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
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

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.
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

- FORA Employee Retirement/Health Insurance

Retirement / Health
FORA Assets and Revenues Post-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

FORA Water Rights, Agreements, BRP
BRP CEQA Mitigations
FORA-US Army ESCA
Base-wide Building Removal
PLL Insurance
Retirement / Health
FORA Revenues
Post 2020 Alternatives

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

<table>
<thead>
<tr>
<th>FORA 2.0</th>
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<tbody>
<tr>
<td>Building Removal Hazardous Waste</td>
<td>Jurisdictions</td>
</tr>
<tr>
<td>Army ESCA Long-term Obligations</td>
<td>To Be Assigned</td>
</tr>
<tr>
<td>Water Rights</td>
<td></td>
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<td>CEQA Mitigations</td>
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<td>Retirement/Health</td>
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<table>
<thead>
<tr>
<th>Dues $260K or less</th>
<th>Franchise Fees $265K/year</th>
<th>ESCA Admin $1M</th>
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<tbody>
<tr>
<td>Land Sales $25M</td>
<td>CFD/Dev Fees $78M</td>
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<tr>
<td>Property Taxes $2M/year</td>
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B. Assign responsibilities to a combination of entities such as FORA member agencies, regional and state agencies. Requires legislation and Army consent.

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<thead>
<tr>
<th>Without FORA</th>
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<tbody>
<tr>
<td>Building Removal Haz. Waste</td>
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<tr>
<td>Army ESCA LTOs</td>
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<tr>
<th>Land Sales $25M</th>
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<td>CFD/Dev Fees $0M or more</td>
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<td>Property Taxes $2M/year</td>
<td>Redistributed Outside Ft Ord</td>
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<th>Franchise Fee $0/year or more</th>
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## Post-FORA Financial Implications

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<tr>
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<tr>
<th>Structure</th>
<th>Costs</th>
<th>Building Removal ($0-9M)</th>
<th>CIP ($56M)</th>
<th>HCP ($9M)</th>
<th>ESCA ($6M)</th>
<th>TOTAL UNFUNDED OBLIGATION</th>
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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?