

## Rosalyn Charles

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**From:** Patrick Taylor [PTaylor@coffmanassociates.com]  
**Sent:** Thursday, August 07, 2014 6:13 AM  
**To:** Alan Freese; grant@tamcmonterey.org; Bob Bluth; Carol Glatfelter; Christi di Iorio; Dan Lister; David Fitz; Dev Sharma; Garth Ridler; Graham Bice; Heather Adamson; Jacklyn Behrick; Jeff Crechriou; Jim Harris; jimscjs@att.net; John Moulton; John Smith; Justin Meek; Katherine Kennedy; FORA Board; Patrick Taylor; Stacy Howard; Steve Emerson; rey.uncangco@agcaerospace.us.com; thirty2ragtop@aol.com  
**Subject:** Marina Airport MP Chapters Available

Dear Planning Advisory Committee (PAC) members,

On behalf of the Marina Municipal Airport, we would once again like to thank you for your service on the PAC for the Airport Master Plan project. This email is to inform you that the next set of draft working papers is available to download at the project website [www.marina.airportstudy.com](http://www.marina.airportstudy.com). You should receive a printed hard copy via FedEx by tomorrow.

The new chapter is:

- Development Alternatives

As a reminder, the next PAC meeting is scheduled for Tuesday August 12, 2014 at 2:00 pm in the airport administration building located at 781 Neeson Road (same location as the last meeting).

If you do not receive your printed copy or have any trouble downloading the documents please feel free to contact me by phone at 1-800-892-7772 or by email. If you have any additional questions you may also contact Justin Meek with the City of Marina at 831-884-1251.

Sincerely,

**Patrick Taylor**

Associate

237 NW Blue Parkway, Suite 100  
Lee's Summit, MO 64063

816-524-3500 • 816-524-2575 (FAX)

[www.coffmanassociates.com](http://www.coffmanassociates.com)

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**From:** Patrick Taylor [PTaylor@coffmanassociates.com]  
**Sent:** Monday, August 11, 2014 11:51 AM  
**To:** Alan Freese; grant@tamcmonterey.org; Bob Bluth; Carol Glatfelter; Christi di Iorio; Dan Lister; David Fitz; Dev Sharma; Garth Ridler; Graham Bice; Heather Adamson; Jacklyn Behrick; Jeff Crechriou; Jim Harris; jimscjs@att.net; John Moulton; John Smith; Justin Meek; Katherine Kennedy; FORA Board; Stacy Howard; Steve Emerson; rey.uncangco@agcaerospace.us.com; thirty2ragtop@aol.com  
**Subject:** RE: Marina Airport MP Chapters Available

Dear PAC members,

This is a reminder that the next PAC meeting for the Marina Municipal Airport Master Plan project is Tuesday at 2:00 at the airport administration building. **In addition to Chapter 4 - Alternatives, we will be discussing Appendix F - Land Use Compatibility Analysis.** Both are now available on the project website: [www.marina.airportstudy.com](http://www.marina.airportstudy.com). We will bring printed copies of Appendix F for distribution, Chapter 4 - Alternatives should have arrived via FedEx to each of you last week.

Looking forward to a productive meeting,

Sincerely,

Patrick Taylor  
Associate  
Coffman Associates

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**From:** Patrick Taylor  
**Sent:** Thursday, August 07, 2014 8:13 AM  
**To:** Alan Freese; grant@tamcmonterey.org; Bob Bluth; Carol Glatfelter; Christi di Iorio; Dan Lister; Dave Fitz; Dev Sharma; Garth Ridler; Graham Bice; Heather Adamson; Jacklyn Behrick; Jeff Crechriou; Jim Harris; jimscjs@att.net; John Moulton; John Smith; Justin Meek; Katherine Kennedy; Michael Houlemard; Patrick Taylor, C.M. (ptaylor@coffmanassociates.com); Stacy Howard; Steve Emerson; rey.uncangco@agcaerospace.us.com; thirty2ragtop@aol.com  
**Subject:** Marina Airport MP Chapters Available

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## Rosalyn Charles

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**From:** Steven Rappolee [strappolee@gmail.com]  
**Sent:** Sunday, August 17, 2014 5:46 PM  
**To:** FORA Board  
**Subject:** my citizen input from 30 years ago  
**Attachments:** We are citizens for expanding the University of.pptx; We are citizens for using ESOP'S to capitalize.pdf; We are citizens for using ESOP'S to capitalize.pdf

greetings to the Fort Ord Reuse Committee,

30 years ago I was just a citizen, not a member of any group but I heard that fort ord might be placed on the BRAC list and when it was placed on the list I started a one man citizens project to lobby senator Dianne feinstein staff to consider creating a university of California campus there.

history tells us that I lost the battle back then except for that state and local governments did make the decision to create a California state college there.

please read the attached document!

I have an idea that might work well with the cal state campus there and in fact be complementary, indeed my new idea in the attached PowerPoint would be a modest but highly leveraged UC research campus of less than 5000 students in 20 years all of them postdoc and graduate students.

I call this approach a UCSF mini-me plan

another idea would require an IRS private letter ruling to allow for a private sector ESOP to own a minority share of a public hospital that leaves the public hospital the controlling party.

the condition would be that every dollar the ESOP pays for the minority interest must be dollar for dollar go to a medical research trust fund controlled by the public hospital in partnership with a university

this means the public hospital has a mini-me Howard Hugh's endowed research trust that funds employees and builds buildings that benefit the employees who now have two pension plans, the esop and the public hospital pension plan.

this ESOP public hospital partnership idea is now 20 years old! leveraging university and federal research funds at the public hospital is not a new idea, but the idea that the research is done by a public hospital employee through the minority ESOP partner is noval 20 years after I suggested it

the public hospital would build buildings with ESOP and NIH and university funds to be paid for over many years.with NIH research dollars, these buildings and cash flows would accrue to the public hospital assets that increase value to the ESOP and its public hospital partner.

thank you for your time

**Steven Rappolee**

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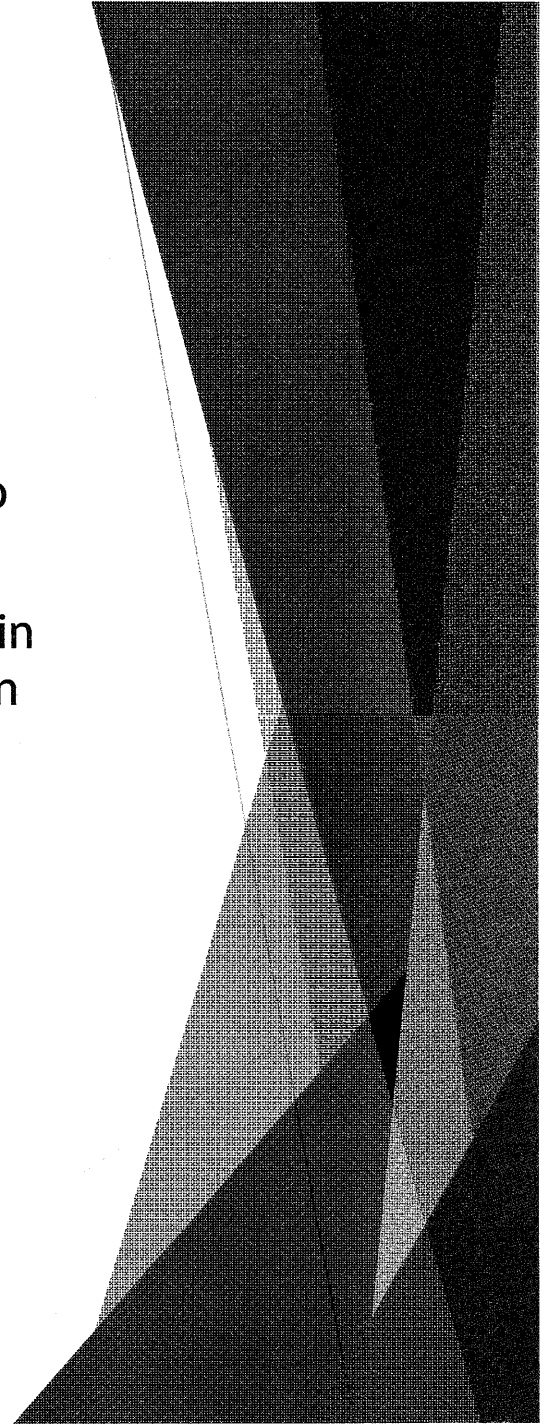
# We are citizens for expanding the University of California system

- ▶ We realize that building flagship university campuses with large under-graduate populations is an expansive and decades long process, instead we propose an alternative process.
- ▶ Instead build graduate health research campuses along with university dedicated to promoting health worldwide through advanced biomedical research, graduate level education in the life sciences and health professions
- ▶ Each of these new campuses would be graduate level only with a student population
- ▶ of 5000 students
- ▶ Later over decades the embryo campuses could expand

# Mini-me UCSF campus as embryos for future UC undergraduate campuses

- ▶ Maximizes federal NIH funding
- ▶ Uses a new round of California institute for regenerative medicine funding to match 150 endowed graduate chairs at 5 mini-me UCSF like graduate campuses at 5 new locations, each campus to be built sequentially. This is a total of 750 endowed chairs over 15 to 20 years
- ▶ The California institute for regenerative medicine funding is for 5 years per researcher and is intended to match the NIH funding
- ▶ Each endowed chair must be of a researcher with a know track record of NIH grants
- ▶ The first graduate level research campus shall be built near the coast in the north county's.
- ▶ The second shall be at the UC property at the former Ft Ord military base
- ▶ The third shall be in a county with an average elevation above 3000 feet in the sierra Nevada mountain range

- ▶ The 4<sup>th</sup> shall be built in the LA/orange/san Bernardino county area
- ▶ The 5<sup>th</sup> and last built shall be in a southern San Joaquin valley county that also has some high elevation terrain in the sierra Nevada's





# California's poverty counties

- ▶ The north county's have a high poverty rate so a UCE or UCA might make since
- ▶ University of California at Eureka or Arcata brings jobs and federal research funds here
- ▶ UCS would be the university of California at seaside or named after some other town that the former Fort Ord resides in the city limits

# We are citizens for using leveraged ESOP'S to capitate and fund research endowments at public and nonprofit hospitals.

- Many public and nonprofit hospitals across the country have entered into General partnerships(GP) with their affiliated physicians. Typically the GP has the public hospital as the majority partner and the physician partners as the minority partner. The minority for profit entity pays income and property taxes and the nonprofit files a IRS form 990 or in the case of the public hospital it does not pay taxes as a government instrumentality.
- We argue that an employee stock ownership plan ( ESOP ) can also be a partner with a public or nonprofit hospital as long as it is recognized that a ESOP is a for profit pension plan.

# A proposal to use an ESOP to leverage debt instrument to fund a research endowment

- > ESOPs as a leveraging force for public private partnerships. Chattanooga-Hamilton County Hospital Authority (Erlanger) is cited here as a proposed example.
- > (1) The Erlanger employee stock ownership plan and the Erlanger medical research trust.
- > (2) Erlanger hospital (The Primary health system) creates a GP (general partnership) The Chattanooga- Hamilton County hospital authority would own a majority share of the GP.
- > The Erlanger hospital ESOP would purchase a minority share of Erlanger's assets to own a minority share. The Erlanger ESOP share may be leveraged
- > By loans paid off by future hospital revenue. The ESOP is an employee benefit plan.
- > Erlanger would place the price paid to it for the ESOP into a trust to endow medical research. Erlanger would purchase researchers and their support staffs and build staffs and to equip laboratories for the

# ESOP Ownership Structures In a Public hospital

As a for-profit pension plan the ESOP would need to own a for-profit entity. Indeed the ESOP could be in a partnership with the physicians in a S corporation where the ESOP is one of the S corporation partners and the S corporation is in a general partnership with the public hospital. The alternative is the ESOP's for-profit entity is a partner with the physician group and the public hospital in a general partnership. The public hospital would appoint the ESOP trustee however the trustee is required under ERISA to represent the public hospital's employees best interests.

# An example, The Chattanooga-Hamilton County Hospital Authority

- › (4) Erlanger would endeavor to hire researchers with proven records in grant writing, publishing results in the top science journals and in funding there research with NIH, NSF and CDC grant agencies.
- › (5) Grants shall be considered the chief funding agent for Erlanger research laboratories and buildings. These buildings and equipment shall increase the asset base of the Erlanger hospital GP!



# Research endowment attracts research funding

- > Department of education grants should cover a portion of the work study, fellowships and graduate student workers in the labs. It is important that these employees participate in the ESOP as this keeps undergraduates in the community and broadens the base of the ESOP and in turn the assets of the research trust.
- > (6) A large force of research workers shall also increase the base of Erlanger employment covered by the ESOP and also in turn broadens the base of the
- (B) (1) Erlanger's assets are valued at about \$400 million an ESOP purchases a 10% share; this would create a \$40 million research endowment. Expense \$2 million a year of the trusts interest to hire 3 to 4 researchers. In a decade you would have 40 researchers plus support staff. A 20% purchase of Erlanger's assets by the leveraged ESOP would transfer \$40 million into the Erlanger research trust.

# Private public partnerships and the public hospital/ESOP partnerships

- › (B)(2) The Primary health System could enter into partnerships with other non profits and governmental units to assist in paying the dept leveraged to the ESOP. This could allow an ESOP with a 20% to 30 % share of the Primary health system and a corresponding increase to the Erlanger research Trust.
- › (B)(3) The City of Chattanooga, Hamilton County, and area nonprofits such as the Benwood and Lyndurst foundations could help pay down economic development bonds used to loan to the ESOP. Erlanger cash flows over decades would pay the balance.

## The federal role

- > It is believed that using Chattanooga or Hamilton County economic development bonds to leverage Chattanooga-Hamilton County Hospital Authority ESOP (Erlanger) would come under the ERISA rules and would not constitute "arbitrage" under IRS rules. Arbitrage prohibits state or local governments investing bond proceeds in investment plans. Economic development bonds would come with a covenant that the funds from the ESOP would transfer to the Erlanger research trust with a annual expenditures of a portion of the trusts earnings for scientific research.
- > The Economic development bonds would serve a synergistic dual purpose for each dollar invested. Erlanger research trust would increase scientific medical research employment in the Chattanooga area and the ESOP would over many decades increase the wealth of the employees and retirees in the Chattanooga area.
- > The federal role could be in relaxing the 20% cap on annual contributions to a combined 401(k) or defined benefit plan and the ESOP when the trust is an



# The Federal role

- > Alternatively the federal role might be to improve the ESOP. Allow some of the proceeds of a local economic development bond issue to directly flow to the research endowment in combination with leveraging the ESOP. The direct transfer would not be considered arbitrage as the endowments would in fact would be fulfilling there economic and scientific goals.
- > Instead of private bills earmarking research dollars there should be an automatic endowment process for each congressional district for scientific endeavors. Several million dollars per annum per congressional district over a decade would result in small clusters of science research in places as far flung as South Dakota. Peer review must be used for hiring and the researcher must still be successful in peer review for grants.