

# FORA 2020 Sunset and Transition Plan

*April 8, 2016*

*FORA Board Meeting*

*Steve Endsley, Assistant Executive Officer*

## FORA Obligations

- **Authority Act** – Planning, Oversight, Recovery, Financing
- **Base Reuse Plan (BRP) California Environmental Quality Act (CEQA) Mitigations**
- **Board-Determined Obligations**
  - FORA-US Army Environmental Services Cooperative Agreement (ESCA)
  - Remaining Base-wide Building Removal (Marina, Seaside)
- **Organizational/Contractual Closure Obligations**

## FORA Assets and Revenues

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

## Post-2020 Considerations

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

## Transportation/Transit

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

## Water Augmentation

- Current FORA obligation: \$24 million
- Estimated post-2020 obligation: \$15.4 million (FORA's required mitigation only)
- \$8 million to be collected by 2020
- Completion schedule: 2018-2035, in phases

## Habitat Management Plan/Habitat Conservation Plan (HCP)

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



**BRP CEQA Mitigations**

2035

## FORA-US Army ESCA

- \$98 million US Army grant.
- Administrative Order on Consent (AOC) termination is tied to performance standards, not a fixed date. Army/Regulators must “approve” FORA’s successor.
- ESCA completion schedule: Regulatory acceptance anticipated in 2019. Army 5-year review in 2017-18, FORA ESCA Obligations continue to 2037.
- Estimated post-2020 obligation: \$6 million



A horizontal timeline bar with a purple-to-blue gradient. The text 'FORA-US Army ESCA' is centered in white. An arrow points from the end of the bar to a vertical line representing the year 2037.

FORA-US Army ESCA

2037

## Remaining Base-wide Building Removal

- \$8-9 million estimated remaining FORA cost financed by Land Sales and rents.
- Marina and Seaside have remaining removal obligation.
- FORA currently designated as Hazardous Waste Generator for World War II contaminated debris.
- Completion schedule: FORA’s building removal financial obligations can be met by 2020. If building removal obligation is altered, it may extend the schedule.



A horizontal timeline bar with a blue-to-teal gradient. The text 'Base-wide Building Removal' is centered in white. An arrow points from the end of the bar to a vertical line representing the year 2020.

Base-wide Building Removal

2020

# Organizational/Contractual Closure Obligations

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

## FORA Water Rights, Agreements, BRP



- Pollution Legal Liability (PLL) Insurance

## PLL Insurance



2025

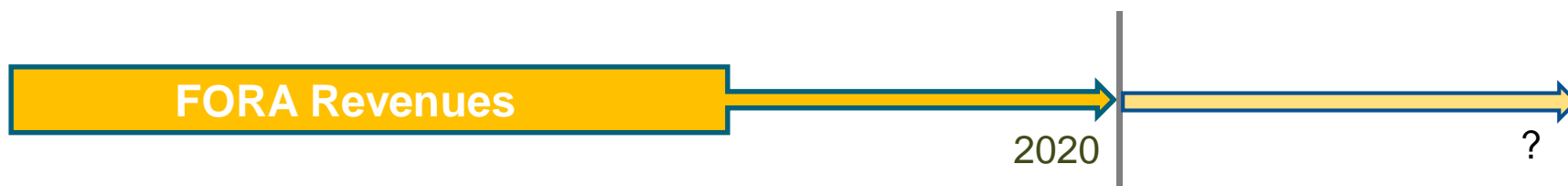
- FORA Employee Retirement/Health Insurance

## Retirement / Health

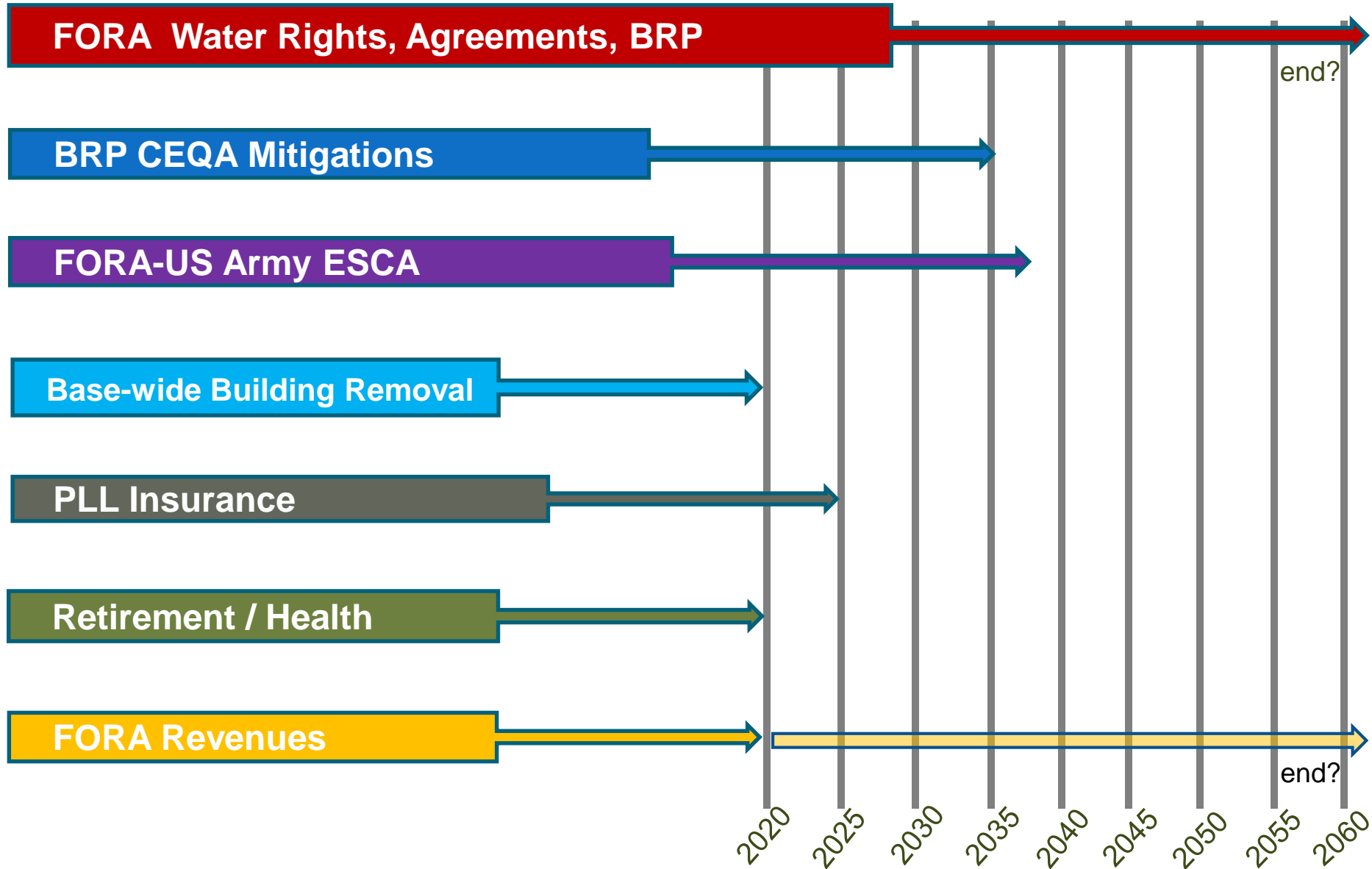


2020

- **Land sale and lease proceeds**
  - 50-50 FORA/jurisdiction split bringing in \$25 million
- **Property Taxes**
  - current Health & Safety Code split bringing in \$2 million/year
- **FORA CFD Special Tax**
  - CFD revenues \$78 million
- **Membership Dues**
  - \$261,000/year or less to FORA
- **MCWD Revenues**
  - Franchise fees \$265,000/year
- **ESCA grant funds**
  - Of \$98 million granted, \$98 million spent for regulatory reimbursement, FORA Administration, and ARCADIS work by 2020



# Timelines to Completion





- Create a FORA successor agency for a fixed term.
- Create Joint Powers Authority (JPA) or Community Services District (CSD) for a fixed term.
- Assign responsibilities to an existing entity or entities, such as FORA member agencies and regional and state agencies.
- Create an “a la carte” program aligned by function.

# Post-2020 Alternatives (Slide II)

**A. Extend FORA as it is or restructure FORA’s membership and legislative authority, for a fixed term. Requires legislation but not Army consent.**

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

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

Without FORA	
Building Removal Haz. Waste	<b>Jurisdictions</b>
Army ESCA LTOs	<b>To Be Assigned</b>
Water Rights	<b>To Be Assigned</b>
CEQA Mitigations	<b>To Be Assigned</b>

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

ESCA Admin  
\$1M  
**To Be Assigned**

# Post-FORA Financial Implications



R E V E N U E S	Resource Structure	Property Taxes (≥ \$2M/year)	Post-FORA CFD / Dev Fees (\$78M)	Land Sales (\$25M)	Dues & Franchise Fees (\$525K/year)	ESCA Regulators & Administration (\$1M)
	FORA 'as is' or adjusted	✓	✓	✓	✓	✓
	JPA or CSD	○	○	○	○	✓
	Individual Entities	○	○	✓	○	✓/○

E X P E N S E S	Costs Structure	Building Removal (\$0-9M)	CIP (\$56M)	HCP (\$9M)	ESCA (\$6M)	TOTAL UNFUNDED OBLIGATION
	FORA 'as is' or adjusted	✓	✓	✓	✓	\$0 M
	JPA or CSD	✓	✓	✓	✓	\$70 M
	Individual Entities	✓	✓	✓	✓	\$45 M

# Decisions and Roles

**FORA Board** – approves the 2020 Sunset Transition Plan

**LAFCO** – consults FORA and confirms Board decision

**State Legislature** – receives report from FORA and approves required legislation

**Jurisdictions** – review and comment, implement assigned functions, receive pass-through revenues

**Other Agencies** – review and negotiate assigned functions, negotiate role, receive pass-through revenues

# Potential Legislative Actions

1. Draft legislation to address/extend FORA authority, obligations, and assets for limited time.
- OR**
2. Draft legislative language to transfer/convey FORA powers and authority to JPA and/or successor agency(ies).
    - CFD Special Taxes
    - Land sales 50-50 formula
    - Property tax resources
    - BRP oversight continuity
    - Contractual obligations (where/if possible)

# Questions?

