

APPROVED



**FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING MINUTES
2:00 p.m., Friday, September 13, 2019 | Carpenters Union Hall
910 2nd Avenue, Marina, CA 93933**

1. CALL TO ORDER

Chair Supervisor Jane Parker called the meeting to order at 2:00 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Supervisor John Phillips.

3. CLOSED SESSION

- a. Conference with Legal Counsel – Gov. Code §54956.9(a), (d)(1): Marina Community Partners, LLC v. Fort Ord Reuse Authority, Monterey County Superior Court Case No.: 18CV000871, Pending Litigation.
- b. Conference with Legal Counsel – One item of Potential Litigation, Gov. Code §54956.9(d).

Time Entered: 2:05 p.m.

Time Exited: 2:20 p.m.

4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

Authority Counsel Jon Giffen, announced the following:

- **Item 3a;** The Board heard from counsel on the status and approved the final settlement agreement under the following terms: FORA to pay MCP a settlement in the amount of \$4,666,399, of which \$3 million will go into an interest-bearing escrow account. The initial payment of \$1.5 million will be distributed once the building removal contractor has given notice to proceed and an additional \$1.5 million will be distributed when FORA receives a Notice of Completion of the project. The remaining \$1.6 million of the total settlement will be credited to MCP against FORA's share of land sales proceeds for Phase II of The Dunes project. This settlement agreement does not increase FORA's obligation for deconstruction costs beyond the terms provided in the Memorandum of Understanding or the Reimbursement Agreement.

**Director O'Connell stated for the record that representatives from the City of Marina were not involved in the settlement discussion and subsequent vote. Authority Counsel advised that as a party to the litigation the City of Marina did not have standing to be present in closed session.*

5. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

Executive Officer Michael A. Houlema, Jr. announced the following:

- Former FORA Associate Planner Mary Israel has accepted a position with the Monterey County Resource Management Agency ("RMA") planning department.
- Former FORA Administrative Coordinator Shawn Hall has accepted a position within the Local Agency Formation Commission ("LAFCO").
- FORA Controller/Finance Director Helen Rodriguez has returned to FORA staff full time.
- Despite submitting a bid for the UCMBEST property last year, The Rutherford Group has backed out of the development project.
- Consultant Kristie Reimer announced that FORA will be hosting the upcoming Association of Defense Committees ("ADC") Base Redevelopment Forum September 30th - October 1st. For details and registration information visit: www.baseredevelopment.org
- Assistant Executive Officer Josh Metz announced Central Coast Marketing Team will be holding a Monterey Bay Opportunity Zone Investment Forum on Monday, October 14th (*subsequently rescheduled for Friday, November 15th*) at the CSUMB City Center. For more information visit: www.mboz.org.
- Nicole Hollingsworth, District Director for Senator Bill Monning, read a letter from the Senator to the Board regarding Senate Bill ("SB") 189. The Senator expressed his disappointment and confusion as to why SB 189 did not make it past the Assembly Appropriations Committee, as the bill had bipartisan support in the Senate, as well as the Assembly Local Government Committee. He wrote that at this juncture there is no legislative remedy to reverse the action taken in the Appropriations Committee and thanked the Cities of Monterey, Pacific Grove, Del Rey Oaks and Carmel, Monterey County, CSUMB and the veterans community for their collaboration and support throughout the legislative process.

6. ROLL CALL

Voting Members Present:

Supervisor Jane Parker (County of Monterey), Supervisor John Phillips (County of Monterey), Supervisor Mary Adams (County of Monterey), Councilmember John Gaglioti (City of Del Rey Oaks), Councilmember Frank O'Connell (City of Marina), Mayor Pro-Tem Gail Morton (City of Marina), Councilmember Alan Haffa (City of Monterey), Mayor Ian Oglesby (City of Seaside), Councilmember Jon Wizard (City of Seaside), Mayor Mary Ann Carbone (City of Sand City), Mayor Joe Gunter (City of Salinas), Councilmember Cynthia Garfield (City of Pacific Grove), Councilmember Jan Reimers (City of Carmel-by-the-Sea)

Ex-officio (Non-Voting) Board Members Present:

Kathleen Lee (20th Congressional District), Nicole Hollingsworth (17th State Senate District), Debbie Hale (TAMC), Dr. P.K. Diffenbaugh (MPUSD), Colonel Gregory Ford (United States Army), Keith Van Der Maaten (Marina Coast Water District), Dr. Eduardo Ochoa (California State University Monterey Bay), Bill Collins (BRAC), Steve Matarazzo (UCSC)

7. CONSENT AGENDA

- a. Approve Aug 9, 2019 Meeting Minutes
- b. Approve Aug 15, 2019 Special Meeting Minutes
- c. Administrative Committee
- d. Veterans Issues Advisory Committee
- e. Economic Development Quarterly Report

f. Public Correspondence to the Board

Chair Parker read the consent agenda items and asked if members had any comments or items to pull for discussion. Directors Adams and Morton requested item 7b August 15, 2019 Special Board Meeting Minutes be pulled for clarification.

**Board member Dr. Ochoa noted for the information of the Board that the "Seaside Clinic" referred to in item 7d is in fact the former Veterans Affairs site, which is fully enclosed by CSUMB campus lands.*

MOTION: On motion by Board member Adams and seconded by Board member Oglesby and carried by the following vote, the Board moved to approve items 7a and 7c - 7f. Director requested item 7b – August 15, 2018 special meeting minutes also brought back at the October Board Meeting for approval.

MOTION PASSED UNANIMOUSLY

8. BUSINESS ITEMS

a. Building Removal Bonds

Mr. Houlemard introduced the item and provided a brief background of the building removal bond process and a status update. He advised the Board that due to the current "inverted" bond market, FORA has the opportunity to receive \$35M-\$45M in bond issuance if the process is complete by the end of the year. He noted financial forecasts predict a shift in the bond market early next year and encouraged the Board to address two main goals in order to remain on schedule: 1) designate a successor entity and 2) develop a methodology for distribution of bond proceeds.

Senior Project Manager Peter Said stated that bond issuance requires the designation of a FORA successor entity to assume FORA's responsibilities for waste generation, bond administration and excess fund distribution. Mr. Said provided an assessment of the implementation risks to consider, which include hazardous waste generation, construction liability, pollution liability, and multi-agency/cross-boundary coordination. Based on this analysis FORA staff believes that a Joint Powers Authority ("JPA") Successor entity is the best solution and will present this information to the Administrative Committee for a recommendation. At the September 18, 2019 Administrative Committee meeting, the Committee will consider designation of a Bond Indenture Successor Entity, as well as building removal prioritization criteria and methodologies for bond proceed distribution and building removal implementation. Mr. Said noted staff is currently working with the Monterey County Regional Fire District to minimize the financial impact of the transition and will be discussing the various options at the Administrative Committee meeting. Staff responded to questions from the Board.

**Councilmember Berkley of the City of Marina noted that Marina counsel has not approved the proposed building removal bond process.*

**Ron Chesshire, formerly of the Monterey Santa Cruz Building Construction Trades Council stated that blight removal has been used as a tool to stop economic development on the*

former Fort Ord. He urged the Board to move forward with the building removal bond process in order to see progress in Economic Development.

**Director Oglesby emphasized that delaying the building removal bond process may cost up to \$5 million in lost proceeds. He encouraged the Board to have this done by December 2019 in order to take full advantage of the current bond market and prepare for FORA's dissolution.*

**Director Morton commented regarding the method of prioritization by project area or jurisdiction. She requested that staff provide a project matrix based on project area jurisdiction in preparation for the October 7, 2019 Special Board meeting.*

b. 2018 Transition Plan Implementing Agreements Progress Report ("TPIA")

Assistant Executive Officer Josh Metz provided a Progress Report in coordination with Regional Government Services ("RGS") consultant Kendall Flint. He reviewed the Path to Implementation and stated that FORA is currently in the "Final Drafts to Agencies" phase. He outlined an updated Master TPIA and reviewed the functions currently funded through FORA and the Agencies taking over the responsibilities for those functions. He presented a grid detailing all of TPIA's and the current status. A draft Master TPIA is available to the Board and Mr. Metz encouraged the jurisdictions to review and offer feedback. The Marina Coast Water District ("MCWD") Water TPIA are currently being coordinated and a draft ESCA TPIA is scheduled for Board review in December. Mr. Metz noted that the Economic Development Conveyance and the Local Redevelopment Authority Agreements are included in the draft Master TPIA. RGS provided an updated status list of the remaining TPIA's. They will provide these draft TPIA's to FORA legal counsel in early October and the Board in November. Remaining FORA TPIA's include the HCP/JPA (Cooperative), LAFCO Liability and Risk, as well as the Capital Improvement Program Projects South Boundary Road and General Jim Moore Boulevard completion. Staff heard questions from the Board. There were no comments from the public.

**Director Garfield noted for the record concern regarding the TPIA timeline. She stated it should be taken into consideration that these Agreements will need review and possible amending by each jurisdiction's counsel, which may cause significant delays. Mr. Metz and Authority counsel, Jon Giffen expressed confidence in RGS and stated the proposed schedule is well-organized. Mr. Giffen emphasized that it is the responsibility of the Board to bring the TPIA to their respective legal counsels.*

c. Habitat Conservation Plan: Amendment to Consultant Services

Mr. Houlemard introduced the item stating that consultants Erin Harwayne of Denise Duffy & Associates, Inc. ("DD&A") and Aaron Gabbe of Inner-City Fund International ("ICF"), have successfully completed the technical, background work required for the Habitat Conservation Plan ("HCP") and have published a draft for review. Mr. Metz reviewed the status of the HCP and Environmental Impact Report/Environmental Impact Statement (EIR/EIS), noting the target date of mid-October to issue a Notice of Availability in Federal Register Publication. The HCP will be under public/agency review for 45 days following its publication, with a final draft completed in early 2020, and the final approval sequences executed by FORA's June 30, 2020 sunset date. Mr. Metz reviewed the consultant contract amendments to the ICF and DD&A, providing a Scope of Work for each firm and a recommendation from staff to approve an NTE increase to consultants' current contracts.

This amendment would allow consultant work to continue through the public review period and response to comments. Staff heard questions from the Board. There were no public comments.

MOTION: On motion by Director Phillips, second by Director Carbone and carried by the following vote, the Board of Directors moved to approve staff's recommendation for the ICF and DD&A contract amendments.

MOTION PASSED UNANIMOUSLY

9. PUBLIC COMMENT

- Ron Chesshire stated FORA is disappearing just as mysteriously as it came into his life. There was a Defense Authorization act of 1993 that was created by the Federal Government to facilitate economic development conveyances to develop local reuse authorities. It was a preferred system, but not required by the Federal Government. Mr. Chesshire stated for years it has been said that FORA was established because the Federal Government just wanted one entity to deal with, and does not believe that is true. He however, would be interested in what the US Army and BRAC have to say about the possibilities of having to deal with LAFCO or multiple agencies and what their position maybe. He also noted it's disappointing to hear what has taken place in Sacramento, and it was not killed by the Committee but rather by the chair. It was a district bill that a State Senator submitted and should not have any problems with, something happened and will come out later.

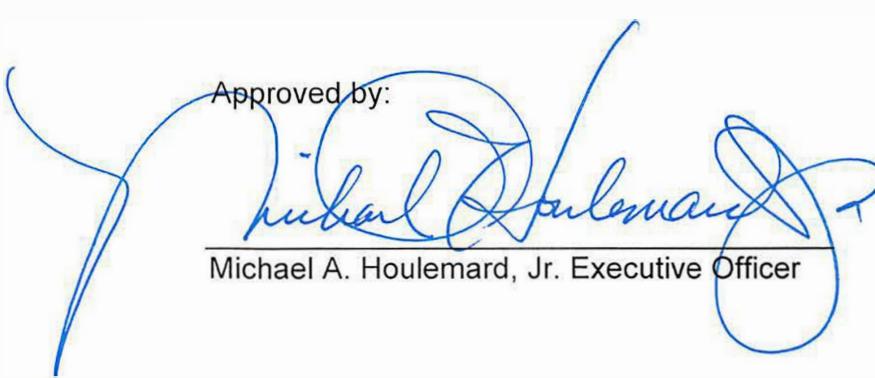
10. ITEMS FROM MEMBERS

- Director Oglesby expressed his appreciation for Senator Monning and the jurisdictions for their hard work in supporting FORA and SB 189.
- Director Hale stated that TAMC is moving forward on Highway 68 improvements, a FORA CIP project. An Environmental Impact Report Scoping meeting will be held on October 3, 2019 at Monterey-Salinas Transit Center at 5:00 p.m.

11. ADJOURNMENT at 4:10 p.m.

Minutes Prepared by:
Natalie Van Fleet
Administrative Assistant

Approved by:


Michael A. Houlemard, Jr. Executive Officer