



FORT ORD REUSE AUTHORITY

SPECIAL MEETING

FORT ORD REUSE AUTHORITY (FORA) BOARD OF DIRECTORS

Monday, October 29, 2018 at 2:00 p.m. | 910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

AGENDA

ALL ARE ENCOURAGED TO SUBMIT QUESTIONS/CONCERNS BY NOON OCTOBER 28, 2018.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE *(If able, please stand)*
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE
4. CLOSED SESSION
 - a. Conference with Legal Counsel - Potential Litigation, Gov. Code §54956.9(d)(4)
5. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION
6. ROLL CALL

FORA is governed by 13 voting members: (a) 1 member appointed by the City of Carmel; (b) 1 member appointed by the City of Del Rey Oaks; (c) 2 members appointed by the City of Marina; (d) 1 member appointed by Sand City; (e) 1 member appointed by the City of Monterey; (f) 1 member appointed by the City of Pacific Grove; (g) 1 member appointed by the City of Salinas; (h) 2 members appointed by the City of Seaside; and (i) 3 members appointed by Monterey County. The Board also includes 12 ex-officio non-voting members.

7. BUSINESS ITEMS

INFORMATION/ACTION

BUSINESS ITEMS are for Board discussion, debate, direction to staff, and/or action. Comments from the public are **not to exceed 3 minutes** or as otherwise determined by the Chair.

a. Transition Planning Process Update

Recommendation:

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

8. PUBLIC COMMENT PERIOD

INFORMATION

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

9. ITEMS FROM MEMBERS

INFORMATION

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

10. ADJOURNMENT

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

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

RECOMMENDATION:

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

BACKGROUND/DISCUSSION:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FISCAL IMPACT:

Reviewed by FORA Controller 

COORDINATION:

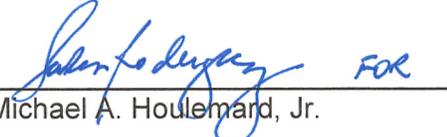
County of Monterey, LAFCO, TAMC, MCWD, Cities of Seaside, Monterey, Del Rey Oaks, Pacific Grove, Marina and Salinas.

ATTACHMENTS:

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

Prepared by 
Sheri L. Damon

Reviewed by 
Steve Endsley

Approved by  FOR
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY RESOLUTION NO. 18-xx

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

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

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

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

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

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

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

- M.** The Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) applies to the closure of Fort Ord. The Army is obligated under CERCLA and other applicable federal and state law to remediate certain conditions at the former Fort Ord, including but not limited to by the removal of munitions and explosives. It was anticipated that an extensive amount of time would be needed for the Army to complete its cleanup of the former Fort Ord, based in part upon the contingent nature of Department of Defense funding and due to competing priorities for the use of available funds. Accordingly, in order for FORA to be able to receive the EDC Property early and facilitate an orderly and timely remediation of former Fort Ord lands, the Army and FORA entered into an early transfer agreement (referenced as item 36 in Exhibit A attached hereto and incorporated by this reference). Through a series of subsequent agreements between the Army, FORA, the U.S. Environmental Protection Agency, and the California Department of Toxic Substance Control, remediation of munitions and explosives on the former Fort Ord proceeded. These agreements are referenced generally in Exhibit A as environmental services and more specifically at items 27, 36, 38, 41, 45, and 46 in Exhibit A attached hereto and incorporated by this reference. Although substantial progress has been made in the base cleanup, the remediation obligations will not be completed before the currently anticipated dissolution of FORA and all property transfers will not have occurred.
- N.** On December 7, 2016, a majority of FORA’s Board members voted in support of seeking legislative extension of FORA’s sunset date as the best way to carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner, as called for by Government Code section 67652. On November 17, 2017, a majority of FORA’s Board members voted that (in the event that legislative extension of FORA’s sunset date could not be obtained) the next best way to satisfy and fulfill the Base-wide Mitigation Measures and other obligations and commitments of FORA would be to provide for a single entity successor (such as a joint powers authority exercising regional oversight) complete the Reuse Plan. The Board noted that in order for such a successor entity to be able to continue collection of the CFD Special Taxes that are a significant element of the financing necessary to complete the Reuse Plan, legislative changes would be necessary and that in the absence of such legislation, ongoing contributions would need to be made in accordance with the approach embodied in the Implementation Agreements.
- O.** Government Code section 67700(a) requires that FORA dissolve when eighty percent (80%) of the base has been developed or reused in a manner consistent with the Reuse Plan or on June 30, 2020, whichever first occurs. Government Code section 67700(b)(2) mandates as follows:

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

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

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

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

Section 1 Preliminary Findings and Determinations:

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

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

1.2 California Environmental Quality Act:

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

1.3 Revenue Sharing and Financial Contribution:

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

1.4 Reuse Plan and Master Resolution:

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

1.5 Funding of Habitat Protection:

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

1.6 Environmental Services Cooperative Agreement:

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

1.7 Building Removal:

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

1.8 Transportation and Transit:

The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit projects that have been identified in the CIP are essential to the long term success of the economic recovery of the reuse. The Board further finds that extension of the CFD Special Taxes or the implementation of substantially similar replacement funding mechanisms for

the purpose of revenue generation and revenue sharing would be the best long term way to collect and share revenues to fund the transportation network for the on-site, off-site and regional projects because a replacement regional transportation fee may not be imposed on already approved development projects in the absence of written consent by the developers to do so.

1.9 Water and Wastewater:

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

Section 2 Assignment of Assets, Liabilities, and Obligations:

2.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

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

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

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

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

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

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

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

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

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

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

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

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

proceeds unless such jurisdiction has entered into a Transition Plan Implementing Agreement approved by FORA.

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

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

2.2 Liabilities and Obligations and Assignment Thereof:

FORA’s principal liabilities and obligations include the following:

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

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

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

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

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

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

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

2.2.7 Water/Wastewater: This Transition Plan hereby assigns to MCWD, effective as of the dissolution of FORA, FORA's rights of enforcement under the Implementation Agreements regarding water allocations. In the event that any jurisdiction's approved

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

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

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

Section 3 Insurance:

3.1 Transition Plan Insurance:

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

3.2 Tail Coverage:

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

Section 4 Implementation Agreements and Transition Plan Agreements:

4.1 Projects in the CIP:

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

4.2 Transition Plan Agreements:

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

4.3 Escrow:

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

4.4 Power to Assign:

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

4.5 LAFCO Review:

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

4.6 Reserved Right of Modification:

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

NOW THEREFOR, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. As outlined above, this Resolution and its provisions constitute the Transition Plan required by Government Code section 67700(b); and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b) by approving this Transition Plan and intends that those assignments be

implemented preferably through Transition Plan Agreements but in the absence of executed Transition Plan Agreements approved by FORA then as assignments and conditions of dissolution, as though they were imposed pursuant to Government Code sections 56886 and 67700(b); and

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

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

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

GLOSSARY

“Army” means the United States Army.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“FORA” means the Fort Ord Reuse Authority.

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

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

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

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

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

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

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

“MCWD” means the Marina Cost Water District.

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

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

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

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

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

Administrative

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

Financial Assets

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
10	County of Monterey Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/mttycty_ia.pdf	Asset	County of Monterey/MCWD/Habitat Cooperative/TAMC	1
11	Del Rey Oaks Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/dro_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC	1
12	City of Marina Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/marina_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/DRO/City of Monterey/Seaside	1
13	City of Marina IA - Amendment #1: Establishing Development Fee Policy Formula	2013	http://fora.org/Reports/ImplementAgreements/marina_ia_amend-9-14-13.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/DRO/City of Monterey/Seaside	1
14	City of Monterey Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/monterey_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC	1
15	City of Seaside Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/seaside-ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/Seaside	1
16	CFD-Notice of Tax Lien	2002	http://b77.402.myftpupload.com/wp-content/uploads/Notice-of-CFD.pdf	Asset	Terminates on FORA sunset unless vote and/or extension	2
17	CFD-First Amended Notice of Tax Lien	2005	http://b77.402.myftpupload.com/wp-content/uploads/First Amended Notice of Tax Lien.pdf	Asset	Terminates on FORA sunset unless vote and/or extension	
18	Development Fee Resolution	1999	http://b77.402.myftpupload.com/wp-content/uploads/99-01.pdf	Asset	Seaside? Some areas on Base still covered by Development Fee Resolution	3
19	FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve	2005	http://fora.org/Reports/TTF/101405_agreement_Habitat_UMBEST.PDF	Liability	Continues until replaced by HCP	
20	Pollution Legal Liability Reimbursement Agreement (DRO)	2015	http://b77.402.myftpupload.com/wp-content/uploads/DRO-Reimbursement-Agreement.pdf	Asset	DRO	3

21	Pollution Legal Liability Insurance Agreement (MST)	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-MST-PLL-Insurance-Agreement.pdf			
22	Pollution Legal Liability Insurance Agreement (TAMC)	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-TAMC-PLL-Insurance-Agreement.pdf			
23	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmittal-summary-policy010215.pdf		County of Monterey/Seaside/Monterey/Marina	4
<ol style="list-style-type: none"> 1. Implementation Agreements require ongoing completion of Base Reuse Plan obligations. Land sales revenues, development fees/CFD fees/ and Property tax revenues committed until CIP fully implemented. See attached legal memorandum on these issues. 2. CFD only assignable if extended by vote and changes to state Mello Roos Act allowing transfer to JPA/Successor. If no CFD, then Jurisdictions required to replace pursuant to Implementation Agreement formula 3. DRO owes FORA for their proportional share of the PLL Insurance Contract and some costs on the prior South boundary Road Improvement project. 4. Pollution Legal Liability Insurance Contract provides that upon FORA sunset, jurisdictions become successor beneficiaries. 						

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Environmental Services

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

36	ESCA Cooperative Agreement Award (End date amended 2017)	2007	http://fora.org/Reports/TTF/033007_Coop_Agreement_Award_ESCA.pdf	Asset/Liability	2037	County***
37	FORA-LFR Fort Ord Remediation Services Agreement	2007	http://fora.org/Reports/TTF/033007_RSA_ESCA.pdf	Asset/Liability	?2019/2020?	County***
38	US EPA Administrative Order on Consent	2007	http://fora.org/Reports/TTF/ESCA-0099_AOC.pdf	Liability/Obligation		County/Seaside/Monterey/ Del Rey Oaks Marina/CSUMB/UC/MPC/MCWD
39	FORA-MPC ESCA Property Management MOA	2008	http://fora.org/Reports/TTF/121708_MOA_FORA-ESCA_MPC.PDF	Asset/Obligation	Dependent upon Property transfer	
40	FORA-MPC ESCA Property Management MOA - Amendment #1	2018	http://b77.402.myftpupload.com/wp-content/uploads/2018-07-02_MOA_hold_property_during_ESCA_cleanup_MPC_fully-executed.pdf			
41	MOA Jurisdictions and DTSC Concerning Monitoring and Reporting on Environmental Restrictions on the Former Fort Ord	2008	http://b77.402.myftpupload.com/wp-content/uploads/16_022708moaEnviroRestricts.pdf		No End Date	County/Seaside/Monterey/Del Rey Oaks/Marina, CSUMB/UC/MPC
42	MOU Regarding Development of the Central Coast Veterans Cemetery	2009	http://b77.402.myftpupload.com/wp-content/uploads/18_050509mouVetCem.pdf	Liability/Obligation		County/Seaside
43	Remedial Design/Remedial Action, Land Use Controls Implementation, Operations and Maintenance Plan, Parker Flats MRA Phase I*	2009	http://b77.402.myftpupload.com/wp-content/uploads/21_080409PFlatsPh1LUCIPOMP.pdf		No End Date	County of Monterey
44	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmital-summary-policy010215.pdf	Asset/Liability/Obligation		
45	ESCA Cooperative Agreement Award-Amendment 1	2017	tan	Asset/Liability	2028	County***
46	ESCA Cooperative Agreement Award-Amendment 2	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully_signed_ESCA_Grant_Amendment_12-20-17.pdf			
47	G1 Land Use Covenant Implementation Plan and Operations Maintenance Plan (LUCIP/OMP)	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
48	G2 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
49	G3 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
50	G4 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
51	FORA-Seaside ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/092007_MOA_FORA-ESCA_Seaside.PDF	Asset/Obligation	Dependent upon Property transfer	
52	FORA-Seaside ESCA Property Management MOA-Amendment #1	2018	https://www.fora.org/Reports/TTF/2018-05-30_MOA_property_hold_ESCA_cleanup_SEA_fully_executed.pdf			
53	ESCA Cooperative Agreement Award (End date amended 2017)	2007	http://fora.org/Reports/TTF/033007_Coop_Agreement_Award_ESCA.pdf	Asset/Liability	2037	County***
54	FORA-LFR Fort Ord Remediation Services Agreement	2007	http://fora.org/Reports/TTF/033007_RSA_ESCA.pdf	Asset/Liability	?2019/2020?	County***
55	US EPA Administrative Order on Consent	2007	http://fora.org/Reports/TTF/ESCA-0099_AOC.pdf	Liability/Obligation		County/Seaside/Monterey/ Del Rey Oaks Marina/CSUMB/UC/MPC/MCWD

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

Habitat

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

Miscellaneous

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

Transportation

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

Water/Wastewater

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES	Notes
93	US-MCWRA Agreement	1993	http://fora.org/Reports/1993-Agrmt-US_MCWRA.pdf	Asset	County of Monterey/City of Monterey/City of Seaside/City of Del Rey Oaks/CSUMB/MPC/UC/MCWD		1
94	FORA-MCWD Water/Waste Water Facilities Agreement	1998	http://fora.org/Reports/CIP/031398%20 Water Wastewater Facilities Agreement.pdf		MCWD	A. Agreement Terminates. MCWD/unserve d areas on Fort Ord only served by new contracts; subsequent annexation by MCWD/LAFCO issues	1
95	FORA-MCWD Water/Waste Water Facilities Agreement-Amendment 1	2001	http://www.fora.org/Reports/CIP/Water-Wastewater-FAamend1.pdf		MCWD		
96	FORA-MCWD Water/Waste Water Facilities Agreement - Amendment 2	2007	http://www.fora.org/Reports/CIP/Water-Wastewater-FAamend2.pdf		MCWD		
97	Army-FORA MOA for Sale of Portions of the Former Fort Ord	2000	http://fora.org/Reports/TTF/062000_MOA Army-FORA EDC-Agreement.PDF	Asset/Liability/Obligation	City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/City of Monterey/County of Monterey/MCWD?	B. Each entity must be designated as a Local Reuse Authority by OEA in Federal Govt. and State Government to receive water/wastewater rights; Issue as to prioritization and access;	2, 3
98	FORA, MCWD Quitclaim Deed Ord infrastructure	2001	http://fora.org/Reports/TTF/110701 FORA-MCWD Quitclaim Deed Ord Infrastructure.pdf	Obligation	City of DRO/City of Monterey/City of Seaside/County of Monterey/MPC/CSUMB (as to Enforcement of Provisions only) NOTHING TO ASSIGN TO MCWD: TRANSFER COMPLETE	Enforcement of obligations contained in Quitclaim as to water/wastewater	4

99	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 1	2002	http://fora.org/Reports/TTF/102301_MOA_Army-FORA_Amend_1.PDF				5
100	MCWD-FORA Quitclaim deed L35.1 & L35.2	2004	http://fora.org/Reports/TTF/MCWD_FORA_Quitclaim_Deed090304.pdf				
101	Army- FORA, MRWPCA, and MCWD MOA	2005	http://fora.org/Reports/110205_MOA_Army_MRWPCA-FORA-MCWD.pdf	Asset	Seaside/DRO/City of Monterey		
102	MCWD-FORA Quitclaim deed L35.5	2006	http://fora.org/Reports/TTF/MCWD_FORA_Quitclaim_Deed020806.pdf	Enforcement	City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/City of Monterey/County of Monterey/MCWD		
103	FORA Recycled Water allocations to jurisdictions	2007	http://fora.org/Reports/TTF/RecycledWater_allocation_to_Jurisdictions-051107.PDF		City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/City of Monterey/County of Monterey/MCWD	Captured in Implementation Agreements (See Section 3)	6
104	FORA Potable Water allocation to jurisdictions	2007	http://fora.org/Reports/TTF/PotableWater_allocation_to_Jurisdictions-011207.pdf		City of Seaside/City of Del Rey Oaks/County of Monterey/MPC/CSUMB/City of Monterey/County of Monterey/MCWD	Captured in Implementation Agreements (Section 3)	7
105	Army-Seaside AYH Water Deed	2008	http://fora.org/Reports/TTF/082808_AYH_Water_Deed.pdf		Seaside		8
106	MOU Water Augmentation and 3 Party Agreement	2015	http://fora.org/Reports/2015-MOU-Three-Party_Final.pdf	Liability/Obligation	City of Seaside/City of Del Rey Oaks/County of Monterey/City of Monterey/County of Monterey		9
107	FORA-MCWD Pipeline Reimbursement Agreement	2016	http://fora.org/Reports/2016-Rmbrs_Agrmt_FORA-MCWD_Pipeline_Executed_08-25-16.pdf	Liability	City of Seaside/City of Del Rey Oaks/County of Monterey/City of Monterey/County of Monterey		10

Notes:

1. This Agreement was quitclaimed to MCWD. However, replacement supplies are to the benefit of all properties on Fort Ord.
1. Agreement terminates on FORA sunset. Annexation does not automatically terminate agreement. Oversight continues until agreement terminates.
2. Article 5, provides FORA first right of refusal to excess water and waste water Rights. Successor must be consented to by Army and designated as Local Reuse Authority (Federal and State Law)
3. Article 5 requires fair and equitable water allocation to enable the effective base reuse.
4. Quitclaim Deed requires compliance with underlying obligations including but not limited to a fair and equitable allocation of water to the jurisdictions; JPA/Successor to enforce
5. Changes MCWD Public Benefit Conveyance to an EDC conveyance
6. Allocates 1427 afy reclaimed water to jurisdictions (fair and Equitable share); MCWD/JPA/Successor to enforce
7. Potable water allocations to jurisdictions (Fair and Equitable share); MCWD/JPA/Successor to enforce
8. 109 AFY water to Seaside (Stillwell Kidney)
9. Planning agreement to analyze alternatives for augmented water supply options
10. Six Million dollar liability to build infrastructure pipeline for delivery of reclaimed/augmented water supply to Ord Community

Transition Planning Update
Exhibit B - Reference Documents

1	Authority Act	http://b77.402.myftpupload.com/wp-content/uploads/AuthorityAct.pdf
2	Base Reuse Plan	http://b77.402.myftpupload.com/library/reuse-plan/
3	Public Facilities Improvement Plan	https://www.fora.org/Reports/BRP/BRP_v3_AppendixB-Business-Operation-Plan.pdf
4	Capital Improvement Program	https://www.fora.org/Reports/CIP/CIPReports/CIP2018-19.pdf
5	Master Resolution	http://b77.402.myftpupload.com/wp-content/uploads/MasterResolution.pdf

**AGREEMENT BETWEEN
THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
AND THE FORT ORD REUSE AUTHORITY (FORA)
REGARDING THE PROPOSED DISSOLUTION OF FORA**

THIS AGREEMENT dated this ____ day of ____, 2018 is entered into by and between the Local Agency Formation Commission of Monterey County (“LAFCO”), a governmental agency, and the Fort Ord Reuse Authority (“FORA”), a governmental agency.

Recitals

1. The FORA submitted a transition plan on ____, 2018 in accordance to the Fort Ord Reuse Authority Act (Government Code Section 67650) requiring the FORA Board to approve and submit a transition plan to LAFCO on or before December 30, 2018. The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations.

2. Upon receipt of the transition plan, LAFCO is required to provide for the orderly dissolution of FORA (“the Dissolution”), ensuring that all contracts, agreements, and pledges to pay or repay money entered into by FORA are honored and properly administered, and that all assets of the authority are appropriately transferred.

3. LAFCO’s approval is conditioned upon, among other things, FORA and LAFCO entering into an agreement to indemnify LAFCO against any expenses arising from any legal actions challenging the Dissolution.

NOW, THEREFORE, LAFCO and FORA agree as follows:

Section 1. Indemnification. In the event any legal action or proceeding is instituted against LAFCO (or naming LAFCO as a real party in interest), its officers, employees, attorneys or agents, challenging the Dissolution, or any of LAFCO's actions related thereto, FORA agrees to defend, indemnify, hold harmless and release LAFCO, its officers, employees, attorneys, or agents from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul, in whole or in part, LAFCO’s action on the Dissolution or on the environmental documents submitted to or prepared by LAFCO in connection with the proposal. FORA shall indemnify LAFCO from any costs or liabilities incurred by LAFCO as a result of any such action or proceeding, including any award to opposing counsel of attorney's fees or costs. FORA also agrees to reimburse LAFCO for its reasonable expenses incurred as a result of any such legal action or proceeding. Such expenses include LAFCO’s counsel’s charges for representing LAFCO in any such action, costs of preparing the administrative record in any such action (including LAFCO staff costs), and all other expenses incurred by LAFCO as a result of any such action or proceeding.

LAFCO reserves the right to utilize or retain its own attorneys to represent it in any such action; however, LAFCO will coordinate the defense of any action with FORA.

Section 2. Miscellaneous Provisions.

A. Successors and Assigns. To the greatest extent permitted by law, this agreement shall apply to, bind and inure to the benefit of successors in interest of the parties hereto, including heirs, assigns, executors, administrators and all other parties, whether they succeed by operation of law or voluntary acts.

B. No Third-Party Beneficiaries. This agreement is entered only for the benefit of the parties executing this agreement and not for the benefit of any other individual, entity or person.

C. Amendments. This agreement may be amended only in writing by the mutual agreement of the original parties or their successors in interest.

D. Applicable Law. This agreement shall be construed and enforced in accordance with the laws of the State of California.

E. Counterparts. This agreement may be executed and delivered in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

**LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY (“LAFCO”)**

**FORT ORD REUSE AUTHORITY
 (“FORA”)**

Attest:

Attest:

LAFCO Executive Officer

FORA Executive Officer

Date: _____

Date: _____

Approved as to form:

Approved as to form:

LAFCO Legal Counsel

Attorney

Date: _____

Date: _____