

FORA Transition Plan (DRAFT)

Presentation to Transition Task Force (TTF)

April 27, 2016

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FORA Obligations

- **Authority Act** – Planning, Oversight, Recovery, Financing
- **Base Reuse Plan (BRP)** California Environmental Quality Act (CEQA) Mitigations

Board-Determined Obligations

- FORA-US Army Environmental Services Cooperative Agreement (ESCA)
- Remaining Base-wide Building Removal (Marina, Seaside)

Organizational/Contractual Closure Obligations

FORA Revenue Sources

- Land Sales (\$25M), Property Taxes (\$2-3M/year), FORA Community Facilities District (CFD) Special Taxes (\$78M)
- Membership dues (\$261K), Marina Coast Water District (MCWD) franchise fees (\$265K/year), ESCA (\$1M/year) and other grants

Post-2020 Considerations

- Organizational Responsibilities (CalPERS, CEQA mitigations, etc.)
- Contractual Obligations (Army ESCA, MCWD and water rights, etc.)
- Post-2020 alternatives (single, multiple, new?)

BRP CEQA Mitigations

2035

Transportation/Transit

- Current FORA obligation: \$120.9 million
- Estimated post-2020 obligation: \$40.4 million
- On-site project completion schedule: 2025
- Full completion schedule: 2035

Water Augmentation

- Current FORA obligation: \$24 million
- Estimated post-2020 obligation: \$15.4 million (FORA's required mitigation only)
- \$8.6 million to be collected by 2020
- Completion schedule: 2018-2035, in phases

Habitat Management Plan/Habitat Conservation Plan (HCP)

- Current FORA obligation: \$32.3 million
- Estimated post-2020 obligation: \$9 million for HCP endowments
- \$30 million to be collected by 2020
- Completion schedule: 2035

Board-Determined Obligations

FORA-US Army ESCA



2037

\$98 million US Army grant.

- Administrative Order on Consent (AOC) termination is tied to performance standards, not a fixed date. Army/Regulators “approve” FORA’s successor.
- ESCA completion schedule: Regulatory acceptance anticipated in 2019. Army 5-year review in 2017-18, FORA ESCA Obligations continue to 2037.
- Estimated post-2020 obligation: \$6 million (*can be matched to potential new grant*).

Remaining Base-wide Building Removal



2020

\$8-9 million estimated remaining FORA obligation paid by Land sales/rents.

- Marina and Seaside have remaining removal obligation.
- FORA currently designated as Hazardous Waste Generator for World War II contaminated debris.
- Completion schedule: FORA’s building removal financial obligations can be met by 2020. If obligation is altered, it may extend the schedule.

FORA Water Rights, Agreements, BRP



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end?

- FORA-MCWD Water/Waste Water Facilities Agreement
- Fort Ord Water Rights conveyed by U.S. Army
- FORA's Oversight Powers and BRP Compliance
- Miscellaneous Contract Obligations (e.g. MPC, County, and FORA agreement regarding public safety officer training facilities)

PLL Insurance



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2025

- Pollution Legal Liability (PLL) Insurance

Retirement / Health



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2020

- FORA Employee Retirement/Health Insurance

FORA Revenue Sources

2020

?

Land sale and lease proceeds

- 50-50 FORA/jurisdiction split bringing in \$25 million

Property Taxes

- current Health & Safety Code split bringing in \$2 million/year with increase expected to \$3M/year.

FORA CFD Special Tax

- CFD revenues \$78 million in building permits triggered by development.

Membership Dues

- \$261,000/yr paid by jurisdictions to FORA.

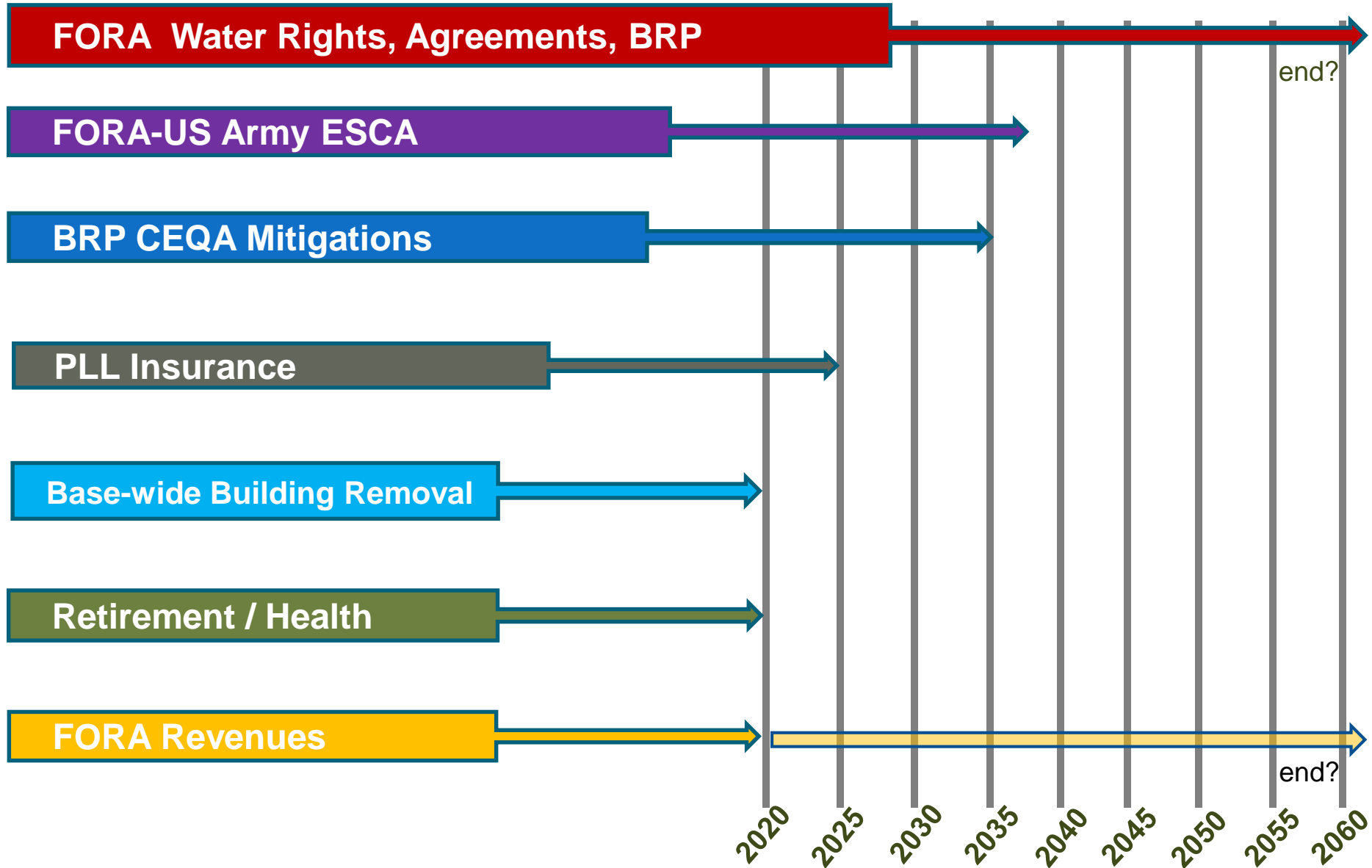
MCWD Revenues

- \$265,000/yr from MCWD to FORA.

ESCA grant funds

- Of \$98 million granted, \$98 million will be spent for regulatory reimbursement, FORA Administration, and ARCADIS work by 2020

Timelines to Completion



- A.** Extend FORA as is, or restructure membership, retaining legislative authorities for a fixed term.

- B.** Create a FORA successor agency or Joint Powers Authority / Community Services District for a fixed term.

- C.** Assign responsibilities to local entity/ies (FORA members) and/or regional / state agencies.

Post-2020 Alternatives (Slide II)

A. Extend FORA 'as is' or restructure FORA's membership, with legislative authority for a fixed term. Requires legislation but not Army consent.

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FORA 2.0		
Building Removal Hazardous Waste		
Army ESCA Long-term Obligations		
Water Rights		
CEQA Mitigations		
Retirement/Health		
Land Sales <u>\$25M</u>	CFD/Dev Fees <u>\$78M</u>	Property Taxes <u>\$2-3M/year</u>
Dues <u>\$260K or less</u>	Franchise Fees <u>\$265K/year</u>	ESCA Admin <u>\$1M</u>

Revenue Sources

B. Assign responsibilities to a combination of entities such as FORA member agencies, regional, and state agencies. Requires legislation and Army consent.

New Entity or Assign to Existing	
Building Removal Haz. Waste	Jurisdictions
Army ESCA LTOs	(LAFCO) To Be Assigned
Water Rights	(LAFCO) To Be Assigned
CEQA Mitigations	(LAFCO) To Be Assigned

Land Sales <u>\$25M</u> Jurisdictions Receive	CFD/Dev Fees <u>\$0M or more</u> Requires New Fee Structure	Property Taxes <u>\$2M/year</u> Redistributed Outside Ft Ord
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Franchise Fee
\$0/year or more
Jurisdictions?

ESCA Admin
\$1M
To Be Assigned

Post-FORA Financial Implications

R E V E N U E S	Resource Structure	Property Taxes (≥ \$2M/year)	Post-FORA CFD / Dev Fees (\$78M)	Land Sales (\$25M)	Dues & Franchise Fees (\$525K/year)	ESCA Regulators & Administration (\$1M)
	FORA 'as is' or adjusted	✓	✓	✓	✓	✓
	JPA or CSD	○	○	○	○	✓
Individual Entities	○	○	✓	○	✓/○	
E X P E N S E S	Costs Structure	Building Removal (\$0-9M)	CIP (\$56M)	HCP (\$9M)	ESCA (\$6M)	TOTAL UNFUNDED OBLIGATION
	FORA 'as is' or adjusted	✓	✓	✓	✓	\$0 M
	JPA or CSD	✓	✓	✓	✓	\$70 M
	Individual Entities	✓	✓	✓	✓	\$45 M

TTF Role and Timeline Schedule



TTF convenes and reviews Transition Plan, makes recommendation to FORA Board (Fall 2016)

FORA Board – approves the Draft Transition Plan (Nov. 2016)

LAFCO – consults with FORA and confirms Board decision (Oct. 2017)

State Legislature – receives FORA’s Transition Plan report (Spring 2018) and approves required legislation (2019-20)

Jurisdictions – review and comment, implement assigned functions (2016-19), receive pass-through revenues if applicable

Other Agencies – review and negotiate assigned functions, negotiate role, receive pass-through revenues, if applicable (2016-19)

1. Draft legislation to address/extend FORA authority, obligations, and assets for limited time.

OR

2. Draft legislative language to transfer/convey powers and authority to JPA/CSD successor.

- CFD Special Taxes
- Land sales 50-50 formula
- Property tax resources
- BRP oversight continuity
- Contractual obligations (where/if possible)

Questions?

