\$3,210,000		
	031-282-002	11/30/2018	\$443,912	\$1,360,388	\$1,804,300	\$222,000	\$680,000	\$902,000		
	031-282-003	11/30/2018	\$2,483,338	\$0	\$2,483,338	\$1,242,000	\$0	\$1,242,000		
	031-282-006	11/30/2018	\$277,365	\$1,758,415	\$2,035,780	\$140,000	\$880,000	\$1,020,000		
	031-282-007	11/30/2018	\$510,244	\$4,521,436	\$5,031,680	\$255,000	\$2,260,000	\$2,515,000		
	031-282-008	11/30/2018	\$811,291	\$6,400,925	\$7,212,216	\$400,000	\$3,200,000	\$3,600,000		
	031-282-010	11/30/2018	\$492,189	\$3,787,615	\$4,279,804	\$492,189	\$3,787,615	\$4,279,804		
	031-282-011	11/30/2018	\$777,145	\$4,135,093	\$4,912,238	\$777,145	\$4,135,093	\$4,912,238		
	031-282-015	11/30/2018	\$4,356,741	\$0	\$4,356,741	\$1,495,000	\$0	\$1,495,000		
	031-282-019	11/21/2018	\$725,040	\$0	\$725,040	\$336,000	\$0	\$336,000		
	031-282-020	11/21/2018	\$3,275,574	\$0	\$3,275,574	\$2,390,000	\$0	\$2,390,000		
	031-282-021	11/30/2018	\$3,468,459	\$0	\$3,468,459	\$1,740,000	\$0	\$1,740,000		
	031-282-022	11/30/2018	\$2,909,980	\$0	\$2,909,980	\$1,455,000	\$0	\$1,455,000		
	031-282-023	11/30/2018	\$117,571	\$0	\$117,571	\$58,000	\$0	\$58,000		
	031-282-041	11/30/2018	\$813,497	\$0	\$813,497	\$279,000	\$0	\$279,000		
	031-282-044	11/30/2018	\$827,549	\$0	\$827,549	\$284,000	\$0	\$284,000		
	031-282-048	11/30/2018	\$850,025	\$0	\$850,025	\$292,000	\$0	\$292,000		
	031-282-060	11/30/2018	\$2,391,991	\$0	\$2,391,991	\$821,000	\$0	\$821,000		
	031-282-062	11/30/2018	\$1,572,465	\$0	\$1,572,465	\$540,000	\$0	\$540,000		
Total Open	19		\$27,824,998	\$27,662,038	\$55,487,036	\$13,578,334	\$17,792,708	\$31,371,042	\$0	\$0

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Table 3.15
Fort Ord Reuse Authority Tax Increment Analysis
Ten Largest Assesses 2019-20 - Seaside

Seaside-Fort Ord

Assessee	Primary Use	Number of Parcels			FY 2019-20 Assessed Value [1]			Percent of AV	
		Secured	Unsecured	Total	Secured	Unsecured	Total	Total	Incremental
Ten Largest Assesseees									
1 SUNBAY RESORT ASSOCIATES LLC	Resort Rentals	1	0	1	\$37,870,000	\$0	\$37,870,000	9.8%	9.9%
2 B & B GOLF COURSE PROPERTIES LLC	Golf Course Operations	0	3	3	\$0	\$16,564,882	\$16,564,882	4.3%	4.3%
3 BAY VIEW COMMUNITY LLC	Mobile Home Park	223	0	223	\$7,870,825	\$0	\$7,870,825	2.0%	2.1%
4 SEASIDE RESORT ESTATES I LLC [2]	Resort	25	0	25	\$6,550,875	\$0	\$6,550,875	1.7%	1.7%
5 MACHADO LAURA C TR	Single Family Homes	6	0	6	\$4,441,853	\$0	\$4,441,853	1.2%	1.2%
6 CHUNG HAI RYONG TR	Single Family Homes	4	0	4	\$3,398,737	\$0	\$3,398,737	0.9%	0.9%
7 TIER GAYLE D TR	Single Family Homes	1	0	1	\$1,957,754	\$0	\$1,957,754	0.5%	0.5%
8 MADDEN DWAIN J TR	Single Family Homes	2	0	2	\$1,730,542	\$0	\$1,730,542	0.4%	0.5%
9 MILOWICKI EDWARD J & PATRICIA M TRS	Single Family Homes	2	0	2	\$1,597,735	\$0	\$1,597,735	0.4%	0.4%
10 AN YU	Single Family Homes	2	0	2	\$1,454,142	\$0	\$1,454,142	0.4%	0.4%
Subtotal Ten Largest Assesseees		266	3	269	\$66,872,463	\$16,564,882	\$83,437,345	21.6%	21.8%
Total Assessed Value		743	68	811	\$366,644,752	\$19,374,390	\$386,019,142	100.0%	
Total Incremental Assessed Value							\$382,341,942		100.0%

[1] Assessed Value net of exemptions, excluding homeowner's exemption.

[2] Planned development at the Seaside Resort includes a hotel, condominiums, timeshares, and single family homes.

Table 3.16
Fort Ord Reuse Authority Tax Incremental Analysis
Ten Largest Assesses 2019-20 - Marina Project #3

Marina Project Area #3

Assessee	Primary Use	Number of Parcels			FY 2019-20 Assessed Value [1]			Percent of AV	
		Secured	Unsecured	Total	Secured	Unsecured	Total	Total	Incremental
Ten Largest Assesseees									
1 HAMSTRA-APPLETON LLC	Medical Center	1	0	1	\$51,781,173	\$0	\$51,781,173	8.3%	8.3%
2 WATHEN CASTANOS PETERSON HOMES INC ET AL	New Homes	3	0	3	\$46,009,200	\$0	\$46,009,200	7.4%	7.4%
3 PACIFIC COAST HIGHWAY PROPERTY LLC	Shopping Center	13	0	13	\$36,170,000	\$0	\$36,170,000	5.8%	5.8%
4 TARGET CORPORATION	Shopping Center	1	1	2	\$24,000,000	\$1,574,710	\$25,574,710	4.1%	4.1%
5 COMMUNITY HOSPITAL PROPERTIES INC	Medical Center	4	1	5	\$24,227,509	\$0	\$24,227,509	3.9%	3.9%
6 MONTEREY PENINSULA HOTELS GROUP LP	Hotel	1	0	1	\$19,979,845	\$0	\$19,979,845	3.2%	3.2%
7 WC MARINA LLC	Single Family Homes	65	0	65	\$17,401,409	\$0	\$17,401,409	2.8%	2.8%
8 ALLIANCE RESIDENTIAL CO INC	Multifamily Homes	0	2	2	\$0	\$15,500,564	\$15,500,564	2.5%	2.5%
9 MARINA COMMUNITY PARTNERS LLC	New Homes and Commercial	25	0	25	\$14,862,625	\$0	\$14,862,625	2.4%	2.4%
10 KOHLS DEPARTMENT STORES INC	Department Store	1	0	1	\$8,830,000	\$0	\$8,830,000	1.4%	1.4%
Subtotal Ten Largest Assesseees		114	4	118	\$243,261,761	\$17,075,274	\$260,337,035	41.6%	41.6%
Total Assessed Value		786	71	857	\$592,377,817	\$33,504,227	\$625,882,044	100.0%	
Total Incremental Assessed Value		786	71	857			\$625,851,655		100.0%

[1] Assessed Value net of exemptions, excluding homeowner's exemption.

**Table 4.1
Fort Ord Reuse Authority Tax Increment Analysis
Taxes Levied and Collected - Seaside-Fort Ord**

Seaside-Fort Ord

Item	2014-15		2015-16		2016-17		2017-18		2018-19	
	Levy	Collections								
Property Taxes on Assessment Roll										
Secured	\$3,039,231	\$2,989,941	\$3,161,658	\$3,079,002	\$3,331,134	\$3,289,425	\$3,411,933	\$3,386,754	\$3,561,284	\$3,514,488
HOPTR	\$17,855	\$15,262	\$17,454	\$14,870	\$17,541	\$17,592	\$16,947	\$17,088	\$16,523	\$16,621
Unsecured	\$125,603	\$121,047	\$130,412	\$116,056	\$132,896	\$124,042	\$135,227	\$124,013	\$139,275	\$135,509
Unitary	\$9,249	\$9,249	\$13,017	\$13,012	\$14,045	\$14,041	\$17,088	\$11,086	\$18,894	\$18,111
Subtotal	\$3,191,938	\$3,135,498	\$3,322,541	\$3,222,939	\$3,495,616	\$3,445,100	\$3,581,195	\$3,538,942	\$3,735,976	\$3,684,729
Collections Pct. of Levy		98.23%		97.00%		98.55%		98.82%		98.63%
Other Property Tax Collections										
Supplemental		\$18,520		\$5,700		\$10,041.53		\$17,093		\$24,055
Interest		\$0		\$0		\$0		\$0		\$0
Prior Secured		\$43,791		\$43,442		\$33,129.27		\$30,295		\$43,108
Prior Unsecured		\$1,181		\$0		\$1,398		\$1,440		\$774
Prior Supplemental		(\$1,120)		\$0		\$589		\$1,737		\$0
Subtotal		\$62,373		\$49,142		\$45,158		\$50,566		\$67,936
Total	\$3,191,938	\$3,197,871	\$3,322,541	\$3,272,081	\$3,495,616	\$3,490,258	\$3,581,195	\$3,589,508	\$3,735,976	\$3,752,665
Collections Pct. of Levy		100.19%		98.48%		99.85%		100.23%		100.45%
5 Year Weighted Avg. Collections Pct. Of Levy		99.86%								

A-20

Source: Monterey County Auditor Controller

tax s

Table 4.2
Fort Ord Reuse Authority Tax Increment Analysis
Taxes Levied and Collected - Marina Project Area #3

Marina Project Area #3

Item	2014-15		2015-16		2016-17		2017-18		2018-19	
	Levy	Collections								
Property Taxes										
Secured	\$1,981,499	\$1,950,174	\$2,092,004	\$2,037,312	\$2,937,027	\$2,889,795	\$3,307,969	\$3,279,017	\$4,725,218	\$4,648,022
HOPTR	\$11,641	\$9,951	\$11,549	\$9,839	\$15,466	\$14,925	\$16,431	\$16,334	\$21,923	\$21,133
Unsecured	\$81,890	\$79,099	\$86,291	\$76,792	\$117,173	\$108,070	\$131,107	\$119,712	\$184,794	\$176,419
Unitary	\$3,723	\$3,723	\$6,134	\$6,132	\$6,778	\$6,776	\$9,349	\$9,349	\$10,955	\$10,507
Subtotal	\$2,078,753	\$2,042,947	\$2,195,978	\$2,130,075	\$3,076,444	\$3,019,567	\$3,464,856	\$3,424,412	\$4,942,890	\$4,856,080
Collections Pct. of Levy		98.28%		97.00%		98.15%		98.83%		98.24%
Other Property Tax Collections										
Supplemental		\$15,242		\$75,919		\$499,659		\$689,319		\$759,558
Interest		\$0		\$0		\$0		\$0		\$0
Prior Secured		\$28,724		\$28,323		\$21,875		\$26,078		\$41,307
Prior Unsecured		\$729		\$0		\$913		\$955		\$671
Prior Supplemental		(\$650)		\$0		\$0		\$0		\$13,949
Subtotal		\$44,046		\$104,242		\$522,447		\$716,353		\$815,484
Total	\$2,078,753	\$2,086,993	\$2,195,978	\$2,234,317	\$3,076,444	\$3,542,014	\$3,464,856	\$4,140,764	\$4,942,890	\$5,671,565
Collections Pct. of Levy		100.40%		101.75%		115.13%		119.51%		114.74%
5 Year Weighted Avg. Collections Pct. Of Levy		112.16%								

Source: Monterey County Auditor Controller

tax m3

A-21

Table 5.1A
Fort Ord Reuse Authority Tax Increment Analysis
Summary of FORA Tax Increment Available for Debt Service
Scenario 1: 0% Annual Assessed Value Growth

All Project Areas 2019 & 2020 New Dev. AV 0% Annual Growth

FY Ending	FORA Tax Increment		
	Seaside- Fort Ord	Marina Project Area #3	Total
2020	\$928,194	\$1,421,694	\$2,349,888
2021	\$928,194	\$1,538,420	\$2,466,614
2022	\$928,194	\$1,579,762	\$2,507,956
2023	\$928,194	\$1,579,762	\$2,507,956
2024	\$928,194	\$1,579,762	\$2,507,956
2025	\$928,194	\$1,579,762	\$2,507,956
2026	\$928,194	\$1,579,762	\$2,507,956
2027	\$928,194	\$1,579,762	\$2,507,956
2028	\$928,194	\$1,579,762	\$2,507,956
2029	\$928,194	\$1,579,762	\$2,507,956
2030	\$928,194	\$1,579,762	\$2,507,956
2031	\$928,194	\$1,579,762	\$2,507,956
2032	\$928,194	\$1,579,762	\$2,507,956
2033	\$928,194	\$1,579,762	\$2,507,956
2034	\$0	\$1,579,762	\$1,579,762
2035	\$0	\$1,579,762	\$1,579,762
2036	\$0	\$1,579,762	\$1,579,762
2037	\$0	\$1,579,762	\$1,579,762
2038	\$0	\$1,579,762	\$1,579,762

ti sum

Source: Monterey County Auditor Controller and EPS

Table 5.2A
Fort Ord Reuse Authority Tax Increment Analysis
FORA Tax Increment Available for Debt Service - Seaside-Fort Ord
Scenario 1: 0% Annual Assessed Value Growth

Seaside-Fort Ord 0% Annual AV Growth

FY Ending	Tax Increment for Statutory Distribution					Statutory Share				
	Gross Tax Increment	Less Housing Set-Aside	Less Tier 1-3 Pass-Through	Unitary Tax Revenue	Remaining Tax Increment	FORA	County	Successor Agency	Other ATEs	
<i>Percentage</i>		20%				35%	25%	35%	5%	
2020	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2021	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2022	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2023	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2024	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2025	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2026	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2027	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2028	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2029	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2030	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2031	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2032	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2033	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	

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Table 5.3A
Fort Ord Reuse Authority Tax Increment Analysis
Tier 1 - Tier 3 Educational Passthroughs - Seaside-Fort Ord
Scenario 1: 0% Annual Assessed Value Growth

Seaside-Fort Ord
0% Annual AV Growth

Item	FY Ending Year	Assessed Value	Tier 1 Statutory Pass-Through (Years 1-45)				Tier 2 Statutory Pass-Through (Years 11-45)				Tier 3 Statutory Pass-Through (Years 31-45)				Total Tier 1-Tier 3 Pass-Through				
			Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	Assessed Value Growth	Gross Tax Increment		Less Housing Set Aside	Remaining Tax Increment	Pass-Through	
Source		Table 3.8A					Table 5.6												
Percentage				1%	20%				1%	20%				1%	20%		14%		
School Districts Pass-Through																	45.7%		
Net Percentage																	11.43%		
Base Year	1997		\$3,677,200																
RDA Year	2002																		
First Year of Tax Increment	2004	1																	
Tier 2 Base	2014	11						\$287,885,735											
Tier 3 Base (AV Projected)	2034	31											#N/A						
Last Year of Tax Increment [1]	2033	30																	
	2020	17	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2021	18	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2022	19	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2023	20	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2024	21	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2025	22	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2026	23	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2027	24	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2028	25	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2029	26	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2030	27	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2031	28	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2032	29	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877
	2033	30	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$424,877

[1] Last year of debt service on 2014 Bonds is 2033. There are other enforceable obligations expected to be incurred after this date, so termination and the last year of tax increment could be later.

Table 5.4A
Fort Ord Reuse Authority Tax Increment Analysis
FORA Tax Increment Available for Debt Service - Marina Project Area #3
Scenario 1: 0% Annual Assessed Value Growth

Marina Project Area #3 2019 & 2020 New Dev. AV 0% Annual Growth
--

FY Ending	Tax Increment for Statutory Distribution					Statutory Share				
	Gross Tax Increment	Less Housing Set-Aside	Less Tier 1-3 Pass-Through	Unitary Tax Revenue	Remaining Tax Increment	FORA	County	Successor Agency	Other ATEs	
<i>Percentage</i>		20%				35%	25%	35%	5%	
2020	\$6,258,517	(\$1,251,703)	(\$955,369)	\$10,538	\$4,061,983	\$1,421,694	\$1,015,496	\$1,421,694	\$203,099	
2021	\$6,794,604	(\$1,358,921)	(\$1,050,737)	\$10,538	\$4,395,484	\$1,538,420	\$1,098,871	\$1,538,420	\$219,774	
2022	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2023	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2024	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2025	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2026	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2027	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2028	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2029	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2030	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2031	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2032	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2033	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2034	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2035	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2036	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2037	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	
2038	\$6,984,477	(\$1,396,895)	(\$1,084,515)	\$10,538	\$4,513,605	\$1,579,762	\$1,128,401	\$1,579,762	\$225,680	

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**Table 5.6
Fort Ord Reuse Authority Tax Increment Analysis
Pass-Through Percentages**

TRA	2019-20 Assessed Value	2019-20 Pass-Through Percentages		
		MPUSD	MPC	Total
Seaside				
010-007	\$8,080	41.5074%	4.4825%	45.9899%
010-027	\$5,920	41.2535%	4.4551%	45.7086%
010-029	\$386,005,142	41.2535%	4.4551%	45.7086%
Seaside Total	\$386,019,142	41.2529%	4.4550%	45.7079%
Marina Project #3				
012-011	\$282,221,793	43.4253%	4.6897%	48.1150%
012-022	\$343,660,251	43.7978%	4.7299%	48.5277%
Marina Project #3 Total	\$625,882,044	43.6298%	4.7118%	48.3416%
TOTAL	\$1,011,901,186			

pt pct

**Table 5.7
Fort Ord Reuse Authority Tax Increment Analysis
Estimated Unitary Allocation**

Area	2018-2019		Estimated 2019-20 Unitary Tax Revenue
	Unitary Tax	Percentage of Total	
Seaside and Marina Project Area #3			
Seaside	\$18,894	0.20%	\$18,125
Marina Project #3	\$10,985	0.12%	\$10,538
Total	\$29,879	0.32%	\$28,663
All Other County Areas	\$9,439,563	99.68%	\$9,055,382
TOTAL	\$9,469,442	100.00%	\$9,084,045

unitary

Source: Monterey County Auditor Controller



Detailed FCR Tables— Scenario 2: 2% Annual Assessed Value Growth

Table 3.8B	Annual Assessed Value—Seaside-Fort Ord	A-30
Table 3.9B	Annual Assessed Value—Marina Project Area #3.....	A-31
Table 5.1B	Summary of FORA Tax Increment Available for Debt Service	A-32
Table 5.2B	FORA Tax Increment Available for Debt Service— Seaside-Fort Ord	A-33
Table 5.3B	Tier 1–Tier 3 Educational Passthroughs— Seaside-Fort Ord	A-34
Table 5.4B	FORA Tax Increment Available for Debt Service— Marina Project Area #3	A-35
Table 5.5B	Tier 1–Tier 3 Educational Passthroughs— Marina Project Area #3	A-36

Table 3.8B
Fort Ord Reuse Authority Tax Increment Analysis
Annual Assessed Value - Seaside-Fort Ord
Scenario 2: 2% Annual Assessed Value Growth

Seaside-Fort Ord
2% AV Growth

FY Ending	Assessed Value - Seaside			
	Beginning	Annual Value Increase	New Dev.	Ending Value
<i>Formula</i>	<i>A</i>	<i>B=A*2%</i>	<i>B</i>	<i>C+D+E</i>
<i>Annual Escalation</i>		<i>2.00%</i>		
2020	\$386,019,142	\$7,720,383	\$0	\$393,739,525
2021	\$393,739,525	\$7,874,790	\$0	\$401,614,315
2022	\$401,614,315	\$8,032,286	\$0	\$409,646,602
2023	\$409,646,602	\$8,192,932	\$0	\$417,839,534
2024	\$417,839,534	\$8,356,791	\$0	\$426,196,324
2025	\$426,196,324	\$8,523,926	\$0	\$434,720,251
2026	\$434,720,251	\$8,694,405	\$0	\$443,414,656
2027	\$443,414,656	\$8,868,293	\$0	\$452,282,949
2028	\$452,282,949	\$9,045,659	\$0	\$461,328,608
2029	\$461,328,608	\$9,226,572	\$0	\$470,555,180
2030	\$470,555,180	\$9,411,104	\$0	\$479,966,284
2031	\$479,966,284	\$9,599,326	\$0	\$489,565,609
2032	\$489,565,609	\$9,791,312	\$0	\$499,356,922
2033	\$499,356,922	\$9,987,138	\$0	\$509,344,060

av s 2

Table 3.9B
Fort Ord Reuse Authority Tax Increment Analysis
Annual Assessed Value - Marina Project Area #3
Scenario 2: 2% Annual Assessed Value Growth

Marina Project Area #3
2019 & 2020 New Dev. AV
2% Annual Growth

FY Ending	Assessed Value - Marina Project #3				
	Beginning	Annual Value Increase	New Dev.	Appeals Adjustment	Ending Value
<i>Source</i>	<i>Table 5.1</i>		<i>Table 3.10</i>	<i>Table 3.13</i>	
<i>Annual Escalation</i>		2.00%			
2020	\$625,882,044	\$12,517,641	\$69,412,853	(\$15,804,071)	\$692,008,467
2021	\$692,008,467	\$13,840,169	\$18,987,286	\$0	\$724,835,922
2022	\$724,835,922	\$14,496,718	\$0	\$0	\$739,332,640
2023	\$739,332,640	\$14,786,653	\$0	\$0	\$754,119,293
2024	\$754,119,293	\$15,082,386	\$0	\$0	\$769,201,679
2025	\$769,201,679	\$15,384,034	\$0	\$0	\$784,585,713
2026	\$784,585,713	\$15,691,714	\$0	\$0	\$800,277,427
2027	\$800,277,427	\$16,005,549	\$0	\$0	\$816,282,975
2028	\$816,282,975	\$16,325,660	\$0	\$0	\$832,608,635
2029	\$832,608,635	\$16,652,173	\$0	\$0	\$849,260,808
2030	\$849,260,808	\$16,985,216	\$0	\$0	\$866,246,024
2031	\$866,246,024	\$17,324,920	\$0	\$0	\$883,570,944
2032	\$883,570,944	\$17,671,419	\$0	\$0	\$901,242,363
2033	\$901,242,363	\$18,024,847	\$0	\$0	\$919,267,210
2034	\$919,267,210	\$18,385,344	\$0	\$0	\$937,652,555
2035	\$937,652,555	\$18,753,051	\$0	\$0	\$956,405,606
2036	\$956,405,606	\$19,128,112	\$0	\$0	\$975,533,718
2037	\$975,533,718	\$19,510,674	\$0	\$0	\$995,044,392
2038	\$995,044,392	\$19,900,888	\$0	\$0	\$1,014,945,280

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Table 5.1B
Fort Ord Reuse Authority Tax Increment Analysis
Summary of FORA Tax Increment Available for Debt Service
Scenario 2: 2% Annual Assessed Value Growth

All Project Areas 2019 & 2020 New Dev. AV 2% Annual Growth

FY Ending	FORA Tax Increment		
	Seaside- Fort Ord	Marina Project Area #3	Total
2020	\$928,194	\$1,421,694	\$2,349,888
2021	\$945,266	\$1,565,675	\$2,510,941
2022	\$962,680	\$1,637,152	\$2,599,832
2023	\$980,441	\$1,668,717	\$2,649,158
2024	\$998,558	\$1,700,913	\$2,699,471
2025	\$1,017,037	\$1,733,752	\$2,750,790
2026	\$1,035,886	\$1,767,249	\$2,803,135
2027	\$1,055,112	\$1,801,415	\$2,856,527
2028	\$1,074,722	\$1,836,265	\$2,910,988
2029	\$1,094,725	\$1,871,812	\$2,966,537
2030	\$1,115,127	\$1,908,070	\$3,023,197
2031	\$1,135,938	\$1,941,834	\$3,077,772
2032	\$1,157,165	\$1,976,274	\$3,133,438
2033	\$1,178,816	\$2,011,402	\$3,190,218
2034	\$0	\$2,047,233	\$2,047,233
2035	\$0	\$2,083,780	\$2,083,780
2036	\$0	\$2,121,059	\$2,121,059
2037	\$0	\$2,159,083	\$2,159,083
2038	\$0	\$2,197,867	\$2,197,867

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Source: Monterey County Auditor Controller and EPS

Table 5.2B
Fort Ord Reuse Authority Tax Increment Analysis
FORA Tax Increment Available for Debt Service - Seaside-Fort Ord
Scenario 2: 2% Annual Assessed Value Growth

Seaside-Fort Ord 2% AV Growth
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FY Ending	Tax Increment for Statutory Distribution					Statutory Share				
	Gross Tax Increment	Less Housing Set-Aside	Less Tier 1-3 Pass-Through	Unitary Tax Revenue	Remaining Tax Increment	FORA	County	Successor Agency	Other ATEs	
<i>Percentage</i>		<i>20%</i>				<i>35%</i>	<i>25%</i>	<i>35%</i>	<i>5%</i>	
2020	\$3,823,419	(\$764,684)	(\$424,877)	\$18,125	\$2,651,984	\$928,194	\$662,996	\$928,194	\$132,599	
2021	\$3,900,623	(\$780,125)	(\$437,863)	\$18,125	\$2,700,761	\$945,266	\$675,190	\$945,266	\$135,038	
2022	\$3,979,371	(\$795,874)	(\$451,109)	\$18,125	\$2,750,513	\$962,680	\$687,628	\$962,680	\$137,526	
2023	\$4,059,694	(\$811,939)	(\$464,619)	\$18,125	\$2,801,261	\$980,441	\$700,315	\$980,441	\$140,063	
2024	\$4,141,623	(\$828,325)	(\$478,400)	\$18,125	\$2,853,023	\$998,558	\$713,256	\$998,558	\$142,651	
2025	\$4,225,191	(\$845,038)	(\$492,457)	\$18,125	\$2,905,821	\$1,017,037	\$726,455	\$1,017,037	\$145,291	
2026	\$4,310,431	(\$862,086)	(\$506,795)	\$18,125	\$2,959,675	\$1,035,886	\$739,919	\$1,035,886	\$147,984	
2027	\$4,397,375	(\$879,475)	(\$521,419)	\$18,125	\$3,014,606	\$1,055,112	\$753,651	\$1,055,112	\$150,730	
2028	\$4,486,057	(\$897,211)	(\$536,336)	\$18,125	\$3,070,635	\$1,074,722	\$767,659	\$1,074,722	\$153,532	
2029	\$4,576,514	(\$915,303)	(\$551,551)	\$18,125	\$3,127,785	\$1,094,725	\$781,946	\$1,094,725	\$156,389	
2030	\$4,668,780	(\$933,756)	(\$567,071)	\$18,125	\$3,186,078	\$1,115,127	\$796,520	\$1,115,127	\$159,304	
2031	\$4,762,891	(\$952,578)	(\$582,901)	\$18,125	\$3,245,537	\$1,135,938	\$811,384	\$1,135,938	\$162,277	
2032	\$4,858,884	(\$971,777)	(\$599,047)	\$18,125	\$3,306,185	\$1,157,165	\$826,546	\$1,157,165	\$165,309	
2033	\$4,956,797	(\$991,359)	(\$615,517)	\$18,125	\$3,368,046	\$1,178,816	\$842,012	\$1,178,816	\$168,402	

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Table 5.3B
Fort Ord Reuse Authority Tax Increment Analysis
Tier 1 - Tier 3 Educational Passthroughs - Seaside-Fort Ord
Scenario 2: 2% Annual Assessed Value Growth

Seaside-Fort Ord 2% AV Growth
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Item	FY Ending Year	Assessed Value	Tier 1 Statutory Pass-Through (Years 1-45)					Tier 2 Statutory Pass-Through (Years 11-45)					Tier 3 Statutory Pass-Through (Years 31-45)					Total Tier 1-Tier 3 Pass-Through	
			Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through		
Source		Table 3.8B															Table 5.6		
Percentage School Districts Pass-Through				1%	20%				1%	20%				1%	20%			14%	
Net Percentage																		45.7%	
																		6.40%	
Base Year	1997		\$3,677,200																
RDA Year	2002																		
First Year of Tax Increment	2004	1																	
Tier 2 Base	2014	11						\$287,885,735											
Tier 3 Base (AV Projected)	2034	31																#N/A	
Last Year of Tax Increment	2033	30																	
2020	17	\$386,019,142	\$382,341,942	\$3,823,419	(\$764,684)	\$3,058,736	\$349,521	\$98,133,407	\$981,334	(\$196,267)	\$785,067	\$75,356	\$0	\$0	\$0	\$0	\$0	\$0	\$424,877
2021	18	\$393,739,525	\$390,062,325	\$3,900,623	(\$780,125)	\$3,120,499	\$356,579	\$105,853,790	\$1,058,538	(\$211,708)	\$846,830	\$81,284	\$0	\$0	\$0	\$0	\$0	\$0	\$437,863
2022	19	\$401,614,315	\$397,937,115	\$3,979,371	(\$795,874)	\$3,183,497	\$363,777	\$113,728,580	\$1,137,286	(\$227,457)	\$909,829	\$87,331	\$0	\$0	\$0	\$0	\$0	\$0	\$451,109
2023	20	\$409,646,602	\$405,969,402	\$4,059,694	(\$811,939)	\$3,247,755	\$371,120	\$121,760,867	\$1,217,609	(\$243,522)	\$974,087	\$93,499	\$0	\$0	\$0	\$0	\$0	\$0	\$464,619
2024	21	\$417,839,534	\$414,162,334	\$4,141,623	(\$828,325)	\$3,313,299	\$378,610	\$129,953,799	\$1,299,538	(\$259,908)	\$1,039,630	\$99,791	\$0	\$0	\$0	\$0	\$0	\$0	\$478,400
2025	22	\$426,196,324	\$422,519,124	\$4,225,191	(\$845,038)	\$3,380,153	\$386,249	\$138,310,589	\$1,383,106	(\$276,621)	\$1,106,485	\$106,208	\$0	\$0	\$0	\$0	\$0	\$0	\$492,457
2026	23	\$434,720,251	\$431,043,051	\$4,310,431	(\$862,086)	\$3,448,344	\$394,041	\$146,834,516	\$1,468,345	(\$293,669)	\$1,174,676	\$112,753	\$0	\$0	\$0	\$0	\$0	\$0	\$506,795
2027	24	\$443,414,656	\$439,737,456	\$4,397,375	(\$879,475)	\$3,517,900	\$401,990	\$155,528,921	\$1,555,289	(\$311,058)	\$1,244,231	\$119,430	\$0	\$0	\$0	\$0	\$0	\$0	\$521,419
2028	25	\$452,282,949	\$448,605,749	\$4,486,057	(\$897,211)	\$3,588,846	\$410,097	\$164,397,214	\$1,643,972	(\$328,794)	\$1,315,178	\$126,239	\$0	\$0	\$0	\$0	\$0	\$0	\$536,336
2029	26	\$461,328,608	\$457,651,408	\$4,576,514	(\$915,303)	\$3,661,211	\$418,366	\$173,442,873	\$1,734,429	(\$346,866)	\$1,387,543	\$133,186	\$0	\$0	\$0	\$0	\$0	\$0	\$551,551
2030	27	\$470,555,180	\$466,877,980	\$4,668,780	(\$933,756)	\$3,735,024	\$426,800	\$182,669,445	\$1,826,694	(\$365,339)	\$1,461,356	\$140,271	\$0	\$0	\$0	\$0	\$0	\$0	\$567,071
2031	28	\$479,966,284	\$476,289,084	\$4,762,891	(\$952,578)	\$3,810,313	\$435,403	\$192,080,549	\$1,920,805	(\$384,161)	\$1,536,644	\$147,497	\$0	\$0	\$0	\$0	\$0	\$0	\$582,901
2032	29	\$489,565,609	\$485,888,409	\$4,858,884	(\$971,777)	\$3,887,107	\$444,179	\$201,679,874	\$2,016,799	(\$403,360)	\$1,613,439	\$154,869	\$0	\$0	\$0	\$0	\$0	\$0	\$599,047
2033	30	\$499,356,922	\$495,679,722	\$4,956,797	(\$991,359)	\$3,965,438	\$453,130	\$211,471,187	\$2,114,712	(\$422,942)	\$1,691,769	\$162,387	\$0	\$0	\$0	\$0	\$0	\$0	\$615,517

[1] Last year of debt service on 2014 Bonds is 2033. There are other enforceable obligations expected to be incurred after this date, so termination and the last year of tax increment could be later.

Table 5.4B
Fort Ord Reuse Authority Tax Increment Analysis
FORA Tax Increment Available for Debt Service - Marina Project Area #3
Scenario 2: 2% Annual Assessed Value Growth

Marina Project Area #3 2019 & 2020 New Dev. AV 2% Annual Growth
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FY Ending	Tax Increment for Statutory Distribution					Statutory Share			
	Gross Tax Increment	Less Housing Set-Aside	Less Tier 1-3 Pass-Through	Unitary Tax Revenue	Remaining Tax Increment	FORA	County	Successor Agency	Other ATEs
<i>Percentage</i>		<i>20%</i>				<i>35%</i>	<i>25%</i>	<i>35%</i>	<i>5%</i>
2020	\$6,258,517	(\$1,251,703)	(\$955,369)	\$10,538	\$4,061,983	\$1,421,694	\$1,015,496	\$1,421,694	\$203,099
2021	\$6,919,781	(\$1,383,956)	(\$1,073,006)	\$10,538	\$4,473,357	\$1,565,675	\$1,118,339	\$1,565,675	\$223,668
2022	\$7,248,055	(\$1,449,611)	(\$1,131,405)	\$10,538	\$4,677,578	\$1,637,152	\$1,169,394	\$1,637,152	\$233,879
2023	\$7,393,023	(\$1,478,605)	(\$1,157,194)	\$10,538	\$4,767,762	\$1,668,717	\$1,191,941	\$1,668,717	\$238,388
2024	\$7,540,889	(\$1,508,178)	(\$1,183,499)	\$10,538	\$4,859,750	\$1,700,913	\$1,214,938	\$1,700,913	\$242,988
2025	\$7,691,713	(\$1,538,343)	(\$1,210,330)	\$10,538	\$4,953,578	\$1,733,752	\$1,238,395	\$1,733,752	\$247,679
2026	\$7,845,553	(\$1,569,111)	(\$1,237,698)	\$10,538	\$5,049,283	\$1,767,249	\$1,262,321	\$1,767,249	\$252,464
2027	\$8,002,470	(\$1,600,494)	(\$1,265,613)	\$10,538	\$5,146,901	\$1,801,415	\$1,286,725	\$1,801,415	\$257,345
2028	\$8,162,526	(\$1,632,505)	(\$1,294,086)	\$10,538	\$5,246,472	\$1,836,265	\$1,311,618	\$1,836,265	\$262,324
2029	\$8,325,782	(\$1,665,156)	(\$1,323,129)	\$10,538	\$5,348,035	\$1,871,812	\$1,337,009	\$1,871,812	\$267,402
2030	\$8,492,304	(\$1,698,461)	(\$1,352,753)	\$10,538	\$5,451,628	\$1,908,070	\$1,362,907	\$1,908,070	\$272,581
2031	\$8,662,156	(\$1,732,431)	(\$1,392,165)	\$10,538	\$5,548,098	\$1,941,834	\$1,387,024	\$1,941,834	\$277,405
2032	\$8,835,406	(\$1,767,081)	(\$1,432,366)	\$10,538	\$5,646,496	\$1,976,274	\$1,411,624	\$1,976,274	\$282,325
2033	\$9,012,120	(\$1,802,424)	(\$1,473,371)	\$10,538	\$5,746,863	\$2,011,402	\$1,436,716	\$2,011,402	\$287,343
2034	\$9,192,368	(\$1,838,474)	(\$1,515,195)	\$10,538	\$5,849,237	\$2,047,233	\$1,462,309	\$2,047,233	\$292,462
2035	\$9,376,222	(\$1,875,244)	(\$1,557,857)	\$10,538	\$5,953,658	\$2,083,780	\$1,488,415	\$2,083,780	\$297,683
2036	\$9,563,752	(\$1,912,750)	(\$1,601,371)	\$10,538	\$6,060,168	\$2,121,059	\$1,515,042	\$2,121,059	\$303,008
2037	\$9,755,033	(\$1,951,007)	(\$1,645,756)	\$10,538	\$6,168,808	\$2,159,083	\$1,542,202	\$2,159,083	\$308,440
2038	\$9,950,140	(\$1,990,028)	(\$1,691,029)	\$10,538	\$6,279,621	\$2,197,867	\$1,569,905	\$2,197,867	\$313,981

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Table 5.5B
Fort Ord Reuse Authority Tax Increment Analysis
Tier 1 - Tier 3 Educational Passthroughs - Marina Area Project #3
Scenario 2: 2% Annual Assessed Value Growth

Marina Project Area #3
 2019 & 2020 New Dev. AV
 2% Annual Growth

Item	FY Ending Year	Assessed Value	Tier 1 Statutory Pass-Through (Years 1-45)					Tier 2 Statutory Pass-Through (Years 11-45)					Tier 3 Statutory Pass-Through (Years 31-45)					Total Tier 1-Tier 3 Pass-Through
			Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	Assessed Value Growth	Gross Tax Increment	Less Housing Set Aside	Remaining Tax Increment	Pass-Through	
Source		Table 3.9B			Table 5.6													
Percentage School Districts Pass-Through					1%	20%			1%	20%			1%	20%			14%	
Net Percentage							25.0%				48.3%				48.3%		6.77%	
Base Year	2000	0	\$30,389															
RDA Year	1999																	
First Year of Tax Increment	2001	1																
Tier 2 Base	2010	10							\$194,582,488									
Tier 3 Base (AV Projected)	2030	30										\$849,260,808						
Last Year of Tax Increment	2038	38																
2020	20	\$625,882,044	\$625,851,655	\$6,258,517	(\$1,251,703)	\$5,006,813	\$605,093	\$431,299,556	\$4,312,996	(\$862,599)	\$3,450,396	\$350,275	\$0	\$0	\$0	\$0	\$0	\$955,369
2021	21	\$692,008,467	\$691,978,078	\$6,919,781	(\$1,383,956)	\$5,535,825	\$669,027	\$497,425,979	\$4,974,260	(\$994,852)	\$3,979,408	\$403,979	\$0	\$0	\$0	\$0	\$0	\$1,073,006
2022	22	\$724,835,922	\$724,805,533	\$7,248,055	(\$1,448,611)	\$5,798,444	\$700,765	\$530,253,434	\$5,302,534	(\$1,060,507)	\$4,242,027	\$430,639	\$0	\$0	\$0	\$0	\$0	\$1,131,405
2023	23	\$739,332,640	\$739,302,251	\$7,393,023	(\$1,478,605)	\$5,914,418	\$714,781	\$544,750,152	\$5,447,502	(\$1,089,500)	\$4,358,001	\$442,413	\$0	\$0	\$0	\$0	\$0	\$1,157,194
2024	24	\$754,119,293	\$754,088,904	\$7,540,889	(\$1,508,178)	\$6,032,711	\$729,077	\$559,536,805	\$5,595,368	(\$1,119,074)	\$4,476,294	\$454,422	\$0	\$0	\$0	\$0	\$0	\$1,183,499
2025	25	\$769,201,679	\$769,171,290	\$7,691,713	(\$1,538,343)	\$6,153,370	\$743,659	\$574,619,191	\$5,746,192	(\$1,149,238)	\$4,596,954	\$466,671	\$0	\$0	\$0	\$0	\$0	\$1,210,330
2026	26	\$784,585,713	\$784,555,324	\$7,845,553	(\$1,569,111)	\$6,276,443	\$758,533	\$590,003,225	\$5,900,032	(\$1,180,006)	\$4,720,026	\$479,165	\$0	\$0	\$0	\$0	\$0	\$1,237,698
2027	27	\$800,277,427	\$800,247,038	\$8,002,470	(\$1,600,494)	\$6,401,976	\$773,704	\$605,694,939	\$6,056,949	(\$1,211,390)	\$4,845,560	\$491,908	\$0	\$0	\$0	\$0	\$0	\$1,265,613
2028	28	\$816,282,975	\$816,252,586	\$8,162,526	(\$1,632,505)	\$6,530,021	\$789,179	\$621,700,487	\$6,217,005	(\$1,243,401)	\$4,973,604	\$504,907	\$0	\$0	\$0	\$0	\$0	\$1,294,086
2029	29	\$832,608,635	\$832,578,246	\$8,325,782	(\$1,665,156)	\$6,660,626	\$804,963	\$638,026,147	\$6,380,261	(\$1,276,052)	\$5,104,209	\$518,166	\$0	\$0	\$0	\$0	\$0	\$1,323,129
2030	30	\$849,260,808	\$849,230,419	\$8,492,304	(\$1,698,461)	\$6,793,843	\$821,063	\$654,678,320	\$6,546,783	(\$1,309,357)	\$5,237,427	\$531,690	\$0	\$0	\$0	\$0	\$0	\$1,352,753
2031	31	\$866,246,024	\$866,215,635	\$8,662,156	(\$1,732,431)	\$6,929,725	\$837,485	\$671,663,536	\$6,716,635	(\$1,343,327)	\$5,373,308	\$545,484	\$16,985,216	\$169,852	(\$33,970)	\$135,882	\$9,196	\$1,392,165
2032	32	\$883,570,944	\$883,540,555	\$8,835,406	(\$1,767,081)	\$7,068,324	\$854,235	\$688,988,456	\$6,889,885	(\$1,377,977)	\$5,511,908	\$559,554	\$34,310,137	\$343,101	(\$68,620)	\$274,481	\$18,576	\$1,432,366
2033	33	\$901,242,363	\$901,211,974	\$9,012,120	(\$1,802,424)	\$7,209,696	\$871,321	\$706,659,875	\$7,066,599	(\$1,413,320)	\$5,653,279	\$573,906	\$51,981,556	\$519,816	(\$103,963)	\$415,852	\$28,144	\$1,473,371
2034	34	\$919,267,210	\$919,236,821	\$9,192,368	(\$1,838,474)	\$7,353,895	\$888,748	\$724,684,722	\$7,246,847	(\$1,449,369)	\$5,797,478	\$588,545	\$70,006,403	\$700,064	(\$140,013)	\$560,051	\$37,903	\$1,515,195
2035	35	\$937,652,555	\$937,622,166	\$9,376,222	(\$1,875,244)	\$7,500,977	\$906,523	\$743,070,067	\$7,430,701	(\$1,486,140)	\$5,944,561	\$603,476	\$88,391,747	\$883,917	(\$176,783)	\$707,134	\$47,858	\$1,557,857
2036	36	\$956,405,606	\$956,375,217	\$9,563,752	(\$1,912,750)	\$7,651,002	\$924,654	\$761,823,118	\$7,618,231	(\$1,523,646)	\$6,094,585	\$618,706	\$107,144,798	\$1,071,448	(\$214,290)	\$857,158	\$58,011	\$1,601,371
2037	37	\$975,533,718	\$975,503,329	\$9,755,033	(\$1,951,007)	\$7,804,027	\$943,148	\$780,951,230	\$7,809,512	(\$1,561,902)	\$6,247,610	\$634,241	\$126,272,910	\$1,262,729	(\$252,546)	\$1,010,183	\$68,367	\$1,645,756
2038	38	\$995,044,392	\$995,014,003	\$9,950,140	(\$1,990,028)	\$7,960,112	\$962,011	\$800,461,904	\$8,004,619	(\$1,600,924)	\$6,403,695	\$650,086	\$145,783,585	\$1,457,836	(\$291,567)	\$1,166,269	\$78,931	\$1,691,029

[1] Last year of debt service on 2018 Bonds is 2038. There are other enforceable obligations expected to be incurred after this date, so termination and the last year of tax increment could be later.

APPENDIX F

GENERAL INFORMATION ABOUT THE CITY OF MARINA, THE CITY OF SEASIDE AND THE COUNTY OF MONTEREY

The following information is provided for background purposes only. The City of Marina, the City of Seaside, and the County of Monterey have no liability or responsibility whatsoever with respect to the Bonds or the Indenture.

Introduction

The City of Marina. The City of Marina (“Marina”) is a city in Monterey County (the “County”), California, United States. Marina is located along the central coast of California, 8 miles (13 km) west of Salinas, and 8 miles north of Monterey. Marina is also connected to Monterey, California by California State Route 1, which also connects it with Santa Cruz, California, after driving for about 35 miles. Marina lies is at an elevation of 43 feet (13 m). Marina was incorporated in 1975 and is the newest city on the Monterey Peninsula. Marina includes part of the California State University, Monterey Bay campus, the UCMBEST branch research center of UC Santa Cruz, and the Veterans Transition Center (VTC). According to the United States Census Bureau, Marina has a total area of 9.8 square miles (25 km²), of which 8.9 square miles (23 km²) is land and 0.9 square miles (2.3 km²) (9.02%) is water.

Marina’s history is intertwined with that of Fort Ord. Fort Ord lands were used as an infantry training center since the Mexican–American War. Major growth took place in 1938 with the first joint Army and Navy maneuvers held in 1940. Fort Ord was selected in 1991 for decommissioning and the post formally closed after troop reassignment in 1994. In July 1994 the first academic year of California State University, Monterey Bay opened, and barracks were soon transformed into dorms. As a result of base closure, some of the last undeveloped natural wildlands on the Monterey Peninsula are now overseen by the Bureau of Land Management, including 86 miles of trails for the public to explore on foot, bike or horseback. In 2012, President Barack Obama designated 14,000 acres of the closed base as a National Monument managed by the BLM.

The City of Seaside. The City of Seaside (“Seaside”) was founded in 1887 and incorporated on October 13, 1954 as a general law city. Seaside is an approximately ten-square mile ocean-side community located on the Monterey Peninsula in the County on the central coast of California. A portion of Fort Ord is located in the Seaside. Located on the site of the former Fort Ord military base are the Monterey Bay campus of California State University and the Monterey College of Law. Seaside’s Bayonet and Black Horse Golf Courses, a host to PGA Tour events (including the 2012 PGA Professional National Championship, the 2015 Senior PGA Professional National Championship, and the 2018 PGA Professional National Championship), are also located on the site of the former Fort Ord military base.

The County. Monterey County, described as the “greatest meeting of land and sea” celebrated its quadricentennial in 2002. In 1602, Spanish merchant Sebastian Vizcaino became the first European on the Monterey Peninsula. He christened Monterey after the viceroy of New Spain, Count de Monte Rey. Eventually, the City of Monterey served as California’s first capital, where the State constitution was signed in 1849. The County is one of the 27 original California counties, incorporating in 1850.

With an area of about 3,300 square miles, the County borders the Pacific Ocean almost at the midpoint of California with 99 miles of coastline. The County is located about 100 miles south

of San Francisco and 240 miles north of Los Angeles. It is bordered by Santa Cruz County to the north, San Benito (originally part of Monterey County), Fresno and Kings Counties to the east and San Luis Obispo County to the south.

There are two distinct sub-regions in the County. One is the Monterey Peninsula, world famous for beautiful ocean views, opulent homes, a 17-mile scenic drive, seafood and golf courses. The other, the Salinas Valley, is equally renowned as an area full of fertile farmland, running almost the entire length of the County and is one of the world’s major vegetable producing areas.

The Department of Defense has a number of installations located in the County: Fort Hunter-Liggett, Camp Roberts, the Naval Postgraduate School, the Defense Language Institute and some support facilities for the Naval Postgraduate School and the Defense Language Institute and certain other functions at what used to be Fort Ord. The Monterey Peninsula, famed for its scenic beauty, is a year-round tourist attraction. Pebble Beach, Cypress Point, Spyglass Hill, Poppy Hills and The Links at Spanish Bay are well known Monterey Peninsula golf courses. The Monterey Bay Aquarium and the City of Carmel-By-The-Sea also are attractions that draw tourists to the Monterey Peninsula.

The County also benefits from two wilderness areas set aside for recreational enjoyment, consisting of 468,538 total acres. The Los Padres National Forest has 304,035 acres and the Ventana Wilderness totals 164,503 acres.

Population

The table below summarizes population of the Marina, Seaside, Monterey County, and California for the last five years.

**CITY OF MARINA, CITY OF SEASIDE, MONTEREY COUNTY, and STATE OF CALIFORNIA
Population**

Year	City of Marina	City of Seaside	Monterey County	State of California
2015	21,179	34,172	432,964	38,952,462
2016	21,669	34,088	438,159	39,214,803
2017	22,263	34,295	441,898	39,504,609
2018	22,548	34,382	442,940	39,740,508
2019	22,957	33,776	445,414	39,927,315

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2010-19, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

MONTEREY COUNTY, CALIFORNIA, and UNITED STATES Civilian Labor Force, Employment, and Unemployment (Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2015	Monterey County	221,400	203,500	17,900	8.1%
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	8,296,000	5.3
2016	Monterey County	220,400	203,800	16,700	7.6
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	Monterey County	220,200	204,400	15,800	7.2
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Monterey County	224,100	210,000	14,000	6.3
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019 ⁽²⁾	Monterey County	222,500	208,700	13,800	6.2
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-19, and US Department of Labor.

- (1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.
- (2) Latest available full-year data.

Major Industries in the County

The table below sets forth a list of major employers in Monterey County in 2020.

MONTEREY COUNTY 2020 Major Employers

Employer Name	Location	Industry
Al Pak Labor	Soledad	Fruits & Vegetables-Wholesale
Azcona Harvesting	Greenfield	Harvesting-Contract
Bud of California	Soledad	Fruits & Vegetables-Growers & Shippers
Carol Hatton Breast Care Ctr	Monterey	Clinics
Casa Palmero At Pebble Beach	Pebble Beach	Hotels & Motels
County-Monterey Behavioral	King City	Health Services
Hilltown Packing Co	Salinas	Harvesting-Contract
Mann Packing Co	Salinas	Fruits & Vegetables-Growers & Shippers
Middlebury Institute-Intl	Monterey	University-College Dept/Facility/Office
Misionero Vegetables	Gonzales	Fruits & Vegetables-Growers & Shippers
Monterey County Social Svc Dpt	Salinas	Government Offices-County
Monterey Peninsula College	Monterey	Junior-Community College-Tech Institutes
Natividad Medical Ctr	Salinas	Hospitals
Ord Community Commissary	Seaside	Military Bases
Pebble Beach Co	Pebble Beach	Resorts
Premier Raspberry LLC	Royal Oaks	Grocers-Wholesale
Premium Harvesting & Packing	Salinas	Employment Agencies & Opportunities
Presidio of Monterey	Monterey	Military Bases
Quality Farm Labor	Gonzales	Labor Contractors
R C Packing	Gonzales	Packing & Crating Service
Salinas Valley Meml Healthcare	Salinas	Health Care Management
US Defense Manpower Data Ctr	Seaside	Government Offices-Us
Valley Harvesting	Greenfield	Crop Harvesting

Source: America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.

Construction Activity

The following table reflects the five-year history of building permit valuation for Marina, Seaside, and Monterey County:

CITY OF MARINA Building Permits and Valuation (Dollars in Thousands)

	2014	2015	2016	2017	2018 ⁽¹⁾
Permit Valuation:					
New Single-family	\$ 761	\$ 17,492	\$ 17,793	\$ 25,210	\$ 60,820
New Multi-family	894	4,500	-	8,360	-
Res. Alterations/Additions	507	2,253	841	1,411	15,105
Total Residential	2,162	24,245	18,635	34,982	75,925
Total Nonresidential	45,129	52,155	26,940	3,896	3,237
Total All Building	47,292	76,401	45,575	38,879	79,163
New Dwelling Units:					
Single Family	3	74	70	94	206
Multiple Family	8	12	-	47	-
Total	11	86	70	141	206

CITY OF SEASIDE
Building Permits and Valuation
(Dollars in Thousands)

	2014	2015	2016	2017	2018 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 761	\$ 17,492	\$ 17,793	\$ -	\$ 720
New Multi-family	894	4,500	-	-	-
Res. Alterations/Additions	507	2,253	841	11,016	2,100
Total Residential	<u>2,162</u>	<u>24,245</u>	<u>18,635</u>	<u>11,016</u>	<u>2,820</u>
Total Nonresidential	45,129	52,155	26,940	1,792	6,283
Total All Building	<u>47,292</u>	<u>76,401</u>	<u>45,575</u>	<u>12,809</u>	<u>9,104</u>
<u>New Dwelling Units:</u>					
Single Family	3	74	70	-	2
Multiple Family	8	12	-	-	-
Total	<u>11</u>	<u>86</u>	<u>70</u>	<u>-</u>	<u>2</u>

MONTEREY COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2014	2015	2016	2017	2018 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 97,600	\$ 116,703	\$ 152,257	\$ 165,341	\$ 199,194
New Multi-family	8,635	38,947	22,331	33,318	51,460
Res. Alterations/Additions	59,820	63,610	67,799	73,317	88,972
Total Residential	<u>166,057</u>	<u>219,262</u>	<u>242,389</u>	<u>271,977</u>	<u>339,627</u>
Total Nonresidential	154,340	223,141	197,865	171,630	151,103
Total All Building	<u>320,398</u>	<u>442,403</u>	<u>440,254</u>	<u>443,608</u>	<u>490,731</u>
<u>New Dwelling Units:</u>					
Single Family	236	374	486	523	611
Multiple Family	85	258	118	178	212
Total	<u>321</u>	<u>632</u>	<u>604</u>	<u>701</u>	<u>823</u>

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Columns may not sum to totals due to independent rounding.

(1) Latest available full year data.

Median Household Income

The following table summarizes the total effective buying income and the median household effective buying income for Marina, Seaside, the County, the State of California and the nation for the five most recent years.

CITY OF MARINA, CITY OF SEASIDE, MONTEREY COUNTY, CALIFORNIA and UNITED STATES Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	City of Marina	\$ 413,715	\$ 45,436
	City of Seaside	598,870	47,484
	Monterey County	8,776,830	50,389
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Marina	445,280	47,814
	City of Seaside	628,624	48,083
	Monterey County	9,535,558	52,802
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	City of Marina	476,851	50,129
	City of Seaside	655,939	49,920
	Monterey County	10,045,200	56,609
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	City of Marina	502,179	55,938
	City of Seaside	709,430	53,524
	Monterey County	10,807,771	60,275
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2019	City of Marina	526,229	61,719
	City of Seaside	745,637	60,337
	Monterey County	11,180,302	65,078
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303

Source: Nielsen Claritas, Inc.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

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