

Virgil M. Piper
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November 15, 2018

Mr. Frank O'Connell,
FORA Board Member

Mr. O'Connell,

Admittedly, I am opposed to any extension of the Fort Ford Reuse Authority and would like to submit a lengthy examination of FORA's lack of progress to date.

Possibly, you could send a copy of this to all FORA Board members through the clerk in their offices.

Thanking you in advance for your attention in this matter.

Sincerely,

Virgil M. Piper
Marina, CA. 93933

The Fort Ord Boondoggle

By Piper: November 12, 2018

The Fort Ord Military Base Shuts down.

Imagine the impact of removing approximately 10,000 military related consumers from the Monterey peninsula in 1994. The loss of income to local businesses could be devastating. Marina and Seaside suffered the greatest financial loss; Del Rey Oaks and Monterey were impacted to a lesser degree and possibly Monterey County suffered the least.

When it closed in 1994, Fort Ord was fully operational with more than two thousand residential structures supplied with water, gas, electrical power, and all the amenities of a developed community.

It is difficult to understand why the Fort Ord Reuse Authority (FORA), a third-party agency, was created to handle the conversion of Fort Ord when it appears the simplest solution would have Monterey County or the Special district "LAFCO" convey various portions of the military base to those jurisdictions most affected with city boundaries adjacent to the land being transferred. Moreover, there was a possible savings to the U.S. taxpayer if the land had been transferred "at no cost" to the various jurisdictions with the condition they would be responsible for the removal of dilapidated buildings and resolve, in partnership with the U.S. Army, all pollution problems existing in their area. The exception to this is the unexploded ordinance, on what is now known as the Fort Ord National Monument (covering some 14,600 acres). In 2007 FORA received a \$97.7-million federal grant and another \$6.8-million in 2016 to clear up the ordinance problem.

FORA's administrative budget is more than \$3-million per year and many structures are still standing - vacant and battered wooden buildings - with no functioning infra-structure.



Never-the-less, there are some who claim that the Fort Ord transition effort is a successful model for base closures everywhere. This claim, of course, is tiresome and possibly erroneous. Those of us who followed the closure of McClellan AFB (near Sacramento) might claim their efforts to be a model for success. McClellan was closed in 2001 and ten years later the transition was complete; whereas, Fort Ord some 24 years later, is yet to complete the job.

McClellan AFB: a model for success.

The former McClellan Air force Base, since closing in 2001, has become a model, both nationally and internationally for successful environmental cleanup and simultaneous transformative redevelopment. When the Base Realignment and Closure (BRAC) Commission announced in 1995 that McClellan Air Force Base would close, the surrounding community feared it was a death knell for the region. Now, some 10 years later, approximately 13,500 employees and visitors are at the 240 businesses located at the former base on an average day, more than worked at the base when closure was announced.

As a method for rapid redevelopment of McClellan AFB, the Air Force, Sacramento County, and McClellan Business Park, (the developer selected by the County to transform the former base), implemented a "hot transfer" to immediately lease the entire 3,000 acre base to McClellan Park when the base closed *in* July 2001. That enabled McClellan Park to begin the improvements necessary to create a thriving mixed-use business park. Fences and gateways came down, infrastructure was updated and buildings were refurbished to welcome the community into McClellan Park.

The Officer's Club became Lions Gate Hotel and Conference Center; officers' housing in the historic area became upscale, urban rental units. Rows of warehouses were converted to offices for the local school district, small businesses, major manufacturers, federal agencies, and more. Ballfields are now being considered for a community park. Airplanes that once flew in and out of McClellan are the major attraction at a world-class aerospace museum.

Not only is the former base an example of successful reuse, it is a model of "green" transformation. Home to two solar energy panel manufacturers, numerous recycling businesses, and a host of businesses that implement green and sustainable features in their building designs, McClellan Park is building a reputation as a green park. McClellan Business Park, the developer, has worked hard to implement environmentally friendly practices from the ground up, from water-wise landscaping and sustainable storm drains, to natural skylights and cool reflective roofing, solar panel covered parking lots, energy efficient lighting throughout the park, and electric golf carts for the maintenance crews.

Groundwater contamination was discovered at McClellan in 1979. In 1987, the U.S. Environmental Protection Agency listed the entire base on its National Priorities List as a "Superfund" site. This listing requires the Air Force to follow the cleanup process prescribed in the Comprehensive Environmental Response, Compensation and liability Act (CERCLA) with regulatory oversight from the US EPA and the State of California.

This cleanup program **was** the largest such activity in the State of California, with ten radiologically contaminated landfills that may eventually have to be excavated, at a cost to the taxpayer of \$1.5 billion.

However, due to the time-consuming nature of the environmental investigations and cleanup, property transfers under this traditional approach occur gradually. To address that, **in 2007**

McClellan became the first Department of Defense site in the nation to complete an "early transfer with privatized cleanup." Under this scenario, the Air force completes the investigation and may even determine the appropriate cleanup remedy, then transfers the property to the County and McClellan Business Park, with a negotiated cost paid by the Air Force to fund the remaining cleanup. McClellan Business Park then implements the cleanup with US EPA making the cleanup decisions and providing regulatory oversight. This allows for a quicker, more efficient cleanup and redevelopment as the cleanup can occur concurrently with site preparation for a new business to move on site.

When the environmental cleanup for each portion of the base is complete, that portion can be submitted for careful review and approval by the federal and state regulatory agencies. As properties within McClellan are determined suitable for transfer, the Air Force transfers ownership by deed to McClellan Park through Sacramento County.

Base Conversion: Why FORA?

At the time of the base closure, there were more than 2,000 residential housing units which could now be available to rent or sell. The impact, if these units actually became available, would create a tremendous glut of residential housing on the local real estate market. The possible catastrophic drop in real estate prices and rental income could very well have been a factor in selecting a process to delay conversion of this military post to civilian use.

In any case, Fort Ord's residential housing did not immediately impact the local market because FORA did not transfer jurisdictional property until 2001. This means that rentable residential units sat empty for seven years subject to vandalism and other problems.

No doubt there was the question of who would be the beneficiary of the this incredibly valuable land and all the improvements therein? Possibly, those cities like Salinas, Sand City, Pacific Grove and Carmel not immediately adjacent to Fort Ord, felt some sort of entitlement but had to settle for membership on the FORA Board of Directors where they could have some influence on how the base was to be developed – in other words, if they cannot have a piece of the pie, they could tell the recipients how to develop their property.

An analysis as to why the Fort Ord conversion compares rather poorly with McClellan AFB could be summed up in terms of the infamous " Formula for Failure" principle.

Formula for failure

The first step in a formula to fail is to get as many divergent views as possible so that no one can agree on a single mandate for success. In this case members of FORA's voting board include Carmel, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, Salinas, Seaside and Monterey County. Add to this the 12 "Ex-Officio Members" and now you have the basis for divergent views and the necessary elements for failure. Navigation toward failure requires numerous conflicting solutions proposed by many different factions. It is desirable for each contingent to be the only one with the perfect

solution. Of course, everyone must be open for compromise, but to promote failure, it is desirable to exclude, as preconditions, certain items from consideration.

A Major Precondition:

Those cities benefitting from the base closure should have no say in how their portion is to be developed.

A Herald editorial entitled “FORA Rules A Crock” (January 10, 2013) points out those cities benefitting from the Fort Ord land gift were conspiring to “craft a new set of FORA rules that would enable them to independently make planning decisions for the property each jurisdiction holds at Fort Ord.” Instead, it is argued these various cities cannot be trusted to make development decisions which would not damage the Peninsula’s attractiveness as a tourist destination; therefore, it is necessary for all cities in the area to sit in judgment on any planned development. What a fascinating concept!

The Fort Ord Reuse Authority (FORA) adopted a state and federally required Base Reuse Plan (BRP) in 1997. Under state law, FORA oversees planning, financing, and implementing reuse and recovery programs in the 1997 BRP (Base Reuse Program).” A Fort Ord Base Reuse Plan was adopted June 10, 2016 and a publication entitled “Regional Urban Design Guidelines,” was provided by FORA. This plan was a result of months of meetings at a cost of \$500,000 and forces jurisdictional compliance by benefitting cities even though these cities have established their own planning and building requirements.

Congressman Sam Farr appears to be self-congratulatory when he admitted he was one of the co-authors of FORA back in 1994; in fact, he claims there were some wild base reuse schemes floating around in those days.

Conversely, consider this: Let us suppose I give a huge parcel of land to you and four or five of your neighbors. This land comes to you at no cost – except, well there is this governmental board comprised of thirteen voting members and twelve “ex-officio” non-voting members plus a full time executive and management offices which will cost you an estimated \$3 million or more per year. Moreover, if you sell or rent portions of the property, you would be required to pay half the proceeds to this independent agency. When you decide to develop your property, a thirteen-member board gets to determine if your development plans are acceptable with respect to local tourism.

But there’s more:

FORA, in addition to receiving 50% of land sales or lease receipts, also charges impact fees to be paid by a developer as follows:

Property Classification	Special Tax Rates One-Time Payment	Proposed Revision Effective FY 2014-15
New Residential	\$27,180/Dwelling Unit	\$22,530/Dwelling Unit
Existing Residential	\$ 8,173/Dwelling Unit	\$ 6,780/Dwelling Unit
Office	\$ 3,567/Acre	\$ 2,960/Acre
Industrial	\$ 3,567/Acre	\$ 2,960/Acre
Retail	\$73,471/Acre	\$60,910/Acre
Hotel	\$ 6,065/Room	\$ 5,030/Room

Utilizing this chart: *Dunes Housing – 50 units x \$27,180 per unit = \$1,359,000.*

Dunes Shopping Center: 30 Acres x \$73,471 = \$2,204,130.

See Exhibit “A” for a more complete summary of these “Special Taxes.”

In addition to the FORA “Special Taxes” each of the jurisdictional recipients of Fort Ord property also had some form of “Impact or development Fees.” This report will limit its examination of these fees to Marina’s *Impact fee schedule*. For more information see Exhibit “B.”

City of Marina – April 4, 2016

DEVELOPMENT IMPACT FEE STUDY - 2016 Update FINAL REPORT

Table 1.2: Development Impact Fee Summary

Land Use	Public Buildings Fee	Public Safety Fee	Roadways Fee	Intersections Fee	Parks Fee	Total Fee ¹
Residential						
Single Family Dwelling Units	\$3,313	\$559	\$ 6,790	\$ 1,595	\$ 6,217	\$ 18,474
Senior Homes	\$2,208	\$373	\$ 2,625	\$ 616	\$ 4,145	\$ 9,967
Assisted Living - Senior	\$1,227	\$207	\$ 1,883	\$ 442	\$ 2,303	\$ 6,062
Multi-Family Dwellings	\$3,067	\$518	\$ 4,743	\$ 1,114	\$ 5,757	\$ 15,199
Mobile Home Park	\$3,067	\$518	\$ 3,559	\$ 836	\$ 5,757	\$ 13,737
Campground/RV Park	\$3,067	\$518	\$ 1,926	\$ 452	\$ 5,757	\$ 11,720
Non-residential						
Office/Research	\$169	\$345	\$ 7,867	\$ 1,848	\$ -	\$ 10,228
Retail/Service	\$101	\$207	\$ 13,221	\$ 3,105	\$ -	\$ 16,634
Industrial	\$34	\$69	\$ 4,971	\$ 1,167	\$ -	\$ 6,241
Hotel	\$46	\$93	\$ 5,827	\$ 1,369	\$ -	\$ 7,334
Church	\$34	\$69	\$ 6,497	\$ 1,526	\$ -	\$ 8,126
Day Care Center	\$135	\$276	\$ 52,820	\$ 12,405	\$ -	\$ 65,636
Animal Hospital/Veterinary Clinic	\$202	\$414	\$ 33,663	\$ 7,906	\$ -	\$ 42,186
Medical/Dental Office Building	\$202	\$414	\$ 25,768	\$ 6,052	\$ -	\$ 32,437
Casino/Video Lottery	\$202	\$414	\$ 95,783	\$ 22,496	\$ -	\$ *
Casino	\$202	\$414	\$ 28,122	\$ 6,605	\$ -	\$ *

Notes:

¹ Fee in this table refers to “fee per dwelling unit or mobile home park/campground/RV space,” “fee per 1,000 square feet of building space or gaming space,” and “fee per hotel room.”

* Specifically for the Casino uses, the fees for Public Buildings, Public Safety, and Parks are based on the 1,000 square feet of gaming area, while Roadways and Intersection fees are based on 1,000 square feet of building space, excluding hotel uses.

When adding Marina’s **\$18,474** impact fee for a single family residence to FORA’s **\$22,530** special one time tax, a developer is looking at over **\$40,000** per residence expense not to mention the premium price paid for prime coastal land encumbered with dilapidated wooden structures that have to be removed.

There are endless requirements by prospective builders to provide an acceptable impact report, justify water use, air quality, additional traffic solutions, protection of unknown animal species “ad infinitum.”

And if a project somehow gets past all this, there are fees for architectural reviews, permits and then, of course, the ultimate confrontation with planning commissions and city councils or county board of supervisors. Since this is Fort Ord land, FORA also must approve the final plans. But none of this covers the potential litigation put forth by the “smart growth” or “no growth” contingent.

According to FORA, curbs, gutters and infra-structure improvements are the responsibility of the builder – except for water and sewer which would be handled by Marina Coast Water District. Accordingly, the Dunes developer is using provisions of

Mello-Roos to recover related infrastructure costs including the “hookup costs for water and sewer.

Mello-Roos

A Mello-Roos District is an area where a special property tax on real estate, in addition to the normal property tax, is imposed on those real property owners within a Community Facilities District. These districts seek public financing through the sale of bonds for the purpose of financing public improvements and services. These services may include streets, water, sewage and drainage, electricity, infrastructure, schools, parks and police protection to newly developing areas. The tax paid is used to make the payments of principal and interest on the bonds. Mello-Roos is deductible in some cases but not in others.

When the builder tacks on Mello-Roos to pay for public improvements, it is difficult to imagine how the project can provide 20% of “affordable” residential units as required by State law.

Fort Ord – What’s Next?

Incredibly FORA, after twenty years of failing to achieve a meaningful transition of Fort Ord to civilian use, was granted a six year extension with a provision that, prior to the sunset date in 2020, a transition plan must be prepared and submitted for review. The first draft of this transition plan was rejected by Monterey County Board of Supervisors November 9, 2018. A brief review of the September 28, 2018 draft would indicate the Board of Supervisors were correct in their assessment because this plan essentially recommends the same failed policies be continued by a successor agency. It naturally follows, if no effort is made to solve obvious flaws in this policy, why not retain FORA instead of selecting a successor agency?

This same Board meeting also included a “Building Removal Program” which recommends securing a \$31-million bond to defray part of the costs to remove dilapidated buildings:

During six meetings, the Administrative Committee analyzed and discussed a potential program to remove the remaining abandoned Army buildings left after FORA completes its CIP building removal obligations. Staff presented information, including a preliminary cost estimate for building removal, a potential financing plan, and a draft cost-benefit analysis. Below is a table showing the preliminary building removal cost estimate:

Preliminary Building Removal Cost Estimate:

DESCRIPTION	PRELIMINARY COST ESTIMATE
Seaside Surplus II (10 Buildings)	(\$10 M)
Marina Cypress Knolls	(\$14 M)
TAMC, MST	(\$6 M)
Marina City Park in Dunes Specific Plan	(\$10 M)
County Ammo Supply Point (bunkers remain)	(\$2 M)
Overhead (operations, oversight) (5 years)	(\$4.8 M)
TOTAL COST ESTIMATE	(\$46.8 M)

Under this proposal, the estimated \$46.8 cost of removal would be financed as follows:

Potential Financing Plan:

DESCRIPTION	COSTS & REVENUE SOURCES
Building Removal Cost Estimate	(\$46.8 M)
FORA Property Tax Bond FY 18/19	<u>\$31 M</u>
Remaining Building Removal Cost Estimate	(\$15.8 M)
FORA Land Sales Proceeds in FY 19/20	<u>\$21.2 M</u>
LAND SALES REMAINING TO FUND CIP	\$5.4 M

Why spend \$2-million to remove bunkers on the coast property? Clearly, it is a U.S. Army asset and should be handled by them. Additionally, it appears this valuable beach front land is not being used or developed for recreational use by anyone. Marina's portion, where the Soldier's Club once stood, is fenced off to prevent any sort of use other than a small pathway to view the ocean.

FORA efforts to obtain another costly financial impairment, in the form of a 30-year bond, would further complicate the Transition Plan – setting up one more reason why FORA can argue for another extension. It makes more sense to deed over all properties to those jurisdictions already identified, cancel FORA's half of property sales, so that it can be used, instead, by those jurisdictions directly impacted by deteriorating buildings.

It's a little late in the base conversion planning to look back at what could have been as exemplified by McClellan's successful efforts in this regard, but if this transition planning begins with the idea that each jurisdiction is given the land outright and is responsible for the remaining problems therein, the rest of the transition is a matter of making details fit with this concept.

Suggestions:

1. Bring to an end FORA's base-wide mitigation fees of 50% land sales or lease revenue and require each jurisdiction be responsible, as a city, for their portion of Fort Ord. This means they must handle the remaining deteriorating buildings, and other related problems with the full use of land sales and/or lease revenue.
2. Considering the fact that all cities and the county have zoning requirements, planning, architectural review, permits and a host of red tape, give up the idea that outside agencies and/or other cities have the right to tell another city how to develop their property. There are plenty of State mandates and regulations that all cities are required to follow.
3. Convert FORA's "Regional Urban Design Guidelines" to a suggestion rather than a mandatory step in the development process.
4. **Assignment of assets/liabilities/obligations:** Any land transfer can be handled by LAFCO, fixtures and equipment can be sold off and shared in accordance to their voting percentage. Munitions removal on the Fort Ord National Monument

(covering some 14,600 acres) is the single largest remaining obligation. In 2007 FORA received a \$97.7-million federal grant and another \$6.8-million in 2016 to clear up the ordinance problem. This clean-up has been contracted out and it would appear Monterey County could supervise the remaining obligation.

5. **Cal-PERS Pension** – any accumulated funds to defray retirement costs of existing personnel would be transferred to the Cal-PERS State fund.
6. **Remaining obligations:** If allocated to improvements on a jurisdiction would have to be handled by that jurisdiction
7. **Capital Improvement Program (CIP):** That portion of the CIP funds collected for road systems outside the Fort Ord Base should be allocated and handled by the Transportation Agency of Monterey County (TAMC). Those funds collected for improvement within the base would go to the jurisdiction involved. In all cases these funds should be properly identified and used in accordance to sections 66001-66003 of the California Government Code.
8. **Habitat and environmental issues:** Are routinely handled by each city as a part of an “Environmental Impact Report.”
9. **Water/Wastewater:** Is already allocated to Marina Coast Water District.

Obviously, these are mere suggestions. It is doubtful that anyone is in position to recommend solutions to an organization designed to fail.

Exhibit A.

PROPERTY CLASSIFICATION	Maximum Special Tax Rates (One –time Special Tax Payments)
Undeveloped Property	\$ - 0 -
Developed Property	
New Residential	\$27,180 / Dwelling Unit
Existing Residential	\$8,173 / Dwelling Unit
Office	\$3,567 / Acre
Industrial	\$3,567 / Acre
Retail	\$73,471 / Acre
Hotel	\$6,065 / Room

Proposed Change
For FY 2014-15:

\$22,530/Dwelling Unit
\$ 6,780/Existing residential
\$ 2,960/Acre
\$ 2,960/Acre
\$60,910/Acre
\$ 5,030/ Room

Project Name:

Dunes Housing: 50 units x \$27,180 per unit	\$ 1,359,000.00
Dunes Shopping Center: 30 Acres x \$73,471	2,204,130.00
University Village (South County): 108 units x \$27,180 = \$2,935,440 x 5% =	146,772.00 (Tier 1)**
Promontory: Student Dormitory 8 th St. 175 units x \$27,180 = \$4,756,500 x 5% =	237,825.00 (Tier 1)**
Cinema 5 screen theatre: 3.5 acres x \$73,471 =	257,148.50
Springhills by Marriott: 110 rooms x \$6,065 =	667,150.00
VA Clinic 14.31 acres x \$3,567 =	51,043.77
LDS Church: 5.8 acres x \$3,567 =	20,688.60
TOTAL:	\$ 4,913,757.87

It should be noted FORA would not verify these figures even though they provided the majority of these calculations.

****Tier 1 housing must meet certain FORA criteria i.e. 100% below market housing with 20% deed restrictions or related restrictions which allows a sizeable reduction in special tax fees.**

Other data of interest:

- 1) An Economic Development Administration (EDA) grant funded Imjin Parkway construction from the bend at Imjin Road (where it goes back down to one lane) to just before the intersection of 2nd Avenue. The same grant funded the Imjin Road improvements into the Marina airport. The total amount of that project was \$7,698,324.
- 2) An EDA grant also funded the construction of 2nd Avenue, of which the intersection with Imjin Parkway was completed and Imjin Parkway completion to Highway 1 was a part. That construction was approximately \$300,000 of the overall grant total.

General Jim Moore: financed through loan on Preston Park and CFD Special Taxes. The project cost \$24,000,000. FORA paid \$14 million and balance was financed through EDA grant \$10-million.

Exhibit B.

Impact Fee Summary – June 9, 2014 (up-dated June 19, 2014)

For new development: City of Marina uses "Impact Fees" CA Gov Code 66000-66025 ("Mitigation Fee Act")

Project Name	Public Bldg	Public Safety	Roadways	Intersections	Parks	TOTAL
*Dunes Housing (50 units)	\$ 109,300.00	13,450.00	232,900.00	114,950.00	-	\$ 470,600.00
Bed Bath & Beyond	21,613.68	18,338.88	464,366.64	288,837.36	-	793,156.56
Best Buy	20,427.66	17,332.56	438,885.18	272,987.82	-	740,633.22
Famous Footwear	5,420.58	4,599.28	116,460.34	72,438.66	-	198,918.86
Kohl's	64,660.20	54,863.20	1,389,214.60	864,095.40	-	2,372,833.40
Michael's	15,445.98	13,105.68	331,854.54	206,414.46	-	566,820.66
Old Navy Store	9,915.18	8,412.88	213,026.14	132,502.86	-	363,857.06
Party City	7,068.60	5,997.60	151,867.80	94,462.20	-	259,396.20
REI	17,520.36	14,865.76	376,422.28	234,135.72	-	642,944.12
Target	93,005.22	78,913.52	1,998,203.06	1,242,887.94	-	3,413,009.74
University Village	218,592.00	26,892.00	348,516.00	171,936.00	592,380	1,358,316.00
Student Dormitory 8th St	84,506.00	10,382.00	191,184.33	94,165.33	229,042	609,279.66
*Cinema 5 screen	13,501.80	3,436.19	336,885.55	166,221.40	-	520,044.94
*Springhills Marriott	14,300.00	3,630.00	437,470.00	\$ 215,820.00	-	671,220.00
*VA Clinic	96,370.56	24,687.52	796,990.48	393,215.68	-1,311,264.24	
*LDS Church	12,312.00	3,154.00	101,821.00	50,236.00	-	167,523.00
*Hampton Inn	12,166.80	3,088.80	369,577.20	182,366.80	-	567,159.60
*Marina Townhomes	14,168.00	1,743.00	22,589.00	11,114.00	38,395	88,039.00
TOTALS	\$ 830,294.62	\$ 306,892.87	\$8,318,234.14	\$4,808,777.63	\$859,817.	\$15,124,016.26

- Estimate only – monies not yet received.

Impact Fees – Central Marina & Marina Station.

Impact Fee Schedule: Updated April 4, 2016

	Public Bldg Fee	Public Safety fee	Road-ways fee	Inter-section fee	Parks Fee	TOTAL Fees
<u>Residential</u>						
Single Family Dwellings	\$3,313	\$559	\$6,790	\$1,595	\$6,217	\$18,474
Senior Homes	2,208	373	2,625	616	4,145	9,967
Assisted Living – Senior	1,227	207	1,883	442	2,303	6,062
Multi-Family Dwellings	3,067	518	4,743	1,114	5,757	15,199
Mobile Home Park	3,067	518	3,559	836	5,757	13,737
Campground/RV Park	3,067	518	1,926	452	5,757	11,720
<u>Non-residential</u>						
Office/Research	\$ 169	\$345	\$ 7,867	\$ 1,848	--	\$10,229
Retail/Service	101	207	13,221	3,105	--	16,634
Industrial	34	69	4,971	1,167	--	6,241
Hotel	46	93	5,827	1,369	--	7,335
Church	34	69	6,497	1,526	--	8,126
Day Care Center	135	276	52,820	12,405	--	65,636
Animal Hospital/Vet clinic	202	414	33,663	7,906	--	42,185
Medical/Dental Office Bldg	202	414	25,768	6,052	--	32,436
Casino/Video Lottery	202	414	95,783	22,496	--	*
Casino	202	414	28,122	6,605	--	*

Fees in this table refer to: "fee per dwelling unit, or mobile home park/RV space," "fee per 1,000 square feet of building space or gaming space, (for Non-residential land uses)" and "fee per hotel room."

- Specifically for the Casino uses, the fees for public buildings, Public safety, and Parks are based on 1,000 square feet of gaming area, while Roadways and intersections fees are based on 1,000 square feet of building space, excluding hotel uses.

From: [Ron Chesshire](#)
To: [Michael Houlemard](#); [Robert Norris](#); [FORA Board](#)
Subject: Re: Lunch
Date: Monday, November 26, 2018 8:25:28 AM
Attachments: [BCTCHolidayLuncheonInvite2018.pdf](#)

From: Ron Chesshire
Sent: Monday, November 26, 2018 8:21 AM
To: James Panetta; Bill Monning; Mark Stone; Anna Caballero
Subject: Lunch

Please see attached.

In Solidarity,

Ron Chesshire

Monterey/Santa Cruz Counties Building & Construction Trades Council
10300 Merritt Street
Castroville, CA 95012
(831) 869-3073
ron@mscbctc.com
www.MSCBCTC.com



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FPPC No. 850048

Andy Hartmann
President

John Papa
Vice President

Rod Smalley
Treasurer

Steve MacArthur
Recording Secretary

Ron Chesshire
CEO

YOU'RE INVITED!

The Monterey/Santa Cruz Counties Building & Construction Trades Council will be having a **Holiday Luncheon** on **Monday, December 10, 2018**. The luncheon will be from 11am until 1:30pm. It has become a tradition to invite Friends of the Building Trades to join us. We wish for you to consider stopping by and having lunch and conversation with us at this most joyous time of year.

Building Trades Holiday Luncheon

Monday, December 10th @ 11am

**@ the Carpenter's 605 Hall
910 2nd Ave, Marina, CA 93933**

RSVP with Ron Chesshire at ron@mscbctc.com or (831) 869-3073 by Friday, December 7th.

Thank you, Merry Christmas, and Happy Holidays to all.

Boilermakers #549
Bricklayers #3
Carpenters #505
Carpenters #605
Carpet, Lin. & Soft Tile #12
Elevator Constructors #8
Glaziers #1621
IBEW #234
Insulators & Asbestos #16
Ironworkers #155
Ironworkers #377
Laborers #270
Millwrights #102
OP & CMIA #300
Operating Engineers #3
Painters & Tapers #272
Plumbers & Steamfitters #62
Roofers & Waterproofers #95
Sheet Metal Workers #104
Sprinklerfitters #669
Teamsters #890
UA #355

From: [John Farrow](#)
To: [Dominique Davis](#); [Michael Houlemard](#); [FORA Board](#); [Sheri Damon](#)
Cc: [Michael DeLapa](#)
Subject: LandWatch's proposed revisions to "Hybrid" Transition Plan
Date: Tuesday, November 27, 2018 11:32:32 AM
Attachments: [ltr to FORA proposing revisions to hybrid TP- final.pdf](#)

Dear Ms. Davis, Ms. Damon, and Mr. Houlemard,

Attached please find a letter to the FORA Board outlining the changes that LandWatch proposes be made to the November 8 "Hybrid" Transition Plan.

I would very much appreciate it if you would confirm receipt of this e-mail and circulate the letter to the Board.

We thank Ms. Damon for meeting with us last week to discuss our concerns and look forward to the workshop tomorrow.

John Farrow

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555 Sutter Street | Suite 405 | San Francisco, CA 94102
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The information in this e-mail may contain information that is confidential and/or subject to the attorney-client privilege. If you have received it in error, please delete and contact the sender immediately. Thank you.

November 26, 2018

By E-mail

Board of Directors
Fort Ord Reuse Authority
920 2nd Ave. Suite A
Marina, CA 93933
board@fora.org
michael@fora.org
dominique@fora.org

Re: Proposed Revisions to the “Hybrid” Transition Plan

Dear Members of the Board:

On behalf of LandWatch Monterey County, I write to thank FORA staff for inviting LandWatch to discuss its concerns with the draft Transition Plan. LandWatch discussed its primary concerns with FORA staff and legal counsel on November 20, 2018 and offered to propose specific changes to the November 8, 2018 “Hybrid” Transition Plan in order to address those concerns. LandWatch’s suggestions are attached.

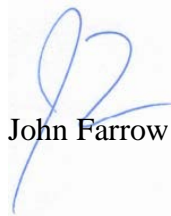
LandWatch has two overarching concerns.

First, nothing in the Transition Plan should constrain the authority and discretion of the land use jurisdictions to determine when and if to fund or build any specific road or transit project.

Second, nothing in the Transition Plan should purport to oblige MCWD to fulfill FORA’s existing water supply allocations by pumping groundwater.

Yours sincerely,

M. R. WOLFE & ASSOCIATES, P.C.



John Farrow

JHF:hs

LandWatch’s Proposed Changes to FORA Staff’s November 8, 2018 “Hybrid” Transition Plan

November 26, 2018

Page 1

PROPOSED CHANGES RE TRANSPORTATION AND TRANSIT

Section 1.7

Change

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.

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The Board hereby finds and determines that completion of the on-base Fort Ord ~~t~~ransportation ~~n~~etwork and ~~t~~ransit 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~~ may not be sufficient to fund aspects of the ~~T~~ransportation ~~N~~etwork and ~~t~~ransit needs and revenue sharing between the land use jurisdictions ~~will~~ may be required. Revenue generation and revenue sharing for ~~t~~ransportation and ~~t~~ransit needs will be addressed in the Implementing Agreements.

Rationale for change:

Because the term “Fort Ord Transportation Network and Transit policies and programs” is not a defined and term, it should not be capitalized. Since there is no agreement as to what roads may be build or when, there should not be any suggestion to the contrary.

Neither the insufficiency of nexus fees nor the categorical requirement for revenue sharing have been established. Nor can these conclusions be established without a legal conclusion as to mandated infrastructure and reliable projections about future development and impact fees. There is no need to draw these conclusions if the parties all agree that the land use jurisdictions shall have plenary authority to fund, solicit funding, and construct roads and transit projects when and if they determine the projects to be necessary.

LandWatch’s Proposed Changes to FORA Staff’s November 8, 2018 “Hybrid” Transition Plan

November 26, 2018

Page 2

Section 2.2.6

Change

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.

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For all of those ~~Fort Ord Transportation Network and Transit~~ road construction or 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 authority and discretion~~ to generate and/or ~~collect-solicit~~ 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, authority and discretion ~~responsibility~~ to generate and/or ~~collect-solicit~~ 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

LandWatch’s Proposed Changes to FORA Staff’s November 8, 2018 “Hybrid” Transition Plan

November 26, 2018

Page 3

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, but nothing in this Transition plan or its Implementing Agreements shall interfere with the discretion of a lead agency to determine when and if to fund and construct any particular road or transit 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.

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Rationale for change

“Fort Ord Transportation Network and Transit projects” is not a defined term so should not be capitalized. Since there is no agreement as to what roads may be build or when, there should not be any suggestion to the contrary.

The changes clarify that land use agencies will have plenary authority and discretion to fund and construct road and transit projects within their territory.

PROPOSED CHANGES RE WATER SUPPLY

Recital K.

Change

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.

to

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 and that Marina Coast Water District meet all requirements of the 1993 Annexation Agreement between MCWRA and the Army and implement the Non-Army Responsibility Mitigations in the Amy’s 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure.

Rationale for change:

LandWatch’s Proposed Changes to FORA Staff’s November 8, 2018 “Hybrid” Transition Plan

November 26, 2018

Page 4

MCWD’s obligation to provide an “equitable supply of water at equitable rates” is only one of three obligations assumed by MCWD as grantee of the Army’s interests in water facilities and production rights. (See Easement to Fort Ord Reuse Authority for Water and Wastewater Distribution Systems Located on Former Fort Ord, October 23, 2001, paragraph 2, Consideration, available at pdf page 141 of <https://www.mcwd.org/docs/ocsiaa/MCWD%20Public%20Draft%20IS%20Dec192017.pdf>.) MCWD’s obligations as grantee are discussed below in the rationale for proposed changes to Paragraph 1.7.

Paragraph 1.7

Change

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.

to

The Board hereby finds that in the 1993 Annexation Agreement between the Army and MCWRA, MCWRA agreed that the Army could pump 6,600 afy of groundwater for use on Fort Ord on an interim basis pending implementation of an expected water supply project to provide a replacement potable water supply of at least 6,600 afy, at which time all Fort Ord wells would be shut down due to the seawater intrusion caused by existing groundwater pumping. The Board further finds that the Army assigned a portion of its interest in the 6,600 afy to Marina Coast Water District (“MCWD”) in the 2001 Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deeds for Water and Wastewater Systems, which assignment required MCWD as Grantee to meet all requirements of the 1993 Annexation Agreement, to implement the Non-Army Responsibility Mitigations in the Army’s 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure, and to cooperate and coordinate with others to ensure landowners continue to be provided with an equitable supply of water at equitable rates. The Board further finds that the Non-Army Responsibility Mitigations in the Army’s 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure required FORA to cooperate with MCWRA’s plans

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LandWatch's Proposed Changes to FORA Staff's November 8, 2018 "Hybrid" Transition Plan

November 26, 2018

Page 5

and/or develop private plans for additional water supplies and to phase development based on water supply availability. The Board ~~hereby further~~ 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 its water allocations were intended to allocate the potable water supply expected to be available from the replacement water supply and that FORA did not require or authorize MCWD to fulfill the allocations by pumping groundwater. The Board further finds that continuing seawater intrusion may preclude increases in existing groundwater pumping to meet the allocations and may require development of alternative, non-groundwater sources of potable water supply to meet the allocations.

The Board recognizes that the land use jurisdictions may choose to use the FORA allocations in the future as a means of allocating whatever water supply is available and may wish to agree that MCWD may manage available water supply with reference to the FORA allocations. ~~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~~ recognizing MCWD's authority and discretion to finance a planned non-potable water augmentation project, water infrastructure, 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.

Rational for change

The Transition Plan should recognize that there is no mandate to MCWD to meet the FORA water supply allocations, and especially no mandate to do so with pumped groundwater. The Transition Plan should recognize that FORA's "fair and equitable" water supply allocations were made in the context of plans in the 1993 Annexation Agreement between the Army and MCWRA to replace the groundwater supply with another potable water supply and commitments to phase development based on the availability of a supply that does not induce seawater intrusion or exceed safe yield.

The Transition Plan should recognize that FORA cannot assign new obligations to MCWD. The Transition Plan should only recognize the obligations that MCWD has already undertaken and that will not expire when FORA sunsets. FORA's authority over

LandWatch's Proposed Changes to FORA Staff's November 8, 2018 "Hybrid" Transition Plan

November 26, 2018

Page 6

MCWD expires with the expiration of the 1998 Water/Wastewater Facilities Agreement between FORA and MCWD when FORA sunsets. (See Article 9 of that agreement.)

When the Army quit claimed to MCWD the Army's Fort Ord infrastructure and the Army's water production rights under the 1993 Annexation Agreement, the Consideration for that grant recited three obligations that Grantee (MCWD) assumed: to cooperate and coordinate with others to ensure landowners continue to be provided with an equitable supply of water at equitable rates; to honor the 1993 Annexation Agreement; and to implement the Non-Army Mitigations in the Army's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure. See Easement to Fort Ord Reuse Authority for Water and Wastewater Distribution Systems Located on Former Fort Ord, October 23, 2001, paragraph 2, Consideration. (Available at pdf page 141 of <https://www.mcwd.org/docs/ocsiaa/MCWD%20Public%20Draft%20IS%20Dec192017.pdf>.) If the Transition Plan is going to recite one of the obligations MCWD assumed, it should recite them all.

While the FORA water allocations may be one means of providing a "fair and equitable" supply, these allocations are not the only means; and the specific allocations are not mandated by the Army's grant to MCWD, and they do not survive by virtue of the 1998 Water/Wastewater Facilities Agreement, which expires when FORA sunsets. That said, the Transition Plan may recognize that land use jurisdictions are free to agree among themselves to use the FORA allocations in the future as a basis for allocating whatever potable water supply is available.

Nothing in the Army's grant to MCWD obligates MCWD to continue pumping groundwater to provide a "fair and equitable" supply, especially if increased pumping induces seawater intrusion and compromises the continuing use of groundwater for existing MCWD customers on Fort Ord. The Transition Plan should expressly recognize this, and it should certainly not suggest anything to the contrary by implying MCWD has a duty to continue meeting the allocations if MCWD does not have available supply.

Finally, the Transition Plan should recognize that there is no legal basis to assign MCWD responsibility to provide the non-potable augmentation supply after the 1998 Water/Wastewater Facilities Agreement expires, but that MCWD may pursue the augmentation project on its own volition.

Section 2.2.7

Change

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

LandWatch's Proposed Changes to FORA Staff's November 8, 2018 "Hybrid" Transition Plan

November 26, 2018

Page 7

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.

to

~~Should the land use jurisdictions agree, MCWD may use the FORA water allocations as a means of allocating whatever potable water supply is available. 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. For example, in the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, the jurisdictions may agree that 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. Regardless how water is allocated among the land use jurisdictions, nothing in this Transition Plan or its Implementing Agreements shall authorize or obligate MCWD to pump groundwater to meet those allocations or to abrogate MCWD's statutory responsibility and authority to restrict water use in accordance with a threatened or existing water shortage. 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.~~

Rationale for change

When FORA sunsets, MCWD will no longer be bound by the 1998 Water/Wastewater Facilities Agreement (see Article 9). There is no authority for, or agreement on, the proposition that the FORA water allocations would persist, and there is no need to resolve this question if the land use jurisdictions are willing to reach an agreement among

LandWatch's Proposed Changes to FORA Staff's November 8, 2018 "Hybrid" Transition Plan

November 26, 2018

Page 8

themselves to continue to allow MCWD to manage the available water supply with reference to the allocations in some manner. There is also no apparent legal basis to constrain the future agreements the land use agencies may make with regard to water allocation.

The Transition Plan must acknowledge that it cannot compel MCWD to honor the FORA water allocations by pumping groundwater. This would abrogate MCWD's authority to refuse service in a water shortage. See Gov. Code, §§ 31026, 31029.1, 31035.1; Water Code § 350; *Building Industry Assn. v. Marin Mun. Water Dist.* (1991) 235 Cal.App.3d 1641; *Swanson v. Marin Municipal Water Dist.* (1976) 56 Cal.App.3d 512; *San Diego County Water Authority v. Metropolitan Water Dist. of Southern California* (2004) 117 Cal.App.4th 13. It would also be inconsistent with MCWD's duties to phase development based on available water supply under the Army's assignment of its Fort Ord water facilities and water production rights.

Language purporting to bind MCWD to new obligations, or to constitute a commitment now being made by MCWD (e.g., "MCWD commits to working with the jurisdictions ..."), is inappropriate because MCWD is not a party to the Transition Plan.

Discussion of the remaining funding balance for the non-potable water augmentation project is not relevant because the Transition Plan does not provide funding for this project.

OTHER PROPOSED CHANGES:

Recital F: Strike the definitions of Base-wide Mitigation Measures and Base-wide Costs. These terms are not useful in the Transition Plan since there will not be agreement as to the actual referents of these terms (Which projects? Which policies? Which development restrictions?)

Recital G: Strike all of recital G, which states that FORA is obligated to implement the Base-wide Mitigation Measures and Base-wide Costs. This recital is not useful in the Transition Plan.

Paragraph 1.1: This should be captioned "Continuity of Base Reuse Plan Policies and Programs" since that is what it actually covers. It should not be captioned "Base-wide Costs and Base-wide Mitigation Measures" since it does not mention these topics.

Paragraph 2.1.5: Unexpended funds should be allocated on a pro-rata basis among land use jurisdictions based on an agreed formula. Allocating these funds to specific projects is inconsistent with recognizing that the land use jurisdictions have plenary authority and discretion to pursue infrastructure projects when and if they chose to implement those projects.

LandWatch's Proposed Changes to FORA Staff's November 8, 2018 "Hybrid" Transition Plan

November 26, 2018

Page 9

Paragraph 4.1: This paragraph should be revised to provide that the preferred method is to allow "jurisdictions choice and flexibility in whether and how CIP projects" will be funded and carried out. There can be no guarantee that CIP projects will in fact be implemented and the assumption that all CIP projects will be carried out is inconsistent with the "home rule" provisions for road and transit projects.

Paragraph 4.2: Change "generate revenues to meet its obligations" to "generate revenues to exercise its authority and discretion." There is no foundation for assuming that there are any post-FORA obligations.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2018

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Special District Member, Alternate

Counsel

Leslie J. Girard

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December 12, 2018

BY EMAIL

Board of Directors, Fort Ord Reuse Authority
920 Second Avenue, Marina CA 93933

RE: FORA Agenda Item No. 8b, December 14, 2018 (Draft Transition Plan, Section 2.1.3, Page 8 - Litigation Reserve Funds)

Dear FORA Board Members:

We are writing with respect to the current draft transition plan prepared by FORA staff for consideration on December 14. We appreciate that this plan and the alternative plans appear to appropriately address the authority and role of the Local Agency Formation Commission. The FORA staff plan and the City of Marina alternative plan also address many of the required elements of a transition plan. We recognize that any plan to be adopted at this time will continue to evolve through stakeholder discussions, local implementation agreements and possible legislation in 2019. As part of this collaborative process, we will provide detailed comments upon receiving an adopted plan from FORA in coming weeks, and anticipate that FORA will provide a final plan for LAFCO adoption by Fall 2019.

With this letter, we request changes to the litigation reserve fund provisions for any transition plan to be adopted by FORA. These changes have been discussed with FORA staff by LAFCO staff and general counsel, and are precipitated by the high-risk exposure of this transition and dissolution process, and the potential that LAFCO will need to initiate litigation to ensure the transition plan is properly implemented. We request that:

1. An additional \$200,000 be added to the litigation reserve fund as part of FORA's FY 2019-2020 budget (to supplement the initial \$300,000 set aside in FY 2018-2019);
2. Upon FORA's sunset (anticipated June 30, 2020), this aggregate amount be placed in an escrow account or trust, and remain accessible for a period of five years, to be available to LAFCO in the event litigation arises in which LAFCO is a defendant, or in which LAFCO seeks to ensure compliance with the transition plan;
3. The transition plan identify a mechanism for obtaining any requisite additional funding from successor agencies, beyond the aggregated \$500,000, should it be required for post-FORA legal defense. The plan should also include provisions for proportionately returning all unexpended legal contingency funds to the successor agencies, or other final disposition of all such funds, after the five-year period referenced above.

The above requests are made with respect to the transition plan and to the corresponding indemnification agreement between FORA and LAFCO, which will accompany FORA's adopted transition plan to LAFCO in coming weeks. A draft version of the latter was provided to FORA earlier this year. We will work with FORA staff to integrate into the final indemnification agreement the provisions requested above.

Thank you for your consideration of these requests, and we look forward to continuing a close working relationship with FORA and all stakeholders in this critical process.

Sincerely,



Kate McKenna, AICP
Executive Officer

cc:
LAFCO Commissioners
Leslie J. Girard, LAFCO General Counsel
Senator Bill Monning