



FORT ORD REUSE AUTHORITY

SPECIAL MEETING

FORT ORD REUSE AUTHORITY (FORA) ADMINISTRATIVE COMMITTEE

Wednesday, November 28, 2018 at 9:00 a.m.

920 2nd Avenue, Suite A, Marina, CA 93933 (FORA Conference Room)

AGENDA

1. CALL TO ORDER/ESTABLISHMENT OF QUORUM
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE
4. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes and will not receive Committee action. Whenever possible, written correspondence should be submitted to the Committee in advance of the meeting, to provide adequate time for its consideration.

5. BUSINESS ITEMS

INFORMATION

- a. Workshop: On FORA Transition Items

Recommendation: Conduct a workshop to explore FORA Transition Planning Draft Resolutions.

6. ITEMS FROM MEMBERS

INFORMATION

Receive communication from Committee members as it pertains to future agenda items.

7. ADJOURNMENT

NEXT MEETING: Wednesday, December 5, 2018 at 8:30 a.m.

Persons seeking disability related accommodations should contact the Deputy Clerk at (831) 883-3672 48 hours prior to the meeting. Agenda materials are available on the FORA website at www.fora.org.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Transition Planning Process Update	
Meeting Date:	November 9, 2018	INFORMATION/ACTION
Agenda Number:	8b	

RECOMMENDATION:

1. Consider approval of the Transition Plan Resolution (DRAFT), without prejudice to later make revisions as necessary or appropriate.
2. Find that approval of the Transition Plan is not a project and is exempt from CEQA as a mere organizational change.
3. Authorize staff to take appropriate action(s) to comply with state law requiring submittal of an approved Transition Plan to the Local Area Formation Commission ("LAFCO") by December 2018.

BACKGROUND/DISCUSSION:

At the special meeting of the Fort Ord Reuse Authority ("FORA") Board held on October 29, 2018, the Board was presented with a Transition Plan Resolution that had been transmitted for review on October 26, 2018. The Board reports prepared for October 19, 2018 and October 29, 2018 (and associated attachments) can be accessed through the following links.

<https://www.fora.org/Board/2018/Packet/101918BrdPacket.pdf>
<https://www.fora.org/Board/2018/Packet/102918BrdPacket.pdf>

On October 31, 2018, the FORA Administrative Committee received a report concerning the draft Transition Plan Resolution. Additionally, FORA staff have been requested to attend City Council meetings at the City of Monterey, Sand City and the City of Del Rey Oaks.

Since October 29, 2018, staff and Authority Counsel have made revisions and clarifications to the Plan and the Contract Matrix, to reflect that any excess administrative funds will be applied to the Capital Improvement Program, litigation management post FORA, the additional evidence compiled on the Transition Task Force web pages and filing appropriate CEQA notices. Both a clean copy and redline copy are attached for the Board's perusal.

The most prominent question raised at and after the October 29 meeting is whether any environmental review must be conducted pursuant to the California Environmental Quality Act ("CEQA") before the Board may take action with respect to the Transition Plan Resolution. As explained in the Transition Plan Resolution, the transition plan provides for: "the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the Reuse Plan, [or] (c) changing the Reuse Plan itself" Since no such changes are being made in the Transition Plan Resolution, it will not result in a direct or indirect physical change in the environment. Accordingly, as defined in CEQA and the CEQA Guidelines, the approval of the Transition Plan Resolution is not a "project" triggering additional CEQA review. CEQA Section 21065, CEQA Guidelines Section 15378.

In this regard, CEQA Guidelines Section 15378(b) specifically excludes from CEQA review: “(4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. [and] (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.”

Authority Counsel is in the process of obtaining a legal opinion addressing this question.

Additionally, FORA staff prepared a Request for Proposals for a facilitator consistent with the Board’s authority on October 29, 2018. The draft RFP was reviewed by the Administrative Committee on October 31, 2018 and the tentative goal is to review proposals and conduct interviews the last week of November.

As currently drafted, the Transition Plan addresses assets, liabilities, pledges and obligations and a schedule. The Transition Plan provides the framework for regional Transition Plan Implementing Agreements and is not simply “an agreement to agree” as it contains direction as to how to implement in the absence of agreements. LAFCO staff and FORA staff have consulted and it is anticipated continued consultation will occur as the Transition Plan is reviewed by LAFCO to ensure orderly implementation, including without limitation, contract provisions or other requirements that LAFCO may need to ensure orderly implementation..

FORA staff has fielded numerous phone calls from consultants and staff from the jurisdictions. A table which compiles jurisdictional Transition reports and materials provided to FORA can be found at: <https://www.fora.org/Transitiontaskforce.html>.

FISCAL IMPACT:

Reviewed by FORA Controller 

COORDINATION:

County of Monterey, LAFCO, TAMC, MCWD, Cities of Seaside, Monterey, Del Rey Oaks, Pacific Grove, Marina and Salinas.

ATTACHMENTS:

- Attachment A: Transition Plan Resolution
- Exhibit A: Contract Assignment Matrix
- Exhibit B: Reference Documents
- Attachment B: Transition Plan Resolution Redline

Prepared by 
Sheri L. Damon

Reviewed by 
Steve Endsley

Approved by  for
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Transition Planning Process Update	
Meeting Date:	October 29, 2018	INFORMATION/ACTION
Agenda Number:	7a	

RECOMMENDATION:

1. Consider approval of the Transition Plan Resolution (DRAFT), without prejudice to later make revisions as necessary or appropriate.
2. Find that approval of the Transition Plan is not a project and is exempt from CEQA as a mere organizational change.
3. Direct staff to take appropriate action to comply with state law requiring a Transition Plan submittal (based on the approved resolution) to the Local Area Formation Commission ("LAFCO") by December 2018.
4. Authorize the Executive Officer to execute a LAFCO Indemnification Agreement.
5. Authorize the Executive Officer to retain facilitator services in an amount not to exceed \$100,000 to assist jurisdictions and FORA in negotiating Transition Plan Implementation Agreements not later than March 2019.
6. Direct staff to provide a progress report in January 2019 and return in March 2019 and on a quarterly basis thereafter to update the Board on the progress of negotiations and any additional information to refine the Transition Plan.

BACKGROUND/DISCUSSION:

Since the Board report, a **copy of which is attached**, was prepared for the special meeting on October 19, 2018, which was postponed until October 29, 2018, Authority Counsel and staff have had the opportunity to meet with City and County attorneys. In addition, on October 17, 2018 and October 19, 2018, letters were received from Land watch raising California Environmental Quality Act issues as to the proposed FORA Board action on the Transition Plan. Additionally, on October 17, 2018, the Administrative Committee received a report concerning the draft Transition Plan Resolution and provided input to staff.

Since that time, staff and Authority Counsel have made revisions and clarifications to the Plan and the Contract Matrix, to address some of the concerns raised by the attorneys and others. Not all of the suggestions received could be incorporated into the document (but many were). This Transition Plan is recommended to be adopted in a form for submission to LAFCO but with the acknowledgement that modifications/changes and clarifications might be made to the Plan as additional information and regional agreements are completed. In this manner, the Transition Plan tries to strike the balance between acknowledging the preference that the Plan be implemented through Agreements and regional cooperation, but it does not allow an unfettered amount of time to negotiate and present such agreements to the FORA Board for consideration of potential modifications to or clarifications of the Transition Plan. It goes further and recommends hiring a facilitator to assist the jurisdictions in negotiating regional agreements as to implementation of base-wide costs and mitigation measures, replacement financing mechanisms and revenue sharing arrangements to be completed over the next 5 months.

There are some ministerial changes to the Transition Plan: the formatting has changed, additional links to documentary and background information are now more specifically referenced and the

contracts matrix now has numbers on the left hand column to make referencing the contracts simpler and easier to identify.

The biggest revision to the Transition Plan Resolution document is in the area of Administrative Liabilities. Given the County's Constitutional concerns and the fact that all the landowning jurisdictions have Implementation Agreements with FORA, the language has shifted to clarify that FORA fund all liabilities with respect to the CalPERS terminated agency unfunded liabilities, including if there is insufficient cash on hand to retire the amount. FORA has learned that CalPERS will accept an up to five year payment obligation for the terminated agency unfunded liabilities which should qualify as a recognizable debt to be paid by post dissolution property tax revenues as outlined in Health and Safety Code section 33492.71. Although the 2018-19 Capital Improvement Program estimates the property tax revenues from 2020-2029 to be in the range of \$66M, a conservative estimate based upon currently received property taxes is that over the next ten years, estimated property tax revenues will be in the range of \$20M (approximately \$2M/year) will be received. Together with the Section 115 Trust, there would then be no outstanding liability to fall on the voting members. Prior to this shift, some of the jurisdictions indicated they would need to take this resolution to their respective Boards or City Councils for consideration to ensure their general funds are protected.

The Transition Plan still includes some reference to the voting percentage allocations. However, as a policy decision, the Board might decide to "roll over" any extra funds into the Capital Improvement Program.

POLICY ISSUE: Should the Transition Plan refund monies from Administrative Liabilities to the voting members or should any excess be "rolled over" into the Capital Improvement Program?

The Transition Plan now contains a provision that a land holding jurisdiction must have an approved Transition Plan Agreement in order to receive monies pursuant to the Capital Improvement Program.

The Transition Plan further clarifies that despite some jurisdictions' insistence that FORA's obligations "go away" or are unenforceable and will not be assumed by the jurisdictions, that is a choice/decision that each jurisdiction will need to make moving forward. However, the Implementation Agreements with the landowning jurisdictions include provisions that assume all Base-wide Mitigation and Base-wide Costs have been addressed and financed, including requests that each jurisdiction initiate a process to consider its own financing mechanisms to raise revenues to contribute toward Base-wide Costs and Base-wide Mitigation Measures. There is a legal dispute over the assignability of the Implementation Agreements and whether they survive a FORA dissolution. However, Authority Counsel has provided his memorandum as to the assignability issue which states that it is legal and appropriate for FORA to do this.

Although some of the City and County attorneys wanted a fully reformatted resolution, none of the City or County attorneys claimed that the Transition Plan Resolution was *illegal*. Authority Counsel has reformatted the resolution to address some of these issues. There appeared to be consensus that no matter what the format of the Transition Plan Resolution there would be issues as to the following:

LAFCO/FORA jurisdiction issues; assignability of the Implementation Agreements; survivability and enforcement of the Base Reuse Plan and Master Resolution post-2020 and in particular, prevailing wage policies and affordable housing policies.

There is now a scheduled update and quarterly reporting schedule on Transition Plan Agreement negotiations and updates on a quarterly basis to allow the FORA Board sufficient time to make adjustments to the plan prior to dissolution and to seek, if necessary, judicial determinations and/or legislative solutions.

Some attorneys contended some of the issues were policy issues and others contended the issues were legal issues. Interpretation of the FORA Act is a legal issue. To the extent the FORA Board is considering undertaking a mere reorganization without changing any Base-wide Costs or Base-wide Mitigation measures, FORA is not taking any action which implicates CEQA. However, to the extent the FORA Board takes an action which modifies the FORA program, there is a greater likelihood of creating a CEQA issue.

To the extent that a jurisdiction takes an action which effectively impedes the ability to fully implement the Base-wide Costs and Base-wide Mitigation Measures, not only has there arguably been a breach of the Implementation Agreement, but also that jurisdiction's choice to make such a change could be subject to CEQA.

Requests were made for a redline version and one was provided with the packet on October 19, 2018 and a full redline was provided with that report. However, with this report, given the substantial reformat of the Transition Plan Resolution no redline is provided as it would be mostly red and not helpful.

In addition, FORA staff has fielded numerous phone calls from consultants and staff from the jurisdictions. A table which compiles jurisdictional Transition reports and materials provided to FORA can be found at: <https://www.fora.org/Transitiontaskforce.html>. A list of definitions had been added to the Resolution itself.

FISCAL IMPACT:


Reviewed by FORA Controller 

COORDINATION:

County of Monterey, LAFCO, TAMC, MCWD, Cities of Seaside, Monterey, Del Rey Oaks, Pacific Grove, Marina and Salinas.

ATTACHMENTS:

Attachment A: Transition Plan Resolution
Exhibit A: Contract Assignment Matrix
Exhibit B: Reference Documents
Attachment B: LAFCO Indemnification Agreement

Prepared by 
Sheri L. Damon

Reviewed by 
Steve Endsley

Approved by  FOR
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Transition Planning Process	
Meeting Date:	October 19, 2018	INFORMATION/ACTION
Agenda Number:	7a	

RECOMMENDATION:

1. Consider approval the Transition Plan Resolution (DRAFT), without prejudice and find the action is exempt from California Environmental Quality Act.
2. Direct staff to take appropriate action to comply with state law requiring a Transition Plan submittal (based on the approved resolution) to the Local Area Formation Commission ("LAFCO") by December 2018. Such submittal to include, but not limited to, the following:
 - a) Authorize the Executive Officer to retain facilitator services to assist jurisdictions and FORA to complete Transition Plan Implementation Agreements ("TPIAs") no later than 3/2019;
 - b) Direct staff to work with jurisdictions/entities on TPIAs and report TPIAs status in January 2019;
 - c) Authorize the Executive Officer to execute a LAFCO Indemnification Agreement;
 - d) Authorize Transition Plan submittal to LAFCO by December 2018, specifying that member agencies are moving ahead with the TPIAs which may, if approved by the FORA Board, modify the Transition Plan;
 - e) Direct staff to move forward with Transportation Agency for Monterey County ("TAMC"), Monterey Salinas Transit ("MST") and Marina Coast Water District ("MCWD") TPIAs; and
 - f) Direct staff and Authority Counsel to coordinate with County Counsel, LAFCO Counsel, and the City/Member attorneys on refining the nature and extent of legal consensus and areas for legislative or judicial clarification.

BACKGROUND/DISCUSSION:

At the October 12, 2018 meeting, and in prior written communications, additional policy, legal and other issues continued to be raised. To that end, staff and Authority Counsel are scheduling meetings with the City and County attorneys of the member jurisdictions in order to ascertain areas of consensus and isolate those areas that may need clarification either by Agreement, litigation or legislation. Staff will provide any updates at the Special Meeting.

Requests were made for a Transition Resolution redline version comparing the September 28, 2018 and the October 12, 2018 versions. **Attachment A** is a redline compilation highlighting changes made since September 28, 2018. The background

October 12, 2018

FORA Board Special Meeting
Item 7a Transition Planning Process

reports for the September 28, 2018 meeting and the October 12, 2018 meeting can be accessing by clicking the links.

In addition, FORA staff has fielded numerous phone calls from consultants and staff from the jurisdictions. A table which compiles jurisdictional Transition reports and materials provided to FORA can be found at: <https://www.fora.org/Transitiontaskforce.html>.

FISCAL IMPACT:

Reviewed by FORA Controller 

COORDINATION:

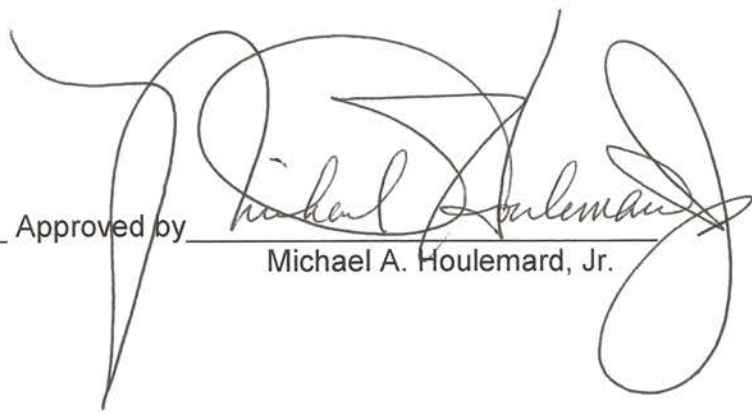
County of Monterey, LAFCO, TAMC, MCWD, Cities of Seaside, Monterey, Del Rey Oaks, Pacific Grove, Marina and Salinas.

ATTACHMENTS:

- Attachment A: Transition Plan Resolution
- Attachment A-Exhibit 1: Contract Assignment Chart
- Attachment B: LAFCO Indemnification Agreement

Prepared by 
Sheri L. Damon

Reviewed by 
Steve Endsley

Approved by 
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY RESOLUTION NO. 18-xx

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
Approving a Transition Plan for Submission to the Monterey County Local Agency Formation Commission

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A.** In 1991, the Secretary of Defense announced the proposed downsizing of the United States Army Fort Ord Military Reservation ("Fort Ord") under the Base Realignment and Closure Act. The United States Army (the "Army") moved the 7th Infantry Division - Light to Fort Lewis Washington over the following two years, resulting in the loss to the communities and populace of the Monterey Peninsula and adjoining greater Monterey Bay region of the significant economic, social, and cultural contributions that had been associated with the military presence.
- B.** After the announcement but prior to the implementation of the base downsizing/closure, political leaders from within the affected region formed the Fort Ord Community Task Force (the "Task Force") in order to develop recommendations for moving forward with a recovery effort. These recommendations were embodied in a 760-page June 1992 Strategy Report prepared by the Task Force (the "Strategy Report"). The Strategy Report may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference.
- C.** Predicated upon the Strategy Report, in October 1992 the Fort Ord Reuse Group ("FORG") was organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of Fort Ord. After preparing an initial plan and subsequently refining it, the revised plan was considered and adopted by FORG in 1993. Those early planning efforts recognized the significant costs associated with the implementation of any plan to convert Fort Ord into civilian use and reinforced the validity of the regional and base-wide approaches that were inherent in the conclusions reached by the Task Force in its Strategy Report.
- D.** The Fort Ord Reuse Authority ("FORA") was established in 1994 by state legislation (Government Code sections 67650 and following, the "FORA Act") and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. The FORA Act may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference. The Legislature found that the reuse of Fort Ord is a matter of statewide importance and declared in Government Code section 67657(c) that FORA's powers and duties prevail over those of any other local entity, including any city, county, or joint powers authority. Government Code section 67658 identifies FORA's purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use. In Government Code section 67651, the Legislature tasked FORA with the following primary directives (1) plan, facilitate, and manage the transfer of former Fort Ord property from the Army to local jurisdictions or their designee(s), (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and redevelopment in ways that enhance the economy and quality of life of the Monterey Bay community, and (4) maintain and protect the unique environmental resources of the area.
- E.** In order to carry out the directives of the FORA Act, FORA hired staff and entered into a contract with the California Public Employees' Retirement System ("CalPERS") to provide

for retirement benefits for FORA employees. A copy of the contract with CalPERS as amended to date is referenced as Contract #1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference. As is the situation facing many local public entities today, FORA's liability for pension obligations under the CalPERS contract is not at present fully funded and any potential shortfall must be addressed in the transition planning process.

F. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997, which identified (1) environmental actions required to mitigate development and reuse of the former Fort Ord (the "Base-wide Mitigation Measures") and (2) infrastructure and related costs necessary to accommodate development and reuse of the former Fort Ord (the "Base-wide Costs"), each consistent with the fulfillment of FORA's primary directives. The Reuse Plan and its attendant environmental report is available on the FORA website at www.fora.org or may be accessed on Exhibit B - Reference Documents attached hereto and incorporated by this reference. As part of that approval, FORA's Board of Directors (the "Board") certified an Environmental Impact Report and adopted a Statement of Overriding Considerations after making the following findings:

- The Reuse Plan will provide for an improved and diversified retail and industrial economy and market that will generate employment and create financial stability;
- The Reuse Plan will provide moderate and upscale housing which will provide more affluent residents to the Cities of Seaside and Marina, thereby creating a housing stock with higher income families in these communities with larger disposable incomes;
- The Reuse Plan will provide additional tourist support facilities in Seaside and Marina, thereby contributing additional employment opportunities;
- The Reuse Plan will encourage and prioritize the development of projects that are regional in scale, thereby creating additional destination points on the Monterey Peninsula, and thereby enhancing the local economy;
- The Reuse Plan provides for the creation of various additional recreational facilities and open space that will enhance the quality of life for not only the residents of Seaside and Marina but all of the residents of the Peninsula;
- The Reuse Plan will attract and assist in retaining a pool of professional workers for the Peninsula;
- The Reuse Plan will assist in ensuring that the overall economic recovery of the Peninsula benefits the Cities of Del Rey Oaks, Monterey, Seaside, Marina, and the unincorporated areas of the County of Monterey in the vicinity of Fort Ord;
- The Reuse Plan will provide for additional and needed senior housing opportunities;
- The Reuse Plan will assist the communities of Seaside and Marina in the transition of their respective community images from dependent, military base extensions with transient military personnel to vital, independent, and self-actuated communities populated with permanent residents with long-term interests in the well-being of their respective communities; and
- The Reuse Plan will encourage development that will enhance the continued viability of California State University at Monterey Bay and the open space areas retained by the federal government through the Bureau of Land Management and conveyed to the California Department of Parks and Recreation.

- G.** FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act ("CEQA") to implement the Base-wide Mitigation Measures and incur the Base-wide Costs.
- H.** In the Reuse Plan, FORA identified revenues generated from sales and leases of real property within the former Fort Ord, FORA's share of taxes on real property located within the former Fort Ord, and base-wide assessments or development fees, as the primary property-related sources of funding with which to implement the Base-wide Mitigation Measures and to pay the Base-wide Costs.
- I.** As is more fully described below, in connection with funding implementation of the Reuse Plan, FORA entered into multiple agreements with local, state, and federal entities, established a public financing mechanism, and prepared a Capital Improvement Program ("CIP"). The Reuse Plan carries a series of mitigative project obligations which were defined in Appendix B of the Public Facilities Implementation Plan ("PFIP") adopted in 2001. The PFIP is available on the FORA website at www.fora.org or may be accessed on Exhibit B - Reference Documents attached hereto and incorporated by this reference. The PFIP served as the baseline CIP for the Reuse Plan. The CIP is reviewed on an annual basis and it is estimated that, of the expenses identified in the 2018-19 CIP, approximately \$194,500,000 will remain as obligations to be satisfied or otherwise appropriately addressed after FORA's currently anticipated sunset in mid-2020. The most current CIP is available on the FORA website at www.fora.org or may be accessed on Exhibit B - Reference Documents attached hereto and incorporated by this reference.
- J.** As part of funding implementation of the Reuse Plan, FORA established in 2001 a Community Facilities District ("CFD"), through which special taxes on properties to be developed are collected. These special taxes (the "CFD Special Taxes") are due and payable with respect to each parcel on issuance of a building permit relating to the property. The CFD Special Taxes are subject to annual adjustment, but when FORA ceases to exist the CFD Special Taxes may no longer be collected (unless as a result of legislative changes the authority to collect the existing CFD Special Taxes is extended). If (a) FORA's sunset date is not extended or (b) the ability to extend collection of the CFD Special Taxes by one or more successor(s) to FORA is not provided (in each instance through the adoption of appropriate legislative changes) one of the costs to the region will be the inability to collect an estimated approximately \$72,000,000 that would otherwise be generated through continuation of the CFD Special Taxes imposed on already entitled development. A variety of replacement funding mechanisms are available, including but not limited to the potential for each of the underlying land use jurisdictions to create its own Community Facilities District through which special taxes on future development may be collected.
- K.** FORA entered into a Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands (the "EDC MOA"), which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder. The EDC MOA and its attendant amendments are referenced as items 78, 97 and 99 in Exhibit A attached hereto and incorporated by this reference. The EDC MOA provided the vehicle for the Army to transfer property to FORA without monetary consideration. The land transfer was conditioned on a requirement that any proceeds from the subsequent sale or leasing of the transferred real property must be applied to the economic development of the former Fort Ord. The real property transferred pursuant to the EDC

MOA may be referred to herein as the "EDC Property." The Army also required that water available on the former Fort Ord be allocated in a fair and equitable manner among all of the various recipients of portions of the EDC Property.

- L. In 2001, agreements were entered into between FORA on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, which agreements provided the basis for the orderly transfer of the EDC Property to the respective jurisdictions, the allocation of a fair and equitable share of the Base-wide Costs and the Base-wide Mitigation Measures to each of the recipients, and the allocation of available water to the recipients in a fair and equitable manner. These agreements, as they may have been amended to date and irrespective of whether they may be so captioned, may collectively be referred to herein as the "Implementation Agreements." The Implementation Agreements are referenced as items 10 through 15 in Exhibit A attached hereto and incorporated by this reference. The Implementation Agreements form the starting point from which the Transition Plan Implementing Agreements contemplated to be entered into with the recipients of the EDC Property and discussed more fully below (the "Transition Plan Implementing Agreements") shall be negotiated and developed for the mutual benefit of all recipients of the EDC Property and FORA's successor(s), if any.
- M. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45 and 46 in Exhibit A attached hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.
- N. In 2016, the FORA Board chair convened a Transition Task Force to work on transition issues. On December 7, 2016, a majority of FORA's Board members voted in support of seeking legislative extension of FORA's sunset date as the best way to carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner, as called for by Government Code section 67652. Again in 2017, the FORA Board chair convened a Transition Task Force to continue work on a transition plan. On November 17, 2017, a majority of FORA's Board members voted that (in the event that legislative extension of FORA's sunset date could not be obtained) the next best way to satisfy and fulfill the Base-wide Mitigation Measures and other obligations and commitments of FORA would be to provide for a single entity successor (such as a joint powers authority exercising regional oversight) to complete the Reuse Plan. The Board

noted that in order for such a successor entity to be able to continue collection of the CFD Special Taxes that are a significant element of the financing necessary to complete the Reuse Plan, legislative changes would be necessary and that in the absence of such legislation, ongoing contributions would need to be made in accordance with the approach embodied in the Implementation Agreements. In 2017, the FORA Board chair convened a Transition Ad Hoc Committee to continue working on a transition plan. All of the materials and presentations related to those meetings can be accessed on the FORA web page at <https://www.fora.org/TransitionProcess.html>, including without limitation, attorney opinions and memoranda, financial consultant analyses and staff analysis.

- O. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:

The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. **The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.** The transition plan shall be approved only by a majority vote of the board. (*Emphasis added*)

- P. Government Code section 67700(b)(1) provides as follows:

The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred. (*Emphasis added*)

BASED ON THE FOREGOING RECITALS AND FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:

Section 1 Preliminary Findings and Determinations:

1.1 Base-wide Costs and Base-wide Mitigation Measures:

The Board hereby finds and determines that the agreements, contracts and other items referred to in Exhibit A attached hereto and incorporated by this reference, together with each and all of the projects identified in the Reuse Plan and contained in the CIP, constitute Base-wide Costs and/or Base-wide Mitigation Measures and are required to be addressed by this Transition Plan as assets, liabilities, or obligations pursuant to Government Code section 67700.

1.2 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the

Reuse Plan, (c) changing the Reuse Plan itself, (d) eliminating any Base-wide Costs or elements of the CIP, or (d) avoiding the satisfaction and fulfillment of any of FORA's other commitments, pledges, or promises (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary and to the extent not already so contained, this Transition Plan requires each jurisdiction to include all mitigations in its Capital Improvement Program (subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations). Following FORA's ultimate dissolution, any changes to the FORA Program or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

1.3 Revenue Sharing and Financial Contribution:

The Board hereby finds and determines that the Implementation Agreements with the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey require that each of such entities continue to pay its fair and equitable share of the cost of the FORA Program (in accordance with the formulas expressed therein and subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations) until all Base-wide Costs and Base-wide Mitigation Measures have been fully paid and satisfied.

1.4 Reuse Plan and Master Resolution:

The Board hereby finds and determines that all the underlying land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan and therefore there is no need to record the Reuse Plan or its policies. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution and, in order to preserve a permanent record of those policies, directs staff to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. The Master Resolution may be accessed on Exhibit B - Reference Documents attached thereto and incorporated by this reference. In particular, the Board finds that the prevailing wage policy established in 1996 to promote equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that regional, integrated base-wide habitat protection is best funded by the CFD Special Taxes or substantially similar base-wide replacement funding mechanisms. The Board has identified and set aside approximately 30.2% of collected CFD Special Taxes to be applied toward base-wide habitat management and finds that any replacement funding mechanism should be designed to generate similar levels of revenue for such purposes.

1.6 Environmental Services Cooperative Agreement:

The Board hereby finds and determines that the long term stewardship obligations and related monitoring identified by the Army for its munitions removal activities are crucial to the future success of the recovery program. The Board further finds that following the dissolution of FORA the current full time staffing of the Environmental Services Cooperative Agreement ("ESCA")

should be continued and sustained through the anticipated termination of the ESCA in 2028 either by the County of Monterey or the City of Seaside as single successor to FORA for the purposes of the ESCA or by assignment of the ESCA to a joint powers authority formed by both of them.

1.7 Building Removal:

The Board hereby finds and determines that former Fort Ord remnant, non-historic, and abandoned Army structures, not obligated to be removed under the CIP, are a barrier to the success of the overall recovery and reuse program and a nuisance to quiet enjoyment of the region's assets. The Board further finds that an extension of the FORA Act to sustain resources such as land sales revenue and property tax revenues that can be applied to this significant barrier to recovery is an important transition component. The Board, therefore, recommends consideration by the Legislature of an extension of the FORA Act to meet this blight eradication need.

1.8 Transportation and Transit:

The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit projects that have been identified in the CIP are essential to the long term success of the economic recovery of the reuse. The Board further finds that extension of the CFD Special Taxes or the implementation of substantially similar replacement funding mechanisms for the purpose of revenue generation and revenue sharing would be the best long term way to collect and share revenues to fund the transportation network for the on-site, off-site and regional projects because a replacement regional transportation fee may not be imposed on already approved development projects in the absence of written consent by the developers to do so.

1.9 Water and Wastewater:

The Board hereby finds and determines that it has made water allocations in accordance with its obligation under the EDC MOA to ensure a fair and equitable water supply to all property recipients and imposed those requirements in the Implementation Agreements. The Board further finds that the Implementation Agreements may need to be enforced if any jurisdiction's approved developments exceed the jurisdiction's approved water allocation. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution. To the extent that MCWD is unable to impose and/or collect revenues to replace the revenues generated by the CFD Special Taxes, the Board finds that continuation of the CFD Special Taxes (or implementation of a substantially similar replacement source of revenue) allows for funds to reduce connection and other costs imposed by MCWD.

Section 2 Assignment of Assets, Liabilities, and Obligations:

2.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

2.1.1 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for retirement purposes. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other

funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).

2.1.2 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, allocations shall be made, and the funds shall be applied or distributed at or before FORA's dissolution in accordance with the approved FORA budget for that year.

2.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO in the current approximate aggregate amount of \$300,000. Those funds are intended to cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 3, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover Transition Plan litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). In the event that as of immediately prior to FORA's dissolution no such litigation or indemnity obligation is pending, the unexpended balance of such reserves shall be applied to capital improvement program projects in accordance with the Final 2020 Capital Improvement Program and/or distributed in accordance with Transition Plan Implementing Agreements. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is not an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed to the County of Monterey in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be applied to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed as directed by the Presiding Judge of the Superior Court of the County of Monterey to be held in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be returned to the County to apply to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities.

2.1.4 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat Conservation Plan Cooperative joint powers authority (the "HCP Cooperative") has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred in their entirety to the HCP Cooperative for use in connection with the base-wide Habitat Conservation Plan for Fort Ord being administered by the HCP Cooperative. If no HCP Cooperative is then in existence, but a joint powers authority has been formed for the management of Habitat Management Areas within the

former Fort Ord, then a portion of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the joint powers authority for use in connection with the management of Habitat Management Areas within the former Fort Ord and the remainder in a program for incidental take permits for future development. If no HCP Cooperative or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between long term management of the habitat management areas (HMA) on the one hand and incidental take permits for future development.

2.1.5 Capital Improvement Funds: All CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing in progress construction projects (such as South Boundary Road) as identified in FORA's final year CIP. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall next be directed to completing other projects as identified in FORA's final year CIP. These capital improvement funds shall be transferred to the jurisdiction assigned responsibility for completing construction of the respective project, which shall be the jurisdiction in which the majority of the project is located if that jurisdiction has an executed Transition Plan Implementing Agreement. If there is no Transition Plan Implementing Agreement, those funds shall be redistributed to those jurisdictions with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in a Transition Plan Implementing Agreement.

2.1.6 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 2.1.5 for funds generated by the CFD Special Taxes, land sales revenues and/or property tax revenues. Funds related to the general administration of FORA, such as insurance refunds or other general fund revenues remaining unexpended or unallocated immediately prior to FORA's dissolution, shall be used first to address any unfunded administrative liabilities and only after the full satisfaction of such administrative liabilities shall any remaining balance of such funds be applied and distributed according to Section 2.1.5.

2.1.7 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).

2.1.8 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in accordance with any applicable rules or requirements for the transfer of surplus property by a California public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations unrelated to projects described in FORA's

final year CIP. After the full satisfaction of all such liabilities and obligations any remaining proceeds shall next be directed toward projects described in FORA's final year CIP for which FORA was serving as the lead. Any proceeds remaining thereafter shall next be directed to other projects described in FORA's final year CIP. If any proceeds remain after the completion of all projects described in FORA's final year CIP, such proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below.

2.1.9 Proportional Distributions: Where this Transition Plan provides that assets or proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA, such distributions shall be made in the following percentages.

City of Carmel-by-the-Sea	7.69%
City of Del Rey Oaks	7.69%
City of Marina	15.38%
City of Monterey	7.69%
City of Pacific Grove	7.69%
City of Salinas	7.69%
City of Sand City	7.69%
City of Seaside	15.38%
County of Monterey	23.1%
	100%

2.1.10 Condition to Entitlement to Proportional Distributions: Notwithstanding any provisions of this Transition Plan calling for any distribution of assets or proceeds to all the member jurisdictions in proportion to their voting percentages in FORA, no jurisdiction having land use jurisdiction over or holding property within any portion of the former Fort Ord shall be entitled to receive any portion of any proportional distribution of assets or proceeds unless such jurisdiction has entered into a Transition Plan Implementing Agreement approved by FORA.

2.1.11 Real Property: FORA is obligated to cause certain former Fort Ord property to be transferred to the underlying land use jurisdictions in accordance with the federal "Pryor Amendment" and as authorized by Section 67678(a) of the FORA Act. Additionally, FORA is entitled to receive certain easements to enable implementation of the Reuse Plan. See item 97 in Exhibit A attached hereto and incorporated by this reference. As of the anticipated date of dissolution of FORA, not all real property interests will have transferred. Upon FORA's dissolution and the repeal of the FORA Act, the principal local public agent for acquisition, disposition and sale of real property transferred from the Army will need to be re-established through state legislation and/or federal designation and assignment of contractual rights. In particular, the landfill parcel currently located within the unincorporated portion of the County of Monterey but within the sphere of influence of the City of Marina will not transfer until sometime after 2022. Currently, the County is obligated to take the landfill parcel. See item 10 in Exhibit A attached hereto and incorporated by this reference. FORA staff shall seek all necessary legislation and approvals from the state and federal governments to enable the landfill parcel to be directly transferred to the County of Monterey or its designee. Except as may be provided in a Transition Plan Implementing Agreement approved by FORA, the County shall make such designation not less than twelve (12) months prior to the anticipated date of FORA's dissolution, in order to allow sufficient time for all necessary legislation and approvals from the state and federal

governments to be obtained before FORA's dissolution. If the County fails to timely specify a designee to receive the landfill parcel, the Army shall transfer the landfill parcel directly to the County of Monterey.

2.1.12 Insurance Policies: FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. Except to the extent specifically provided to the contrary in this Transition Plan or by the terms of the insurance policy itself, FORA shall not keep any of such policies of insurance in force beyond the date of their expiration. With respect to the Pollution Liability policy (Item 23 in Exhibit A), the County agreed to negotiate to become FORA's successor as a First Named Insured (Monterey County Board Order December 2, 2014) and to take on the First Named Insured obligations and receive the FORA self insured retention (SIR) fund, which is currently in a PLL identified account in the amount of approximately \$267,000. The PLL policy, Endorsement 15 provides for a FORA designated successor in the event the County is not successful in its negotiations. In the event, the SIR is not utilized for any claims made, the amount in the fund shall be returned, after any administrative deduction for contract management by the successor, to the named insureds in proportion to the amounts of their insurance coverages.

2.2 Liabilities and Obligations and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

2.2.1 Unfunded Pension Liability under CalPERS Contract: Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

2.2.3 Capital Improvement Funds: See discussion in Section 2.1.5 hereinabove.

2.2.4 ESCA Reimbursement: In order to obtain reimbursement under the ESCA, the work described therein must be performed. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).

2.2.5 Building Removal: In the absence of a consolidated building removal program and/or legislative solution to the issue of blight, any building removal not required under the CIP shall after FORA's dissolution be addressed, if at all, by the jurisdictions in which the offending buildings are located after compliance with all applicable laws. To the extent that jurisdictions wish to jointly address regional blight, revenue sharing may be addressed in Transition Plan Implementing Agreements but no jurisdiction shall be compelled to participate in such revenue sharing without its consent.

2.2.6 Transportation and Transit: For all of those Fort Ord Transportation Network and Transit projects in which FORA is not the designated lead agency and that have not been completed by the date of FORA's dissolution, the responsibility to generate and/or collect revenues from the other member agencies and complete construction will rest with the lead agency. For those projects in which FORA is the lead agency and that have not been completed by the date of FORA's dissolution, responsibility to generate and/or collect revenues and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the majority of the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. FORA's 2018-19 CIP projects that \$132,346,818 will remain to be funded for FORA's share of the transportation network for on-site, off-site, regional, and transit improvements after June 30, 2020. This Transition Plan assigns funding responsibility in the following manner based on projected CFD Special Taxes to be collected on the former Fort Ord: \$59,026,681 (44.6% of the cost) to the City of Marina, \$28,983,953 (21.9%) to City of Seaside, \$22,234,265 (16.8%) to City of Del Rey Oaks, \$13,234,682 (10%) to County of Monterey, \$8,602,543 (6.5%) to University of California, and \$264,694 (0.2%) to City of Monterey. Funding responsibilities may be adjusted or offset based upon a jurisdiction's actual construction of a transportation project, participation in a regional traffic impact fee funding program, contribution agreements with other jurisdictions, receipt of inter-governmental grant funding and/or implementation of other funding mechanisms that fully replace the funding responsibility as outlined above. The schedule for implementing these obligations shall be as outlined in the jurisdiction's Capital Improvement Program or as otherwise provided in a Transition Plan Implementing Agreement approved by FORA, or if not so addressed, then as provided in FORA's final year CIP. All future projects will be subject to compliance with all applicable law as it exists at the time of project approval and implementation. Any required project-specific CEQA review or compliance shall be the responsibility of the designated lead agency.

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, MCWD may decline to issue any further water connection permits until the offending jurisdiction brings its water allocation into compliance or MCWD develops or obtains access to an augmented water supply sufficient to cover any excess. FORA's 2018-19 CIP projects that \$17,098,686 will remain to be funded for base-wide water augmentation improvements after June 30, 2020. This Transition Plan assigns the funding responsibility for such improvements in the following manner based on projected CFD Special Taxes to be collected on former Fort Ord property: \$7,626,014 (44.6% of the cost) to the City of Marina, \$3,744,612 (21.9%) to

City of Seaside, \$2,872,579 (16.8%) to City of Del Rey Oaks, \$1,709,869 (10%) to County of Monterey, \$1,111,415 (6.5%) to University of California, and \$34,197 (0.2%) to City of Monterey. The above funding responsibility shall be equitably reallocated in the event that MCWD is unable to serve augmented water in the amounts necessary to implement the any jurisdiction's planned development due to pumping or other limitations. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement approved by FORA, jurisdictions may alter their water allocations as identified in the Implementation Agreements only by written agreement with other jurisdictions. Upon its receipt of such an agreement altering the water allocations as between two or more jurisdictions, MCWD shall honor the agreement as though it was the allocation set forth in the Implementation Agreements.

2.2.8 Other Contracts and Agreements: Attached as Exhibit A to this Transition Plan are references to a compilation of contracts and other documents and/or commitments relevant to the FORA program and the dissolution of FORA. Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA and additional contracts, documents or commitments may be entered into before FORA dissolves. FORA staff shall endeavor to keep Exhibit A current and shall provide quarterly updates to the Board regarding any changes. FORA's outstanding contractual obligations reflected on Exhibit A are hereby assigned as set forth in Exhibit A.

2.2.9 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be assigned as follows: If the obligation is related to the use of real property, it shall be assigned to the underlying land use jurisdiction unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. If the liability or obligation is unrelated to the use of real property, either FORA or LAFCO shall notify the appropriate insuring entity or the County, and/or shall expend and encumber such additional funds as are necessary to fully discharge any liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired.

Section 3 Insurance:

3.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

3.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of general liability insurance extending the reporting period and coverage of such insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to

obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

Section 4 Implementation Agreements and Transition Plan Agreements:

4.1 Projects in the CIP:

Pursuant to the authority granted by the Legislature in Government Code 67700(b)(2), the Board hereby designates all projects identified in the CIP as obligations required to be assigned by this Transition Plan in accordance with the formulas set forth in the Implementation Agreements as they may be modified by Transition Plan Implementing Agreements. The preferred method of evidencing such assignment is by the entry into Transition Plan Implementing Agreements, which can allow the jurisdictions choice and flexibility in exactly how the assigned obligations will be funded and carried out.

4.2 Transition Plan Implementing Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each affected entity and/or land holding member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective jurisdiction will generate revenues to meet its obligations as assigned by this Transition Plan, revenue sharing provisions between those that will generate revenues and those implementing CIP projects, and such other matters as may be required to implement this Transition Plan, together with a schedule of when the jurisdiction will complete said actions. Notwithstanding that this Transition Plan requests that each member jurisdiction establish, adopt or participate in one or more replacement funding mechanism(s) and revenue sharing agreements that address all parts of FORA's final year CIP, this Transition Plan does not specify any specific mechanism. Rather, it only recommends that any replacement mechanism be collected on a pay as you go basis and that all FORA CIP projects located within a jurisdiction be included in the jurisdiction's Capital Improvement Program. If any jurisdiction chooses not to perform, include, or address any such project, such jurisdiction shall comply with the requirements of all applicable laws, including but not limited to by making such analysis and taking such action as CEQA may require in connection with such change. The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

4.3 Escrow:

In the absence of a FORA approved Transition Plan Implementing Agreement, all revenues required to be contributed by a jurisdiction pursuant to its Implementation Agreement shall be paid into an escrow account established for the purpose of sharing revenues and managed by a majority vote of a panel of representatives appointed by the land holding jurisdictions, with each land holding jurisdiction appointing a single member to serve until a successor is appointed by the respective appointing jurisdiction.

4.4 Litigation Management:

In the absence of either (a) FORA approved Transition Plan Implementing Agreements entered into with each of the land holding jurisdictions identifying a successor or successors in interest to FORA relative to post FORA litigation or (b) an agreement entered into by all of the land holding jurisdictions that post FORA litigation may be managed by any one or more, but less than all, of the land holding jurisdictions, any post FORA litigation shall be managed by a majority vote of a panel of representatives appointed by the land holding jurisdictions, with each land holding jurisdiction appointing a single member to serve until a successor is appointed by the respective appointing jurisdiction.

4.5 Power to Assign:

If by the time of FORA's dissolution Transition Plan Implementing Agreements have not been entered into by all of the relevant jurisdictions or have not been approved by FORA, the assignments of assets, liabilities and obligations described in this Transition Plan shall be imposed pursuant to Government Code 67700 and LAFCO shall handle such assignments as though they were conditions of special district dissolution imposed pursuant to Government Code section 56886 and use all of LAFCO's powers to enforce such assignments, including but not limited to by using enforcement powers under Government Code sections 56122 or 67700 as to the member jurisdictions. If a final judgment of a court having jurisdiction over the matter results in a determination that the FORA Act, including but not limited to Government Code 67700(b)(2), does not provide FORA with the requisite authority to make the assignments set forth in this Transition Plan, then LAFCO "shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred" as required by Government Code 67700(b)(1) through the exercise of LAFCO's powers under the FORA Act, the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, and LAFCO's other relevant powers. If LAFCO refuses to agree impose such assignments as conditions to the dissolution of FORA and the transfer of its assets in accordance with this Transition Plan, then FORA shall seek such judicial clarification and/or legislative amendments as may be necessary to (a) clarify or establish FORA's and/or LAFCO's ability and/or duty to impose such assignments in connection with the dissolution of FORA or (b) extend the date of FORA's sunset so as to allow fulfillment of the mitigations, satisfaction of the obligations, and the completion of the elements of FORA Program which have not effectively been assigned to or accepted by the objecting jurisdictions.

4.6 LAFCO Review:

If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).

4.7 Reserved Right of Modification:

This Transition Plan includes the opportunity for continued regional cooperation by all affected jurisdictions to enter into a Transition Plan Implementing Agreement subject to FORA approval to implement this Transition Plan. This Transition Plan may be modified by the Board upon the

receipt of an executed Transition Plan Implementing Agreement approved by FORA, if the Board finds a revision to this Transition Plan necessary and appropriate. The Board also reserves the right to make modifications based upon receipt of regional agreements which address matters such as future financing mechanisms to support completion of the FORA Program, additional factual information or refinements provided by FORA staff during quarterly updates, regional revenue sharing arrangements, or plans for coordinated completion of CIP elements or projects, in each instance approved by FORA. Such modifications of this Transition Plan shall be transmitted forthwith to LAFCO for its processing.

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b) by approving this Transition Plan and intends that those assignments be implemented preferably through Transition Plan Implementing Agreements but in the absence of executed Transition Plan Implementing Agreements approved by FORA then as assignments and conditions of dissolution, as though they were imposed pursuant to Government Code sections 56886 and 67700(b); and
3. The Board hereby finds that as adopted herein, the Transition Plan is not a project subject to CEQA and/or is exempt and directs staff to prepare and file the appropriate notice(s) required by CEQA.
4. The Board further directs staff to provide regular and quarterly updates on the implementation of this Transition Plan, including without limitation, bringing forth future implementing actions, status of Transition Plan Implementing Agreements, any LAFCO information or requests, and any subsequent information that might affect this Transition Plan.

5

Upon motion by Board member ---- seconded by Board member ---- the foregoing Resolution was passed on this _____ day of November, 2018, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

"Army" means the United States Army.

"Base-wide Costs" means the estimated costs identified in the Base Reuse Plan for the following: FORA Reuse Operations, Net Jurisdictional Fiscal Shortfalls, Caretaker Costs, and Demolition. The Basewide Costs are more particularly described in the Fort Ord Comprehensive Business Plan and the Findings attached to the Base Reuse Plan and included in the current FOR A Capital Improvement Program.

"Base-wide Mitigation Measures" means the mitigation measures identified in the Base Reuse Plan. Basewide Mitigation Measures include: basewide transportation costs; habitat management capital and operating costs; water line and storm drainage costs; FORA public capital costs; and fire protection costs. The Basewide Mitigation Measures are more particularly described in the Fort Ord Comprehensive Business Plan, described in Section 1 (f), the Development and Resource Management Plan, and the Findings attached to the Base Reuse Plan.

"Base Reuse Plan" means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.

"Board" means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

"CalPERS" means the California Public Employees' Retirement System.

"CEQA" means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as Superfund, as amended to date (42 U.S. Code Chapter 103 and following).

"CFD" means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

"CFD Special Taxes" means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

"CIP" means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

"EDC MOA" means the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

"EDC Property" means the real property transferred pursuant to the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

"ESCA" means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.

"FORA Act" means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.

"LAFCO" means the Monterey County Local Agency Formation Commission.

"FORA" means the Fort Ord Reuse Authority.

"FORA Act" means the Fort Ord Reuse Authority Act, as amended to date (Government Code section 67650 and following).

"FORA Program" has the meaning given in Section 1.2.

"FORG" means the Fort Ord Reuse Group organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of the former Fort Ord.

"Fort Ord," including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994 or the military base formerly located on such land, as the context requires.

"HCP Cooperative" means a joint powers authority contemplated to be established to administer a habitat conservation program at the former Fort Ord.

"Implementation Agreements" means agreements entered into beginning in 2001 between the Fort Ord Reuse Authority on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, as such agreements may have been amended to date.

"Master Resolution" means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B, is the most recent Master Resolution.

"MCWD" means the Marina Cost Water District.

"PFIP" means the Public Facilities Implementation Plan adopted by the Fort Ord Reuse Authority in 2001.

"Reuse Plan" means the plan for the future use of the former Fort Ord adopted pursuant to Government Code section 67675, as amended to date.

"Strategy Report" means the June 1992 report prepared by the Fort Ord Community Task Force in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

"Task Force" means the Fort Ord Community Task Force formed in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

"Transition Plan Implementing Agreements" means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

**FORT ORD REUSE AUTHORITY
RESOLUTION NO. 18-xx**

Formatted

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
*Approving a Transition Plan ~~For~~ Submission to the Monterey County Local Agency Formation
Commission*

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A. In 1991, the Secretary of Defense announced the proposed downsizing of the United States Army Fort Ord Military Reservation ("Fort Ord") under the Base Realignment and Closure Act. The United States Army (the "Army") moved the 7th Infantry Division - Light to Fort Lewis Washington over the following two years, resulting in the loss to the communities and populace of the Monterey Peninsula and adjoining greater Monterey Bay region of the significant economic, social, and cultural contributions that had been associated with the military presence.
- B. After the announcement but prior to the implementation of the base downsizing/closure, political leaders from within the affected region formed the Fort Ord Community Task Force (the "Task Force") in order to develop recommendations for moving forward with a recovery effort. These recommendations were embodied in a 760-page June 1992 Strategy Report prepared by the Task Force (the "Strategy Report"). [The Strategy Report may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference.](#)
- C. Predicated upon the Strategy Report, in October 1992 the Fort Ord Reuse Group ("FORG") was organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of Fort Ord. After preparing an initial plan and subsequently refining it, the revised plan was considered and adopted by FORG in 1993. Those early planning efforts recognized the significant costs associated with the implementation of any plan to convert Fort Ord into civilian use and reinforced the validity of the regional and base-wide approaches that were inherent in the conclusions reached by the Task Force in its Strategy Report.
- D. The Fort Ord Reuse Authority ("FORA") was established in 1994 by state legislation (Government Code sections 67650 and following, the "FORA Act") and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. [The FORA Act may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference.](#) The Legislature found that the reuse of Fort Ord is a matter of statewide importance and declared in Government Code section 67657(c) that FORA's powers and duties prevail over those of any other local entity, including any city, county, or joint powers authority. Government Code section 67658 identifies FORA's purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use. In Government Code section 67651, the Legislature tasked FORA with the following primary directives (1) plan, facilitate, and manage the transfer of former Fort Ord property from the Army to local jurisdictions or their designee(s), (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and redevelopment in ways that enhance the economy and quality of life of the Monterey Bay community, and (4) maintain and protect the unique environmental resources of the area.

Formatted: Font: 6 pt

- E. In order to carry out the directives of the FORA Act, FORA hired staff and entered into a contract with the California Public Employees' Retirement System ("CalPERS") to provide for retirement benefits for FORA employees. A copy of the contract with CalPERS as amended to date is referenced as Contract #1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference. As is the situation facing many local public entities today, FORA's liability for pension obligations under the CalPERS contract is not at present fully funded and any potential shortfall must be addressed in the transition planning process.
- F. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997, which identified (1) environmental actions required to mitigate development and reuse of the former Fort Ord (the "Base-wide Mitigation Measures") and (2) infrastructure and related costs necessary to accommodate development and reuse of the former Fort Ord (the "Base-wide Costs"), each consistent with the fulfillment of FORA's primary directives. ~~A copy of the~~The Reuse Plan and its attendant environmental report is available on the FORA website at www.fora.org or ~~for your convenience link 2 may be accessed~~ on Exhibit B - Reference ~~documents is~~Documents attached ~~to hereto and incorporated by this report. A reference.~~ As part of that approval, FORA's Board of Directors (the "Board") certified an Environmental Impact Report and adopted a Statement of Overriding Considerations after making the following findings:
- The Reuse Plan will provide for an improved and diversified retail and industrial economy and market that will generate employment and create financial stability;
 - The Reuse Plan will provide moderate and upscale housing which will provide more affluent residents to the Cities of Seaside and Marina, thereby creating a housing stock with higher income families in these communities with larger disposable incomes;
 - The Reuse Plan will provide additional tourist support facilities in Seaside and Marina, thereby contributing additional employment opportunities;
 - The Reuse Plan will encourage and prioritize the development of projects that are regional in scale, thereby creating additional destination points on the Monterey Peninsula, and thereby enhancing the local economy;
 - The Reuse Plan provides for the creation of various additional recreational facilities and open space that will enhance the quality of life for not only the residents of Seaside and Marina but all of the residents of the Peninsula;
 - The Reuse Plan will attract and assist in retaining a pool of professional workers for the Peninsula;
 - The Reuse Plan will assist in ensuring that the overall economic recovery of the Peninsula benefits the Cities of Del Rey Oaks, Monterey, Seaside, Marina, and the unincorporated areas of the County of Monterey in the vicinity of Fort Ord;
 - The Reuse Plan will provide for additional and needed senior housing opportunities;
 - The Reuse Plan will assist the communities of Seaside and Marina in the transition of their respective community images from dependent, military base extensions with transient military personnel to vital, independent, and self-actuated communities populated with permanent residents with long-term interests in the well-being of their respective communities; and

- The Reuse Plan will encourage development that will enhance the continued viability of California State University at Monterey Bay and the open space areas retained by the federal government through the Bureau of Land Management and conveyed to the California Department of Parks and Recreation.
- G. FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act ("CEQA") to implement the Base-wide Mitigation Measures and incur the Base-wide Costs.
- H. In the Reuse Plan, FORA identified revenues generated from sales and leases of real property within the former Fort Ord, FORA's share of taxes on real property located within the former Fort Ord, and base-wide assessments or development fees, as the primary property-related sources of funding with which to implement the Base-wide Mitigation Measures and to pay the Base-wide Costs.
- I. As is more fully described below, in connection with funding implementation of the Reuse Plan, FORA entered into multiple agreements with local, state, and federal entities, established a public financing mechanism, and prepared a Capital Improvement Program ("CIP"). The Reuse Plan carries a series of mitigative project obligations which were defined in Appendix B of the Public Facilities Implementation Plan ("PFIP") adopted in 2001. The PFIP ~~can be accessed~~ is available on the FORA ~~webpage~~ website at www.fora.org or ~~for your convenience link 3 may be accessed~~ on Exhibit B - Reference ~~documents is~~ Documents attached ~~to hereto and incorporated by this report~~ reference. The PFIP served as the baseline CIP for the Reuse Plan. The CIP is reviewed on an annual basis and it is estimated that, of the expenses identified in the 2018-19 CIP, approximately \$194,500,000 will remain as obligations to be satisfied or otherwise appropriately addressed after FORA's currently anticipated sunset in mid-2020. The most current CIP is available on the ~~FORA webpage~~ FORA website at www.fora.org or ~~for your convenience link 4 may be accessed~~ on Exhibit B - Reference ~~documents is~~ Documents attached ~~to hereto and incorporated by this report~~ reference.
- J. As part of funding implementation of the Reuse Plan, FORA established in 2001 a Community Facilities District ("CFD"), through which special taxes on properties to be developed are collected. These special taxes (the "CFD Special Taxes") are due and payable with respect to each parcel on issuance of a building permit relating to the property. The CFD Special Taxes are subject to annual adjustment, but when FORA ceases to exist the CFD Special Taxes may no longer be collected (unless as a result of legislative changes the authority to collect the existing CFD Special Taxes is extended). If (a) FORA's sunset date is not extended or (b) the ability to extend collection of the CFD Special Taxes by one or more successor(s) to FORA is not provided (in each instance through the adoption of appropriate legislative changes) one of the costs to the region will be the inability to collect an estimated approximately \$72,000,000 that would otherwise be generated through continuation of the CFD Special Taxes imposed on already entitled development. A variety of replacement funding mechanisms are available, including but not limited to the potential for each of the underlying land use jurisdictions to create its own Community Facilities District through which special taxes on future development may be collected.

- K. FORA entered into a Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands (the "EDC MOA"), which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder. The EDC MOA and its attendant amendments are referenced as items [78](#), [97-99](#) and [7899](#) in Exhibit A attached hereto and incorporated by this reference. The EDC MOA provided the vehicle for the Army to transfer property to FORA without monetary consideration. The land transfer was conditioned on a requirement that any proceeds from the subsequent sale or leasing of the transferred real property must be applied to the economic development of the former Fort Ord. The real property transferred pursuant to the EDC MOA may be referred to herein as the "EDC Property." The Army also required that water available on the former Fort Ord be allocated in a fair and equitable manner among all of the various recipients of portions of the EDC Property.
- L. In 2001, agreements were entered into between FORA on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, which agreements provided the basis for the orderly transfer of the EDC Property to the respective jurisdictions, the allocation of a fair and equitable share of the Base-wide Costs and the Base-wide Mitigation Measures to each of the recipients, and the allocation of available water to the recipients in a fair and equitable manner. These agreements, as they may have been amended to date and irrespective of whether they may be so captioned, may collectively be referred to herein as the "Implementation Agreements." The Implementation Agreements are referenced as items 10 through 15 in Exhibit A attached hereto and incorporated by this reference. The Implementation Agreements form the starting point from which the Transition Plan [Implementing](#) Agreements contemplated to be entered into with the recipients of the EDC Property and discussed more fully below (the "Transition Plan [Implementing](#) Agreements") shall be negotiated and developed for the mutual benefit of all recipients of the EDC Property and FORA's successor(s), if any.
- M. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control, remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45, and 46 in Exhibit A attached hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.

N. In 2016, the FORA Board chair convened a Transition Task Force to work on transition issues. On December 7, 2016, a majority of FORA's Board members voted in support of seeking legislative extension of FORA's sunset date as the best way to carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner, as called for by Government Code section 67652. Again in 2017, the FORA Board chair convened a Transition Task Force to continue work on a transition plan. On November 17, 2017, a majority of FORA's Board members voted that (in the event that legislative extension of FORA's sunset date could not be obtained) the next best way to satisfy and fulfill the Base-wide Mitigation Measures and other obligations and commitments of FORA would be to provide for a single entity successor (such as a joint powers authority exercising regional oversight) to complete the Reuse Plan. The Board noted that in order for such a successor entity to be able to continue collection of the CFD Special Taxes that are a significant element of the financing necessary to complete the Reuse Plan, legislative changes would be necessary and that in the absence of such legislation, ongoing contributions would need to be made in accordance with the approach embodied in the Implementation Agreements. In 2017, the FORA Board chair convened a Transition Ad Hoc Committee to continue working on a transition plan. All of the materials and presentations related to those meetings can be accessed on the FORA web page at <https://www.fora.org/TransitionProcess.html>, including without limitation, attorney opinions and memoranda, financial consultant analyses and staff analysis.

N.
O. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:

The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. **The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.** The transition plan shall be approved only by a majority vote of the board. *(Emphasis added)*

P. Government Code section 67700(b)(1) provides as follows:

The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred. *(Emphasis added)*

BASED ON THE FOREGOING RECITALS AND ~~THE~~ FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:

Section 1 Preliminary Findings and Determinations:

Formatted: Font: 6 pt

Formatted: Indent: Left: 0.5", No bullets or numberin

Formatted: Font: 12 pt

Formatted: Body Text 3, Indent: Left: 0.94", Right: 0.5

1.1 Base-wide Costs and Base-wide Mitigation Measures:

The Board hereby finds and determines that the agreements, contracts and other items referred to in Exhibit A attached hereto and incorporated by this reference, together with each and all of the projects identified in the Reuse Plan and contained in the CIP, constitute Base-wide Costs and/or Base-wide Mitigation Measures and are required to be addressed by this Transition Plan as assets, liabilities, or obligations pursuant to Government Code section 67700.

1.2 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (d) eliminating any Base-wide Costs or elements of the CIP, or (e) avoiding the satisfaction and fulfillment of any of FORA's other commitments, pledges, or promises (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary and to the extent not already so contained, this Transition Plan requires each jurisdiction to include all mitigations in its Capital Improvement Program (subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations). Following FORA's ultimate dissolution, any changes to the FORA Program or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

1.3 Revenue Sharing and Financial Contribution:

The Board hereby finds and determines that the Implementation Agreements with the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey require that each of such entities continue to pay its fair and equitable share of the cost of the FORA Program (in accordance with the formulas expressed therein and subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations) until all Base-wide Costs and Base-wide Mitigation Measures have been fully paid and satisfied.

1.4 Reuse Plan and Master Resolution:

The Board hereby finds and determines that all the underlying land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan and therefore there is no need to record the Reuse Plan or its policies. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution and, in order to preserve a permanent record of those policies, directs staff to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. [The Master Resolution may be accessed on Exhibit B - Reference Documents attached thereto and incorporated by this reference.](#) In particular, the Board finds that the prevailing wage policy established in 1996 to promote ~~an~~ equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that ~~a~~ regional, integrated base-wide habitat protection is best funded by the CFD Special Taxes or substantially similar base-wide replacement funding mechanisms. The Board has identified and set aside approximately 30.2% of collected CFD Special Taxes to be applied toward base-wide habitat management and finds that any replacement funding mechanism should be designed to generate similar levels of revenue for such purposes.

1.6 Environmental Services Cooperative Agreement:

The Board hereby finds and determines that the long term stewardship obligations and related monitoring identified by the Army for its munitions removal activities are crucial to the future success of the recovery program. The Board further finds that following the dissolution of FORA the current full time staffing of the Environmental Services Cooperative Agreement ("ESCA") should be continued and sustained through the anticipated termination of the ESCA in 2028 either by the County of Monterey or the City of Seaside as single successor to FORA for the purposes of the ESCA or by assignment of the ESCA to a joint powers authority formed by both of them.

1.7 Building Removal:

The Board hereby finds and determines that former Fort Ord remnant, non-historic, and abandoned Army structures, not obligated to be removed under the CIP, are a barrier to the success of the overall recovery and reuse program and a nuisance to quiet enjoyment of the region's assets. The Board further finds that an extension of the FORA Act to sustain resources such as land sales revenue and property tax revenues that can be applied to this significant barrier to recovery is an important transition component. The Board, therefore, recommends consideration by the Legislature of an extension of the FORA Act to meet this blight eradication need.

1.8 Transportation and Transit:

The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit projects that have been identified in the CIP are essential to the long term success of the economic recovery of the reuse. The Board further finds that extension of the CFD Special Taxes or the implementation of substantially similar replacement funding mechanisms for the purpose of revenue generation and revenue sharing would be the best long term way to collect and share revenues to fund the transportation network for the on-site, off-site and regional projects

because a replacement regional transportation fee may not be imposed on already approved development projects in the absence of written consent by the developers to do so.

1.9 Water and Wastewater:

The Board hereby finds and determines that it has made water allocations in accordance with its obligation under the EDC MOA to ensure a fair and equitable water supply to all property recipients and imposed those requirements in the Implementation Agreements. The Board further finds that the Implementation Agreements may need to be enforced if any jurisdiction's approved developments exceed the jurisdiction's approved water allocation. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution. To the extent that MCWD is unable to impose and/or collect revenues to replace the revenues generated by the CFD Special Taxes, the Board finds that continuation of the CFD Special Taxes (or implementation of a substantially similar replacement source of revenue) allows for funds to reduce connection and other costs imposed by MCWD.

Section 2 Assignment of Assets, Liabilities, and Obligations:

Formatted: Keep with next, Keep lines together

2.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

2.1.1 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for retirement purposes. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).

2.1.2 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, allocations shall be made, and the funds shall be applied or distributed at or before FORA's dissolution in accordance with the approved FORA budget for that year.

2.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO in the current approximate aggregate amount of \$300,000. Those funds are intended to cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 3, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover Transition Plan litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). In the event that as of immediately prior to FORA's dissolution no such litigation or indemnity obligation is pending, the unexpended balance of such

reserves shall be applied to capital improvement program projects in accordance with the Final 2020 Capital Improvement Program and/or distributed in accordance with Transition Plan Implementing Agreements. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is not an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed to the County of Monterey in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be applied to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed as directed by the Presiding Judge of the Superior Court of the County of Monterey to be held in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be returned to the County to apply to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities.

2.1.4 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat Conservation Plan Cooperative joint powers authority (the "HCP Cooperative") has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred in their entirety to the HCP Cooperative for use in connection with the base-wide Habitat Conservation Plan for Fort Ord being administered by the HCP Cooperative. If no HCP Cooperative is then in existence, but a joint powers authority has been formed for the management of Habitat Management Areas within the former Fort Ord, then a portion of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the joint powers authority for use in connection with the management of Habitat Management Areas within the former Fort Ord and the remainder in a program for incidental take permits for future development. If no HCP Cooperative or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between long term management of the habitat management areas (HMA) on the one hand and incidental take permits for future development.

2.1.5 Capital Improvement Funds: All CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing in progress construction projects (such as South Boundary Road) as identified in FORA's final year CIP. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall next be directed to completing other projects as identified in FORA's final year CIP. These capital improvement funds shall be transferred to the jurisdiction assigned responsibility for completing construction of the respective project, which shall be the jurisdiction in which the majority of the project is located if that jurisdiction has an executed Transition Plan Implementing Agreement. If there is no Transition Plan

Implementing Agreement, those funds shall be redistributed to those jurisdictions with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in a Transition Plan Implementing Agreement.

2.1.6 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 2.1.5 for funds ~~related to~~generated by the CFD Special Taxes, land sales revenues and/or property tax revenues. ~~For receipt~~Funds related to the general administration of funds relatedFORA, such as insurance refunds or other general fund revenues remaining unexpended or unallocated immediately prior to FORA's dissolution, shall be used first to address any unfunded administrative liabilities and only after the full satisfaction of such administrative liabilities shall any remaining balance of such funds be applied and distributed ~~to all the member jurisdictions in proportion according to their voting percentages in FORA as set forth in~~ Section 2.1.9 below.5.

2.1.7 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).

2.1.8 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in accordance with any applicable rules or requirements for the transfer of surplus property by a California public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations unrelated to projects described in FORA's final year CIP. After the full satisfaction of all such liabilities and obligations any remaining proceeds shall next be directed toward projects described in FORA's final year CIP for which FORA was serving as the lead. Any proceeds remaining thereafter shall next be directed to other projects described in FORA's final year CIP. If any proceeds remain after the completion of all projects described in FORA's final year CIP, such proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below.

2.1.9 Proportional Distributions: Where this Transition Plan provides that assets or proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA, such distributions shall be made in the following percentages.

City of Carmel-by-the-Sea	7.69%
City of Del Rey Oaks	7.69%
City of Marina	15.38%
City of Monterey	7.69%
City of Pacific Grove	7.69%
City of Salinas	7.69%
City of Sand City	7.69%
City of Seaside	15.38%
County of Monterey	23.1%
	100%

2.1.10 Condition to Entitlement to Proportional Distributions: Notwithstanding any provisions of this Transition Plan calling for any distribution of assets or proceeds to all the member jurisdictions in proportion to their voting percentages in FORA, no jurisdiction having land use jurisdiction over or holding property within any portion of the former Fort Ord shall be entitled to receive any portion of any proportional distribution of assets or proceeds unless such jurisdiction has entered into a Transition Plan Implementing Agreement approved by FORA.

2.1.11 Real Property: FORA is obligated to cause certain former Fort Ord property to be transferred to the underlying land use jurisdictions in accordance with the federal "Pryor Amendment" and as authorized by Section 67678(a) of the FORA Act. Additionally, FORA is entitled to receive certain easements to enable implementation of the Reuse Plan. See item 97 in Exhibit A attached hereto and incorporated by this reference. As of the anticipated date of dissolution of FORA, not all real property interests will have transferred. Upon FORA's dissolution and the repeal of the FORA Act, the principal local public agent for acquisition, disposition and sale of real property transferred from the Army will need to be re-established through state legislation and/or federal designation and assignment of contractual rights. In particular, the landfill parcel currently located within the unincorporated portion of the County of Monterey but within the sphere of influence of the City of Marina will not transfer until sometime after 2022. Currently, the County is obligated to take the landfill parcel. See item 10 in Exhibit A attached hereto and incorporated by this reference. FORA staff shall seek all necessary legislation and approvals from the state and federal governments to enable the landfill parcel to be directly transferred to the County of Monterey or its designee. Except as may be provided in a Transition Plan Implementing Agreement approved by FORA, the County shall make such designation not less than twelve (12) months prior to the anticipated date of FORA's dissolution, in order to allow sufficient time for all necessary legislation and approvals from the state and federal governments to be obtained before FORA's dissolution. If the County fails to timely specify a designee to receive the landfill parcel, the Army shall transfer the landfill parcel directly to the County of Monterey.

2.1.12 Insurance Policies: -FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. -Except to the extent

specifically provided to the contrary in this Transition Plan or by the terms of the insurance policy itself, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution or their expiration. With respect to the Pollution Liability policy (Item 23 in Exhibit A), the County agreed to negotiate to become FORA's successor as a First Named Insured (Monterey County Board Order December 2, 2014) and to take on the First Named Insured obligations and receive the FORA self insured retention (SIR) fund, which is currently in a PLL identified account in the amount of approximately \$267,000. The PLL policy, Endorsement 15 provides for a FORA designated successor in the event the County is not successful in its negotiations. In the event, the SIR is not utilized for any claims made, the amount in the fund shall be returned, after any administrative deduction for contract management by the successor, to the named insureds in proportion to the amounts of their insurance coverages.

2.2 Liabilities and Obligations and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

2.2.1 Unfunded Pension Liability under CalPERS Contract: Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

2.2.3 Capital Improvement Funds: See discussion in Section 2.1.5; hereinabove.

2.2.4 ESCA Reimbursement: In order to obtain reimbursement under the ESCA, the work described therein must be performed. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).

2.2.5 Building Removal: In the absence of a consolidated building removal program and/or legislative solution to the issue of blight, any building removal not required under

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

the CIP shall after FORA's dissolution be addressed, if at all, by the jurisdictions in which the offending buildings are located after compliance with all applicable laws. To the extent that jurisdictions wish to jointly address regional blight, revenue sharing may be addressed in Transition Plan Implementing Agreements but no jurisdiction shall be compelled to participate in such revenue sharing without its consent.

2.2.6 Transportation and Transit: For all of those Fort Ord Transportation Network and Transit projects in which FORA is not the designated lead agency and that have not been completed by the date of FORA's dissolution, the responsibility to generate and/or collect revenues from the other member agencies and complete construction will rest with the lead agency. For those projects in which FORA is the lead agency and that have not been completed by the date of FORA's dissolution, responsibility to generate and/or collect revenues and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the majority of the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. FORA's 2018-19 CIP projects that \$132,346,818 will remain to be funded for FORA's share of the transportation network for on-site, off-site, regional, and transit improvements after June 30, 2020. This Transition Plan assigns funding responsibility in the following manner based on projected CFD Special Taxes to be collected on the former Fort Ord: \$59,026,681 (44.6% of the cost) to the City of Marina, \$28,983,953 (21.9%) to City of Seaside, \$22,234,265 (16.8%) to City of Del Rey Oaks, \$13,234,682 (10%) to County of Monterey, \$8,602,543 (6.5%) to University of California, and \$264,694 (0.2%) to City of Monterey. Funding responsibilities may be adjusted or offset based upon a jurisdiction's actual construction of a transportation project, participation in a regional traffic impact fee funding program, contribution agreements with other jurisdictions, receipt of inter-governmental grant funding and/or implementation of other funding mechanisms that fully replace the funding responsibility as outlined above. The schedule for implementing these obligations shall be as outlined in the jurisdiction's Capital Improvement Program or as otherwise provided in a Transition Plan Implementing Agreement approved by FORA, or if not so addressed, then as provided in FORA's final year CIP. All future projects will be subject to compliance with all applicable law as it exists at the time of project approval and implementation. Any required project-specific CEQA review or compliance shall be the responsibility of the designated lead agency.

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, MCWD may decline to issue any further water connection permits until the offending jurisdiction brings its water allocation into compliance or MCWD develops or obtains access to an augmented water supply sufficient to cover any excess. FORA's 2018-19 CIP projects that \$17,098,686 will remain to be funded for base-wide water augmentation improvements after June 30, 2020. This Transition Plan assigns the funding responsibility for such improvements in the following manner based on projected CFD Special Taxes to be collected on former Fort Ord property: \$7,626,014 (44.6% of the cost) to the City of Marina, \$3,744,612 (21.9%) to City of Seaside, \$2,872,579 (16.8%) to City of Del Rey Oaks, \$1,709,869 (10%) to County of Monterey, \$1,111,415 (6.5%) to University of California, and \$34,197 (0.2%) to City of Monterey. The above funding responsibility shall be equitably reallocated in the event that

MCWD is unable to serve augmented water in the amounts necessary to implement the any jurisdiction's planned development due to pumping or other limitations. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement approved by FORA, jurisdictions may alter their water allocations as identified in the Implementation Agreements only by written agreement with other jurisdictions. Upon its receipt of such an agreement altering the water allocations as between two or more jurisdictions, MCWD shall honor the agreement as though it was the allocation set forth in the Implementation Agreements.

2.2.8 Other Contracts and Agreements: Attached as Exhibit A to this Transition Plan are references to a compilation of contracts and other documents and/or commitments relevant to the FORA program and the dissolution of FORA. Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA and additional contracts, documents or commitments may be entered into before FORA dissolves. FORA staff shall endeavor to keep Exhibit A current and shall provide quarterly updates to the Board regarding any changes. FORA's outstanding contractual obligations reflected on Exhibit A are hereby assigned as set forth in Exhibit A.

2.2.9 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be assigned as follows: If the obligation is related to the use of real property, it shall be assigned to the underlying land use jurisdiction unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. ~~If the obligation is unrelated to the use of real property, it shall be proportionately assigned to the member jurisdictions in conformity with their voting percentages in FORA as set forth in Section 2.1.9 above.~~ If the liability or obligation is unrelated to the use of real property, either FORA or LAFCO shall notify the appropriate insuring entity or the County, and/or shall expend and encumber such additional funds as are necessary to fully discharge any liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired.

Section 3 Insurance:

3.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

3.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of general liability insurance extending the reporting period and coverage of such insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results

of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

Section 4 Implementation Agreements and Transition Plan Agreements:

4.1 Projects in the CIP:

Pursuant to the authority granted by the Legislature in Government Code 67700(b)(2), the Board hereby designates all projects identified in the CIP as obligations required to be assigned by this Transition Plan in accordance with the formulas set forth in the Implementation Agreements as they may be modified by Transition Plan Implementing Agreements. The preferred method of evidencing such assignment is by the entry into Transition Plan Implementing Agreements, which can allow the jurisdictions choice and flexibility in exactly how the assigned obligations will be funded and carried out.

4.2 Transition Plan Implementing Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each affected entity and/or land holding member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective jurisdiction will generate revenues to meet its obligations as assigned by this Transition Plan, revenue sharing provisions between those that will generate revenues and those implementing CIP projects, and such other matters as may be required to implement this Transition Plan, together with a schedule of when the jurisdiction will complete said actions. Notwithstanding that this Transition Plan requests that each member jurisdiction establish, adopt or participate in one or more replacement funding mechanism(s) and revenue sharing agreements that address all parts of FORA's final year CIP, this Transition Plan does not specify any specific mechanism. Rather, it only recommends that any replacement mechanism be collected on a pay as you go basis and that all FORA CIP projects located within a jurisdiction be included in the jurisdiction's Capital Improvement Program. If any jurisdiction chooses not to perform, include, or address any such project, such jurisdiction shall comply with the requirements of all applicable laws, including but not limited to by making such analysis and taking such action as CEQA may require in connection with such change. The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

4.3 Escrow:

In the absence of a FORA approved Transition Plan Implementing Agreement, all revenues required to be contributed by a jurisdiction pursuant to its Implementation Agreement shall be paid into an escrow account established for the purpose of sharing revenues and managed by a majority vote of a panel of not less than five (5) representatives, one from appointed by the land holding jurisdictions, with each land holding jurisdiction, and all approved by a majority of the appointing a single member jurisdiction to serve until a successor is appointed by the respective appointing jurisdiction.

Formatted: Font: 12 pt

4.44.4 Litigation Management:

In the absence of either (a) FORA approved Transition Plan Implementing Agreements entered into with each of the land holding jurisdictions identifying a successor or successors in interest to FORA relative to post FORA litigation or (b) an agreement entered into by all of the land holding jurisdictions that post FORA litigation may be managed by any one or more, but less than all, of the land holding jurisdictions, any post FORA litigation shall be managed by a majority vote of a panel of representatives appointed by the land holding jurisdictions, with each land holding jurisdiction appointing a single member to serve until a successor is appointed by the respective appointing jurisdiction.

4.5 Power to Assign:

Formatted: Keep with next

If by the time of FORA's dissolution Transition Plan Implementing Agreements have not been entered into by all of the relevant jurisdictions or have not been approved by FORA, the assignments of assets, liabilities and obligations described in this Transition Plan shall be imposed pursuant to Government Code 67700 and LAFCO shall handle such assignments as though they were conditions of special district dissolution imposed pursuant to Government Code section 56886 and use all of LAFCO's powers to enforce such assignments, including but not limited to by using enforcement powers under Government Code sections 56122 or 67700 as to the member jurisdictions. If a final judgment of a court having jurisdiction over the matter results in a determination that the FORA Act, including but not limited to Government Code 67700(b)(2), does not provide FORA with the requisite authority to make the assignments set forth in this Transition Plan, then LAFCO "shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred" as required by Government Code 67700(b)(1) through the exercise of LAFCO's powers under the FORA Act, the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, and LAFCO's other relevant powers. If LAFCO refuses to agree impose such assignments as conditions to the dissolution of FORA and the transfer of its assets in accordance with this Transition Plan, then FORA shall seek such judicial clarification and/or legislative amendments as may be necessary to (a) clarify or establish FORA's and/or LAFCO's ability and/or duty to impose such assignments in connection with the dissolution of FORA or (b) extend the date of FORA's sunset so as to allow fulfillment of the mitigations, satisfaction of the obligations, and the completion of the elements of FORA Program which have not effectively been assigned to or accepted by the objecting jurisdictions.

4.56 LAFCO Review:

If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).

4.67 Reserved Right of Modification:

This Transition Plan includes the opportunity for continued regional cooperation by all affected jurisdictions to enter into a Transition Plan Implementing Agreement, subject to FORA approval.

to implement this Transition Plan. This Transition Plan may be modified by the Board upon the receipt of an executed Transition Plan Implementing Agreement approved by FORA, if the Board finds a revision to this Transition Plan necessary and appropriate. The Board also reserves the right to make modifications based upon receipt of regional agreements which address matters such as future financing mechanisms to support completion of the FORA Program, additional factual information or refinements provided by FORA staff during quarterly updates, regional revenue sharing arrangements, or plans for coordinated completion of CIP elements or projects, in each instance approved by FORA. Such modifications of this Transition Plan shall be transmitted forthwith to LAFCO for its processing.

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b) by approving this Transition Plan and intends that those assignments be implemented preferably through Transition Plan Implementing Agreements but in the absence of executed Transition Plan Implementing Agreements approved by FORA then as assignments and conditions of dissolution, as though they were imposed pursuant to Government Code sections 56886 and 67700(b); and
3. The Board hereby ~~directs finds that as adopted herein, the Executive Officer to submit this Transition Plan to LAFCO and execute all LAFCOs not a project subject to CEQA and/or is exempt and directs staff to prepare and file the appropriate notice(s) required documents and pay all LAFCO required processing fees; and by CEQA.~~
4. ~~The Board further directs the Executive Officer, or his designee, to hire a facilitator consultant to assist the jurisdictions in creating and negotiating Transition Plan Agreements or other inter-agency regional agreements to implement the requirements of this Transition Plan. The facilitator consultant may also assist FORA in agreements for the disposition of its obligations to named entities or implementing the terms and conditions of this Transition Plan. The Executive Officer is directed to report progress on or before January 1, 2019 and to complete all negotiations and documents not later than March 2019. The Executive Officer shall compile a list of such additional actions necessary to implement this Transition Plan.~~
4. The Board further directs staff to provide regular and quarterly updates on the implementation of this Transition Plan, including without limitation, bringing forth future implementing actions, status of Transition Plan Implementing Agreements, any LAFCO information or requests, and any subsequent information that might affect this Transition Plan.

Formatted: Keep with next

Formatted: Indent: Left: 0", Keep with next

Formatted: Font: 12 pt

Formatted: List Paragraph, Left, Indent: Left: 0"

Formatted: Font: 12 pt

Formatted: List Paragraph, Left, Indent: Left: 0"

Upon motion by Board member ---- seconded by Board member ---- the foregoing Resolution was passed on this ____ day of ~~October~~November, 2018, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

"Army" means the United States Army.

"Base-wide Costs" means the estimated costs identified in the Base Reuse Plan for the following: FORA Reuse Operations, Net Jurisdictional Fiscal Shortfalls, Caretaker Costs, and Demolition. The Basewide Costs are more particularly described in the Fort Ord Comprehensive Business Plan and the Findings attached to the Base Reuse Plan and included in the current FOR A Capital Improvement Program.

"Base-wide Mitigation Measures" means the mitigation measures identified in the Base Reuse Plan. Basewide Mitigation Measures include: basewide transportation costs; habitat management capital and operating costs; water line and storm drainage costs; FORA public capital costs; and fire protection costs. The Basewide Mitigation Measures are more particularly described in the Fort Ord Comprehensive Business Plan, described in Section 1 (f), the Development and Resource Management Plan, and the Findings attached to the Base Reuse Plan.

"Base Reuse Plan" means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.

"Board" means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

"CalPERS" means the California Public Employees' Retirement System.

"CEQA" means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as Superfund, as amended to date (42 U.S. Code Chapter 103 and following).

"CFD" means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

"CFD Special Taxes" means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

"CIP" means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

"EDC MOA" means the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

"EDC Property" means the real property transferred pursuant to the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

"ESCA" means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.

"FORA Act" means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.

"LAFCO" means the Monterey County Local Agency Formation Commission.

"FORA" means the Fort Ord Reuse Authority.

"FORA Act" means the Fort Ord Reuse Authority Act, as amended to date (Government Code section 67650 and following).

"FORA Program" has the meaning given in Section 1.2.

"FORG" means the Fort Ord Reuse Group organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of the former Fort Ord.

"Fort Ord," including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994 or the military base formerly located on such land, as the context requires.

"HCP Cooperative" means a joint powers authority contemplated to be established to administer a habitat conservation program at the former Fort Ord.

"Implementation Agreements" means agreements entered into beginning in 2001 between the Fort Ord Reuse Authority on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, as such agreements may have been amended to date.

"Master Resolution" means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B, is the most recent Master Resolution.

"MCWD" means the Marina Cost Water District.

"PFIP" means the Public Facilities Implementation Plan adopted by the Fort Ord Reuse Authority in 2001.

"Reuse Plan" means the plan for the future use of the former Fort Ord adopted pursuant to Government Code section 67675, as amended to date.

"Strategy Report" means the June 1992 report prepared by the Fort Ord Community Task Force in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

"Task Force" means the Fort Ord Community Task Force formed in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

"Transition Plan Implementing Agreements" means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

FORT ORD REUSE AUTHORITY RESOLUTION NO. 18-xx

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
Approving a Transition Plan For Submission to the Monterey County Local Agency Formation Commission

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A.** In 1991, the Secretary of Defense announced the proposed downsizing of the United States Army Fort Ord Military Reservation ("Fort Ord") under the Base Realignment and Closure Act. The United States Army (the "Army") moved the 7th Infantry Division - Light to Fort Lewis Washington over the following two years, resulting in the loss to the communities and populace of the Monterey Peninsula and adjoining greater Monterey Bay region of the significant economic, social, and cultural contributions that had been associated with the military presence.
- B.** After the announcement but prior to the implementation of the base downsizing/closure, political leaders from within the affected region formed the Fort Ord Community Task Force (the "Task Force") in order to develop recommendations for moving forward with a recovery effort. These recommendations were embodied in a 760-page June 1992 Strategy Report prepared by the Task Force (the "Strategy Report").
- C.** Predicated upon the Strategy Report, in October 1992 the Fort Ord Reuse Group ("FORG") was organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of Fort Ord. After preparing an initial plan and subsequently refining it, the revised plan was considered and adopted by FORG in 1993. Those early planning efforts recognized the significant costs associated with the implementation of any plan to convert Fort Ord into civilian use and reinforced the validity of the regional and base-wide approaches that were inherent in the conclusions reached by the Task Force in its Strategy Report.
- D.** The Fort Ord Reuse Authority ("FORA") was established in 1994 by state legislation (Government Code sections 67650 and following, the "FORA Act") and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. The Legislature found that the reuse of Fort Ord is a matter of statewide importance and declared in Government Code section 67657(c) that FORA's powers and duties prevail over those of any other local entity, including any city, county, or joint powers authority. Government Code section 67658 identifies FORA's purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use. In Government Code section 67651, the Legislature tasked FORA with the following primary directives (1) plan, facilitate, and manage the transfer of former Fort Ord property from the Army to local jurisdictions or their designee(s), (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and redevelopment in ways that enhance the economy and quality of life of the Monterey Bay community, and (4) maintain and protect the unique environmental resources of the area.
- E.** In order to carry out the directives of the FORA Act, FORA hired staff and entered into a contract with the California Public Employees' Retirement System ("CalPERS") to provide for retirement benefits for FORA employees. A copy of the contract with CalPERS as amended to date is referenced as Contract #1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference. As is the situation facing many local public entities today,

FORA's liability for pension obligations under the CalPERS contract is not at present fully funded and any potential shortfall must be addressed in the transition planning process.

- F. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997, which identified (1) environmental actions required to mitigate development and reuse of the former Fort Ord (the "Base-wide Mitigation Measures") and (2) infrastructure and related costs necessary to accommodate development and reuse of the former Fort Ord (the "Base-wide Costs"), each consistent with the fulfillment of FORA's primary directives. A copy of the Reuse Plan and its attendant environmental report is available on the FORA website at www.fora.org or for your convenience link 2 on Exhibit B Reference documents is attached to this report. A part of that approval, FORA's Board of Directors (the "Board") certified an Environmental Impact Report and adopted a Statement of Overriding Considerations after making the following findings:
- The Reuse Plan will provide for an improved and diversified retail and industrial economy and market that will generate employment and create financial stability;
 - The Reuse Plan will provide moderate and upscale housing which will provide more affluent residents to the Cities of Seaside and Marina, thereby creating a housing stock with higher income families in these communities with larger disposable incomes;
 - The Reuse Plan will provide additional tourist support facilities in Seaside and Marina, thereby contributing additional employment opportunities;
 - The Reuse Plan will encourage and prioritize the development of projects that are regional in scale, thereby creating additional destination points on the Monterey Peninsula, and thereby enhancing the local economy;
 - The Reuse Plan provides for the creation of various additional recreational facilities and open space that will enhance the quality of life for not only the residents of Seaside and Marina but all of the residents of the Peninsula;
 - The Reuse Plan will attract and assist in retaining a pool of professional workers for the Peninsula;
 - The Reuse Plan will assist in ensuring that the overall economic recovery of the Peninsula benefits the Cities of Del Rey Oaks, Monterey, Seaside, Marina, and the unincorporated areas of the County of Monterey in the vicinity of Fort Ord;
 - The Reuse Plan will provide for additional and needed senior housing opportunities;
 - The Reuse Plan will assist the communities of Seaside and Marina in the transition of their respective community images from dependent, military base extensions with transient military personnel to vital, independent, and self-actuated communities populated with permanent residents with long-term interests in the well-being of their respective communities; and
 - The Reuse Plan will encourage development that will enhance the continued viability of California State University at Monterey Bay and the open space areas retained by the federal government through the Bureau of Land Management and conveyed to the California Department of Parks and Recreation.
- G. FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act ("CEQA") to implement the Base-wide Mitigation Measures and incur the Base-wide Costs.

- H. In the Reuse Plan, FORA identified revenues generated from sales and leases of real property within the former Fort Ord, FORA's share of taxes on real property located within the former Fort Ord, and base-wide assessments or development fees, as the primary property-related sources of funding with which to implement the Base-wide Mitigation Measures and to pay the Base-wide Costs.
- I. As is more fully described below, in connection with funding implementation of the Reuse Plan, FORA entered into multiple agreements with local, state, and federal entities, established a public financing mechanism, and prepared a Capital Improvement Program ("CIP"). ~~The Reuse Plan carries a series of mitigative project obligations which were defined in Appendix B of the Public Facilities Implementation Plan ("PFIP") adopted in 2001. The PFIP can be accessed on the FORA webpage at www.fora.org or for your convenience link 3 on Exhibit B Reference documents is attached to this report. The PFIP served as the baseline CIP for the Reuse Plan. The CIP is reviewed on an annual basis and it is estimated that, of the expenses identified in the 2018-19 CIP, approximately \$194,500,000 will remain as obligations to be satisfied or otherwise appropriately addressed after FORA's currently anticipated sunset in mid-2020. The most current CIP is available on the FOR A webpage at www.fora.org or for your convenience link 4 on Exhibit B Reference documents is attached to this report.~~
- J. As part of funding implementation of the Reuse Plan, FORA established in 2001 a Community Facilities District ("CFD"), through which special taxes on properties to be developed are collected. These special taxes (the "CFD Special Taxes") are due and payable with respect to each parcel on issuance of a building permit relating to the property. The CFD Special Taxes are subject to annual adjustment, but when FORA ceases to exist the CFD Special Taxes may no longer be collected ~~(unless as a result of legislative changes the authority to collect the existing CFD Special Taxes is extended). If (a) FORA's sunset date is not extended or (b) the ability to extend collection of the CFD Special Taxes by one or more successor(s) to FORA is not provided (in each instance through the adoption of appropriate legislative changes) one of the costs to the region will be the inability to collect an estimated approximately \$72,000,000 that would otherwise be generated through continuation of the CFD Special Taxes imposed on already entitled development. A variety of replacement funding mechanisms are available, including but not limited to the potential for each of the underlying land use jurisdictions to create its own Community Facilities District through which special taxes on future development may be collected. Collecting taxes on developments that have already been entitled will require each jurisdiction to create agreements with each developer for an entitled project to continue to pay a development fee: Those fees are estimated to be \$72 million for entitled projects, if all entitled developments are fully completed and development fees are equal to the current FORA CFD.~~
- K. FORA entered into a Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands (the "EDC MOA"), which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder. The EDC MOA and its attendant amendments are referenced as items 97, 99 and 78 in Exhibit A attached hereto and incorporated by this reference. The EDC MOA provided the vehicle for the Army to transfer property to FORA without monetary consideration. The land transfer was conditioned on a requirement that any proceeds from the subsequent sale or leasing of the transferred real property must be applied to the economic development of the former Fort Ord. The real property transferred pursuant to the EDC MOA may be referred to herein as the "EDC Property." The Army also required that water

available on the former Fort Ord be allocated in a fair and equitable manner among all of the various recipients of portions of the EDC Property.

In 2001, agreements were entered into between FORA on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, which agreements provided the basis for the orderly transfer of the EDC Property to the respective jurisdictions, the allocation of a fair and equitable share of the Base-wide Costs and the Base-wide Mitigation Measures to each of the recipients, and the allocation of available water to the recipients in a fair and equitable manner. These agreements, as they may have been amended to date and irrespective of whether they may be so captioned, may collectively be referred to herein as the "Implementation Agreements." The Implementation Agreements are referenced as items 10 through 15 in Exhibit A attached hereto and incorporated by this reference. The Implementation Agreements form the starting point from which the Transition Plan Agreements contemplated to be entered into with the recipients of the EDC Property and discussed more fully below (the "Transition Plan Agreements") shall be negotiated and developed for the mutual benefit of all recipients of the EDC Property and FORA's successor(s), if any. There is an ongoing discussion about what aspects of the Implementation Agreements may survive FORA's dissolution. The FORA Board voted on October 29, 2018 to direct staff to hire a facilitator who can assist FORA members with outstanding issues in the Transition process.

- L. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control, remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45, and 46 in Exhibit A attached hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.
- M. ~~On December 7, 2016, a majority of FORA's Board members voted in support of seeking legislative extension of FORA's sunset date as the best way to carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner, as called for by Government Code section 67652. On November 17, 2017, a majority of FORA's Board members voted that (in the event that legislative extension of FORA's sunset date could not be obtained) the next best way to satisfy and fulfill the Base-wide Mitigation Measures and other obligations and commitments of FORA would be to provide for a single entity successor (such as a joint powers authority exercising regional oversight) complete the Reuse Plan. The Board noted that in order for such a successor entity to be able to continue collection of the CFD Special Taxes that are a significant element of the financing necessary to complete the Reuse Plan, legislative changes would be necessary and that~~

~~in the absence of such legislation, ongoing contributions would need to be made in accordance with the approach embodied in the Implementation Agreements.~~

- N. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:

The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. **The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.** The transition plan shall be approved only by a majority vote of the board. (*Emphasis added*)

- O. Government Code section 67700(b)(1) provides as follows:

The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred. (*Emphasis added*)

BASED ON THE FOREGOING RECITALS AND THE FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:

Section 1 Preliminary Findings and Determinations:

1.1 Base-wide Costs and Base-wide Mitigation Measures:

The Board hereby finds and determines that the Transition Plan establishes continuity for the Base Reuse Plan policies and programs. Implementing Agreements negotiated by landholding jurisdictions will establish a fair and equitable assignment of agreements, contracts and other items referred to in Exhibit A attached hereto and incorporated by this reference, together with each and all of the projects identified in the Reuse Plan and contained in the CIP, constitute Base-wide Costs and/or Base-wide Mitigation Measures and are required to be addressed by this Transition Plan as assets, liabilities, or obligations pursuant to Government Code section 67700.

1.2 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (d) eliminating any Base-wide Costs or elements of the CIP, or (d) avoiding the satisfaction and fulfillment of any of FORA's other commitments, pledges, or promises (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary and to the extent not already so contained,

this Transition Plan recognizes ~~requires each jurisdiction~~ the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey are expected to follow the base reuse plan policies and programs. to include all mitigations in its Capital Improvement Program (subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations). Following FORA's ultimate dissolution, any changes to the FORA policies and programs Program or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

1.3 Revenue Sharing and Financial Contribution:

The Board hereby finds and determines that the Implementation Agreements with the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey require that each of such entities continue to pay its fair and equitable share of the cost of the FORA Program (in accordance with the formulas expressed therein and subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations), but there is an ongoing discussion about what aspects of the Implementation Agreements may survive FORA's dissolution. The signatories to the Implementation Agreements shall work with the facilitator retained as a result of the FORA Board vote on October 29, 2018 to negotiate and execute agreements regarding revenue sharing arrangements.

~~. until all Base-wide Costs and Base-wide Mitigation Measures have been fully paid and satisfied.~~

1.4 Reuse Plan and Master Resolution:

The Board hereby finds and determines that all the underlying land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan and therefore there is no need to record the Reuse Plan or its policies. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution and, in order to preserve a permanent record of those policies, directs staff to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. In particular, the Board finds that the prevailing wage policy established in 1996 to promote an equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program. In the event that recordation of the Master Resolution is legally insufficient to protect the policies contained in the Master Resolution, the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey agree to take the necessary legal steps to adopt those policies by December 30, 2019.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that a regional, integrated base-wide habitat protection is best funded by the CFD Special Taxes or substantially similar base-wide replacement funding mechanisms. The Board has identified and set aside approximately 30.2% of collected CFD Special Taxes to be applied toward base-wide habitat management and finds that any replacement funding mechanism should be designed to generate similar levels of revenue for such purposes.

1.6 Environmental Services Cooperative Agreement:

The Board hereby finds and determines that the long term stewardship obligations and related monitoring identified by the Army for its munitions removal activities are crucial to the future

success of the recovery program. The Board further finds that following the dissolution of FORA the current staffing of the Environmental Services Cooperative Agreement (“ESCA”) should be considered for retention continued and sustained through the anticipated termination of the ESCA in 2028 either by the County of Monterey or the City of Seaside as single successor to FORA for the purposes of the ESCA or by assignment of the ESCA to a joint powers authority formed by both of them.

1.7 Building Removal:

~~The Board hereby finds and determines that former Fort Ord remnant, non-historic, and abandoned Army structures, not obligated to be removed under the CIP, are a barrier to the success of the overall recovery and reuse program and a nuisance to quiet enjoyment of the region’s assets. The Board further finds that an extension of the FORA Act to sustain resources such as land sales revenue and property tax revenues that can be applied to this significant barrier to recovery is an important transition component. The Board, therefore, recommends consideration by the Legislature of an extension of the FORA Act to meet this blight eradication need.~~

1.8 Transportation and Transit:

~~The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit policies and programs projects that have been identified in the CIP is essential to the long term success of the economic recovery of the reuse. The Board further finds that extension of the CFD Special Taxes or the implementation of substantially similar replacement funding mechanisms for the purpose of revenue generation and revenue sharing would be the best long term way to collect and share revenues fund aspects of the Transportation Network and Transit needs in Fort Ord that cannot be covered by fees. ~~the transportation network for the on-site, off-site and regional projects because a replacement regional transportation fee may not be imposed on already approved development projects in the absence of written consent by the developers to do so.~~ Revenue sharing for Transportation and Transit Needs will be addressed in the Implementing Agreements.~~

1.9 Water and Wastewater:

The Board hereby finds and determines that it has made water allocations in accordance with its obligation under the EDC MOA to ensure a fair and equitable water supply to all property recipients and imposed those requirements in the Implementation Agreements. The Board further finds that the Implementation Agreements may need to be enforced if any jurisdiction’s approved developments exceed the jurisdiction’s approved water allocation. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District (“MCWD”) to implement the Reuse Plan is appropriate at FORA’s dissolution. To the extent that MCWD is unable to impose and/or collect revenues to replace the revenues generated by the CFD Special Taxes, the Board finds that continuation of the CFD Special Taxes (or implementation of a replacement source of revenue substantially similar to the FORA CFD) might allow for funds to reduce connection and other costs imposed by MCWD.

Section 2 Assignment of Assets, Liabilities, and Obligations:

2.1 Assets and Disposition Thereof:

FORA’s principal assets are comprised of the following:

2.1.1 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for retirement purposes. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).

2.1.2 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, allocations shall be made, and the funds shall be applied or distributed at or before FORA's dissolution in accordance with the approved FORA budget for that year.

2.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO in the current approximate aggregate amount of \$300,000. Those funds are intended to cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 3, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover Transition Plan litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). In the event that as of immediately prior to FORA's dissolution no such litigation or indemnity obligation is pending, the unexpended balance of such reserves shall be applied to capital improvement program projects in accordance with the Final 2020 Capital Improvement Program and/or distributed in accordance with Transition Plan Implementing Agreements. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is not an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed to the County of Monterey in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be applied to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed as directed by the Presiding Judge of the Superior Court of the County of Monterey to be held in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be returned to the County to apply to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities.

2.1.4 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat

Conservation Plan Cooperative joint powers authority (the "HCP Cooperative") has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred in their entirety to the HCP Cooperative for use in connection with the base-wide Habitat Conservation Plan for Fort Ord being administered by the HCP Cooperative. If no HCP Cooperative is then in existence, but a joint powers authority has been formed for the management of Habitat Management Areas within the former Fort Ord, then a portion of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the joint powers authority for use in connection with the management of Habitat Management Areas within the former Fort Ord and the remainder in a program for incidental take permits for future development. If no HCP Cooperative or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between long term management of the habitat management areas (HMA) on the one hand and incidental take permits for future development.

2.1.5 Capital Improvement Funds: All CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing in progress construction projects (such as South Boundary Road) as identified in FORA's final year CIP. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall next be directed to completing other projects as identified in FORA's final year CIP. These capital improvement funds shall be transferred to the jurisdiction assigned responsibility for completing construction of the respective project, which shall be the jurisdiction in which the majority of the project is located if that jurisdiction has an executed Transition Plan Implementing Agreement. If there is no Transition Plan Implementing Agreement, those funds shall be redistributed to those jurisdictions with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in a Transition Plan Implementing Agreement.

2.1.6 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 2.1.5 for funds related to the CFD, land sales revenues and/or property tax revenues. ~~For receipt of funds related to administrative liabilities distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below.~~

2.1.7 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army and is acceptable to the Army-approved jurisdiction shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).

2.1.8 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in accordance with any applicable rules or requirements for the transfer of surplus property by a California

public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations unrelated to projects described in FORA's final year CIP. After the full satisfaction of all such liabilities and obligations any remaining proceeds shall next be directed toward projects described in FORA's final year CIP for which FORA was serving as the lead. Any proceeds remaining thereafter shall next be directed to other projects described in FORA's final year CIP. ~~If any proceeds remain after the completion of all projects described in FORA's final year CIP, such proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below.~~

~~2.1.9 Proportional Distributions: Where this Transition Plan provides that assets or proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA, such distributions shall be made in the following percentages:~~

City of Carmel-by-the-Sea	—7.69%
City of Del Rey Oaks	—7.69%
City of Marina	—15.38%
City of Monterey	—7.69%
City of Pacific Grove	—7.69%
City of Salinas	—7.69%
City of Sand City	—7.69%
City of Seaside	—15.38%
County of Monterey	—23.1%
	100%

~~2.1.10 Condition to Entitlement to Proportional Distributions: Notwithstanding any provisions of this Transition Plan calling for any distribution of assets or proceeds to all the member jurisdictions in proportion to their voting percentages in FORA, no jurisdiction having land use jurisdiction over or holding property within any portion of the former Fort Ord shall be entitled to receive any portion of any proportional distribution of assets or proceeds unless such jurisdiction has entered into a Transition Plan Implementing Agreement approved by FORA.~~

2.1.11 Real Property: FORA is obligated to cause certain former Fort Ord property to be transferred to the underlying land use jurisdictions in accordance with the federal "Pryor Amendment" and as authorized by Section 67678(a) of the FORA Act. Additionally, FORA is entitled to receive certain easements to enable implementation of the Reuse Plan. See item 97 in Exhibit A attached hereto and incorporated by this reference. As of the anticipated date of dissolution of FORA, not all real property interests will have transferred. Upon FORA's dissolution and the repeal of the FORA Act, the principal local public agent for acquisition, disposition and sale of real property transferred from the Army will need to be re-established through state legislation and/or federal designation and assignment of contractual rights. In particular, the landfill parcel currently located within the unincorporated portion of the County of Monterey but within the sphere of influence of the City of Marina will not transfer until sometime after 2022. Currently, the County is obligated to take the landfill parcel. See item 10 in Exhibit A attached hereto and incorporated by this reference. FORA staff shall seek all necessary legislation and approvals from the state and federal governments to enable the landfill parcel to be directly transferred to the County of Monterey or its designee. Except as may be provided in a Transition Plan Implementing Agreement approved by FORA, the County shall make such designation not less than twelve (12) months prior to the anticipated date of FORA's dissolution, in order to allow

sufficient time for all necessary legislation and approvals from the state and federal governments to be obtained before FORA's dissolution. If the County fails to timely specify a designee to receive the landfill parcel, the Army shall transfer the landfill parcel directly to the County of Monterey.

2.1.12 Insurance Policies: FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. Except to the extent specifically provided to the contrary in this Transition Plan, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution.

2.2 Liabilities and Obligations and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

2.2.1 Unfunded Pension Liability under CalPERS Contract: Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

2.2.3 Capital Improvement Funds: See discussion in Section 2.1.5, hereinabove.

2.2.4 ESCA Reimbursement: In order to obtain reimbursement under the ESCA, the work described therein must be performed. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army (and agreed to by the Army-approved jurisdiction) shall become the successor(s) to FORA for the purposes of the ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).

2.2.5 Building Removal: In the absence of a consolidated building removal program and/or legislative solution to the issue of blight, any building removal not required under the CIP shall after FORA's dissolution be addressed, if at all, by the jurisdictions in which the offending buildings are located after compliance with all applicable laws. To the extent that jurisdictions wish to jointly address regional blight, revenue sharing may be addressed in Transition Plan Implementing Agreements but no jurisdiction shall be compelled to participate in such revenue sharing without its consent.

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

2.2.6 Transportation and Transit: For all of those Fort Ord Transportation Network and Transit projects in which FORA is not the designated lead agency and that have not been completed by the date of FORA's dissolution, the responsibility to generate and/or collect revenues from the other member agencies and complete construction will rest with the lead agency. For those projects in which FORA is the lead agency and that have not been completed by the date of FORA's dissolution, responsibility to generate and/or collect revenues and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the majority of the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. FORA's 2018-19 CIP projects that \$132,346,818 will remain to be funded for FORA's share of the transportation network for on-site, off-site, regional, and transit improvements after June 30, 2020. ~~This Transition Plan assigns funding responsibility in the following manner based on projected CFD Special Taxes to be collected on the former Fort Ord: \$59,026,681 (44.6% of the cost) to the City of Marina, \$28,983,953 (21.9%) to City of Seaside, \$22,234,265 (16.8%) to City of Del Rey Oaks, \$13,234,682 (10%) to County of Monterey, \$8,602,543 (6.5%) to University of California, and \$264,694 (0.2%) to City of Monterey. Funding responsibilities shall be addressed through a facilitated process of Implementing Agreements, to be completed by December 30, 2019 and may be adjusted or offset based upon a jurisdiction's actual construction of a transportation project, participation in a regional traffic impact fee funding program, contribution agreements with other jurisdictions, receipt of inter-governmental grant funding and/or implementation of other funding mechanisms that fully replace the funding responsibility as outlined above. The schedule for implementing transportation projects these obligations shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project, as outlined in the jurisdiction's Capital Improvement Program or as otherwise provided in a Transition Plan Implementing Agreement approved by FORA, or if not so addressed, then as provided in FORA's final year CIP.~~ All future projects will be subject to compliance with all applicable law as it exists at the time of project approval and implementation. Any required project-specific CEQA review or compliance shall be the responsibility of the designated lead agency.

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, MCWD may decline to issue any further water connection permits until the offending jurisdiction brings its water allocation into compliance or MCWD develops or obtains access to an augmented water supply sufficient to cover any excess. FORA's 2018-19 CIP projects that \$17,098,686 will remain to be funded for base-wide water augmentation improvements after June 30, 2020. ~~This Transition Plan assigns the funding responsibility for such improvements MCWD commits to working with the jurisdictions on water supply needs in a fair and equitable manner, in the following manner based on projected CFD Special Taxes to be collected on former Fort Ord property: \$7,626,014 (44.6% of the cost) to the City of Marina, \$3,744,612 (21.9%) to City of Seaside, \$2,872,579 (16.8%) to City of Del Rey Oaks, \$1,709,869 (10%) to County of Monterey, \$1,111,415 (6.5%) to University of California, and \$34,197 (0.2%) to City of Monterey. The above funding responsibility shall be equitably reallocated in the event that MCWD is unable to serve augmented water in the amounts necessary to implement the any jurisdiction's planned development due to pumping or other limitations. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement approved by FORA, jurisdictions may alter their water allocations as identified~~

in the Implementation Agreements only by written agreement with other jurisdictions. Upon its receipt of such an agreement altering the water allocations as between two or more jurisdictions, MCWD shall honor the agreement as though it was the allocation set forth in the Implementation Agreements.

2.2.8 Other Contracts and Agreements: Attached as Exhibit A to this Transition Plan are references to a compilation of contracts and other documents and/or commitments relevant to the FORA program and the dissolution of FORA. Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA and additional contracts, documents or commitments may be entered into before FORA dissolves. FORA staff shall endeavor to keep Exhibit A current and shall provide quarterly updates to the Board regarding any changes. FORA's outstanding contractual obligations reflected on Exhibit A are hereby assigned as set forth in Exhibit A.

2.2.9 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be assigned as follows: If the obligation is related to the use of real property, it shall be assigned to the underlying land use jurisdiction unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. If the obligation is unrelated to the use of real property, it shall be proportionately assigned to the member jurisdictions in conformity with their voting percentages in FORA as set forth in Section 2.1.9 above.

Section 3 Insurance:

3.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

3.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of general liability insurance extending the reporting period and coverage of such insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

Section 4 Implementation Agreements and Transition Plan Agreements:

4.1 Projects in the CIP:

~~Pursuant to the authority granted by the Legislature in Government Code 67700(b)(2), the Board hereby designates~~ All projects identified in the final year CIP ~~as obligations required to be assigned by this Transition Plan in accordance with the formulas set forth in the Implementation Agreements as they may be modified by~~ shall be addressed by Transition Plan Implementing Agreements. The preferred method of allowing discretion to the lead agency ~~evidencing such assignment is by the entry into Transition Plan Implementing Agreements, which can allow~~ the

jurisdictions choice and flexibility in exactly how transportation needs ~~the assigned obligations~~ will be funded and carried out.

4.2 Transition Plan Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective jurisdiction will generate revenues to meet its obligations as agreed upon in the Transition Plan Implementing Agreements and include assigned ~~by this Transition Plan~~, revenue sharing provisions between those that will generate revenues and those implementing CIP projects, and such other matters as may be required to implement this Transition Plan, together with a schedule of regular meetings of jurisdictions to assess and update transportation needs in Fort Ord, ~~when the jurisdiction will complete said actions~~. Notwithstanding that this Transition Plan requests that each member jurisdiction establish, adopt or participate in one or more replacement funding mechanism(s) and revenue sharing agreements that address transportation needs in Fort Ord ~~all parts of FORA's final year CIP~~, this Transition Plan does not specify any specific mechanism. Rather, it only recommends that any replacement mechanism be collected on a pay as you go basis and that all FORA CIP projects located within a jurisdiction be included in the jurisdiction's Capital Improvement Program. If any jurisdiction chooses not to perform, include, or address any such project, such jurisdiction shall comply with the requirements of all applicable laws, including but not limited to by making such analysis and taking such action as CEQA may require in connection with such change. The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

4.3 Escrow:

~~In the absence of a FORA approved Transition Plan Implementing Agreement, all revenues required to be contributed by a jurisdiction pursuant to its Implementation Agreement shall be paid into~~ An escrow account shall be established for the purpose of paying outstanding legal costs, court judgements, settlements, or other litigations costs that are not covered by insurance and are unable to be paid by FORA due to its dissolution, sharing revenues and ~~The escrow account shall be managed by a panel of not less than five (5) representatives, one from each land holding jurisdiction, and all approved by a majority of the member jurisdictions. The escrow account shall be maintained for 3 years, after which any remaining money in the account shall be used to pay for a CIP project expense and/or habitat management, as determined by the panel.~~

4.4 Power to Assign:

~~If by the time of FORA's dissolution Transition Plan Implementing Agreements have not been entered into by all of the relevant jurisdictions or have not been approved by FORA, the assignments of assets, liabilities and obligations described in this Transition Plan shall be imposed pursuant to Government Code 67700 and LAFCO shall handle such assignments as though they were conditions of special district dissolution imposed pursuant to Government Code section 56886 and use all of LAFCO's powers to enforce such assignments, including but not limited to by using enforcement powers under Government Code sections 56122 or 67700 as to the member jurisdictions. If a final judgment of a court having jurisdiction over the matter results in a determination that the FORA Act, including but not limited to Government Code 67700(b)(2), does~~

~~not provide FORA with the requisite authority to make the assignments set forth in this Transition Plan, then LAFCO "shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred" as required by Government Code 67700(b)(1) through the exercise of LAFCO's powers under the FORA Act, the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, and LAFCO's other relevant powers. If LAFCO refuses to agree impose such assignments as conditions to the dissolution of FORA and the transfer of its assets in accordance with this Transition Plan, then FORA shall seek such judicial clarification and/or legislative amendments as may be necessary to (a) clarify or establish FORA's and/or LAFCO's ability and/or duty to impose such assignments in connection with the dissolution of FORA or (b) extend the date of FORA's sunset so as to allow fulfillment of the mitigations, satisfaction of the obligations, and the completion of the elements of FORA Program which have not effectively been assigned to or accepted by the objecting jurisdictions.~~

4.5 LAFCO Review:

If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).

4.6 Reserved Right of Modification:

~~This Transition Plan includes the opportunity for continued regional cooperation by all affected jurisdictions to enter into a Transition Plan Implementing Agreement, subject to FORA approval, to implement this Transition Plan. This Transition Plan may be modified by the Board upon the receipt of an executed Transition Plan Implementing Agreement approved by FORA, if the Board finds a revision to this Transition Plan necessary and appropriate. The Board also reserves the right to make modifications based upon receipt of regional agreements which address matters such as future financing mechanisms to support completion of the FORA Program, additional factual information or refinements provided by FORA staff during quarterly updates, regional revenue sharing arrangements, or plans for coordinated completion of CIP elements or projects, in each instance approved by FORA. Such modifications of this Transition Plan shall be transmitted forthwith to LAFCO for its processing.~~

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues, and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b) ~~by approving this Transition Plan and intends that those assignments be implemented preferably through Transition Plan Agreements but in the absence of executed Transition Plan Agreements approved by FORA then as assignments and conditions of dissolution, as though they were imposed pursuant to Government Code sections 56886 and 67700(b); and~~
3. The Board hereby directs the Executive Officer to submit this Transition Plan to LAFCO and execute all LAFCO required documents and pay all LAFCO required processing fees; and

4. The Board further directs the Executive Officer, or his designee, to hire a facilitator consultant to assist the jurisdictions in creating and negotiating Transition Plan Agreements or other inter-agency regional agreements to implement the requirements of this Transition Plan. The facilitator consultant may also assist FORA in agreements for the disposition of its obligations to named entities or implementing the terms and conditions of this Transition Plan. The Executive Officer is directed to report progress on or before January 1, 2019 and monthly thereafter. ~~to complete all negotiations and documents not later than March 2019.~~ The Executive Officer shall compile a list of such additional actions necessary to implement this Transition Plan.

Upon motion by Board member ---- seconded by Board member ---- the foregoing Resolution was passed on this _____ day of October, 2018, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

“Army” means the United States Army.

~~“Base-wide Costs” means the estimated costs identified in the Base Reuse Plan for the following: FORA Reuse Operations, Net Jurisdictional Fiscal Shortfalls, Caretaker Costs, and Demolition. The Basewide Costs are more particularly described in the Fort Ord Comprehensive Business Plan and the Findings attached to the Base Reuse Plan and included in the current FORA Capital Improvement Program.~~

~~“Base-wide Mitigation Measures” means the mitigation measures identified in the Base Reuse Plan. Basewide Mitigation Measures include: basewide transportation costs; habitat management capital and operating costs; water line and storm drainage costs; FORA public capital costs; and fire protection costs. The Basewide Mitigation Measures are more particularly described in the Fort Ord Comprehensive Business Plan, described in Section 1 (f), the Development and Resource Management Plan, and the Findings attached to the Base Reuse Plan.~~

~~“Base Reuse Plan” means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.~~

“Board” means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

“CalPERS” means the California Public Employees’ Retirement System.

“CEQA” means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as Superfund, as amended to date (42 U.S. Code Chapter 103 and following).

“CFD” means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

“CFD Special Taxes” means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

“CIP” means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

“EDC MOA” means the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

“EDC Property” means the real property transferred pursuant to the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was

recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

“ESCA” means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.

“FORA Act” means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.

“LAFCO” means the Monterey County Local Agency Formation Commission.

“FORA” means the Fort Ord Reuse Authority.

“FORA Act” means the Fort Ord Reuse Authority Act, as amended to date (Government Code section 67650 and following).

“FORA Program” has the meaning given in Section 1.2.

“FORG” means the Fort Ord Reuse Group organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of the former Fort Ord.

“Fort Ord,” including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled “Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California,” prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994 or the military base formerly located on such land, as the context requires.

“HCP Cooperative” means a joint powers authority contemplated to be established to administer a habitat conservation program at the former Fort Ord.

“Implementation Agreements” means agreements entered into beginning in 2001 between the Fort Ord Reuse Authority on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, as such agreements may have been amended to date.

“Master Resolution” means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B, is the most recent Master Resolution.

“MCWD” means the Marina Cost Water District.

“PFIP” means the Public Facilities Implementation Plan adopted by the Fort Ord Reuse Authority in 2001.

“Reuse Plan” means the plan for the future use of the former Fort Ord adopted pursuant to Government Code section 67675, as amended to date.

“Strategy Report” means the June 1992 report prepared by the Fort Ord Community Task Force in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

“Task Force” means the Fort Ord Community Task Force formed in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

“Transition Plan Implementing Agreements” means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

**FORT ORD REUSE AUTHORITY
RESOLUTION NO. 18-xx**

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
Approving a Transition Plan for Submission to the Monterey County Local Agency Formation Commission

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A. In 1991, the Secretary of Defense announced the proposed downsizing of the United States Army Fort Ord Military Reservation ("Fort Ord") under the Base Realignment and Closure Act. The United States Army (the "Army") moved the 7th Infantry Division - Light to Fort Lewis Washington over the following two years, resulting in the loss to the communities and populace of the Monterey Peninsula and adjoining greater Monterey Bay region of the significant economic, social, and cultural contributions that had been associated with the military presence.
- B. After the announcement but prior to the implementation of the base downsizing/closure, political leaders from within the affected region formed the Fort Ord Community Task Force (the "Task Force") in order to develop recommendations for moving forward with a recovery effort. These recommendations were embodied in a 760-page June 1992 Strategy Report prepared by the Task Force (the "Strategy Report"). The Strategy Report may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference.
- C. Predicated upon the Strategy Report, in October 1992 the Fort Ord Reuse Group ("FORG") was organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of Fort Ord. After preparing an initial plan and subsequently refining it, the revised plan was considered and adopted by FORG in 1993. Those early planning efforts recognized the significant costs associated with the implementation of any plan to convert Fort Ord into civilian use and reinforced the validity of the regional and base-wide approaches that were inherent in the conclusions reached by the Task Force in its Strategy Report.
- D. The Fort Ord Reuse Authority ("FORA") was established in 1994 by state legislation (Government Code sections 67650 and following, the "FORA Act") and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. The FORA Act may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference. The Legislature found that the reuse of Fort Ord is a matter of statewide importance and declared in Government Code section 67657(c) that FORA's powers and duties prevail over those of any other local entity, including any city, county, or joint powers authority. Government Code section 67658 identifies FORA's purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use. In Government Code section 67651, the Legislature tasked FORA with the following primary directives (1) plan, facilitate, and manage the transfer of former Fort Ord property from the Army to local jurisdictions or their designee(s), (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and redevelopment in ways that enhance the economy and quality of life of the Monterey Bay community, and (4) maintain and protect the unique environmental resources of the area.

- E. In order to carry out the directives of the FORA Act, FORA hired staff and entered into a contract with the California Public Employees' Retirement System ("CalPERS") to provide for retirement benefits for FORA employees. A copy of the contract with CalPERS as amended to date is referenced as Contract #1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference. As is the situation facing many local public entities today, FORA's liability for pension obligations under the CalPERS contract is not at present fully funded and any potential shortfall must be addressed in the transition planning process.
- F. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997, which identified (1) environmental actions required to mitigate development and reuse of the former Fort Ord (the "Base-wide Mitigation Measures") and (2) infrastructure and related costs necessary to accommodate development and reuse of the former Fort Ord (the "Base-wide Costs"), each consistent with the fulfillment of FORA's primary directives. The Reuse Plan and its attendant environmental report is available on the FORA website at www.fora.org or may be accessed on Exhibit B - Reference Documents attached hereto and incorporated by this reference. As part of that approval, FORA's Board of Directors (the "Board") certified an Environmental Impact Report and adopted a Statement of Overriding Considerations after making the following findings:
- The Reuse Plan will provide for an improved and diversified retail and industrial economy and market that will generate employment and create financial stability;
 - The Reuse Plan will provide moderate and upscale housing which will provide more affluent residents to the Cities of Seaside and Marina, thereby creating a housing stock with higher income families in these communities with larger disposable incomes;
 - The Reuse Plan will provide additional tourist support facilities in Seaside and Marina, thereby contributing additional employment opportunities;
 - The Reuse Plan will encourage and prioritize the development of projects that are regional in scale, thereby creating additional destination points on the Monterey Peninsula, and thereby enhancing the local economy;
 - The Reuse Plan provides for the creation of various additional recreational facilities and open space that will enhance the quality of life for not only the residents of Seaside and Marina but all of the residents of the Peninsula;
 - The Reuse Plan will attract and assist in retaining a pool of professional workers for the Peninsula;
 - The Reuse Plan will assist in ensuring that the overall economic recovery of the Peninsula benefits the Cities of Del Rey Oaks, Monterey, Seaside, Marina, and the unincorporated areas of the County of Monterey in the vicinity of Fort Ord;
 - The Reuse Plan will provide for additional and needed senior housing opportunities;
 - The Reuse Plan will assist the communities of Seaside and Marina in the transition of their respective community images from dependent, military base extensions with transient military personnel to vital, independent, and self-actuated communities populated with permanent residents with long-term interests in the well-being of their respective communities; and

- The Reuse Plan will encourage development that will enhance the continued viability of California State University at Monterey Bay and the open space areas retained by the federal government through the Bureau of Land Management and conveyed to the California Department of Parks and Recreation.
- G. FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act (“CEQA”) to implement the Base-wide Mitigation Measures and incur the Base-wide Costs.
- H. In the Reuse Plan, FORA identified revenues generated from sales and leases of real property within the former Fort Ord, FORA’s share of taxes on real property located within the former Fort Ord, and base-wide assessments or development fees, as the primary property-related sources of funding with which to implement the Base-wide Mitigation Measures and to pay the Base-wide Costs.
- I. As is more fully described below, in connection with funding implementation of the Reuse Plan, FORA entered into multiple agreements with local, state, and federal entities, established a public financing mechanism, and prepared a Capital Improvement Program (“CIP”). The most current CIP is available on the FORA website at www.fora.org or may be accessed on Exhibit B - Reference Documents attached hereto and incorporated by this reference.
- J. As part of funding implementation of the Reuse Plan, FORA established in 2001 a Community Facilities District (“CFD”), through which special taxes on properties to be developed are collected. These special taxes (the “CFD Special Taxes”) are due and payable with respect to each parcel on issuance of a building permit relating to the property. The CFD Special Taxes are subject to annual adjustment, but when FORA ceases to exist the CFD Special Taxes may no longer be collected. A variety of replacement funding mechanisms are available, including but not limited to the potential for each of the underlying land use jurisdictions to create its own Community Facilities District through which special taxes on future development may be collected. Collecting taxes or fees on developments that have already been entitled will require each jurisdiction to obtain agreements from each developer of an entitled project to pay development fees that the developer would not otherwise be obligated to pay. Those fees are estimated to be \$72 million for entitled projects, if all entitled developments are fully completed.
- K. FORA entered into a Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands (the “EDC MOA”), which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder. The EDC MOA and its attendant amendments are referenced as items 78, 97 and 99 in Exhibit A attached hereto and incorporated by this reference. The EDC MOA provided the vehicle for the Army to transfer property to FORA without monetary consideration. The land transfer was conditioned on a requirement that any proceeds from the subsequent sale or leasing of the transferred real property must be applied to the economic development of the former Fort Ord. The real property transferred pursuant to the EDC MOA may be referred to herein as the “EDC Property.” The Army also required that water available on the former Fort Ord be allocated in a fair and equitable manner among all of the various recipients of portions of the EDC Property.

L. In 2001, agreements were entered into between FORA on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand. These agreements, as they may have been amended to date and irrespective of whether they may be so captioned, may collectively be referred to herein as the "Implementation Agreements." The Implementation Agreements are referenced as items 10 through 15 in Exhibit A attached hereto and incorporated by this reference. There is an ongoing discussion about what aspects of the Implementation Agreements may survive FORA's dissolution.

M. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45 and 46 in Exhibit A attached hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.

N. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:

The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. **The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.** The transition plan shall be approved only by a majority vote of the board. (*Emphasis added*)

O. Government Code section 67700(b)(1) provides as follows:

The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred. (*Emphasis added*)

- P. There are ongoing discussions about multiple legal issues about what aspects of the Implementation Agreements, Base Reuse Plan, FORA policies and programs survive FORA's dissolution. On October 29, 2018, the FORA Board authorized engaging a facilitator who can assist FORA members forming agreements that might address some or all of the outstanding issues.

BASED ON THE FOREGOING RECITALS AND FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:

Section 1 Preliminary Findings and Determinations:

1.1 Base-wide Costs and Base-wide Mitigation Measures:

The Board hereby finds and determines that this Transition Plan establishes continuity for the Base Reuse Plan policies and programs. Implementing Agreements negotiated with the landholding jurisdictions (or, in the absence of such an Implementing Agreement with a respective jurisdiction, the other provisions of this Transition Plan) will establish a fair and equitable assignment of assets, liabilities, and obligations pursuant to Government Code section 67700.

1.2 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (d) eliminating any Base-wide Costs or elements of the CIP, or (d) avoiding the satisfaction and fulfillment of any of FORA's other commitments, pledges, or promises (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary and to the extent not already so contained, this Transition Plan recognizes the Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey to follow the Base Reuse Plan policies and programs. Following FORA's ultimate dissolution, any changes to the FORA policies and programs or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

1.3 Revenue Sharing and Financial Contribution:

The Board hereby finds and determines that the Implementation Agreements with the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey require that each of such entities continue to pay its fair and equitable share of the cost of the FORA Program (in accordance with the formulas expressed therein and subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations). This Plan recognizes there are ongoing discussions about what aspects of the Implementation Agreements may survive

FORA's dissolution. The Cities and the County signatories to the Implementation Agreements shall work with the facilitator retained as a result of the FORA Board vote to negotiate and execute agreements that address those aspects that may survive, including revenue sharing arrangements.

1.4 Reuse Plan and Master Resolution:

The Board hereby finds and determines that all the underlying land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan and therefore there is no need to record the Reuse Plan or its policies. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution. In particular, the Board finds that the prevailing wage policy established in 1996 to promote equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program. The Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey are encouraged to take the necessary legal steps to adopt the Master Resolution policies by December 30, 2019; however, if they have not done so, in order to preserve a permanent record of those policies, staff is directed to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. The Master Resolution may be accessed on Exhibit B - Reference Documents attached thereto and incorporated by this reference.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that regional, integrated base-wide habitat protection is best funded by the CFD Special Taxes or substantially similar base-wide replacement funding mechanisms. The Board has identified and set aside approximately 30.2% of collected CFD Special Taxes to be applied toward base-wide habitat management and finds that any replacement funding mechanism should be designed to generate similar levels of revenue for such purposes.

1.6 Environmental Services Cooperative Agreement:

The Board hereby finds and determines that the long term stewardship obligations and related monitoring identified by the Army for its munitions removal activities are crucial to the future success of the recovery program. The Board further finds that following the dissolution of FORA the current full time staffing of the Environmental Services Cooperative Agreement ("ESCA") should be considered for retention through the anticipated termination of the ESCA in 2028 either by the County of Monterey or the City of Seaside as single successor to FORA for the purposes of the ESCA or by assignment of the ESCA to a joint powers authority formed by both of them.

1.7 Transportation and Transit:

The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit policies and programs are essential to the long term success of the economic recovery of the reuse. The Board further finds that nexus fees alone will not be sufficient to fund aspects of the Transportation Network and Transit needs and revenue sharing between the land use jurisdictions will be required. Revenue generation and revenue sharing for Transportation and Transit needs will be addressed in the Implementing Agreements.

1.8 Water and Wastewater:

The Board hereby finds and determines that it has made water allocations in accordance with its obligation under the EDC MOA to ensure a fair and equitable water supply to all property recipients and imposed those requirements in the Implementation Agreements. The Board further finds that the Implementation Agreements may need to be enforced if any jurisdiction's approved developments exceed the jurisdiction's approved water allocation. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution. To the extent that MCWD is unable to impose and/or collect revenues to replace the revenues generated by the CFD Special Taxes, the Board finds that jurisdictional implementation of a replacement source of revenue substantially similar to the FORA CFD might allow for funds to reduce connection and other costs imposed by MCWD.

Section 2 Assignment of Assets, Liabilities, and Obligations:

2.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

2.1.1 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for retirement purposes. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).

2.1.2 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, allocations shall be made, and the funds shall be applied or distributed at or before FORA's dissolution in accordance with the approved FORA budget for that year.

2.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO in the current approximate aggregate amount of \$300,000. Those funds are intended to cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 3, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover Transition Plan litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). In the event that as of immediately prior to FORA's dissolution no such litigation or indemnity obligation is pending, the unexpended balance of such reserves shall be applied to capital improvement program projects in accordance with the Final 2020 Capital Improvement Program and/or distributed in accordance with Transition Plan Implementing Agreements. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is

not an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed to the County of Monterey in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be applied to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed as directed by the Presiding Judge of the Superior Court of the County of Monterey to be held in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be returned to the County to apply to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities.

2.1.4 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat Conservation Plan Cooperative joint powers authority (the "HCP Cooperative") has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred in their entirety to the HCP Cooperative for use in connection with the base-wide Habitat Conservation Plan for Fort Ord being administered by the HCP Cooperative. If no HCP Cooperative is then in existence, but a joint powers authority has been formed for the management of Habitat Management Areas within the former Fort Ord, then a portion of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the joint powers authority for use in connection with the management of Habitat Management Areas within the former Fort Ord and the remainder in a program for incidental take permits for future development. If no HCP Cooperative or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between long term management of the habitat management areas (HMA) on the one hand and incidental take permits for future development.

2.1.5 Capital Improvement Funds: All CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing in progress construction projects (such as South Boundary Road) as identified in FORA's final year CIP. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall next be directed to completing other projects as identified in FORA's final year CIP. These capital improvement funds shall be transferred to the jurisdiction assigned responsibility for completing construction of the respective project, which shall be the jurisdiction in which the majority of the project is located if that jurisdiction has an executed Transition Plan Implementing Agreement. If there is no Transition Plan Implementing Agreement, those funds shall be redistributed to those jurisdictions with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in a Transition Plan Implementing Agreement.

2.1.6 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 2.1.5 for funds generated by the CFD Special Taxes, land sales revenues and/or property tax revenues. Except as otherwise specifically provided herein, funds related to the general administration of FORA, such as insurance refunds or other general fund revenues remaining unexpended or unallocated immediately prior to FORA's dissolution, shall be used first to address any unfunded administrative liabilities and only after the full satisfaction of such administrative liabilities shall any remaining balance of such funds be applied and distributed according to Section 2.1.5.

2.1.7 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army and acceptable to the Army-approved jurisdiction shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).

2.1.8 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in accordance with any applicable rules or requirements for the transfer of surplus property by a California public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations unrelated to projects described in FORA's final year CIP. After the full satisfaction of all such liabilities and obligations any remaining proceeds shall next be directed toward projects described in FORA's final year CIP for which FORA was serving as the lead. Any proceeds remaining thereafter shall next be directed to other projects described in FORA's final year CIP.

2.1.9 Real Property: FORA is obligated to cause certain former Fort Ord property to be transferred to the underlying land use jurisdictions in accordance with the federal "Pryor Amendment" and as authorized by Section 67678(a) of the FORA Act. Additionally, FORA is entitled to receive certain easements to enable implementation of the Reuse Plan. See item 97 in Exhibit A attached hereto and incorporated by this reference. As of the anticipated date of dissolution of FORA, not all real property interests will have transferred. Upon FORA's dissolution and the repeal of the FORA Act, the principal local public agent for acquisition, disposition and sale of real property transferred from the Army will need to be re-established through state legislation and/or federal designation and assignment of contractual rights. In particular, the landfill parcel currently located within the unincorporated portion of the County of Monterey but within the sphere of influence of the City of Marina will not transfer until sometime after 2022. Currently, the County is obligated to take the landfill parcel. See item 10 in Exhibit A attached hereto and incorporated by this reference. FORA staff shall seek all necessary legislation and approvals from the state and federal governments to enable the landfill parcel to be directly transferred to the County of Monterey or its designee. Except as may be provided in a Transition Plan Implementing

Agreement approved by FORA, the County shall make such designation not less than twelve (12) months prior to the anticipated date of FORA's dissolution, in order to allow sufficient time for all necessary legislation and approvals from the state and federal governments to be obtained before FORA's dissolution. If the County fails to timely specify a designee to receive the landfill parcel, the Army shall transfer the landfill parcel directly to the County of Monterey.

2.1.10 Insurance Policies: FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. Except to the extent specifically provided to the contrary in this Transition Plan or by the terms of the insurance policy itself, FORA shall not keep any of such policies of insurance in force beyond the date of their expiration. With respect to the Pollution Liability policy (Item 23 in Exhibit A), the County agreed to negotiate to become FORA's successor as a First Named Insured (Monterey County Board Order December 2, 2014) and to take on the First Named Insured obligations and receive the FORA self insured retention (SIR) fund, which is currently in a PLL identified account in the amount of approximately \$267,000. The PLL policy, Endorsement 15 provides for a FORA designated successor in the event the County is not successful in its negotiations. In the event, the SIR is not utilized for any claims made, the amount in the fund shall be returned, after any administrative deduction for contract management by the successor, to the named insureds in proportion to the amounts of their insurance coverages.

2.2 Liabilities and Obligations and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

2.2.1 Unfunded Pension Liability under CalPERS Contract: Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

2.2.3 Capital Improvement Funds: See discussion in Section 2.1.5 hereinabove.

2.2.4 ESCA Reimbursement: In order to obtain reimbursement under the ESCA, the work described therein must be performed. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army (and agreed to by the Army-approved jurisdiction) shall become the successor(s) to FORA for the purposes of the ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).

2.2.5 Building Removal: In the absence of a consolidated building removal program and/or legislative solution to the issue of blight, any building removal not required under the CIP shall after FORA's dissolution be addressed, if at all, by the jurisdictions in which the offending buildings are located after compliance with all applicable laws. To the extent that jurisdictions wish to jointly address regional blight, revenue sharing may be addressed in Transition Plan Implementing Agreements but no jurisdiction shall be compelled to participate in such revenue sharing without its consent.

2.2.6 Transportation and Transit: For all of those Fort Ord Transportation Network and Transit projects in which FORA is not the designated lead agency and that have not been completed by the date of FORA's dissolution, the responsibility to generate and/or collect revenues from the other member agencies and complete construction will rest with the lead agency. For those projects in which FORA is the lead agency and that have not been completed by the date of FORA's dissolution, responsibility to generate and/or collect revenues and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the majority of the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. FORA's 2018-19 CIP projects that \$132,346,818 will remain to be funded for FORA's share of the transportation network for on-site, off-site, regional, and transit improvements after June 30, 2020. Funding responsibilities shall be addressed through a facilitated process of Implementing Agreements to be completed by December 30, 2019 and may be adjusted or offset based upon a jurisdiction's actual construction of a transportation project, participation in a regional traffic impact fee funding program, contribution agreements with other jurisdictions, receipt of inter-governmental grant funding and/or implementation of other funding mechanisms that fully replace the funding responsibility as outlined above. The schedule for implementing transportation and transit projects shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project. All future projects will be subject to compliance with all applicable law as it exists at the time of project approval and implementation. Any required project-specific CEQA review or compliance shall be the responsibility of the designated lead agency.

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, MCWD may decline to issue any further water connection permits until the offending jurisdiction brings its water allocation into compliance or MCWD develops or obtains access to an augmented water supply sufficient to cover any excess. FORA's 2018-19 CIP projects that \$17,098,686 will remain to be funded for base-wide water augmentation improvements after June 30, 2020. MCWD commits to working with the jurisdictions on water supply needs in a fair and equitable manner. Except as set forth in the preceding sentence or in a Transition Plan

Implementing Agreement, jurisdictions may alter their water allocations as identified in the Implementation Agreements² only by written agreement with other jurisdictions. Upon its receipt of such an agreement altering the water allocations as between two or more jurisdictions, MCWD shall honor the agreement as though it was the allocation set forth in the Implementation Agreements.

2.2.8 Other Contracts and Agreements: Attached as Exhibit A to this Transition Plan are references to a compilation of contracts and other documents and/or commitments relevant to the FORA program and the dissolution of FORA. Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA and additional contracts, documents or commitments may be entered into before FORA dissolves. FORA staff shall endeavor to keep Exhibit A current and shall provide quarterly updates to the Board regarding any changes. FORA's outstanding contractual obligations reflected on Exhibit A are hereby assigned as set forth in Exhibit A.

2.2.9 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be assigned as follows: If the obligation is related to the use of real property, it shall be assigned to the underlying land use jurisdiction unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. If the liability or obligation is unrelated to the use of real property, either FORA or LAFCO shall notify the appropriate insuring entity or the County, and/or shall expend and encumber such additional funds as are necessary to fully discharge any liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired.

Section 3 Insurance:

3.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

3.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of general liability insurance extending the reporting period and coverage of such insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

² As noted in Paragraph P, hereinabove, there are ongoing discussions about multiple legal issues about what aspects of the Implementation Agreements, Base Reuse Plan, FORA policies and programs survive FORA's dissolution.

Section 4 Implementation Agreements and Transition Plan Agreements:

4.1 Projects in the CIP:

All projects identified in the final year CIP shall be addressed by Transition Plan Implementing Agreements. The preferred method of allowing discretion to the lead agency allows the jurisdictions choice and flexibility in exactly how CIP projects, including without limitation, transportation, transit, habitat protection, and water augmentation, will be funded and carried out.

4.2 Transition Plan Implementing Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each affected entity and/or land holding member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective entity or jurisdiction will generate revenues to meet its obligations as agreed upon in the Transition Plan Implementing Agreements and include revenue sharing provisions between those that will generate revenues and those implementing CIP projects, and such other matters as may be required to implement this Transition Plan, together with a schedule of regular meetings to assess and update habitat, transportation, transit and water augmentation needs in Fort Ord. Notwithstanding that this Transition Plan requests that each member jurisdiction establish, adopt or participate in one or more replacement funding mechanism(s) and revenue sharing agreements that address all parts of FORA's final year CIP, this Transition Plan does not specify any specific funding mechanism. The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

4.3 Escrow:

An escrow account shall be established and funded initially with the amounts budgeted for the LAFCO Indemnification Agreement for the purpose of paying outstanding legal costs, court judgments, settlements, or other litigation costs that are not covered by insurance and are unable to be paid by FORA due to its dissolution. The escrow account shall be managed by a panel of not less than five (5) representatives, one from each land holding jurisdiction, and all approved by a majority of the member jurisdictions. The escrow account shall be maintained for three (3) years, after which any remaining money in the account shall be used to pay for a CIP project expense, including but not limited to habitat management, as determined by the panel.

4.4 Litigation Management:

In the absence of either (a) FORA approved Transition Plan Implementing Agreements entered into with each of the land holding jurisdictions identifying a successor or successors in interest to FORA relative to post FORA litigation or (b) an agreement entered into by all of the land holding jurisdictions that post FORA litigation may be managed by any one or more, but less than all, of the land holding jurisdictions, any post FORA litigation shall be managed by a majority vote of a panel of representatives appointed by the land holding jurisdictions, with each land holding jurisdiction appointing a single member to serve until a successor is appointed by the respective appointing jurisdiction.

4.6 LAFCO Review:

If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).

4.7 Reserved Right of Modification:

This Transition Plan is dependent upon facilitated negotiations between the jurisdictions. Based upon a finding of changed facts or circumstances the Board reserves its right to modify this Transition Plan and in no event later than December 30, 2019 after the conclusion of the facilitated process to address outstanding issues.

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues; and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b);
3. The Board hereby finds that as adopted herein, the Transition Plan is not a project subject to CEQA and/or is exempt and directs staff to prepare and file the appropriate notice(s) required by CEQA; and-
4. The Board directs the Executive Officer to submit this Transition Plan to LAFCO and execute all LAFCO required documents and pay all LAFCO required processing fees; and
5. The Board further directs staff to provide regular monthly progress reports on the implementation of this Transition Plan, including without limitation, bringing forth future implementing actions, status of Transition Plan Implementing Agreements, any LAFCO information or requests, and any subsequent information that might affect this Transition Plan.

Upon motion by Board member ---- seconded by Board member ---- the foregoing Resolution was passed on this _____ day of November, 2018, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

“Army” means the United States Army.

“Base Reuse Plan” means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.

“Board” means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

“CalPERS” means the California Public Employees' Retirement System.

“CEQA” means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as Superfund, as amended to date (42 U.S. Code Chapter 103 and following).

“CFD” means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

“CFD Special Taxes” means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

“CIP” means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

“EDC MOA” means the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

“EDC Property” means the real property transferred pursuant to the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

“ESCA” means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.

“FORA Act” means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.

“LAFCO” means the Monterey County Local Agency Formation Commission.

“FORA” means the Fort Ord Reuse Authority.

“FORA Act” means the Fort Ord Reuse Authority Act, as amended to date (Government Code section 67650 and following).

“FORA Program” has the meaning given in Section 1.2.

“FORG” means the Fort Ord Reuse Group organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of the former Fort Ord.

“Fort Ord,” including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled “Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California,” prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994 or the military base formerly located on such land, as the context requires.

“HCP Cooperative” means a joint powers authority contemplated to be established to administer a habitat conservation program at the former Fort Ord.

“Implementation Agreements” means agreements entered into beginning in 2001 between the Fort Ord Reuse Authority on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, as such agreements may have been amended to date.

“Master Resolution” means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B, is the most recent Master Resolution.

“MCWD” means the Marina Cost Water District.

“Reuse Plan” means the plan for the future use of the former Fort Ord adopted pursuant to Government Code section 67675, as amended to date.

“Strategy Report” means the June 1992 report prepared by the Fort Ord Community Task Force in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

“Task Force” means the Fort Ord Community Task Force formed in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

“Transition Plan Implementing Agreements” means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

FORT ORD REUSE AUTHORITY RESOLUTION NO. 18-xx

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY *Approving a Transition Plan ~~For~~ Submission to the Monterey County Local Agency Formation Commission*

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A.** In 1991, the Secretary of Defense announced the proposed downsizing of the United States Army Fort Ord Military Reservation (“Fort Ord”) under the Base Realignment and Closure Act. The United States Army (the “Army”) moved the 7th Infantry Division - Light to Fort Lewis Washington over the following two years, resulting in the loss to the communities and populace of the Monterey Peninsula and adjoining greater Monterey Bay region of the significant economic, social, and cultural contributions that had been associated with the military presence.
- B.** After the announcement but prior to the implementation of the base downsizing/closure, political leaders from within the affected region formed the Fort Ord Community Task Force (the “Task Force”) in order to develop recommendations for moving forward with a recovery effort. These recommendations were embodied in a 760-page June 1992 Strategy Report prepared by the Task Force (the “Strategy Report”). The Strategy Report may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference.
- C.** Predicated upon the Strategy Report, in October 1992 the Fort Ord Reuse Group (“FORG”) was organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of Fort Ord. After preparing an initial plan and subsequently refining it, the revised plan was considered and adopted by FORG in 1993. Those early planning efforts recognized the significant costs associated with the implementation of any plan to convert Fort Ord into civilian use and reinforced the validity of the regional and base-wide approaches that were inherent in the conclusions reached by the Task Force in its Strategy Report.
- D.** The Fort Ord Reuse Authority (“FORA”) was established in 1994 by state legislation (Government Code sections 67650 and following, the “FORA Act”) and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. The FORA Act may be accessed on Exhibit B – Reference Documents attached hereto and incorporated by this reference. The Legislature found that the reuse of Fort Ord is a matter of statewide importance and declared in Government Code section 67657(c) that FORA’s powers and duties prevail over those of any other local entity, including any city, county, or joint powers authority. Government Code section 67658 identifies FORA’s purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use. In Government Code section 67651, the Legislature tasked FORA with the following primary directives (1) plan, facilitate, and manage the transfer of former Fort Ord property from the Army to local jurisdictions or their designee(s), (2) minimize the economic disruption caused by the base’s closure, (3) provide for reuse and redevelopment in ways that enhance the economy and quality of life of the Monterey Bay community, and (4) maintain and protect the unique environmental resources of the area.

- E. In order to carry out the directives of the FORA Act, FORA hired staff and entered into a contract with the California Public Employees' Retirement System ("CalPERS") to provide for retirement benefits for FORA employees. A copy of the contract with CalPERS as amended to date is referenced as Contract #1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference. As is the situation facing many local public entities today, FORA's liability for pension obligations under the CalPERS contract is not at present fully funded and any potential shortfall must be addressed in the transition planning process.
- F. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997, which identified (1) environmental actions required to mitigate development and reuse of the former Fort Ord (the "Base-wide Mitigation Measures") and (2) infrastructure and related costs necessary to accommodate development and reuse of the former Fort Ord (the "Base-wide Costs"), each consistent with the fulfillment of FORA's primary directives. ~~A copy of the~~The Reuse Plan and its attendant environmental report is available on the FORA website at www.fora.org or ~~for your convenience link 2 may be accessed~~ on Exhibit B - Reference documents is Documents attached to hereto and incorporated by this report. A reference. As part of that approval, FORA's Board of Directors (the "Board") certified an Environmental Impact Report and adopted a Statement of Overriding Considerations after making the following findings:
- The Reuse Plan will provide for an improved and diversified retail and industrial economy and market that will generate employment and create financial stability;
 - The Reuse Plan will provide moderate and upscale housing which will provide more affluent residents to the Cities of Seaside and Marina, thereby creating a housing stock with higher income families in these communities with larger disposable incomes;
 - The Reuse Plan will provide additional tourist support facilities in Seaside and Marina, thereby contributing additional employment opportunities;
 - The Reuse Plan will encourage and prioritize the development of projects that are regional in scale, thereby creating additional destination points on the Monterey Peninsula, and thereby enhancing the local economy;
 - The Reuse Plan provides for the creation of various additional recreational facilities and open space that will enhance the quality of life for not only the residents of Seaside and Marina but all of the residents of the Peninsula;
 - The Reuse Plan will attract and assist in retaining a pool of professional workers for the Peninsula;
 - The Reuse Plan will assist in ensuring that the overall economic recovery of the Peninsula benefits the Cities of Del Rey Oaks, Monterey, Seaside, Marina, and the unincorporated areas of the County of Monterey in the vicinity of Fort Ord;
 - The Reuse Plan will provide for additional and needed senior housing opportunities;
 - The Reuse Plan will assist the communities of Seaside and Marina in the transition of their respective community images from dependent, military base extensions with transient military personnel to vital, independent, and self-actuated communities populated with permanent residents with long-term interests in the well-being of their respective communities; and

- The Reuse Plan will encourage development that will enhance the continued viability of California State University at Monterey Bay and the open space areas retained by the federal government through the Bureau of Land Management and conveyed to the California Department of Parks and Recreation.
- G. FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act (“CEQA”) to implement the Base-wide Mitigation Measures and incur the Base-wide Costs.
- H. In the Reuse Plan, FORA identified revenues generated from sales and leases of real property within the former Fort Ord, FORA’s share of taxes on real property located within the former Fort Ord, and base-wide assessments or development fees, as the primary property-related sources of funding with which to implement the Base-wide Mitigation Measures and to pay the Base-wide Costs.
- I. As is more fully described below, in connection with funding implementation of the Reuse Plan, FORA entered into multiple agreements with local, state, and federal entities, established a public financing mechanism, and prepared a Capital Improvement Program (“CIP”). ~~The Reuse Plan carries a series of mitigative project obligations which were defined in Appendix B of the Public Facilities Implementation Plan (“PFIP”) adopted in 2001. The PFIP can be accessed on the FORA webpage at www.fora.org or for your convenience link 3 on Exhibit B Reference documents is attached to this report. The PFIP served as the baseline CIP for the Reuse Plan. The CIP is reviewed on an annual basis and it is estimated that, of the expenses identified in the 2018-19 CIP, approximately \$194,500,000 will remain as obligations to be satisfied or otherwise appropriately addressed after FORA’s currently anticipated sunset in mid-2020. The most current CIP is available on the FOR A webpage at www.fora.org or for your convenience link 4 on Exhibit B Reference documents is attached to this report~~The most current CIP is available on the FORA website at www.fora.org or may be accessed on Exhibit B - Reference Documents attached hereto and incorporated by this reference.
- J. As part of funding implementation of the Reuse Plan, FORA established in 2001 a Community Facilities District (“CFD”), through which special taxes on properties to be developed are collected. These special taxes (the “CFD Special Taxes”) are due and payable with respect to each parcel on issuance of a building permit relating to the property. The CFD Special Taxes are subject to annual adjustment, but when FORA ceases to exist the CFD Special Taxes may no longer be collected ~~(unless as a result of legislative changes the authority to collect the existing CFD Special Taxes is extended). If (a) FORA’s sunset date is not extended or (b) the ability to extend collection of the CFD Special Taxes by one or more successor(s) to FORA is not provided (in each instance through the adoption of appropriate legislative changes) one of the costs to the region will be the inability to collect an estimated approximately \$72,000,000 that would otherwise be generated through continuation of the CFD Special Taxes imposed on already entitled development.~~ A variety of replacement funding mechanisms are available, including but not limited to the potential for each of the underlying land use jurisdictions to create its own Community Facilities District through which special taxes on future development may be collected. Collecting taxes or fees on developments that have already been entitled will require each jurisdiction to obtain agreements from each developer of an entitled project to pay development fees that the developer would not otherwise be obligated to pay. Those

fees are estimated to be \$72 million for entitled projects, if all entitled developments are fully completed.

- K.** FORA entered into a Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands (the “EDC MOA”), which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder. The EDC MOA and its attendant amendments are referenced as items ~~78, 97, 99~~ and ~~7899~~ in Exhibit A attached hereto and incorporated by this reference. The EDC MOA provided the vehicle for the Army to transfer property to FORA without monetary consideration. The land transfer was conditioned on a requirement that any proceeds from the subsequent sale or leasing of the transferred real property must be applied to the economic development of the former Fort Ord. The real property transferred pursuant to the EDC MOA may be referred to herein as the “EDC Property.” The Army also required that water available on the former Fort Ord be allocated in a fair and equitable manner among all of the various recipients of portions of the EDC Property.
- L.** In 2001, agreements were entered into between FORA on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, ~~which agreements provided the basis for the orderly transfer of the EDC Property to the respective jurisdictions, the allocation of a fair and equitable share of the Base-wide Costs and the Base-wide Mitigation Measures to each of the recipients, and the allocation of available water to the recipients in a fair and equitable manner.~~ These agreements, as they may have been amended to date and irrespective of whether they may be so captioned, may collectively be referred to herein as the “Implementation Agreements.” The Implementation Agreements are referenced as items 10 through 15 in Exhibit A attached hereto and incorporated by this reference. ~~The Implementation Agreements form the starting point from which the Transition Plan Agreements contemplated to be entered into with the recipients of the EDC Property and discussed more fully below (the “Transition Plan Agreements”) shall be negotiated and developed for the mutual benefit of all recipients of the EDC Property and FORA’s successor(s), if any.~~ There is an ongoing discussion about what aspects of the Implementation Agreements may survive FORA’s dissolution.
- M.** The Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control, remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45, and 46 in Exhibit A attached

hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.

~~N. On December 7, 2016, a majority of FORA's Board members voted in support of seeking legislative extension of FORA's sunset date as the best way to carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner, as called for by Government Code section 67652. On November 17, 2017, a majority of FORA's Board members voted that (in the event that legislative extension of FORA's sunset date could not be obtained) the next best way to satisfy and fulfill the Base-wide Mitigation Measures and other obligations and commitments of FORA would be to provide for a single entity successor (such as a joint powers authority exercising regional oversight) complete the Reuse Plan. The Board noted that in order for such a successor entity to be able to continue collection of the CFD Special Taxes that are a significant element of the financing necessary to complete the Reuse Plan, legislative changes would be necessary and that in the absence of such legislation, ongoing contributions would need to be made in accordance with the approach embodied in the Implementation Agreements.~~

Q.N. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:

The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. **The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.** The transition plan shall be approved only by a majority vote of the board. (*Emphasis added*)

P.O. Government Code section 67700(b)(1) provides as follows:

The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred. (*Emphasis added*)

P. There are ongoing discussions about multiple legal issues about what aspects of the Implementation Agreements, Base Reuse Plan, FORA policies and programs survive FORA's dissolution. On October 29, 2018, the FORA Board authorized engaging a facilitator who can assist FORA members forming agreements that might address some or all of the outstanding issues.

BASED ON THE FOREGOING RECITALS AND—THE FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:

Section 1 Preliminary Findings and Determinations:

1.1 Base-wide Costs and Base-wide Mitigation Measures:

The Board hereby finds and determines that this Transition Plan establishes continuity for the Base Reuse Plan policies and programs. Implementing Agreements negotiated with the landholding jurisdictions (or, in the absence of such an Implementing Agreement with a respective jurisdiction, the other provisions of this Transition Plan) will establish a fair and equitable assignment of the agreements, contracts and other items referred to in Exhibit A attached hereto and incorporated by this reference, together with each and all of the projects identified in the Reuse Plan and contained in the CIP, constitute Base-wide Costs and/or Base-wide Mitigation Measures and are required to be addressed by this Transition Plan as assets, liabilities, ~~or~~ and obligations pursuant to Government Code section 67700.

1.2 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (d) eliminating any Base-wide Costs or elements of the CIP, or (e) avoiding the satisfaction and fulfillment of any of FORA's other commitments, pledges, or promises (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary and to the extent not already so contained, this Transition Plan ~~requires each jurisdiction~~ recognizes the Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey to include all mitigations in its Capital Improvement Program (subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations). ~~follow the Base Reuse Plan policies and programs.~~ Following FORA's ultimate dissolution, any changes to the FORA Program ~~policies and programs~~ or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

1.3 Revenue Sharing and Financial Contribution:

The Board hereby finds and determines that the Implementation Agreements with the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey require that each of such entities continue to pay its fair and equitable share of the cost of the FORA Program (in accordance with the formulas expressed therein and subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations) ~~until all Base-wide Costs and Base-wide Mitigation Measures have been fully paid and satisfied.~~ This Plan recognizes there are ongoing discussions about what aspects of the Implementation Agreements may survive FORA's dissolution. The Cities and the County signatories to the Implementation Agreements shall work with the facilitator retained as a result of the FORA Board vote to negotiate and execute agreements that address those aspects that may survive, including revenue sharing arrangements.

1.4 Reuse Plan and Master Resolution:

The Board hereby finds and determines that all the underlying land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan and therefore there is no need to record the Reuse Plan or its policies. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution and, in order to preserve a permanent record of those policies, directs staff to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. In particular, the Board finds that the prevailing wage policy established in 1996 to promote an equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program. The Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey are encouraged to take the necessary legal steps to adopt the Master Resolution policies by December 30, 2019; however, if they have not done so, in order to preserve a permanent record of those policies, staff is directed to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. The Master Resolution may be accessed on Exhibit B - Reference Documents attached thereto and incorporated by this reference.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that a regional, integrated base-wide habitat protection is best funded by the CFD Special Taxes or substantially similar base-wide replacement funding mechanisms. The Board has identified and set aside approximately 30.2% of collected CFD Special Taxes to be applied toward base-wide habitat management and finds that any replacement funding mechanism should be designed to generate similar levels of revenue for such purposes.

1.6 Environmental Services Cooperative Agreement:

The Board hereby finds and determines that the long term stewardship obligations and related monitoring identified by the Army for its munitions removal activities are crucial to the future success of the recovery program. The Board further finds that following the dissolution of FORA the current full time staffing of the Environmental Services Cooperative Agreement ("ESCA") should be ~~continued and sustained~~ considered for retention through the anticipated termination of the ESCA in 2028 either by the County of Monterey or the City of Seaside as single successor to FORA for the purposes of the ESCA or by assignment of the ESCA to a joint powers authority formed by both of them.

1.7 Building Removal:

~~The Board hereby finds and determines that former Fort Ord remnant, non-historic, and abandoned Army structures, not obligated to be removed under the CIP, are a barrier to the success of the overall recovery and reuse program and a nuisance to quiet enjoyment of the region's assets. The Board further finds that an extension of the FORA Act to sustain resources such as land sales revenue and property tax revenues that can be applied to this significant barrier to recovery is an important transition component. The Board, therefore, recommends consideration by the Legislature of an extension of the FORA Act to meet this blight eradication need.~~

1.8 Transportation and Transit:

The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit projects that have been identified in the CIP policies and programs are essential to the long term success of the economic recovery of the reuse. The Board further finds that extension nexus fees alone will not be sufficient to fund aspects of the CFD Special Taxes or Transportation Network and Transit needs and revenue sharing between the implementation of substantially similar replacement funding mechanisms for the purpose of revenue and use jurisdictions will be required. Revenue generation and revenue sharing would be the best long term way to collect and share revenues to fund the transportation network for the on-site, off-site and regional projects because a replacement regional transportation fee may not be imposed on already approved development projects for Transportation and Transit needs will be addressed in the absence of written consent by the developers to do so Implementing Agreements.

1.98 Water and Wastewater:

The Board hereby finds and determines that it has made water allocations in accordance with its obligation under the EDC MOA to ensure a fair and equitable water supply to all property recipients and imposed those requirements in the Implementation Agreements. The Board further finds that the Implementation Agreements may need to be enforced if any jurisdiction's approved developments exceed the jurisdiction's approved water allocation. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution. To the extent that MCWD is unable to impose and/or collect revenues to replace the revenues generated by the CFD Special Taxes, the Board finds that continuation of the CFD Special Taxes (or jurisdictional implementation of a substantially similar replacement source of revenue) allows substantially similar to the FORA CFD might allow for funds to reduce connection and other costs imposed by MCWD.

Section 2 Assignment of Assets, Liabilities, and Obligations:

2.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

2.1.1 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for retirement purposes. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).

2.1.2 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, allocations shall be made, and the

funds shall be applied or distributed at or before FORA's dissolution in accordance with the approved FORA budget for that year.

2.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO in the current approximate aggregate amount of \$300,000. Those funds are intended to cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 3, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover Transition Plan litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). In the event that as of immediately prior to FORA's dissolution no such litigation or indemnity obligation is pending, the unexpended balance of such reserves shall be applied to capital improvement program projects in accordance with the Final 2020 Capital Improvement Program and/or distributed in accordance with Transition Plan Implementing Agreements. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is not an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed to the County of Monterey in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be applied to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed as directed by the Presiding Judge of the Superior Court of the County of Monterey to be held in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be returned to the County to apply to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities.

2.1.4 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat Conservation Plan Cooperative joint powers authority (the "HCP Cooperative") has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred in their entirety to the HCP Cooperative for use in connection with the base-wide Habitat Conservation Plan for Fort Ord being administered by the HCP Cooperative. If no HCP Cooperative is then in existence, but a joint powers authority has been formed for the management of Habitat Management Areas within the former Fort Ord, then a portion of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the joint powers authority for use in connection with the management of Habitat Management Areas within the former Fort Ord and the remainder in a program for incidental take permits for future development. If no HCP Cooperative or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between long term management

of the habitat management areas (HMA) on the one hand and incidental take permits for future development.

2.1.5 Capital Improvement Funds: All CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing in progress construction projects (such as South Boundary Road) as identified in FORA's final year CIP. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall next be directed to completing other projects as identified in FORA's final year CIP. These capital improvement funds shall be transferred to the jurisdiction assigned responsibility for completing construction of the respective project, which shall be the jurisdiction in which the majority of the project is located if that jurisdiction has an executed Transition Plan Implementing Agreement. If there is no Transition Plan Implementing Agreement, those funds shall be redistributed to those jurisdictions with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in a Transition Plan Implementing Agreement.

2.1.6 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 2.1.5 for funds ~~related to~~ generated by the CFD Special Taxes, land sales revenues and/or property tax revenues. ~~For receipt of~~ Except as otherwise specifically provided herein, funds related to the general administration of FORA, such as insurance refunds or other general fund revenues remaining unexpended or unallocated immediately prior to FORA's dissolution, shall be used first to address any unfunded administrative liabilities and only after the full satisfaction of such administrative liabilities shall any remaining balance of such funds be applied and distributed to all the member jurisdictions in proportion according to their voting percentages in FORA as set forth in Section 2.1.9 below.

2.1.7 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army and acceptable to the Army-approved jurisdiction shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).

2.1.8 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in accordance with any applicable rules or requirements for the transfer of surplus property by a California public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations unrelated to projects described in FORA's final year CIP. After the full satisfaction of all such liabilities and obligations any remaining proceeds shall next be directed toward projects described in FORA's final year CIP for which FORA was serving as the lead. Any proceeds remaining thereafter shall next be directed to other projects described in FORA's final year CIP. ~~If any proceeds remain after~~

the completion of all projects described in FORA's final year CIP, such proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below.

~~2.1.9 Proportional Distributions: Where this Transition Plan provides that assets or proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA, such distributions shall be made in the following percentages:~~

City of Carmel by the Sea	—7.69%
City of Del Rey Oaks	—7.69%
City of Marina	—15.38%
City of Monterey	—7.69%
City of Pacific Grove	—7.69%
City of Salinas	—7.69%
City of Sand City	—7.69%
City of Seaside	—15.38%
County of Monterey	—23.1%
	100%

~~2.1.10 Condition to Entitlement to Proportional Distributions: Notwithstanding any provisions of this Transition Plan calling for any distribution of assets or proceeds to all the member jurisdictions in proportion to their voting percentages in FORA, no jurisdiction having land use jurisdiction over or holding property within any portion of the former Fort Ord shall be entitled to receive any portion of any proportional distribution of assets or proceeds unless such jurisdiction has entered into a Transition Plan Implementing Agreement approved by FORA.~~

~~2.1.11~~ **2.1.9 Real Property:** FORA is obligated to cause certain former Fort Ord property to be transferred to the underlying land use jurisdictions in accordance with the federal "Pryor Amendment" and as authorized by Section 67678(a) of the FORA Act. Additionally, FORA is entitled to receive certain easements to enable implementation of the Reuse Plan. See item 97 in Exhibit A attached hereto and incorporated by this reference. As of the anticipated date of dissolution of FORA, not all real property interests will have transferred. Upon FORA's dissolution and the repeal of the FORA Act, the principal local public agent for acquisition, disposition and sale of real property transferred from the Army will need to be re-established through state legislation and/or federal designation and assignment of contractual rights. In particular, the landfill parcel currently located within the unincorporated portion of the County of Monterey but within the sphere of influence of the City of Marina will not transfer until sometime after 2022. Currently, the County is obligated to take the landfill parcel. See item 10 in Exhibit A attached hereto and incorporated by this reference. FORA staff shall seek all necessary legislation and approvals from the state and federal governments to enable the landfill parcel to be directly transferred to the County of Monterey or its designee. Except as may be provided in a Transition Plan Implementing Agreement approved by FORA, the County shall make such designation not less than twelve (12) months prior to the anticipated date of FORA's dissolution, in order to allow sufficient time for all necessary legislation and approvals from the state and federal governments to be obtained before FORA's dissolution. If the County fails to timely specify

a designee to receive the landfill parcel, the Army shall transfer the landfill parcel directly to the County of Monterey.

2.1.4210 Insurance Policies: FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. -Except to the extent specifically provided to the contrary in this Transition Plan or by the terms of the insurance policy itself, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution their expiration. With respect to the Pollution Liability policy (Item 23 in Exhibit A), the County agreed to negotiate to become FORA's successor as a First Named Insured (Monterey County Board Order December 2, 2014) and to take on the First Named Insured obligations and receive the FORA self insured retention (SIR) fund, which is currently in a PLL identified account in the amount of approximately \$267,000. The PLL policy, Endorsement 15 provides for a FORA designated successor in the event the County is not successful in its negotiations. In the event, the SIR is not utilized for any claims made, the amount in the fund shall be returned, after any administrative deduction for contract management by the successor, to the named insureds in proportion to the amounts of their insurance coverages.

2.2 Liabilities and Obligations and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

2.2.1 Unfunded Pension Liability under CalPERS Contract: Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

2.2.3 Capital Improvement Funds: See discussion in Section 2.1.5, hereinabove.

2.2.4 ESCA Reimbursement: In order to obtain reimbursement under the ESCA, the work described therein must be performed. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army (and agreed to by the Army-approved jurisdiction) shall become

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

the successor(s) to FORA for the purposes of the ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).

2.2.5 Building Removal: In the absence of a consolidated building removal program and/or legislative solution to the issue of blight, any building removal not required under the CIP shall after FORA's dissolution be addressed, if at all, by the jurisdictions in which the offending buildings are located after compliance with all applicable laws. To the extent that jurisdictions wish to jointly address regional blight, revenue sharing may be addressed in Transition Plan Implementing Agreements but no jurisdiction shall be compelled to participate in such revenue sharing without its consent.

2.2.6 Transportation and Transit: For all of those Fort Ord Transportation Network and Transit projects in which FORA is not the designated lead agency and that have not been completed by the date of FORA's dissolution, the responsibility to generate and/or collect revenues from the other member agencies and complete construction will rest with the lead agency. For those projects in which FORA is the lead agency and that have not been completed by the date of FORA's dissolution, responsibility to generate and/or collect revenues and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the majority of the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. FORA's 2018-19 CIP projects that \$132,346,818 will remain to be funded for FORA's share of the transportation network for on-site, off-site, regional, and transit improvements after June 30, 2020. ~~This Transition Plan assigns funding responsibility in the following manner based on projected CFD Special Taxes to be collected on the former Fort Ord: \$59,026,681 (44.6% of the cost) to the City of Marina, \$28,983,953 (21.9%) to City of Seaside, \$22,234,265 (16.8%) to City of Del Rey Oaks, \$13,234,682 (10%) to County of Monterey, \$8,602,543 (6.5%) to University of California, and \$264,694 (0.2%) to City of Monterey. Funding responsibilities shall be addressed through a facilitated process of Implementing Agreements to be completed by December 30, 2019 and may be adjusted or offset based upon a jurisdiction's actual construction of a transportation project, participation in a regional traffic impact fee funding program, contribution agreements with other jurisdictions, receipt of inter-governmental grant funding and/or implementation of other funding mechanisms that fully replace the funding responsibility as outlined above. The schedule for implementing these obligations transportation and transit projects shall be as outlined determined by the lead agency in the jurisdiction's Capital Improvement Program or as otherwise provided in a Transition Plan Implementing Agreement approved by FORA, or if not so addressed, then as provided in FORA's final year CIP consultation with the jurisdictions who are collecting revenue for the project.~~ All future projects will be subject to compliance with all applicable law as it exists at the time of project approval and implementation. Any required project-specific CEQA review or compliance shall be the responsibility of the designated lead agency.

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, MCWD may decline to issue any further water connection permits until the offending jurisdiction brings its water allocation into compliance or MCWD develops or obtains access to an augmented water

supply sufficient to cover any excess. FORA's 2018-19 CIP projects that \$17,098,686 will remain to be funded for base-wide water augmentation improvements after June 30, 2020. This Transition Plan assigns MCWD commits to working with the funding responsibility for such improvements in the following manner based jurisdictions on projected CFD Special Taxes to be collected on former Fort Ord property: \$7,626,014 (44.6% of the cost) to the City of Marina, \$3,744,612 (21.9%) to City of Seaside, \$2,872,579 (16.8%) to City of Del Rey Oaks, \$1,709,869 (10%) to County of Monterey, \$1,111,415 (6.5%) to University of California, and \$34,197 (0.2%) to City of Monterey. The above funding responsibility shall be equitably reallocated in the event that MCWD is unable to serve augmented water in the amounts necessary to implement the any jurisdiction's planned development due to pumping or other limitations. supply needs in a fair and equitable manner. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement approved by FORA, jurisdictions may alter their water allocations as identified in the Implementation Agreements² only by written agreement with other jurisdictions. Upon its receipt of such an agreement altering the water allocations as between two or more jurisdictions, MCWD shall honor the agreement as though it was the allocation set forth in the Implementation Agreements.

2.2.8 Other Contracts and Agreements: Attached as Exhibit A to this Transition Plan are references to a compilation of contracts and other documents and/or commitments relevant to the FORA program and the dissolution of FORA. Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA and additional contracts, documents or commitments may be entered into before FORA dissolves. FORA staff shall endeavor to keep Exhibit A current and shall provide quarterly updates to the Board regarding any changes. FORA's outstanding contractual obligations reflected on Exhibit A are hereby assigned as set forth in Exhibit A.

2.2.9 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be assigned as follows: If the obligation is related to the use of real property, it shall be assigned to the underlying land use jurisdiction unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. If the obligation is unrelated to the use of real property, it shall be proportionately assigned to the member jurisdictions in conformity with their voting percentages in FORA as set forth in Section 2.1.9 above. If the liability or obligation is unrelated to the use of real property, either FORA or LAFCO shall notify the appropriate insuring entity or the County, and/or shall expend and encumber such additional funds as are necessary to fully discharge any liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired.

² As noted in Paragraph P, hereinabove, there are ongoing discussions about multiple legal issues about what aspects of the Implementation Agreements, Base Reuse Plan, FORA policies and programs survive FORA's dissolution.

Section 3 Insurance:

3.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

3.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of general liability insurance extending the reporting period and coverage of such insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

Section 4 Implementation Agreements and Transition Plan Agreements:

4.1 Projects in the CIP:

~~Pursuant to the authority granted by the Legislature in Government Code 67700(b)(2), the Board hereby designates all~~ All projects identified in the final year CIP as obligations required to ~~shall be assigned by this Transition Plan in accordance with the formulas set forth in the Implementation Agreements as they may be modified~~ addressed by Transition Plan Implementing Agreements. ~~The preferred method of evidencing such assignment is by the entry into Transition Plan Implementing Agreements, which can allow~~ allowing discretion to the lead agency allows the jurisdictions choice and flexibility in exactly how the assigned obligations ~~CIP projects, including without limitation, transportation, transit, habitat protection, and water augmentation, will be funded and carried out.~~

4.2 Transition Plan Implementing Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each affected entity and/or land holding member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective entity or jurisdiction will generate revenues to meet its obligations as assigned by this ~~agreed upon in the Transition Plan, Implementing Agreements and include~~ revenue sharing provisions between those that will generate revenues and those implementing CIP projects, and such other matters as may be required to implement this Transition Plan, together with a schedule of when the jurisdiction will complete said actions-regular meetings to assess and update habitat, transportation, transit and water augmentation needs in Fort Ord. ~~Notwithstanding that this Transition Plan requests that each member jurisdiction establish, adopt or participate in one or more replacement funding mechanism(s) and revenue sharing agreements that address all parts of FORA's final year CIP, this Transition Plan does not specify any specific mechanism. Rather, it only recommends that any replacement mechanism be collected on a pay as you go basis and that all FORA CIP projects located within a jurisdiction be included in the jurisdiction's Capital Improvement Program. If any~~

~~jurisdiction chooses not to perform, include, or address any such project, such jurisdiction shall comply with the requirements of all applicable laws, including but not limited to by making such analysis and taking such action as CEQA may require in connection with such change funding mechanism.~~ The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

4.3 Escrow:

~~In the absence of a FORA approved Transition Plan Implementing Agreement, all revenues required to be contributed by a jurisdiction pursuant to its Implementation Agreement shall be paid into an escrow account established for the purpose of sharing revenues and~~An escrow account shall be established and funded initially with the amounts budgeted for the LAFCO Indemnification Agreement for the purpose of paying outstanding legal costs, court judgments, settlements, or other litigation costs that are not covered by insurance and are unable to be paid by FORA due to its dissolution. The escrow account shall be managed by a panel of not less than five (5) representatives, one from each land holding jurisdiction, and all approved by a majority of the member jurisdictions. The escrow account shall be maintained for three (3) years, after which any remaining money in the account shall be used to pay for a CIP project expense, including but not limited to habitat management, as determined by the panel.

4.44.4 Litigation Management:

In the absence of either (a) FORA approved Transition Plan Implementing Agreements entered into with each of the land holding jurisdictions identifying a successor or successors in interest to FORA relative to post FORA litigation or (b) an agreement entered into by all of the land holding jurisdictions that post FORA litigation may be managed by any one or more, but less than all, of the land holding jurisdictions, any post FORA litigation shall be managed by a majority vote of a panel of representatives appointed by the land holding jurisdictions, with each land holding jurisdiction appointing a single member to serve until a successor is appointed by the respective appointing jurisdiction.

4.5 Power to Assign:

If by the time of FORA's dissolution Transition Plan Implementing Agreements have not been entered into by all of the relevant jurisdictions or have not been approved by FORA, the assignments of assets, liabilities and obligations described in this Transition Plan shall be imposed pursuant to Government Code 67700 and LAFCO shall handle such assignments as though they were conditions of special district dissolution imposed pursuant to Government Code section 56886 and use all of LAFCO's powers to enforce such assignments, including but not limited to by using enforcement powers under Government Code sections 56122 or 67700 as to the member jurisdictions. If a final judgment of a court having jurisdiction over the matter results in a determination that the FORA Act, including but not limited to Government Code 67700(b)(2), does not provide FORA with the requisite authority to make the assignments set forth in this Transition Plan, then LAFCO "shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are

honored and properly administered, and that all assets of the authority are appropriately transferred" as required by Government Code 67700(b)(1) through the exercise of LAFCO's powers under the FORA Act, the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, and LAFCO's other relevant powers. If LAFCO refuses to agree impose such assignments as conditions to the dissolution of FORA and the transfer of its assets in accordance with this Transition Plan, then FORA shall seek such judicial clarification and/or legislative amendments as may be necessary to (a) clarify or establish FORA's and/or LAFCO's ability and/or duty to impose such assignments in connection with the dissolution of FORA or (b) extend the date of FORA's sunset so as to allow fulfillment of the mitigations, satisfaction of the obligations, and the completion of the elements of FORA Program which have not effectively been assigned to or accepted by the objecting jurisdictions.

4.56 LAFCO Review:

If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).

4.67 Reserved Right of Modification:

~~This Transition Plan includes the opportunity for continued regional cooperation by all affected jurisdictions to enter into a Transition Plan Implementing Agreement, subject to FORA approval, to implement this Transition Plan. This Transition Plan may be modified by the Board upon the receipt of an executed Transition Plan Implementing Agreement approved by FORA, if the Board finds a revision to this Transition Plan necessary and appropriate. The Board also reserves the right to make modifications based upon receipt of regional agreements which address matters such as future financing mechanisms to support completion of the FORA Program, additional factual information or refinements provided by FORA staff during quarterly updates, regional revenue sharing arrangements, or plans for coordinated completion of CIP elements or projects, in each instance approved by FORA. Such modifications of this Transition Plan shall be transmitted forthwith to LAFCO for its processing.~~

This Transition Plan is dependent upon facilitated negotiations between the jurisdictions. Based upon a finding of changed facts or circumstances the Board reserves its right to modify this Transition Plan and in no event later than December 30, 2019 after the conclusion of the facilitated process to address outstanding issues.

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues; and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b) by approving this;
- 2.3. The Board hereby finds that as adopted herein, the Transition Plan is not a project subject to CEQA and intends that those assignments be implemented preferably through Transition Plan Agreements but in the absence of executed Transition Plan Agreements approved by

FORA then as assignments/or is exempt and conditions of dissolution, as though they were imposed pursuant to Government Code sections ~~56886~~directs staff to prepare and 67700(b); and file the appropriate notice(s) required by CEQA.

4. The Board ~~hereby~~ directs the Executive Officer to submit this Transition Plan to LAFCO and execute all LAFCO required documents and pay all LAFCO required processing fees; and
5. ~~The Board further directs the Executive Officer, or his designee, to hire a facilitator consultant to assist the jurisdictions in creating and negotiating Transition Plan Agreements or other inter-agency regional agreements to implement the requirements of this Transition Plan. The facilitator consultant may also assist FORA in agreements for the disposition of its obligations to named entities or implementing the terms and conditions of this Transition Plan. The Executive Officer is directed to report progress on or before January 1, 2019 and to complete all negotiations and documents not later than March 2019. The Executive Officer shall compile a list of such additional actions necessary to implement this Transition Plan.~~
5. The Board further directs staff to provide regular monthly progress reports on the implementation of this Transition Plan, including without limitation, bringing forth future implementing actions, status of Transition Plan Implementing Agreements, any LAFCO information or requests, and any subsequent information that might affect this Transition Plan.

6

Upon motion by Board member ---- seconded by Board member ---- the foregoing Resolution was passed on this _____ day of ~~October~~November, 2018, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

“Army” means the United States Army.

~~“Base-wide Costs” means the estimated costs identified in the Base Reuse Plan for the following: FORA Reuse Operations, Net Jurisdictional Fiscal Shortfalls, Caretaker Costs, and Demolition. The Basewide Costs are more particularly described in the Fort Ord Comprehensive Business Plan and the Findings attached to the Base Reuse Plan and included in the current FORA Capital Improvement Program.~~

~~“Base-wide Mitigation Measures” means the mitigation measures identified in the Base Reuse Plan. Basewide Mitigation Measures include: basewide transportation costs; habitat management capital and operating costs; water line and storm drainage costs; FORA public capital costs; and fire protection costs. The Basewide Mitigation Measures are more particularly described in the Fort Ord Comprehensive Business Plan, described in Section 1 (f), the Development and Resource Management Plan, and the Findings attached to the Base Reuse Plan.~~

“Base Reuse Plan” means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.

“Board” means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

“CalPERS” means the California Public Employees’ Retirement System.

“CEQA” means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as Superfund, as amended to date (42 U.S. Code Chapter 103 and following).

“CFD” means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

“CFD Special Taxes” means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

“CIP” means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

“EDC MOA” means the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

“EDC Property” means the real property transferred pursuant to the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

“ESCA” means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.

“FORA Act” means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.

“LAFCO” means the Monterey County Local Agency Formation Commission.

“FORA” means the Fort Ord Reuse Authority.

“FORA Act” means the Fort Ord Reuse Authority Act, as amended to date (Government Code section 67650 and following).

“FORA Program” has the meaning given in Section 1.2.

“FORG” means the Fort Ord Reuse Group organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of the former Fort Ord.

“Fort Ord,” including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled “Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California,” prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994 or the military base formerly located on such land, as the context requires.

“HCP Cooperative” means a joint powers authority contemplated to be established to administer a habitat conservation program at the former Fort Ord.

“Implementation Agreements” means agreements entered into beginning in 2001 between the Fort Ord Reuse Authority on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, as such agreements may have been amended to date.

“Master Resolution” means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B, is the most recent Master Resolution.

“MCWD” means the Marina Cost Water District.

~~“PFIP” means the Public Facilities Implementation Plan adopted by the Fort Ord Reuse Authority in 2001.~~

“Reuse Plan” means the plan for the future use of the former Fort Ord adopted pursuant to Government Code section 67675, as amended to date.

“Strategy Report” means the June 1992 report prepared by the Fort Ord Community Task Force in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

“Task Force” means the Fort Ord Community Task Force formed in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.

“Transition Plan Implementing Agreements” means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

**FORT ORD REUSE AUTHORITY
RESOLUTION NO. 18-xx**

**A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
*Approving a Transition Plan For Submission to the Monterey County Local Agency Formation
Commission***

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

A. The Fort Ord Reuse Authority ("FORA") was established in 1994 by state legislation (Government Code sections 67650 and following, the "FORA Act") and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. Government Code section 67658 identifies FORA's purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use.

B. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997

C. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs.

Government Code section 67700(b) provides as follows:

(1) The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred.

(2) The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations. The transition plan shall be approved only by a majority vote of the board.

BASED ON THE FOREGOING RECITALS AND THE FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:

Section 1 Assignment of Assets and Liabilities:

1.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

1.11 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for purposes of paying FORA's CalPERS unfunded pension liability. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).

1.12 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, to the extent that the reserve funds are necessary to fund the CalPERS unfunded pension liability, the funds shall be allocated to that liability. To the extent that the funds are not necessary for the CalPERS unfunded pension liability, the funds shall be allocated to funding Habitat Protection.

1.13 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO and payment of costs related to other litigation in the current approximate aggregate amount of \$300,000. Those funds are intended to cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 4, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover post- dissolution litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). If insurance policies are not obtained, immediately prior to dissolution, FORA will deposit with LAFCO the litigation reserve funds in an amount to be determined by the Board, to be held by LAFCO to cover costs related to any litigation pursuant to the LAFCO indemnification or other litigation costs that remain post dissolution. Upon expiration of the statute of limitations, as determined by LAFCO, any funds remaining in the reserve shall be allocated to Habitat Protection. FORA will make all efforts to resolve any pending litigation prior to its dissolution.

1.14 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat Conservation Plan has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the fund established for implementation of the base-wide Habitat Conservation Plan for Fort Ord. If no HCP is then in existence, but a joint powers authority has been formed for the management of

Habitat Management Areas within the former Fort Ord, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the fund established for implementation of the base-wide Habitat Management Plan for Fort Ord. If no HCP or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between jurisdictions responsible for long-term management of the habitat management areas (HMA). Funds shall be restricted to habitat protection.

1.15 Capital Improvement Funds: All CFD Special Taxes not dedicated to Habitat Protection collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing current in progress construction projects (such as South Boundary Road) as identified in FORA's CIP and funding reimbursement agreements entered into between FORA and jurisdictions related to the completion of CIP projects. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall be allocated for Habitat Protection.

1.16 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 1.1.5 for funds related to the CFD, land sales revenues and/or property tax revenues.

1.17 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work to be conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA including any balance of ESCA funds shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).

1.18 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in accordance with any applicable rules or requirements for the transfer of surplus property by a California public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations, including those related to reimbursement agreements and all remaining funds will be allocated to Habitat Protection.

1.19 Real Property: As of the anticipated date of dissolution of FORA, if not all real property interests owned by FORA will have transferred to the underlying land use jurisdictions, such real property interests shall be transferred to the appropriate underlying land use jurisdiction. Each of the applicable jurisdictions shall be responsible for acquiring any property still held by the Army, including compliance with any federal laws related to such disposition.

1.1.10 Insurance Policies: FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. Except to the extent specifically provided to the contrary in this Transition Plan in Section 4, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution.

1.2 Liabilities and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

121 Unfunded Pension Liability under CalPERS Contract: Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

122 Habitat Funds: See Section 1.1.4 hereinabove.

123 ESCA Reimbursement: In order to obtain reimbursement under the ESCA, the work described therein must be performed. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).

124 Other Contracts and Agreements: Attached as Exhibit B to this Transition Plan are references to existing contracts to which FORA is a party that create liabilities for FORA (**contract review is still underway to determine which contracts create liabilities and which contract terminate upon FORA dissolution**). Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA. FORA staff shall endeavor to keep Exhibit B current and shall provide quarterly updates to the Board regarding any changes. To the extent that FORA has assets available, prior to dissolution, FORA shall satisfy the monetary obligations created by those contracts listed on Exhibit B which include monetary liabilities. If there are ongoing non-monetary obligations under any of the contracts listed in Exhibit B or if there are monetary obligations that cannot be met prior to FORA's dissolution, FORA will

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

work with the contracting parties to discharge the obligations, terminate the contracts or identify an appropriate assignee and negotiate the terms of an assignment of the obligations. FORA as of the date of the approval of this Transition Plan shall refrain from entering into new contractual obligations that are not necessary to the wind down of FORA's activities.

125 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be addressed in accordance with the procedures set forth in Section 1.2.4 above.

Section 2 Obligations

2.1 Base Reuse Obligations:

FORA adopted a Base Reuse Plan that was designed to guide the reuse of Fort Ord in a manner that benefitted the region while addressing the resource constraints associated with redevelopment of the Base. In accordance with the FORA Act and the Master Resolution, each of the land use jurisdictions was required to amend its general plan and zoning ordinance to be consistent with the adopted Base Reuse Plan. FORA, in accordance with the Master Resolution, adopted consistency findings for the jurisdictions' general plans and zoning ordinance. All of the property transferred from FORA is subject to a covenant running with the land that requires that the property be developed subject to the Reuse Plan, the policies and programs of the Fort Ord Reuse Authority, including the Master Resolution, the applicable general plan and land use ordinances of the local governmental entity and that the properties comply with CEQA. Additionally, the covenant requires that development of the property only be allowed to the extent that such development is consistent with applicable local general plans which have been determined to be consistent with the Reuse Plan, including the restraints relating to water supplies, wastewater and solid waste disposal, road capacity, and the availability of infrastructure to supply these resources and services and does not exceed the constraint limitations described in the Reuse Plan and the Final Program Environmental Impact Report on the Reuse Plan. To the extent that the Base Reuse Plan constitutes an obligation of FORA, the recorded covenants ensure continued compliance with the Base Reuse Plan and the Final Environmental Impact Report on the Reuse Plan to the extent applicable to a particular property.

2.2 Transportation and Transit Infrastructure:

Each of the jurisdictions shall be responsible for determining the transportation and transit improvements necessary to serve development taking into consideration the development contemplated in the Base Reuse Plan. It shall be the responsibility of each jurisdiction to ensure that all development complies with CEQA and the restraints on development set forth in the covenants recorded against the property and to work with the other jurisdictions as necessary to ensure that all jurisdictions contribute their fair share to the cost of regional improvements. TAMC shall be responsible for the regional transportation improvements and shall work with the jurisdictions on the assessment and collection of a regional transportation fee or other revenue generating measure to collect sufficient revenues to pay for such regional transportation improvements.

2.3 Water and Wastewater:

Water and wastewater allocations have been made in accordance with Government Code Section 67675(c)(5) and the Base Reuse Plan and the Final Environmental Impact Report for the Base Reuse Plan. The enforcement of the water allocations will continue post FORA-dissolution in accordance with applicable laws and pursuant to agreements between the recipients and MCWD, which agreements may include a process for recipients to transfer allocations subject to the conditions and requirements set forth in such agreements. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution.

Section 3 CEQA:

3.1 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any CEQA Mitigations required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary each of the land use jurisdictions have adopted general plans and zoning ordinance consistent with the Base Reuse Plan as evidenced by FOR A's consistency findings. Additionally, all Fort Ord properties transferred from FORA to the jurisdictions are subject to a recorded covenant that runs with the land that requires that the properties be developed subject to the Reuse Plan and compliance with CEQA, including the restraints relating to water supplies, wastewater and solid waste disposal, road capacity and that development does not exceed the constraint limitations described in the Reuse Plan and the Final Program Environmental Impact Report on the Reuse Plan. Following FORA's ultimate dissolution, any changes to the FORA policies and programs or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

Section 4 Insurance:

4.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

4.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of insurance extending the reporting period and coverage of existing insurance policies, including general liability, workers compensation and premises liability insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

Section 5 Transition Plan Agreements:

5.1 Transition Plan Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board recommends that the land use jurisdictions enter into a Transition Plan Implementing Agreement addressing funding for regional impacts and infrastructure related to completion of the redevelopment of the Base which agreements may include revenue sharing and allocation of resources for the benefit of the region. The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the FORA adopted CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

Section 6. LAFCO Review:

If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues, and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b) and
3. The Board hereby directs the Executive Officer to submit this Transition Plan to LAFCO and execute all LAFCO required documents and pay all LAFCO required processing fees; and
4. The Board further directs the Executive Officer, or his designee, to hire a facilitator consultant to assist the jurisdictions in creating and negotiating Transition Plan Agreements or other inter-agency regional agreements to implement the requirements of this Transition Plan. The facilitator consultant may also assist FORA in agreements for the disposition of its obligations to named entities or implementing the terms and conditions of this Transition Plan. The Executive Officer is directed to report progress on or before January 1, 2019 and return in March 2019 and on a quarterly basis thereafter, as directed by the FORA Board at its meeting on October 29, 2018. The Executive Officer shall compile a list of such additional actions necessary to implement this Transition Plan.

Upon motion by Board member ---- seconded by Board member -----the foregoing Resolution was passed on this _____ day of November, 2018, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

“Army” means the United States Army.

“Board” means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

“CalPERS” means the California Public Employees’ Retirement System.

“CEQA” means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

“CFD” means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

“CFD Special Taxes” means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

“CIP” means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

“ESCA” means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.

“FORA” means the Fort Ord Reuse Authority.

“FORA Act” means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.

“FORA Program” has the meaning given in Section 3.1.

“Fort Ord,” including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled “Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California,” prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994 or the military base formerly located on such land, as the context requires.

“LAFCO” means the Monterey County Local Agency Formation Commission.

“Master Resolution” means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B, is the most recent Master Resolution.

“MCWD” means the Marina Cost Water District.

“Transition Plan Implementing Agreements” means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

EXHIBIT A
FOR A LIST OF CONTRACTS

EXHIBIT B
FORA CONTRACTUAL LIABILITIES

1. FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve (Item 67) as amended by FORA UCSC FONR Extension of Funding (Item 68) – (Obligates FORA To pay \$75,000 per year to UCSC. Agreement to be assigned to party subject to the approval of UCSC if HCP not complete before FORA expiration.)
2. FORA-County-EG Partners LLC Funding Obligations – provides EG with a land sale credit for certain obligations. If credit is still operative agreement can be assigned to County with County receiving land sales proceeds and giving EG credit.
3. FORA-MCP Reimbursement Agreement (item 73)
4. Marina Redevelopment Agency, Marina Community Partners and FORA MOA on University Villages Building Removal (item 74)
5. FORA-City of Marina Reimbursement Agreement for Abrams, Crescent, 8thStreet and Salinas Road (item 86)– reimbursement of costs up to amount shown in CIP as it may be amended from time to time and only from CFD funds to the extent collected.
6. FORA-County of Monterey reimbursement agreement for Davis Road Improvements (Item 87) FORA to reimburse County of Monterey for Davis Road in the amount of \$9,242,411 but only from CFD fees collected. FORA to set aside .3669 cents of every Transit/Transportation dollar until full amount collected.
7. FORA Reimbursement Agreement Concerning Hwy 68 Operational Improvements (Item 88) – requires FOR A to reimburse TAMC for planning and design costs of \$312,205 for Highway 68. FORA's obligation contingent upon CFD fees being available.
8. FORA MCWD Pipeline Reimbursement Agreement – (Item_) FORA to reimburse MCWD up to \$6,000,000 toward the AWT Phase 1 and product Water Conveyance Facilities of the RUWAP Recycled Project. FORA has sole discretion as to source of funds. Payment schedule is
 - \$1,000,000 in 16-17
 - \$1,600,000 in 17-18
 - \$1,200,000 to \$1,900,000 in 18-19 depending upon real estate market and receipt of land sales and CFD funds
 - \$1,000,000 in 19-20

FORT ORD REUSE AUTHORITY
RESOLUTION NO. 18-xx

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY
*Approving a Transition Plan For Submission to the Monterey County Local Agency Formation
Commission.*

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

~~A. In 1991, the Secretary of Defense announced the proposed downsizing of the United States Army Fort Ord Military Reservation ("Fort Ord") under the Base Realignment and Closure Act. The United States Army (the "Army") moved the 7th Infantry Division - Light to Fort Lewis Washington over the following two years, resulting in the loss to the communities and populace of the Monterey Peninsula and adjoining greater Monterey Bay region of the significant economic, social, and cultural contributions that had been associated with the military presence.~~

~~B. After the announcement but prior to the implementation of the base downsizing/closure, political leaders from within the affected region formed the Fort Ord Community Task Force (the "Task Force") in order to develop recommendations for moving forward with a recovery effort. These recommendations were embodied in a 760-page June 1992 Strategy Report prepared by the Task Force (the "Strategy Report").~~

~~C. Predicated upon the Strategy Report, in October 1992 the Fort Ord Reuse Group ("FORG") was organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of Fort Ord. After preparing an initial plan and subsequently refining it, the revised plan was considered and adopted by FORG in 1993. Those early planning efforts recognized the significant costs associated with the implementation of any plan to convert Fort Ord into civilian use and reinforced the validity of the regional and base-wide approaches that were inherent in the conclusions reached by the Task Force in its Strategy Report.~~

~~D.A. The Fort Ord Reuse Authority ("FORA") was established in 1994 by state legislation (Government Code sections 67650 and following, the "FORA Act") and when the member jurisdictions adopted resolutions favoring the establishment of the authority in accordance with Government Code section 67656. The Legislature found that the reuse of Fort Ord is a matter of statewide importance and declared in Government Code section 67657(c) that FORA's powers and duties prevail over those of any other local entity, including any city, county, or joint powers authority. Government Code section 67658 identifies FORA's purpose as planning for, financing, and managing the transition of the property known as Fort Ord from military to civilian use. In Government Code section 67651, the Legislature tasked FORA with the following primary directives (1) plan, facilitate, and manage the transfer of former Fort Ord property from the Army to local jurisdictions or their designee(s); (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and redevelopment in ways that enhance the economy and quality of life of the Monterey Bay community, and (4) maintain and protect the unique environmental resources of the area.~~

Style Definition [1]
Formatted: Font: 11 pt, Not Bold

Formatted [2]
Formatted: Heading 1, Indent: Left: 2.38", Right: 2.37", Space Before: 3.4 pt

Formatted: Font: Not Italic

Formatted: Body Text, Left

Formatted: Body Text, Left, Indent: Left: 0.3"

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.08", Hanging: 2.98", Right: 0.3"

Formatted: Font: Italic

Formatted: Font: 12 pt, Italic

Formatted: Body Text, Left, Space Before: 0.05 pt, Tab stops: Not at 3.13"

Formatted: Body Text, Left, Indent: Left: 0.09", Tab stops: Not at 3.13"

Formatted: Font: 13 pt

Formatted: Body Text, Left

Formatted: Font: 11 pt

Formatted: Body Text, Left

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09",

Formatted [3]

Formatted: Font: 12 pt

Formatted: Body Text, Left

~~E. In order to carry out the directives of the FORA Act, FORA hired staff and entered into a contract with the California Public Employees' Retirement System ("CalPERS") to provide for retirement benefits for FORA employees. A copy of the contract with CalPERS as amended to date is referenced as Contract #1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference. As is the situation facing many local public entities today, FORA's liability for pension obligations under the CalPERS contract is not at present fully funded and any potential shortfall must be addressed in the transition planning process.~~

~~F. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997, which identified (1) environmental actions required to mitigate development and reuse of the former Fort Ord (the "Base-wide Mitigation Measures") and (2) infrastructure and related costs necessary to accommodate development and reuse of the former Fort Ord (the "Base-wide Costs"), each consistent with the fulfillment of FORA's primary directives. A copy of the Reuse Plan and its attendant environmental report is available on the FORA website at www.fora.org or for your convenience link 2 on Exhibit B Reference documents is attached to this report. A part of that approval, FORA's Board of Directors (the "Board") certified an Environmental Impact Report and adopted a Statement of Overriding Considerations after making the following findings:~~

- ~~▪ The Reuse Plan will provide for an improved and diversified retail and industrial economy and market that will generate employment and create financial stability;~~
- ~~▪ The Reuse Plan will provide moderate and upscale housing which will provide more affluent residents to the Cities of Seaside and Marina, thereby creating a housing stock with higher income families in these communities with larger disposable incomes;~~
- ~~▪ The Reuse Plan will provide additional tourist support facilities in Seaside and Marina, thereby contributing additional employment opportunities;~~
- ~~▪ The Reuse Plan will encourage and prioritize the development of projects that are regional in scale, thereby creating additional destination points on the Monterey Peninsula, and thereby enhancing the local economy;~~
- ~~▪ The Reuse Plan provides for the creation of various additional recreational facilities and open space that will enhance the quality of life for not only the residents of Seaside and Marina but all of the residents of the Peninsula;~~
- ~~▪ The Reuse Plan will attract and assist in retaining a pool of professional workers for the Peninsula;~~
- ~~▪ The Reuse Plan will assist in ensuring that the overall economic recovery of the Peninsula benefits the Cities of Del Rey Oaks, Monterey, Seaside, Marina, and the unincorporated areas of the County of Monterey in the vicinity of Fort Ord;~~
- ~~▪ The Reuse Plan will provide for additional and needed senior housing opportunities;~~
- ~~▪ The Reuse Plan will assist the communities of Seaside and Marina in the transition of their respective community images from dependent, military base extensions with transient military personnel to vital, independent, and self-actuated communities populated with permanent residents with long-term interests in the well-being of their respective communities; and~~
- ~~▪ The Reuse Plan will encourage development that will enhance the continued viability of California State University at Monterey Bay and the open space areas retained by the federal government through the Bureau of Land Management and conveyed to the California Department of Parks and Recreation.~~

G. FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act ("CEQA") to implement the Base-wide Mitigation Measures and incur the Base-wide Costs.

H. In the Reuse Plan, FORA identified revenues generated from sales and leases of real property within the former Fort Ord, FORA's share of taxes on real property located within the former Fort Ord, and base-wide assessments or development fees, as the primary property-related sources of funding with which to implement the Base-wide Mitigation Measures and to pay the Base-wide Costs.

I. As is more fully described below, in connection with funding implementation of the Reuse Plan, FORA entered into multiple agreements with local, state, and federal entities, established a public financing mechanism, and prepared a Capital Improvement Program ("CIP"). The Reuse Plan carries a series of mitigative project obligations which were defined in Appendix B of the Public Facilities Implementation Plan ("PFIP") adopted in 2001. The PFIP can be accessed on the FORA webpage at www.fora.org or for your convenience link 3 on Exhibit B Reference documents is attached to this report. The PFIP served as the baseline CIP for the Reuse Plan. The CIP is reviewed on an annual basis and it is estimated that, of the expenses identified in the 2018-19 CIP, approximately \$194,500,000 will remain as obligations to be satisfied or otherwise appropriately addressed after FORA's currently anticipated sunset in mid-2020. The most current CIP is available on the FORA webpage at www.fora.org or for your convenience link 4 on Exhibit B Reference documents is attached to this report.

J. As part of funding implementation of the Reuse Plan, FORA established in 2001 a Community Facilities District ("CFD"), through which special taxes on properties to be developed are collected. These special taxes (the "CFD Special Taxes") are due and payable with respect to each parcel on issuance of a building permit relating to the property. The CFD Special Taxes are subject to annual adjustment, but when FORA ceases to exist the CFD Special Taxes may no longer be collected (unless as a result of legislative changes the authority to collect the existing CFD Special Taxes is extended). If (a) FORA's sunset date is not extended or (b) the ability to extend collection of the CFD Special Taxes by one or more successor(s) to FORA is not provided (in each instance through the adoption of appropriate legislative changes) one of the costs to the region will be the inability to collect an estimated approximately \$72,000,000 that would otherwise be generated through continuation of the CFD Special Taxes imposed on already entitled development. A variety of replacement funding mechanisms are available, including but not limited to the potential for each of the underlying land use jurisdictions to create its own Community Facilities District through which special taxes on future development may be collected.

B. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997.

C. Government Code section 67700(a) requires that FORA dissolve when eighty,

K. ~~FORA~~ entered into a Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands (the "EDC MOA"), which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder. The EDC MOA and its attendant amendments are referenced as items 97, 99 and 78 in Exhibit A attached hereto and incorporated by this reference. The EDC MOA provided the vehicle for the Army to transfer property to FORA without monetary consideration. The land transfer was conditioned on a requirement that any proceeds from the subsequent sale or leasing of the transferred real property must be applied to the economic development of the

- Formatted: Body Text
- Formatted: Font: 12 pt
- Formatted: Font: 11 pt
- Formatted: Font: 11 pt, Condensed by 0.6 pt

former Fort Ord. The real property transferred pursuant to the EDC MOA may be referred to herein as the "EDC Property." The Army also required that water available on the former Fort Ord be allocated in a fair and equitable manner among all of the various recipients of portions of the EDC Property.

L. In 2001, agreements were entered into between FORA on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, which agreements provided the basis for the orderly transfer of the EDC Property to the respective jurisdictions, the allocation of a fair and equitable share of the Base-wide Costs and the Base-wide Mitigation Measures to each of the recipients, and the allocation of available water to the recipients in a fair and equitable manner. These agreements, as they may have been amended to date and irrespective of whether they may be so captioned, may collectively be referred to herein as the "Implementation Agreements." The Implementation Agreements are referenced as items 10 through 15 in Exhibit A attached hereto and incorporated by this reference. The Implementation Agreements form the starting point from which the Transition Plan Agreements contemplated to be entered into with the recipients of the EDC Property and discussed more fully below (the "Transition Plan Agreements") shall be negotiated and developed for the mutual benefit of all recipients of the EDC Property and FORA's successor(s), if any.

M. The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control, remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45, and 46 in Exhibit A attached hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.

N. On December 7, 2016, a majority of FORA's Board members voted in support of seeking legislative extension of FORA's sunset date as the best way to carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner, as called for by Government Code section 67652. On November 17, 2017, a majority of FORA's Board members voted that (in the event that legislative extension of FORA's sunset date could not be obtained) the next best way to satisfy and fulfill the Base-wide Mitigation Measures and other obligations and commitments of FORA would be to provide for a single entity successor (such as a joint powers authority exercising regional oversight) complete the Reuse Plan. The Board noted that in order for such a successor entity to be able to continue collection of the CFD Special Taxes that are a significant element of the financing necessary to complete the Reuse Plan, legislative changes would be necessary and that in the absence of such

legislation, ongoing contributions would need to be made in accordance with the approach embodied in the Implementation Agreements.

~~O. Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:~~

~~The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations. The transition plan shall be approved only by a majority vote of the board. (Emphasis added)~~

~~P. Government Code section 67700(b)(4) provides as follows:~~

~~(1) The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority, including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred. (Emphasis added)~~

~~(2) The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018, or 18 months before the anticipated inoperability of this title pursuant to subdivision (a), whichever occurs first. The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations. The transition plan shall be approved only by a majority vote of the board.~~

~~BASED ON THE FOREGOING RECITALS AND THE FINDINGS AND DETERMINATIONS MADE HEREIN, the Board hereby approves the following Transition Plan for submission to the Monterey County Local Agency Formation Commission ("LAFCO") on or before December 30, 2018:~~

~~**Section 1—Preliminary Findings and Determinations Assignment of Assets and Liabilities:**~~

~~**1.1—Base-wide Costs and Base-wide Mitigation Measures:**~~

~~The Board hereby finds and determines that the agreements, contracts and other items referred to in Exhibit A attached hereto and incorporated by this reference, together with each and all of the projects identified in the Reuse Plan and contained in the CIP, constitute Base-wide Costs and/or Base-wide Mitigation Measures and are required to be addressed by this Transition Plan as assets, liabilities, or obligations pursuant to Government Code section 67700.~~

~~**1.2—California Environmental Quality Act:**~~

~~The Board hereby finds and determines that in adopting this Transition Plan as required by~~

Formatted: Body Text, Indent: Left: 0.59", Right: 0.07", No bullets or numbering

Formatted: Condensed by 0.05 pt

Formatted: Font: 12 pt

Formatted: Body Text, Left

Formatted ... [4]

Formatted ... [5]

Formatted: Condensed by 0.2 pt

Formatted: Body Text, Left, Indent: Left: 0.59", No bullets or numbering

Formatted: Font: 11.5 pt

Formatted: Body Text, Left, Space Before: 0.5 pt

Formatted: Font: 12 pt, Not Bold

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.57", Numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.77" + Indent at: 1.03", Tab stops: 1.28", Left

Formatted ... [6]

Formatted: Font: 13 pt

Formatted: Body Text, Left

Formatted ... [7]

Formatted ... [8]

Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"

Formatted ... [9]

Formatted: Font: 12 pt

Formatted: Body Text, Left

Formatted: Heading 1

Formatted: Font: Not Bold

Formatted: Body Text, Indent: Left: 0.09", Right: 0.07", Space Before: 4.6 pt

Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any Base-wide Mitigation Measures or any other mitigations that were required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (d) eliminating any Base-wide Costs or elements of the CIP, or (d) avoiding the satisfaction and fulfillment of any of FORA's other commitments, pledges, or promises (all of which may be collectively referred to herein as the "FORA Program"). ~~Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment.~~ To the contrary and to the extent not already so contained, this Transition Plan requires each jurisdiction to include all mitigations in its Capital Improvement Program (subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations). Following FORA's ultimate dissolution, any changes to the FORA Program or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

1.3 Revenue Sharing and Financial Contribution:

The Board hereby finds and determines that the Implementation Agreements with the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey require that each of such entities continue to pay its fair and equitable share of the cost of the FORA Program (in accordance with the formulas expressed therein and subject to Constitutional or other limitations imposed by applicable law on such jurisdiction's funding obligations) until all Base-wide Costs and Base-wide Mitigation Measures have been fully paid and satisfied.

1.4 Reuse Plan and Master Resolution:

The Board hereby finds and determines that all the underlying land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan and therefore there is no need to record the Reuse Plan or its policies. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution and, in order to preserve a permanent record of those policies, directs staff to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. In particular, the Board finds that the prevailing wage policy established in 1996 to promote an equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that a regional, integrated base-wide habitat protection is best funded by the CFD Special Taxes or substantially similar base-wide replacement funding mechanisms. The Board has identified and set aside approximately 30.2% of collected CFD Special Taxes to be applied toward base-wide habitat management and finds that any replacement funding mechanism should be designed to generate similar levels of revenue for such purposes.

1.6 Environmental Services Cooperative Agreement:

The Board hereby finds and determines that the long-term stewardship obligations and related monitoring identified by the Army for its munitions removal activities are crucial to the future success of the recovery program. The Board further finds that following the dissolution of FORA the current

- Formatted: Font color: Auto
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.65 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.65 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.6 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.7 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.65 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.6 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.7 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.6 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.65 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.7 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.65 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.6 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.65 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.6 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 1.55 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Expanded by 0.05 pt
- Formatted: Font color: Auto

~~full time staffing of the Environmental Services Cooperative Agreement ("ESCA") should be continued and sustained through the anticipated termination of the ESCA in 2028 either by the County of Monterey or the City of Seaside as single successor to FORA for the purposes of the ESCA or by assignment of the ESCA to a joint powers authority formed by both of them.~~

~~1.7 — Building Removal:~~

~~The Board hereby finds and determines that former Fort Ord remnant, non-historic, and abandoned Army structures, not obligated to be removed under the CIP, are a barrier to the success of the overall recovery and reuse program and a nuisance to quiet enjoyment of the region's assets. The Board further finds that an extension of the FORA Act to sustain resources such as land sales revenue and property tax revenues that can be applied to this significant barrier to recovery is an important transition component. The Board, therefore, recommends consideration by the Legislature of an extension of the FORA Act to meet this blight eradication need.~~

~~1.8 — Transportation and Transit:~~

~~The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit projects that have been identified in the CIP are essential to the long term success of the economic recovery of the reuse. The Board further finds that extension of the CFD Special Taxes or the implementation of substantially similar replacement funding mechanisms for the purpose of revenue generation and revenue sharing would be the best long term way to collect and share revenues to fund the transportation network for the on-site, off-site and regional projects because a replacement regional transportation fee may not be imposed on already approved development projects in the absence of written consent by the developers to do so.~~

~~1.9 —~~

~~2.1 Water and Wastewater:~~

~~The Board hereby finds and determines that it has made water allocations in accordance with its obligation under the EDC MOA to ensure a fair and equitable water supply to all property recipients and imposed those requirements in the Implementation Agreements. The Board further finds that the Implementation Agreements may need to be enforced if any jurisdiction's approved developments exceed the jurisdiction's approved water allocation. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution. To the extent that MCWD is unable to impose and/or collect revenues to replace the revenues generated by the CFD Special Taxes, the Board finds that continuation of the CFD Special Taxes (or implementation of a substantially similar replacement source of revenue) allows for funds to reduce connection and other costs imposed by MCWD.~~

~~Section 2 — Assignment of Assets, Liabilities, and Obligations:~~

~~1.1 2.1 — Assets and Disposition Thereof,~~

~~FORA's principal assets are comprised of the following:~~

~~1.1.1 2.1.1 Section 115 Trust: In April 2018, the Board authorized the establishment of a Section 115 trust and funded the trust with \$5,700,000 (which is currently earning returns at an average annualized rate in excess of 2%). Funds held in the trust may be used only for retirement purposes of paying FORA's CalPERS unfunded pension liability. At or before FORA's dissolution, all funds held in the trust will be applied to the satisfaction or reduction of the unfunded pension liability under the CalPERS contract. To the extent that funds held in the trust are insufficient to fully satisfy the unfunded pension liability under the CalPERS contract, FORA's reserve funds and/or other funds available to FORA shall be applied so as to fully satisfy the unfunded pension liability under the CalPERS contract (and thereby assure that FORA's member jurisdictions and any successor(s) to FORA are not exposed to liability for any unfunded pension liability relating to the CalPERS contract following FORA's dissolution).~~

~~1.1.2 2.1.2 Retirement Reserve Funds: Although not irrevocably committed to use for retirement purposes and available to meet FORA's other needs, FORA holds funds identified for retirement reserves in the current approximate aggregate amount of \$1,000,000. Those funds shall be reviewed in 2020, allocations shall be made, and the funds shall be applied or distributed at or before FORA's dissolution in accordance with the approved FORA budget for that year.~~

~~2.1.3 Litigation Reserve Funds: \$1,000,000. Those funds shall be reviewed in 2020, to the extent that the reserve funds are necessary to fund the CalPERS unfunded pension liability, the funds shall be allocated to that liability. To the extent that the funds are not necessary for the CalPERS unfunded pension liability, the funds shall be allocated to funding Habitat Protection.~~

~~1.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO and payment of costs related to other litigation in the current approximate aggregate amount of \$300,000. Those funds are intended to~~

Formatted: Font color: Auto

Formatted

Formatted: List Paragraph, Space Before: 3.2 pt, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 0.59", Left + 0.59", Left

Formatted: Font: 8 pt, Font color: Auto

Formatted: Body Text, Left

Formatted: List Paragraph, Space Before: 3.4 pt, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 0.59", Left + 0.59", Left

Formatted

Formatted: Font: 8 pt, No underline

Formatted: Body Text, Left

Formatted: Body Text, Left, Indent: Left: 0.09", Space Before: 4.6 pt

Formatted: Font: 12 pt

Formatted: Body Text, Left

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

Formatted

Formatted: Font: 12 pt, Font color: Auto

Formatted: Body Text, Left, Indent: Left: 0", Space Before: 0.05 pt

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

Formatted

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

Formatted

~~cover the cost of any litigation or indemnification obligation now or still pending immediately before FORA's dissolution. Section 34, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover Transition Plan post-dissolution litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). In the event that as of immediately prior to FORA's dissolution no such litigation or indemnity obligation is pending, the unexpended balance of such reserves shall be applied to capital improvement program projects in accordance with the Final 2020 Capital Improvement Program and/or distributed in accordance with Transition Plan Implementing Agreements. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is not an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed to the County of Monterey in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be applied to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If as of immediately prior to FORA's dissolution any litigation or indemnity obligation is pending against FORA but the County of Monterey is an adverse party to FORA thereunder, then the unexpended balance of such reserves shall be distributed as directed by the Presiding Judge of the Superior Court of the County of Monterey to be held in trust for the satisfaction of expenses or indemnity obligations relating to such pending litigation and any unexpended balance of such reserves remaining after the conclusion of such litigation and satisfaction of such obligation shall be returned to the County to apply to capital improvement program projects in accordance with the final 2020 Capital Improvement Program priorities. If insurance policies are not obtained, immediately prior to dissolution, FORA will deposit with LAFCO the litigation reserve funds in an amount to be determined by the Board, to be held by LAFCO to cover costs related to any litigation pursuant to the LAFCO indemnification or other litigation costs that remain post dissolution. Upon expiration of the statute of limitations, as determined by LAFCO, any funds remaining in the reserve shall be allocated to Habitat Protection. FORA will make all efforts to resolve any pending litigation prior to its dissolution.~~

Formatted

[15]

2.1.4

~~1.14 Habitat Funds: It is estimated based on the current rate of collections and earnings that by June 30, 2020 FORA will hold approximately \$21,000,000 in funds dedicated to habitat conservation. All such funds accumulated before FORA's dissolution shall be transferred in the following order of priority. If before FORA's dissolution a Habitat Conservation Plan Cooperative joint powers authority (the "HCP Cooperative") has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred in their entirety to the HCP Cooperative fund established for use in connection with implementation of the base-wide Habitat Conservation Plan for Fort Ord being administered by the HCP Cooperative. If no HCP Cooperative is then in existence, but a joint powers authority has been formed for the management of~~

Formatted

[16]

~~Habitat Management Areas within the former Fort Ord, then a portionall of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the joint powers authorityfund established for use in connection with implementation of the management of base-wide Habitat Management Areas within the former Plan for Fort Ord and the remainder in a program for incidental take permits for future development. If no HCP Cooperative, or other joint powers authority for the regional management of Habitat Management Areas within the former Fort Ord is in existence prior to September 2019, then FORA shall prepare a program to distribute funds as between jurisdictions responsible for long-term management of the habitat management areas (HMA) on the one hand and incidental take permits for future development. Funds shall be restricted to habitat protection.~~

Formatted: Font color: Auto
Formatted: Body Text, Indent: Left: 0.59", Right: 0.07", Space Before: 3.4 pt
Formatted ... [17]

~~1.15 2.1.5 Capital Improvement Funds: All CFD Special Taxes not dedicated to Habitat Protection collected and remaining unexpended immediately prior to FORA's dissolution shall first be directed to completing current in progress construction projects (such as South Boundary Road) as identified in FORA's final year CIP. CIP and funding reimbursement agreements entered into between FORA and jurisdictions related to the completion of CIP projects. Any CFD Special Taxes collected and remaining unexpended immediately prior to FORA's dissolution shall next be directed to completing other projects as identified in FORA's final year CIP. These capital improvement funds shall be transferred to the jurisdiction assigned responsibility for completing construction of the respective project, which shall be the jurisdiction in which the majority of the project is located if that jurisdiction has an executed Transition Plan Agreement. If there is no Transition Plan Implementing Agreement, those funds shall be redistributed to those jurisdictions with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in a Transition Plan Implementing Agreement. be allocated for Habitat Protection.~~

Formatted: Font: 12 pt, Font color: Auto
Formatted: Body Text, Left, Indent: Left: 0", Space Before: 0.05 pt
Formatted ... [18]
Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

~~1.16 2.1.6 Other Funds: All funds in FORA's other accounts, petty cash, un-deposited checks, and other cash equivalents held by FORA immediately prior to FORA's dissolution shall be applied and distributed according to Section 21.1.5 for funds related to the CFD, land sales revenues and/or property tax revenues. For receipt of funds related to administrative liabilities distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below.~~

Formatted: Font: 12 pt, Font color: Auto
Formatted: Body Text, Left, Indent: Left: 0"
Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left
Formatted ... [19]

~~1.17 2.1.7 ESCA Reimbursement: An estimated approximately \$6,800,000 in potential reimbursement is available for work to be conducted under the ESCA. Unless otherwise provided in Transition Plan Implementing Agreements entered into by the County of Monterey and the City of Seaside and approved by FORA, all rights under the ESCA including any balance of ESCA funds shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all rights under the ESCA shall be deemed assigned to such jurisdiction(s).~~

Formatted: Font: 12 pt, Font color: Auto
Formatted: Body Text, Left, Indent: Left: 0"
Formatted ... [20]
Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left
Formatted: Font: 11.5 pt, Font color: Auto
Formatted: Body Text, Left, Indent: Left: 0", Space Before: 0.55 pt
Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

~~1.18 2.1.8 Miscellaneous Personal Property: Any of FORA's office furniture and equipment, supplies, and other personal property remaining as of FORA's dissolution shall be transferred to the County of Monterey in trust for prompt sale or disposition in~~

Formatted ... [21]
Formatted: Body Text, Line spacing: Multiple 0.06 li

accordance with any applicable rules or requirements for the transfer of surplus property by a California public entity. Any proceeds from such transfer shall first be directed to any shortfall in funds available to satisfy liabilities or obligations unrelated to projects described in FORA's final year CIP. After the full satisfaction of all such liabilities and obligations any remaining proceeds shall next be directed toward projects described in FORA's final year CIP for which FORA was serving as the lead. Any proceeds remaining thereafter shall next be directed to other projects described in FORA's final year CIP. If any proceeds remain after the completion of all projects described in FORA's final year CIP, such proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA as set forth in Section 2.1.9 below, including those related to reimbursement agreements and all remaining funds will be allocated to Habitat Protection.

2.1.9 Proportional Distributions: Where this Transition Plan provides that assets or proceeds shall be distributed to all the member jurisdictions in proportion to their voting percentages in FORA, such distributions shall be made in the following percentages:

City of Carmel-by-the-Sea	—7.69%
City of Del Rey Oaks	—7.69%
City of Marina	—15.38%
City of Monterey	—7.69%
City of Pacific Grove	—7.69%
City of Salinas	—7.69%
City of Sand City	—7.69%
City of Seaside	—15.38%
County of Monterey	—23.1%
	100%

2.1.10 Condition to Entitlement to Proportional Distributions: Notwithstanding any provisions of this Transition Plan calling for any distribution of assets or proceeds to all the member jurisdictions in proportion to their voting percentages in FORA, no jurisdiction having land use jurisdiction over or holding property within any portion of the former Fort Ord shall be entitled to receive any portion of any proportional distribution of assets or proceeds unless such jurisdiction has entered into a Transition Plan Implementing Agreement approved by FORA.

2.1.11 Real Property: FORA is obligated to cause certain former Fort Ord property to be transferred to the underlying land use jurisdictions in accordance with the federal "Pryor Amendment" and as authorized by Section 67678(a) of the FORA Act. Additionally, FORA is entitled to receive certain easements to enable implementation of the Reuse Plan. See item 97 in Exhibit A attached hereto and incorporated by this reference. As of the anticipated date of dissolution of FORA, not all real property interests will have transferred. Upon FORA's dissolution and the repeal of the FORA Act, the principal local public agent for acquisition, disposition and sale of real property transferred from the Army will need to be re-established through state legislation and/or federal designation and assignment of contractual rights. In particular, the landfill parcel currently located within the unincorporated portion of the County of Monterey but within the sphere of influence of the City of Marina will not transfer until sometime after 2022. Currently, the County is obligated to take the landfill parcel. See item 10 in Exhibit A attached hereto and incorporated by this reference. FORA staff shall seek all necessary legislation and approvals from the state and federal governments to enable the landfill parcel to be directly transferred to the County of Monterey or its designee. Except as may be provided in a Transition Plan Implementing Agreement

- Formatted ... [23]
- Formatted ... [24]
- Formatted ... [25]
- Formatted ... [26]
- Formatted ... [27]
- Formatted ... [28]
- Formatted ... [29]
- Formatted ... [30]
- Formatted ... [31]
- Formatted ... [32]
- Formatted ... [33]
- Formatted ... [34]
- Formatted ... [35]
- Formatted ... [36]
- Formatted ... [37]
- Formatted ... [38]
- Formatted ... [39]
- Formatted ... [40]
- Formatted ... [41]
- Formatted ... [42]
- Formatted ... [43]
- Formatted ... [44]
- Formatted ... [45]
- Formatted ... [46]
- Formatted ... [47]
- Formatted ... [48]
- Formatted ... [49]
- Formatted ... [50]
- Formatted ... [51]
- Formatted ... [52]
- Formatted ... [53]
- Formatted ... [54]
- Formatted ... [55]
- Formatted ... [56]
- Formatted ... [57]
- Formatted ... [58]
- Formatted ... [59]
- Formatted ... [60]
- Formatted ... [61]
- Formatted ... [62]
- Formatted ... [63]
- Formatted ... [64]
- Formatted ... [65]
- Formatted ... [66]
- Formatted ... [22]

~~approved by FORA, the County shall make such designation not less than twelve (12) months prior to the anticipated date of FORA's dissolution, in order to allow sufficient time for all necessary legislation and approvals from the state and federal governments to be obtained before FORA's dissolution. If the County fails to timely specify a designee to receive the landfill parcel, the Army shall transfer the landfill parcel directly to the County of Monterey.~~

1.19 2.1.12 — Real Property: As of the anticipated date of dissolution of FORA, if not all real property interests owned by FORA will have transferred to the underlying land use jurisdictions, such real property interests shall be transferred to the appropriate underlying land use jurisdiction. Each of the applicable jurisdictions shall be responsible for acquiring any property still held by the Army, including compliance with any federal laws related to such disposition.

~~1.1.10 Insurance Policies:- FORA is insured under those policies of insurance referenced in Exhibit A attached hereto and incorporated by this reference. -Except to the extent specifically provided to the contrary in this Transition Plan in Section 4, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution.~~

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Space Before: 3.4 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

~~1.2 2.2 Liabilities and Obligations and Assignment Thereof:~~

Formatted: ... [67]

~~FORA's principal liabilities and obligations include the following:~~

Formatted: Font: 12 pt, No underline

~~2.2.1~~

Formatted: Body Text, Left, Indent: Left: 0"

~~121 Unfunded Pension Liability under CalPERS Contract:- Based on the latest available communication from CalPERS, FORA's unfunded terminated agency liability is anticipated to range from \$7,793,230 to \$9,333,172.⁴⁻¹ FORA staff shall take such action as is necessary to cause CalPERS to issue an actuarial analysis of FORA's unfunded terminated agency liability not less than six (6) months prior to the anticipated dissolution of FORA. -By this Transition Plan FORA commits that if there is a shortfall between the amount of the actuarial analysis and the amounts in the Section 115 Trust to retire all the liability FORA shall expend and encumber such additional funds as are necessary to fully discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues pursuant to Health and Safety Code section 33492.71. The County shall continue to accrue such property tax revenues in FORA's account until all of its recognized debts have been retired. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.~~

Formatted: List Paragraph, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 0.59", Left + 0.59", Left

Formatted: Condensed by 0.05 pt

Formatted: Font: 8 pt

Formatted: Body Text, Left

Formatted: Body Text, Left, Indent: Left: 0.09", Space Before: 4.65 pt

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

~~122 2.2.2 Habitat Funds: -See Section 21.1.4, hereinabove.-~~

Formatted: ... [68]

Formatted: Font: 11.5 pt

~~2.2.3 Capital Improvement Funds: See discussion in Section 2.1.5, hereinabove.~~

Formatted: Body Text, Left, Indent: Left: 0", Space Before: 0.3 pt

Formatted: Condensed by 0.05 pt

~~123 2.2.4 ESCA Reimbursement, -In order to obtain reimbursement under the ESCA, the work described therein must be performed. - Unless otherwise provided in Transition Plan Implementing Agreements, entered into by the County of Monterey and the City of Seaside and approved by FORA, all liabilities and obligations under the ESCA shall be assigned to the County, which shall be deemed the successor to FORA for the purposes of the ESCA; provided, however, that the assignment shall be subject to approval by the Army. -In the event that the assignment is not approved by the Army, then whichever jurisdiction(s) is/are acceptable to the Army shall become the successor(s) to FORA for the purposes of the ESCA and all liabilities and obligations under the ESCA shall be deemed assigned to such jurisdiction(s).~~

Formatted: List Paragraph, Justified, Indent: 0.59", Hanging: 0.5", Space Before: 0.05 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

Formatted: Font: 7.5 pt

Formatted: Body Text, Left, Indent: Left: 0", Space Before: 0.55 pt

~~2.2.5 Building Removal: In the absence of a consolidated building removal program and/or legislative solution to the issue of blight, any building removal not required under the CIP shall after FORA's dissolution be addressed, if at all, by the jurisdictions in which the offending buildings are located after compliance with all applicable laws. To the extent that jurisdictions wish to jointly address regional blight, revenue sharing may be addressed in Transition Plan Implementing Agreements but no jurisdiction shall be compelled to participate in such revenue sharing without its consent.~~

Formatted: List Paragraph, Justified, Indent: First line: 0", Right: 0.07", Space Before: 4.6 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Tab stops: 1.09", Left

Formatted: ... [69]

Formatted: Font: 13 pt

Formatted: Body Text, Left, Indent: Left: 0"

~~2.2.6 Transportation and Transit: For all of those Fort Ord Transportation Network and~~

~~† Note: these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.~~

Formatted: Body Text, Line spacing: Multiple 0.06 li

Transit projects in which FORA is not the designated lead agency and that have not been completed by the date of FORA's dissolution, the responsibility to generate and/or collect revenues from the other member agencies and complete construction will rest with the lead agency. For those projects in which FORA is the lead agency and that have not been completed by the date of FORA's dissolution, responsibility to generate and/or collect revenues and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the majority of the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. FORA's 2018-19 CIP projects that \$132,346,818 will remain to be funded for FORA's share of the transportation network for on-site, off-site, regional, and transit improvements after June 30, 2020. This Transition Plan assigns funding responsibility in the following manner based on projected CFD Special Taxes to be collected on the former Fort Ord: \$59,026,681 (44.6% of the cost) to the City of Marina, \$28,983,953 (21.9%) to City of Seaside, \$22,234,265 (16.8%) to City of Del Rey Oaks, \$13,234,682 (10%) to County of Monterey, \$8,602,543 (6.5%) to University of California, and \$264,694 (0.2%) to City of Monterey. Funding responsibilities may be adjusted or offset based upon a jurisdiction's actual construction of a transportation project, participation in a regional traffic impact fee funding program, contribution agreements with other jurisdictions, receipt of inter-governmental grant funding and/or implementation of other funding mechanisms that fully replace the funding responsibility as outlined above. The schedule for implementing these obligations shall be as outlined in the jurisdiction's Capital Improvement Program or as otherwise provided in a Transition Plan Implementing Agreement approved by FORA, or if not so addressed, then as provided in FORA's final year CIP. All future projects will be subject to compliance with all applicable law as it exists at the time of project approval and implementation. Any required project-specific CEQA review or compliance shall be the responsibility of the designated lead agency.

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, MCWD may decline to issue any further water connection permits until the offending jurisdiction brings its water allocation into compliance or MCWD develops or obtains access to an augmented water supply sufficient to cover any excess. FORA's 2018-19 CIP projects that \$17,098,686 will remain to be funded for base-wide water augmentation improvements after June 30, 2020. This Transition Plan assigns the funding responsibility for such improvements in the following manner based on projected CFD Special Taxes to be collected on former Fort Ord property: \$7,626,014 (44.6% of the cost) to the City of Marina, \$3,744,612 (21.9%) to City of Seaside, \$2,872,579 (16.8%) to City of Del Rey Oaks, \$1,709,869 (10%) to County of Monterey, \$1,111,415 (6.5%) to University of California, and \$34,197 (0.2%) to City of Monterey. The above funding responsibility shall be equitably reallocated in the event that MCWD is unable to serve augmented water in the amounts necessary to implement the any jurisdiction's planned development due to pumping or other limitations. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement approved by FORA, jurisdictions may alter their water allocations as identified in the Implementation Agreements only by written agreement with other jurisdictions. Upon its receipt of such an agreement altering the water allocations as between two or more jurisdictions, MCWD shall honor the agreement as though it was the allocation set forth in the Implementation Agreements.

2-2-8-

124 Other Contracts and Agreements: Attached as Exhibit AB to this Transition Plan

Formatted: Font color: Auto
Formatted: Font color: Auto
Formatted: Font color: Auto, Condensed by 0.7 pt
Formatted: Body Text, Line spacing: Multiple 0.06 li

~~are references to a compilation of existing contracts and other documents and/or commitments relevant to the FORA program and the dissolution of FORA, to which FORA is a party that create liabilities for FORA (contract review is still underway to determine which contracts create liabilities and which contract terminate upon FORA dissolution).~~ Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA ~~and additional contracts, documents or commitments may be entered into before FORA dissolves.~~ FORA staff shall endeavor to keep Exhibit AB current and shall provide quarterly updates to the Board regarding any changes. ~~FORA's outstanding~~ To the extent that FORA has assets available, prior to dissolution, FORA shall satisfy the monetary obligations created by those contracts listed on Exhibit B which include monetary liabilities. If there are ongoing non-monetary obligations under any of the contracts listed in Exhibit B or if there are monetary obligations that cannot be met prior to FORA's dissolution, FORA will

Formatted: Font color: Auto

Formatted: Font color: Auto

Formatted: Font color: Auto

Formatted: Font color: Auto

Formatted: Font color: Auto

¹ Note, these amounts do not include approximately \$1.6M in payments not yet posted to the CalPERS numbers and will be refined upon receiving the CalPERS final actuarial analysis.

Formatted: Body Text, Line spacing: Multiple 0.06 li

work with the contracting parties to discharge the obligations, terminate the contracts or identify an appropriate assignee and negotiate the terms of an assignment of the obligations. FORA as of the date of the approval of this Transition Plan shall refrain from entering into new contractual obligations reflected on Exhibit A are hereby assigned as set forth in Exhibit A that are not necessary to the wind down of FORA's activities.

125 2.2.9 Late Discovered Items: To the extent that any contractual obligation is discovered during the LAFCO review and/or implementation of this Transition Plan or a Transition Plan Implementing Agreement, those contractual obligations shall be assigned as follows: If the obligation is related to the use of real property, it shall be assigned to the underlying land use jurisdiction unless otherwise provided in a Transition Plan Implementing Agreement approved by FORA. If the obligation is unrelated to the use of real property, it shall be proportionately assigned to the member jurisdictions in conformity with their voting percentages in FORA as set forth in Section 2.1.9 addressed in accordance with the procedures set forth in Section 1.2.4, above.

Section 2 Obligations

2.1 Base Reuse Obligations:

FORA adopted a Base Reuse Plan that was designed to guide the reuse of Fort Ord in a manner that benefitted the region while addressing the resource constraints associated with redevelopment of the Base. In accordance with the FORA Act and the Master Resolution, each of the land use jurisdictions was required to amend its general plan and zoning ordinance to be consistent with the adopted Base Reuse Plan. FORA, in accordance with the Master Resolution, adopted consistency findings for the jurisdictions' general plans and zoning ordinance. All of the property transferred from FORA is subject to a covenant running with the land that requires that the property be developed subject to the Reuse Plan, the policies and programs of the Fort Ord Reuse Authority, including the Master Resolution, the applicable general plan and land use ordinances of the local governmental entity and that the properties comply with CEQA. Additionally, the covenant requires that development of the property only be allowed to the extent that such development is consistent with applicable local general plans which have been determined to be consistent with the Reuse Plan, including the restraints relating to water supplies, wastewater and solid waste disposal, road capacity, and the availability of infrastructure to supply these resources and services and does not exceed the constraint limitations described in the Reuse Plan and the Final Program Environmental Impact Report on the Reuse Plan. To the extent that the Base Reuse Plan constitutes an obligation of FORA, the recorded covenants ensure continued compliance with the Base Reuse Plan and the Final Environmental Impact Report on the Reuse Plan to the extent applicable to a particular property.

2.2 Transportation and Transit Infrastructure:

Each of the jurisdictions shall be responsible for determining the transportation and transit improvements necessary to serve development taking into consideration the development contemplated in the Base Reuse Plan. It shall be the responsibility of each jurisdiction to ensure that all development complies with CEQA and the restraints on development set forth in the covenants recorded against the property and to work with the other jurisdictions

Formatted	... [71]
Formatted	... [72]
Formatted	... [73]
Formatted	... [74]
Formatted	... [75]
Formatted	... [77]
Formatted	... [78]
Formatted	... [76]
Formatted	... [79]
Formatted	... [80]
Formatted	... [81]
Formatted	... [82]
Formatted	... [83]
Formatted	... [84]
Formatted	... [85]
Formatted	... [86]
Formatted	... [87]
Formatted	... [88]
Formatted	... [89]
Formatted	... [90]
Formatted	... [91]
Formatted	... [92]
Formatted	... [93]
Formatted	... [94]
Formatted	... [95]
Formatted	... [96]
Formatted	... [97]
Formatted	... [98]
Formatted	... [99]
Formatted	... [100]
Formatted	... [101]
Formatted	... [102]
Formatted	... [103]
Formatted	... [104]
Formatted	... [105]
Formatted	... [106]
Formatted	... [107]
Formatted	... [108]
Formatted	... [109]
Formatted	... [110]
Formatted	... [111]
Formatted	... [70]

as necessary to ensure that all jurisdictions contribute their fair share to the cost of regional improvements. TAMC shall be responsible for the regional transportation improvements and shall work with the jurisdictions on the assessment and collection of a regional transportation fee or other revenue generating measure to collect sufficient revenues to pay for such regional transportation improvements.

2.3 Water and Wastewater:

Water and wastewater allocations have been made in accordance with Government Code Section 67675(c)(5) and the Base Reuse Plan and the Final Environmental Impact Report for the Base Reuse Plan. The enforcement of the water allocations will continue post FORA-dissolution in accordance with applicable laws and pursuant to agreements between the recipients and MCWD, which agreements may include a process for recipients to transfer allocations subject to the conditions and requirements set forth in such agreements. In addition, the Board finds that transferring the obligation to finance water augmentation, water, and wastewater infrastructure to Marina Coast Water District ("MCWD") to implement the Reuse Plan is appropriate at FORA's dissolution.

Section 3 CEQA:

3.1 California Environmental Quality Act:

The Board hereby finds and determines that in adopting this Transition Plan as required by Government Code section 67700 FORA is addressing the allocation of FORA's assets, liabilities and obligations in advance of FORA's ultimate dissolution without (a) amending any contemplated or approved land uses within the former Fort Ord, (b) abandoning or altering any CEQA Mitigations required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (all of which may be collectively referred to herein as the "FORA Program"). Nothing in this Transition Plan is intended to change any part of the FORA Program that would have any impact on the environment. To the contrary each of the land use jurisdictions have adopted general plans and zoning ordinance consistent with the Base Reuse Plan as evidenced by FORA's consistency findings. Additionally, all Fort Ord properties transferred from FORA to the jurisdictions are subject to a recorded covenant that runs with the land that requires that the properties be developed subject to the Reuse Plan and compliance with CEQA, including the restraints relating to water supplies, wastewater and solid waste disposal, road capacity and that development does not exceed the constraint limitations described in the Reuse Plan and the Final Program Environmental Impact Report on the Reuse Plan. Following FORA's ultimate dissolution, any changes to the FORA policies and programs or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FORA only after full compliance with all applicable laws, including but not limited to CEQA. Accordingly, the Board hereby finds and determines that this Transition Plan is not a project under CEQA and/or is exempt as a mere change in the organization of governmental agencies which does not change the geographical area in which previously existing powers were exercised.

Formatted	... [113]
Formatted	... [115]
Formatted	... [116]
Formatted	... [114]
Formatted	... [117]
Formatted	... [118]
Formatted	... [119]
Formatted	... [120]
Formatted	... [121]
Formatted	... [122]
Formatted	... [123]
Formatted	... [124]
Formatted	... [125]
Formatted	... [126]
Formatted	... [127]
Formatted	... [128]
Formatted	... [129]
Formatted	... [130]
Formatted	... [131]
Formatted	... [132]
Formatted	... [133]
Formatted	... [134]
Formatted	... [135]
Formatted	... [136]
Formatted	... [137]
Formatted	... [138]
Formatted	... [139]
Formatted	... [140]
Formatted	... [141]
Formatted	... [142]
Formatted	... [143]
Formatted	... [144]
Formatted	... [145]
Formatted	... [146]
Formatted	... [147]
Formatted	... [148]
Formatted	... [149]
Formatted	... [150]
Formatted	... [151]
Formatted	... [152]
Formatted	... [153]
Formatted	... [154]
Formatted	... [112]

Section 4 Insurance:

4.1 3.1 Transition Plan Insurance:

FORA staff is directed to explore the availability and cost of a policy of insurance providing coverage for litigation that may arise against FORA, FORA's member jurisdictions, and/or LAFCO in connection with this Transition Plan, the assignments made pursuant hereto, the dissolution of FORA, or the designation of one or more entities as successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

4.2 3.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of general liability insurance extending the reporting period and coverage of such existing insurance policies, including general liability, workers compensation and premises liability insurance for the benefit of FORA's member jurisdictions and any successor(s) to FORA and to report the results of such investigation to the Board no later than March 2019. The Board reserves the right to obtain such an insurance policy if it provides appropriate coverage and is not cost prohibitive in the judgment of the Board.

Section 4 Implementation 5 Transition Plan Agreements and:

5.1 Transition Plan Agreements:

4.1 Projects in the CIP:

Pursuant to the authority granted by the Legislature in Government Code 67700(b)(2), the Board hereby designates all projects identified in the CIP as obligations required to be assigned by this Transition Plan in accordance with the formulas set forth in the Implementation Agreements as they may be modified by Transition Plan Implementing Agreements. The preferred method of evidencing such assignment is by the entry into Transition Plan Implementing Agreements, which can allow the jurisdictions choice and flexibility in exactly how the assigned obligations will be funded and carried out.

4.2 Transition Plan Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective jurisdiction will generate revenues to meet its obligations as assigned by this Transition Plan, revenue sharing provisions between those that will generate revenues and those implementing CIP projects, and such other matters as may be required to implement this Transition Plan, together with a schedule of when the jurisdiction will complete said actions. Notwithstanding that this Transition Plan requests that each member jurisdiction establish, adopt or participate in one or more replacement funding mechanism(s) and revenue sharing agreements that address all parts of FORA's final year CIP, this Transition Plan does not specify any specific mechanism. Rather, it only recommends that any replacement mechanism be collected on a pay as you go basis and that all FORA CIP projects located within a jurisdiction

- Formatted [155]
- Formatted: Heading 1, Left, Space Before: 3.4 pt, Don't keep with next, Don't keep lines together, Tab stops: 1.09", Left
- Formatted: Font: 12 pt, Bold, Font color: Auto
- Formatted: Body Text, Left, Don't keep with next, Don't keep lines together
- Formatted: List Paragraph, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.59", Don't keep with next, Don't keep lines together, Tab stops: 0.59", Left + 0.59", Left
- Formatted: Font color: Auto
- Formatted: Font: 8 pt, Font color: Auto
- Formatted: Body Text, Left, Don't keep with next, Don't keep lines together
- Formatted: Font color: Auto
- Formatted: Body Text, Indent: Left: 0.09", Right: 0.07", Space Before: 4.6 pt, Don't keep with next, Don't keep lines together
- Formatted [156]
- Formatted: Font: 12 pt, Font color: Auto
- Formatted: Body Text, Left, Space Before: 0.05 pt
- Formatted [158]
- Formatted [157]
- Formatted: Font: 8 pt, Font color: Auto
- Formatted: Body Text, Left
- Formatted: Font color: Auto
- Formatted [159]
- Formatted [160]
- Formatted: Font: 12 pt, Font color: Auto
- Formatted: Body Text, Left
- Formatted: Font color: Auto
- Formatted: Font color: Auto
- Formatted: Body Text, Indent: Left: 0.09"
- Formatted [161]
- Formatted: Font: 7.5 pt, Font color: Auto
- Formatted: Body Text, Left, Space Before: 0.5 pt
- Formatted: Font color: Auto
- Formatted [162]

Formatted: Body Text, Line spacing: Multiple 0.06 li

be included in the jurisdiction's Capital Improvement Program. If any jurisdiction chooses not to perform, include, or address any such project, such jurisdiction shall comply with the requirements of all applicable laws, including but not limited to by making such analysis and taking such action as CEQA may require in connection with such change. recommends that the land use jurisdictions enter into a Transition Plan Implementing Agreement addressing funding for regional impacts and infrastructure related to completion of the redevelopment of the Base which agreements may include revenue sharing and allocation of resources for the benefit of the region. The Board strongly encourages all underlying jurisdictions with future prospective development to form Community Facilities Districts (or adopt substantially similar replacement funding mechanisms) to replace the revenues which would have been raised by the FORA adopted CFD Special Taxes. Additionally, the Board encourages member jurisdictions to include in documents about future projects language which will obligate future development projects to pay a CFD Special Tax (or substantially equivalent replacement fees).

Formatted [163]

Formatted: Font: 13 pt, Font color: Auto

Formatted: Body Text, Left

4.3 — Escrow:

In the absence of a FORA approved Transition Plan Implementing Agreement, all revenues required to be contributed by a jurisdiction pursuant to its Implementation Agreement shall be paid into an escrow account established for the purpose of sharing revenues and managed by a panel of not less than five (5) representatives, one from each land holding jurisdiction, and all approved by a majority of the member jurisdictions.

4.4 — Power to Assign:

If by the time of FORA's dissolution Transition Plan Implementing Agreements have not been entered into by all of the relevant jurisdictions or have not been approved by FORA, the assignments of assets, liabilities and obligations described in this Transition Plan shall be imposed pursuant to Government Code 67700 and LAFCO shall handle such assignments as though they were conditions of special district dissolution imposed pursuant to Government Code section 56886 and use all of LAFCO's powers to enforce such assignments, including but not limited to by using enforcement powers under Government Code sections 56122 or 67700 as to the member jurisdictions. If a final judgment of a court having jurisdiction over the matter results in a determination that the FORA Act, including but not limited to Government Code 67700(b)(2), does not provide FORA with the requisite authority to make the assignments set forth in this Transition Plan, then LAFCO "shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred" as required by Government Code 67700(b)(1) through the exercise of LAFCO's powers under the FORA Act, the Cortese-Knox Herzberg Local Government Reorganization Act of 2000, and LAFCO's other relevant powers. If LAFCO refuses to agree impose such assignments as conditions to the dissolution of FORA and the transfer of its assets in accordance with this Transition Plan, then FORA shall seek such judicial clarification and/or legislative amendments as may be necessary to (a) clarify or establish FORA's and/or LAFCO's ability and/or duty to impose such assignments in connection with the dissolution of FORA or (b) extend the date of FORA's sunset so as to allow fulfillment of the mitigations, satisfaction of the obligations, and the completion of the elements of FORA Program which have not effectively been assigned to or accepted by the objecting jurisdictions.

Formatted: Heading 1

Formatted [164]

Formatted: Font: 8 pt, Font color: Auto

Formatted: Body Text, Left

Formatted: Body Text, Line spacing: Multiple 0.06 li

4.5 —

Section 6. LAFCO Review:

~~If LAFCO finds that this Transition Plan does not provide adequate guidance to LAFCO regarding assignment of FORA's assets and liabilities, designation of responsible successor agencies, or identification of remaining obligations in keeping with the requirements of Government Code section 67700, the Board requests that LAFCO return the Transition Plan with LAFCO's identified deficiencies at the earliest possible time (to enable possible further consideration and action by the Board).~~

Formatted: Font color: Auto
Formatted ... [165]
Formatted: Body Text, Indent: Left: 0.09", Right: 0.07", Space Before: 4.6 pt

~~4.6 Reserved Right of Modification:~~

~~This Transition Plan includes the opportunity for continued regional cooperation by all affected jurisdictions to enter into a Transition Plan Implementing Agreement, subject to FORA approval, to implement this Transition Plan. This Transition Plan may be modified by the Board upon the receipt of an executed Transition Plan Implementing Agreement approved by FORA, if the Board finds a revision to this Transition Plan necessary and appropriate. The Board also reserves the right to make modifications based upon receipt of regional agreements which address matters such as future financing mechanisms to support completion of the FORA Program, additional factual information or refinements provided by FORA staff during quarterly updates, regional revenue sharing arrangements, or plans for coordinated completion of CIP elements or projects, in each instance approved by FORA. Such modifications of this Transition Plan shall be transmitted forthwith to LAFCO for its processing.~~

Formatted: Font: 13 pt, Font color: Auto
Formatted: Body Text, Left, Don't keep with next, Don't keep lines together

~~NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:~~

Formatted: Font: 11 pt, Font color: Auto
Formatted: Body Text, Left
Formatted: Font color: Auto
Formatted: Body Text, Indent: Left: 0.09"

Formatted: Body Text, Line spacing: Multiple 0.06 li

1. ~~As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues, and~~

Formatted: Font color: Auto

Formatted [167]

Formatted [166]

2. ~~The Board hereby makes all assignments in accordance with Government Code section 67700(b) by approving this Transition Plan and intends that these assignments be implemented preferably through Transition Plan Agreements but in the absence of executed Transition Plan Agreements approved by FORA then as assignments and conditions of dissolution, as though they were imposed pursuant to Government Code sections 56886 and 67700(b); and~~

Formatted: Font: 12 pt, Font color: Auto

Formatted: Body Text, Left, Indent: Left: 0"

Formatted: Font color: Auto

Formatted [168]

Formatted: Font color: Auto

Formatted: Font: 12 pt, Font color: Auto

3. ~~The Board hereby directs the Executive Officer to submit this Transition Plan to LAFCO and execute all LAFCO required documents and pay all LAFCO required processing fees; and~~

Formatted [169]

Formatted: Font color: Auto

Formatted [170]

Formatted [171]

Formatted: Font: 12 pt, Font color: Auto

Formatted: Body Text, Left, Indent: Left: 0"

Formatted: Font color: Auto

Formatted [172]

Formatted [173]

4. ~~The Board further directs the Executive Officer, or his designee, to hire a facilitator consultant to assist the jurisdictions in creating and negotiating Transition Plan Agreements or other inter-agency regional agreements to implement the requirements of this Transition Plan. The facilitator consultant may also assist FORA in agreements for the disposition of its obligations to named entities or implementing the terms and conditions of this Transition Plan. The Executive Officer is directed to report progress on or before January 1, 2019 and to complete all negotiations and documents not later than return in March 2019; and on a quarterly basis thereafter, as directed by the FORA Board at its meeting on October 29, 2018, The Executive Officer shall compile a list of such additional actions necessary to implement this Transition Plan.~~

~~Upon motion by Board member ---, seconded by Board member ---, the foregoing Resolution was passed on this ___ day of October, 2018, by the following vote:~~

Formatted: Font: 12 pt, Font color: Auto

Formatted: Body Text, Left

~~AYES: _____~~

Formatted [174]

~~passed on this ___ day of November, 2018, by the following vote:~~

Formatted [175]

~~AYES: _____~~

Formatted: Font color: Auto

~~NOES: _____~~

Formatted: Font color: Auto

~~ABSTENTIONS: _____~~

~~ABSENT: _____~~

Formatted [176]

Formatted [177]

Formatted: Font: 12 pt, Font color: Auto

Formatted [178]

Formatted: Font color: Auto

Mayor Ralph Rubio, Chair,

Formatted: Font: 12 pt, Font color: Auto

ATTEST:

Formatted: Body Text, Left, Indent: Left: 0.09"

Formatted: Font color: Auto

Formatted: Font: 10 pt, Font color: Auto

Michael A. Houlemard, Jr., Clerk,

Formatted: Body Text, Left

Formatted: Font: 12 pt, Font color: Auto

Formatted [179]

Formatted: Font color: Auto

Formatted: Body Text, Line spacing: Multiple 0.06 li

GLOSSARY

"Army" means the United States Army.

"Base-wide Costs" means the estimated costs identified in the Base Reuse Plan for the following: FORA Reuse Operations, Net Jurisdictional Fiscal Shortfalls, Caretaker Costs, and Demolition. The Basewide Costs are more particularly described in the Fort Ord Comprehensive Business Plan and the Findings attached to the Base Reuse Plan and included in the current FOR A Capital Improvement Program.

"Base-wide Mitigation Measures" means the mitigation measures identified in the Base Reuse Plan. Basewide Mitigation Measures include: basewide transportation costs; habitat management capital and operating costs; water line and storm drainage costs; FORA public capital costs; and fire protection costs. The Basewide Mitigation Measures are more particularly described in the Fort Ord Comprehensive Business Plan, described in Section 1 (f), the Development and Resource Management Plan, and the Findings attached to the Base Reuse Plan.

"Base Reuse Plan" means the Fort Ord Base Reuse Plan and its accompanying environmental impact report adopted and certified by the FORA Board in June 1997 to guide the reuse of the former Fort Ord, all as amended from time to time.

"Board" means the governing board of the Fort Ord Reuse Authority, as specified in Government Code section 67660.

"CalPERS" means the California Public Employees' Retirement System.

"CEQA" means the California Environmental Quality Act, as amended to date (Public Resources Code section 21000 and following).

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as Superfund, as amended to date (42 U.S. Code Chapter 103 and following).

"CFD" means a Community Facilities District within the former Fort Ord formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended to date (Government Code section 53321 and following).

"CFD Special Taxes" means the special taxes collected through the Community Facilities District on properties to be developed within the former Fort Ord.

"CIP" means a Capital Improvement Program adopted by the Fort Ord Reuse Authority.

"EDC MOA" means the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.

"EDC Property" means the real property transferred pursuant to the Memorandum of Agreement for the No-Cost Economic Development Conveyance of former Fort Ord Lands, which was recorded

- Formatted: Font color: Auto
- Formatted: Font: Not Bold, Font color: Auto
- Formatted: Heading 1, Indent: Left: 2.38", Right: 2.37", Space Before: 4 pt
- Formatted: Font: 8 pt, Bold, Font color: Auto
- Formatted: Body Text, Left
- Formatted: Font color: Auto
- Formatted: Body Text, Left, Indent: Left: 0.09", Space Before: 4.6 pt
- Formatted: Body Text, Left

- Formatted: Font color: Auto
- Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
- Formatted: Font color: Auto, Condensed by 1.2 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.05 pt
- Formatted: Font color: Auto
- Formatted: Body Text, Left, Space Before: 0.05 pt
- Formatted: Body Text, Left, Indent: Left: 0.09"
- Formatted: Body Text, Left
- Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
- Formatted: Body Text, Left
- Formatted: Font color: Auto
- Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
- Formatted: Font color: Auto
- Formatted: Body Text, Left
- Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 1.9 pt
- Formatted: Font color: Auto
- Formatted: Font color: Auto, Condensed by 0.1 pt
- Formatted: Font color: Auto
- Formatted: Body Text, Left
- Formatted: Body Text, Left, Indent: Left: 0.09"
- Formatted: Body Text, Left
- Formatted: Body Text, Line spacing: Multiple 0.06 li

~~on June 23, 2000 at Series No. 2000040124 in the Official Records of the Monterey County Recorder.~~

~~"ESCA" means the Environmental Services Cooperative Agreement entered into between the United States Army and the Fort Ord Reuse Authority, as amended to date.~~

Formatted: Font color: Auto
Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"

~~"FORA" means the Fort Ord Reuse Authority.~~

~~"FORA Act" means, collectively, SB 899 and AB 1600 adopted in 1994 and amended in 2012, as codified at (i) Government Code Title 7.85, Chapters 1 through 7, commencing with Section 67650, and (ii) selected provisions of the California Redevelopment Law, including Health and Safety Code Sections 33492 et seq. and 33492.70 et seq.~~

Formatted: Font color: Auto
Formatted: Body Text, Left, Space Before: 0.05 pt
Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
Formatted ... [180]

~~"LAFCO" means the Monterey County Local Agency Formation Commission.~~

Formatted: Body Text, Left
Formatted: Body Text, Left, Indent: Left: 0.09"
Formatted: Body Text, Left

~~"FORA" means the Fort Ord Reuse Authority.~~

~~"FORA Act" means the Fort Ord Reuse Authority Act, as amended to date (Government Code section 67650 and following).~~

~~"FORA Program" has the meaning given in Section 3.1.2.~~

Formatted ... [181]

~~"FORG" means the Fort Ord Reuse Group organized by local governments and potential property recipients to initiate recovery planning regarding the impending downsizing/closure of the former Fort Ord.~~

Formatted: Body Text, Left, Indent: Left: 0.09"

~~"Fort Ord," including references to the territory or area of Fort Ord or the former Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994, or the military base formerly located on such land, as the context requires.~~

Formatted: Font color: Auto
Formatted: Body Text, Left
Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
Formatted ... [182]

~~"HCP Cooperative" means a joint powers authority contemplated to be established to administer a habitat conservation program at the former Fort Ord.~~

Formatted: Body Text, Left

~~"Implementation Agreements" means agreements entered into beginning in 2001 between the Fort Ord Reuse Authority on the one hand and the County of Monterey and each city receiving or anticipated to receive a portion of the EDC Property on the other hand, as such agreements may have been amended to date.~~

Formatted: Font color: Auto
Formatted: Body Text, Left, Indent: Left: 0.09"
Formatted: Body Text, Left
Formatted: Body Text, Indent: Left: 0.09", Right: 0.07"
Formatted ... [183]
Formatted: Body Text, Line spacing: Multiple 0.06 li

~~"LAFCO" means the Monterey County Local Agency Formation Commission.~~

~~"Master Resolution" means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. For your convenience link 5 on Exhibit B is the most~~

recent Master Resolution.

Formatted: Condensed by 0.05 pt

Formatted: Font color: Auto

Formatted: Body Text, Line spacing: Multiple 0.06 li

“MCWD” means the Marina Cost Water District.

Formatted: Font color: Auto

~~“PFIP” means the Public Facilities Implementation Plan adopted by the Fort Ord Reuse Authority in 2001.~~

Formatted: Body Text, Left, Indent: Left: 0.09", Space Before: 3.2 pt

~~“Reuse Plan” means the plan for the future use of the former Fort Ord adopted pursuant to Government Code section 67675, as amended to date.~~

Formatted: Body Text, Left

~~“Strategy Report” means the June 1992 report prepared by the Fort Ord Community Task Force in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.~~

~~“Task Force” means the Fort Ord Community Task Force formed in order to develop recommendations for moving forward with a recovery effort relating to the closure of the former Fort Ord.~~

“Transition Plan Implementing Agreements” means the agreements contemplated to be entered into with the land use jurisdictions to implement the provisions of the Transition Plan.

Formatted: Font color: Auto

Formatted: Body Text, Line spacing: Multiple 0.06 li

EXHIBIT A
FOR A LIST OF CONTRACTS

EXHIBIT B
FORA CONTRACTUAL LIABILITIES

1. FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve (Item 67) as amended by FORA UCSC FONR Extension of Funding (Item 68) – (Obligates FORA To pay \$75,000 per year to UCSC. Agreement to be assigned to party subject to the approval of UCSC if HCP not complete before FORA expiration.)

2. FORA-County-EG Partners LLC Funding Obligations – provides EG with a land sale credit for certain obligations. If credit is still operative agreement can be assigned to County with County receiving land sales proceeds and giving EG credit.

3. FORA-MCP Reimbursement Agreement (item 73)

4. Marina Redevelopment Agency, Marina Community Partners and FORA MOA on University Villages Building Removal (item 74)

5. FORA-City of Marina Reimbursement Agreement for Abrams, Crescent, 8th Street and Salinas Road (item 86)– reimbursement of costs up to amount shown in CIP as it may be amended from time to time and only from CFD funds to the extent collected.

6. FORA-County of Monterey reimbursement agreement for Davis Road Improvements (Item 87) FORA to reimburse County of Monterey for Davis Road in the amount of \$9,242,411 but only from CFD fees collected. FORA to set aside .3669 cents of every Transit/Transportation dollar until full amount collected.

7. FORA Reimbursement Agreement Concerning Hwy 68 Operational Improvements (Item 88) – requires FOR A to reimburse TAMC for planning and design costs of \$312,205 for Highway 68. FORA's obligation contingent upon CFD fees being available.

8. FORA MCWD Pipeline Reimbursement Agreement – (Item) FORA to reimburse MCWD up to \$6,000,000 toward the AWT Phase 1 and product Water Conveyance Facilities of the RUWAP Recycled Project. FORA has sole discretion as to source of funds. Payment schedule is

\$1,000,000 in 16-17
\$1,600,000 in 17-18
\$1,200,000 to \$1,900,000 in 18-19 depending upon real estate market and receipt of land sales and CFD funds
\$1,000,000 in 19-20

Formatted: Left: 0.61", Right: 0.63", Top: 0.65", Bottom: 0.89", Do not suppress endnotes, Header distance from edge: 0", Footer distance from edge: 0.7"

Formatted: Font color: Auto

Formatted: Body Text, Left, Indent: Left: 1.09"

Formatted: Body Text, Line spacing: Multiple 0.06 li

Administrative

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
1	CalPERS Contract	1997	http://b77.402.myftpupload.com/wp-content/uploads/1-CalPERS-Contract.pdf	Liability	All Voting Members	*FORA has set aside approximately \$7M in assets to address terminated agency unfunded Liability
2	CalPERS Contract Amendment 1	1999	http://b77.402.myftpupload.com/wp-content/uploads/2-CalPERS-Contract-Amendment-1.pdf	Liability	All Voting Members	*FORA has set aside approximately \$7M in assets to address terminated agency unfunded Liability
3	CalPERS Contract Amendment 2	2003	http://b77.402.myftpupload.com/wp-content/uploads/3-Cal-PERS-Contract-Amendment-2.pdf	Liability	All Voting Members	*FORA has set aside approximately \$7M in assets to address terminated agency unfunded Liability
4	LAFCO Indemnification Agreement	2018	http://b77.402.myftpupload.com/wp-content/uploads/4-Indemnification-Agreement-LAFCO-and-FORA-DRAFT-02-28-18.pdf	Liability	All Voting Members	May require a substantial contribution should LAFCO be sued on transition plan
5	General Umbrella Policy	Annual		Liability/Asset	All Members*	May want to extend policy to provide coverage during any possible Statute of limitations time period
6	Commercial Property/Premises Liability	Annual	http://b77.402.myftpupload.com/wp-content/uploads/6-Commercial-Property-Premises-Liability.pdf	Liability/Asset	All Members*	May want to extend policy to provide coverage during any possible Statute of limitations time period
7	Worker's Compensation Policy	Annual	http://b77.402.myftpupload.com/wp-content/uploads/7-Workers-Compensation-Policy.pdf	Liability/Asset	All Members*	May want to extend policy to provide coverage during any possible Statute of limitations time period
8	Director's Liability Policy	Annual	http://b77.402.myftpupload.com/wp-content/uploads/8-Directors-Liability-Policy.pdf	Liability/Asset	All Members*	May want to extend policy to provide coverage during any possible Statute of limitations time period
9	Crime Bond Policy	2006	http://b77.402.myftpupload.com/wp-content/uploads/9-Crime-bond-Policy.pdf	Liability/Asset	All Members*	May want to extend policy to provide coverage during any possible Statute of limitations time period

Financial Assets

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
10	County of Monterey Implementation Agreement	2001	http://fora.org/Reports/Implementations/mttycty_ia.pdf	Asset	County of Monterey/MCWD/Habitat Cooperative/TAMC	1
11	Del Rey Oaks Implementation Agreement	2001	http://fora.org/Reports/Implementations/dro_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC	1
12	City of Marina Implementation Agreement	2001	http://fora.org/Reports/Implementations/marina_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/DRO/City of Monterey/Seaside	1
13	City of Marina IA - Amendment #1: Establishing Development Fee Policy Formula	2013	http://fora.org/Reports/Implementations/marina_ia_amend-9-14-13.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/DRO/City of Monterey/Seaside	1
14	City of Monterey Implementation Agreement	2001	http://fora.org/Reports/Implementations/monterey_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC	1
15	City of Seaside Implementation Agreement	2001	http://fora.org/Reports/Implementations/seaside-ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/Seaside	1
16	CFD-Notice of Tax Lien	2002	http://b77.402.myftpupload.com/wp-content/uploads/Notice-of-CFD.pdf	Asset	Terminates on FORA sunset unless vote and/or extension	2
17	CFD-First Amended Notice of Tax Lien	2005	http://b77.402.myftpupload.com/wp-content/uploads/First Amended Notice of Tax Lien.pdf	Asset	Terminates on FORA sunset unless vote and/or extension	
18	Development Fee Resolution	1999	http://b77.402.myftpupload.com/wp-content/uploads/99-01.pdf	Asset	Seaside? Some areas on Base still covered by Development Fee Resolution	3
19	FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve	2005	http://fora.org/Reports/TTF/101405_agreement_Habitat_UMBEST.PDF	Liability	Continues until replaced by HCP	

20	Pollution Legal Liability Reimbursement Agreement (DRO)	2015	http://b77.402.myftpupload.com/wp-content/uploads/DRO-Reimbursement-Agreement.pdf	Asset	DRO	3
21	Pollution Legal Liability Insurance Agreement (MST)	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-MST-PLL-Insurance-Agreement.pdf			
22	Pollution Legal Liability Insurance Agreement (TAMC)	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-TAMC-PLL-Insurance-Agreement.pdf			
23	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmittal-summary-policy010215.pdf		County of Monterey/Seaside/Monterey/Marina	4
1.	<p>2. Implementation Agreements require ongoing completion of Base Reuse Plan obligations. Land sales revenues, development fees/CFD fees/ and Property tax revenues committed until CIP fully implemented. See attached legal memorandum on these issues.</p> <p>3. CFD only assignable if extended by vote and changes to state Mello Roos Act allowing transfer to JPA/Successor. If no CFD, then Jurisdictions required to replace pursuant to Implementation Agreement formula</p> <p>4. DRO owes FORA for their proportional share of the PLL Insurance Contract and some costs on the prior South boundary Road Improvement project.</p> <p>5. Pollution Legal Liability Insurance Contract provides that upon FORA sunset, jurisdictions become successor beneficiaries.</p>					

Environmental Services

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
24	FORA-City of Monterey ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/121107_MOA_FORA-ESCA_City%20of%20Monterey.PDF	Asset/Obligation	Dependent upon Property transfer	N/A
25	FORA-City of Monterey ESCA Property Management MOA-Amendment #1	2018	http://b77.402.myftpupload.com/wp-content/uploads/05092018_Executed_2007_MOA_FORA_Monterey.pdf			
26	FORA-COUNTY MOA Regarding Property Ownership and Responsibilities	2018	https://www.fora.org/Reports/TTF/2018-09-13_LO_%20MOA_amendmt_MoCo_ESCA_Cleanup.pdf			
27	US EPA-Army-State of CA Federal Facility Agreement	1990	http://fora.org/Reports/TTF/111990_Federal_Facilites_Agreement_Amendment.pdf	Obligation/Liability		County
28	Pollution Legal Liability Insurance (PLL) - ESCA Insurance Policy Coverages A, B & C	2007	http://fora.org/Reports/TTF/ESCA_Insurance_Policy-PLL-5-15-07.pdf	Asset		
29	FORA-County ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/121807_MOA_FORA-ESCA_Monterey%20County.PDF	Asset/Obligation	Dependent upon Property transfer	
30	FORA-CSUMB ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/101507_MOA_FORA-ESCA_CSUMB.PDF	Asset/Obligation	Dependent upon Property transfer	
31	FORA-CSUMB ESCA Property Management MOA-Amendment #1	2018	https://www.fora.org/Reports/TTF/CSUMB_Amendment_No-1_to_MOA_property_hold_ESCA_cleanup_fully_executd.pdf			
32	FORA-DRO ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/112607_MOA_FORA-ESCA_Del%20Rey%20Oaks.PDF	Asset/Obligation	Dependent upon Property transfer	
33	FORA-DRO ESCA Property Management MOA-Amendment #1	2018	https://www.fora.org/Reports/TTF/2018-05-30_MOA_property_hold_ESCA_cleanup_DRO_fully_executd.pdf			
34	FORA-Seaside ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/092007_MOA_FORA-ESCA_Seaside.PDF	Asset/Obligation	Dependent upon Property transfer	

35	FORA-Seaside ESCA Property Management MOA-Amendment #1	2018	https://www.fora.org/Reports/TTF/2018-05-30 MOA property hold ESCA cleanup SEA fully executd.pdf			
36	ESCA Cooperative Agreement Award (End date amended 2017)	2007	http://fora.org/Reports/TTF/033007 Coop Agreement Award ESCA.pdf	Asset/Liability	2037	County***
37	FORA-LFR Fort Ord Remediation Services Agreement	2007	http://fora.org/Reports/TTF/033007 RSA ESCA.pdf	Asset/Liability	?2019/2020?	County***
38	US EPA Administrative Order on Consent	2007	http://fora.org/Reports/TTF/ESCA-0099 AOC.pdf	Liability/Obligation		County/Seaside/Monterey/ Del Rey Oaks Marina/CSUMB/UC/MPC/MCWD
39	FORA-MPC ESCA Property Management MOA	2008	http://fora.org/Reports/TTF/121708 MOA FORA-ESCA MPC.PDF	Asset/Obligation	Dependent upon Property transfer	
40	FORA-MPC ESCA Property Management MOA - Amendment #1	2018	http://b77.402.myftpupload.com/wp-content/uploads/2018-07-02 MOA hold property during ESCA cleanup MPC fully-executed.pdf			
41	MOA Jurisdictions and DTSC Concerning Monitoring and Reporting on Environmental Restrictions on the Former Fort Ord	2008	http://b77.402.myftpupload.com/wp-content/uploads/16_022708moaEnviroRestricts.pdf		No End Date	County/Seaside/Monterey/Del Rey Oaks/Marina, CSUMB/UC/MPC
42	MOU Regarding Development of the Central Coast Veterans Cemetery	2009	http://b77.402.myftpupload.com/wp-content/uploads/18_050509mouVetCem.pdf	Liability/Obligation		County/Seaside
43	Remedial Design/Remedial Action, Land Use Controls Implementation, Operations and Maintenance Plan, Parker Flats MRA Phase I*	2009	http://b77.402.myftpupload.com/wp-content/uploads/21_080409PFflatsPh1LUCIPOMP.pdf		No End Date	County of Monterey
44	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmittal-summary-policy010215.pdf	Asset/Liability/Obligation		
45	ESCA Cooperative Agreement Award-Amendment 1	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully signed ESCA Grant Amendment 12-20-17.pdf	Asset/Liability	2028	County***
46	ESCA Cooperative Agreement Award-Amendment 2	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully signed ESCA Grant Amendment 12-20-17.pdf			
47	G1 Land Use Covenant Implementation Plan and Operations Maintenance Plan (LUCIP/OMP)	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
48	G2 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
49	G3 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
50	G4 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
51	FORA-Seaside ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/092007 MOA FORA-ESCA Seaside.PDF	Asset/Obligation	Dependent upon Property transfer	
52	FORA-Seaside ESCA Property Management MOA-Amendment #1	2018	https://www.fora.org/Reports/TTF/2018-05-30 MOA property hold ESCA cleanup SEA fully executd.pdf			
53	ESCA Cooperative Agreement Award (End date amended 2017)	2007	http://fora.org/Reports/TTF/033007 Coop Agreement Award ESCA.pdf	Asset/Liability	2037	County***

54	FORA-LFR Fort Ord Remediation Services Agreement	2007	http://fora.org/Reports/TTF/033007_RSA_ESCA.pdf	Asset/Liability	?2019/2020?	County***
55	US EPA Administrative Order on Consent	2007	http://fora.org/Reports/TTF/ESCA-0099_AOC.pdf	Liability/Obligation		County/Seaside/Monterey/ Del Rey Oaks Marina/CSUMB/UC/MPC/MCWD
56	FORA-MPC ESCA Property Management MOA	2008	http://fora.org/Reports/TTF/121708_MOA_FORA-ESCA_MPC.PDF	Asset/Obligation	Dependent upon Property transfer	
57	FORA-MPC ESCA Property Management MOA - Amendment #1	2018	http://b77.402.myftpupload.com/wp-content/uploads/2018-07-02_MOA_hold_property_during_ESCA_cleanup_MPC_fully-executed.pdf			
58	MOA Jurisdictions and DTSC Concerning Monitoring and Reporting on Environmental Restrictions on the Former Fort Ord	2008	http://b77.402.myftpupload.com/wp-content/uploads/16_022708moaEnviroRestricts.pdf		No End Date	County/Seaside/Monterey/Del Rey Oaks/Marina, CSUMB/UC/MPC
59	MOU Regarding Development of the Central Coast Veterans Cemetery	2009	http://b77.402.myftpupload.com/wp-content/uploads/18_050509mouVetCem.pdf	Liability/Obligation		County/Seaside
60	Remedial Design/Remedial Action, Land Use Controls Implementation, Operations and Maintenance Plan, Parker Flats MRA Phase I*	2009	http://b77.402.myftpupload.com/wp-content/uploads/21_080409PFlatsPh1LUCIPOMP.pdf		No End Date	County of Monterey
61	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmital-summary-policy010215.pdf	Asset/Liability/Obligation		
62	ESCA Cooperative Agreement Award-Amendment 1	2017	tan	Asset/Liability	2028	County***
63	ESCA Cooperative Agreement Award-Amendment 2	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully_signed_ESCA_Grant_Amendment_12-20-17.pdf			
<p>REFERENCE MATERIALS/WEBSITES Kutak Rock letter dated [] Army Base Realignment And Closure Administrative Record website http://www.fortordcleanup.com/</p> <p>Notes: * Agreement will be replaced with new LUCIP Agreement/Restriction ** LUCIP/OMP agreements are expected to be finalized in 2018</p>						

Habitat

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
64	Habitat Management Plan	1997	http://docs.fortordcleanup.com/ar_pdfs/AR-BW-1787/bw-1787.pdf	Obligation/Liability	Marina/Seaside/County/City of Monterey/MPC/CSUMB/All property recipients	
65	USFWS EG-PF Biological Assessment Concurrence Letter	2002	http://fora.org/Reports/TTF/USFWS_EG-PF_LandUseModificationAssessment_ConcurrenceLetter_2002.pdf			
66	Del Rey Oaks-FORA-Developer Endangered Species MOA	2005	http://fora.org/Reports/TTF/092705_MOA_Endangered_Species_DRO.PDF	Obligation/Liability	County/Habitat Cooperative	
67	FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve	2005	http://fora.org/Reports/TTF/101405_agreement_Habitat_UMBEST.PDF	Obligation/Liability/Asset	Habitat Cooperative/County?	This Agreement may be replaced by the basewide HCP when adopted.
68	FORA-UCSC FONR-Extension of Funding	2007	http://b77.402.myftpupload.com/wp-content/uploads/FORA-UC-FONR-Extend-Funding-signed072707.pdf	Obligation/Liability	Habitat Cooperative/County?	In effect until basewide HCP
69	Parker Flats - East Garrison biological assessment	2002	http://fora.org/Reports/TTF/EG-PF_BiologicalAssessment_BW-2180_2005.pdf			
70	County-FORA-Developer Endangered Species MOA	2005	http://fora.org/Reports/TTF/100605_MOA_Endangered_Species_East-Garrison-County.PDF	Obligation/Liability	County/Habitat Cooperative	
71	Proposed East Garrison-Parker Flats Land Use Modification MOU	2005	http://fora.org/Reports/TTF/EG-PF_LandUse_Modification_MOU_BW-2180A-1_2005.pdf			
72	County-FORA-EG Partners LLC Funding Obligations	2006	http://b77.402.myftpupload.com/wp-content/uploads/MOA_MoCo-FORA-EG-Partners-LLC_Basewide-Funding-Obligations-signed2.28.06.pdf			
73	FORA-MPC Reimbursement Agreement		http://b77.402.myftpupload.com/wp-content/uploads/FORA-MCP-LLC-Reimbursement-Agmt_signed-01-26-2006.pdf			

Miscellaneous

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
74	Marina Redevelopment Agency, Marina Community Partners and FORA MOA on University Villages Building Removal	2005	http://fora.org/Reports/TTF/FORA-MRDA-MCP-building-removal-MOA-082905.pdf	Asset/Liability	Marina Successor Agency	
75	Marina Community Partners and FORA Reimbursement Agreement on University Villages Building Removal	2006	http://b77.402.myftpupload.com/wp-content/uploads/FORA-MCP-LLC-Reimbursement-Agmt_signed-01-26-2006.pdf	Liability	Marina	
76	County-FORA-EG Partners LLC Funding Obligations	2006	http://b77.402.myftpupload.com/wp-content/uploads/MOA_MoCo-FORA-EG-Partners-LLC_Basewide-Funding-Obligations-signed2.28.06.pdf	Liability/Asset	County/Marina	Security Parcel for any debt obligation
77	FORA-Seaside-County-Cemetery Foundation	2012	http://b77.402.myftpupload.com/wp-content/uploads/012812-MOU-VetsCem-signed.pdf	Liability	County/Seaside/Foundation	
78	Army-FORA Memorandum of Agreement - Amendment #6	2014	http://b77.402.myftpupload.com/wp-content/uploads/072914_MOA_Army_FORA_Amend_6.pdf			
79	Army-FORA Water Quitclaim Deed- Veteran's Cemetery		http://b77.402.myftpupload.com/wp-content/uploads/Army-FORA_VTC_Water_Agreement-Recorded.pdf			
80	FORA-City of Marina Quitclaim Deed		http://b77.402.myftpupload.com/wp-content/uploads/FORA-Marina_Water_Agreement022318.pdf			
81	Stipulation to Discharge Peremptory Writ of Mandate (CSUMB)	2009	http://fora.org/Reports/TTF/091409_Report_Stipulation-to-Discharge.pdf	Asset	All voting members/MCWD/TAMC/HCP Cooperative	Enforcement obligations as to ongoing habitat and contributions toward road and other infrastructure
82	Settlement Agreement and Mutual Release (Sierra Club)	1998	http://www.fora.org/Planning/113098_SierraClub_Agreement.PDF	Liability	Marina/Seaside/County/City of Monterey/Del Rey Oaks	Deed Restrictions/Resource Constraints
83	PENDING LAWSUITS					
84	MCP v. FORA, Monterey County Superior Court	2017	N/A	Asset/Liability		
85	KFOV v. FORA, Monterey Superior Court	2017	N/A	Asset/Liability		

Transportation

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
86	FORA-City of Marina reimbursement agreement for Abrams, Crescent, 8th Street, and Salinas Roads	2007	http://fora.org/Reports/TTF/040307_Reimbursement_Agreement_FORA-Marina.pdf	Liability/Obligation:	City of Marina: Obligation Other Cities Liability:	[1]
87	FORA-County of Monterey reimbursement agreement for Davis Road Improvements	2005	http://fora.org/Reports/TTF/101905_Agreement_Reimbursment_FORA_MoCo.PDF	Liability/Obligation:	County	[3]
88	FORA-TAMC Reimbursement Agreement Concerning Hwy 68 Operational Improvements	2014	http://fora.org/Reports/TTF/051614_FORA-TAMC_Hwy68_operational_improvements.pdf	Liability/Obligation:		
89	FORA-Monterey Bay Charter School Traffic MOU	2015	http://fora.org/Reports/TTF/FORA_MBCS_Traffic_MOU_signed_111315.pdf	Asset		
90	MST - TAMC-Marina-FORA MOU	2007	http://fora.org/Reports/TTF/FORA-MST-TAMC-Marina_MOU_050107.pdf			
91	Whitson Engineers (Master Services)	2017	https://www.fora.org/Reports/2017_Contract_FC-2017117-Executed-Whitson.pdf	Asset		
92	Capital Improvement Program Transportation Assignments	TBD	ATTACHED	Liability/Obligation	As Assigned.	
<p>NOTES:</p> <p>[1] Contract deals with Four Streets: 8th Street: 4,871,433; Crescent: 1,018,004 (Already completed pd. Approx. \$400,000 remainder reallocated to other projects); Abrams Drive: 852,578; Salinas Road: \$3,410,313</p> <p>[2] Contract is City of Marina assigning a portion of the above reimbursement Agreement to Dunes for building a portion of 8th Street.</p>						

Water/Wastewater

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES	Notes
93	US-MCWRA Agreement	1993	http://fora.org/Reports/1993-Agrmt-US_MCWRA.pdf	Asset	County of Monterey/City of Monterey/City of Seaside/City of Del Rey Oaks/CSUMB/MPC/UC/MCWD		1
94	FORA-MCWD Water/Waste Water Facilities Agreement	1998	http://fora.org/Reports/CIP/031398%20Water_Wastewater_Facilities_Agreement.pdf		MCWD	A. Agreement Terminates. MCWD/unse rved areas on Fort Ord only served by new contracts; subsequent annexation by MCWD/LAFC O issues	1
95	FORA-MCWD Water/Waste Water Facilities Agreement- Amendment 1	2001	http://www.fora.org/Reports/CIP/Water-Wastewater-FAamend1.pdf		MCWD		
96	FORA-MCWD Water/Waste Water Facilities Agreement - Amendment 2	2007	http://www.fora.org/Reports/CIP/Water-Wastewater-FAamend2.pdf		MCWD		
97	Army-FORA MOA for Sale of Portions of the Former Fort Ord	2000	http://fora.org/Reports/TTF/062000_MOA_Army-FORA_EDC-Agreement.PDF	Asset/Liability/Obligatio n	City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/ City of Monterey/County of Monterey/MCWD?	B. Each entity must be designated as a Local Reuse Authority by OEA in Federal Govt. and State Government	2, 3

						to receive water/waste water rights; Issue as to prioritization and access;	
98	FORA, MCWD Quitclaim Deed Ord infrastructure	2001	http://fora.org/Reports/TTF/110701_FORA-MCWD_Quitclaim_Deed_Ord_Infrastructure.pdf	Obligation	City of DRO/City of Monterey/City of Seaside/County of Monterey/MPC/CSUMB (as to Enforcement of Provisions only) NOTHING TO ASSIGN TO MCWD: TRANSFER COMPLETE	Enforcement of obligations contained in Quitclaim as to water/waste water service obligations	4
99	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 1	2002	http://fora.org/Reports/TTF/102301_MOA_Army-FORA_Amend_1.PDF				5
100	MCWD-FORA Quitclaim deed L35.1 & L35.2	2004	http://fora.org/Reports/TTF/MCWD_FORA_Quitclaim_Deed090304.pdf				
101	Army- FORA, MRWPCA, and MCWD MOA	2005	http://fora.org/Reports/110205_MOA_Army_MRWPCA-FORA-MCWD.pdf	Asset	Seaside/DRO/City of Monterey		
102	MCWD-FORA Quitclaim deed L35.5	2006	http://fora.org/Reports/TTF/MCWD_FORA_Quitclaim_Deed020806.pdf	Enforcement	City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/ City of Monterey/County of Monterey/MCWD		
103	FORA Recycled Water allocations to jurisdictions	2007	http://fora.org/Reports/TTF/RecycledWater_allocation_to_Jurisdictions--051107.PDF		City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/ City of Monterey/County of Monterey/MCWD	Captured in Implementation Agreements (See Section 3)	6
104	FORA Potable Water allocation to jurisdictions	2007	http://fora.org/Reports/TTF/PotableWater_allocation_to_Jurisdictions-011207.pdf		City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/ City of Monterey/County of Monterey/MCWD	Captured in Implementation Agreements (Section 3)	7
105	Army-Seaside AYH Water Deed	2008	http://fora.org/Reports/TTF/082808_AYH_Water_Deed.pdf		Seaside		8
106	MOU Water Augmentation and 3 Party Agreement	2015	http://fora.org/Reports/2015-MOU-Three-Party_Final.pdf	Liability/Obligation	City of Seaside/City of Del Rey Oaks/County of Monterey/City of Monterey/County of Monterey		9

107	FORA-MCWD Pipeline Reimbursement Agreement	2016	http://fora.org/Reports/2016-Rmbrs_Agrmt_FORA-MCWD_Pipeline_Executed_08-25-16.pdf	Liability	City of Seaside/City of Del Rey Oaks/County of Monterey/City of Monterey/County of Monterey	10
<p>Notes:</p> <ol style="list-style-type: none"> 1. This Agreement was quitclaimed to MCWD. However, replacement supplies are to the benefit of all properties on Fort Ord. 1. Agreement terminates on FORA sunset. Annexation does not automatically terminate agreement. Oversight continues until agreement terminates. 2. Article 5, provides FORA first right of refusal to excess water and waste water Rights. Successor must be consented to by Army and designated as Local Reuse Authority (Federal and State Law) 3. Article 5 requires fair and equitable water allocation to enable the effective base reuse. 4. Quitclaim Deed requires compliance with underlying obligations including but not limited to a fair and equitable allocation of water to the jurisdictions; JPA/Successor to enforce 5. Changes MCWD Public Benefit Conveyance to an EDC conveyance 6. Allocates 1427 afy reclaimed water to jurisdictions (fair and Equitable share); MCWD/JPA/Successor to enforce 7. Potable water allocations to jurisdictions (Fair and Equitable share); MCWD/JPA/Successor to enforce 8. 109 AFY water to Seaside (Stillwell Kidney) 9. Planning agreement to analyze alternatives for augmented water supply options 10. Six Million dollar liability to build infrastructure pipeline for delivery of reclaimed/augmented water supply to Ord Community 						

DRAFT