



# Council Agenda Report

Date: August 29, 2018

Item No: 2.

CITY  
Monterey

**FROM:** Kimberly Cole, AICP, Community Development Director  
Prepared By: Elizabeth Caraker, AICP, Housing and Community Development Manager

**SUBJECT:** Receive Presentation on the Fort Ord Reuse Authority Transition Plan (Not a Project under CEQA Article 20, Section 15378 and under General Rule Article 5, Section 15061)

## RECOMMENDATION:

That the City Council receive a presentation on the Fort Ord Reuse Authority Transition Plan.

## POLICY IMPLICATIONS:

As the organization responsible for financing and constructing major components of the infrastructure needed to accommodate land use projects identified in the Fort Ord Base Reuse Plan (BRP), it is the responsibility of the Fort Ord Reuse Authority (FORA) and member jurisdictions to implement the BRP and to meet its goal of job replacement for those communities that suffered economic loss upon closure of the base. Implementation of the BRP is important to the economic future of those communities as well as the region as a whole. Further, the development of the City's portion of the former Fort Ord plays a key role in implementing Monterey's goal of providing the middle-income jobs necessary to support the regional housing currently under development as well as in the pipeline for development.

## FISCAL IMPLICATIONS:

Economic Planning Systems (EPS) was contracted by FORA to prepare a technical analysis evaluating the availability of revenues to complete basewide improvements under FORA Sunset and FORA Extension alternatives (Attachment 1). The analysis assumes that the City of Monterey develops a total of 721,524 square feet of office property with a value of \$12.1 million and 216,276 square feet of industrial property with a value of \$2.5 million in the years following FORA's sunset. According to the analysis, potential economic impacts resulting from FORA's sunset include:

1. \$146.5 million in lost revenue from the existing Community Facilities District (CFD) (Monterey's share is \$192,946)
2. \$132.4 million in transportation costs (Monterey's share is \$14,633,881)
3. \$17.1 million in water costs (Monterey's share is \$722,473)

These impacts could be offset by property taxes and a replacement CFD. Additional impacts in the project area include: lost revenue from development that has been entitled but has not yet paid development fees due upon building permit issuance, loss of a funding source for improvements to South Boundary Road (\$14M), and increased development fees for

industrial/office uses -- making the City's zoned land use less valuable and more difficult to develop.

#### **ENVIRONMENTAL DETERMINATION:**

The City of Monterey Planning Office determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (Article 20, Section 15378). In addition, CEQA Article 5, Section 15061 includes the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action has no potential to cause any effect on the environment, this matter is not a project. Because the proposed action does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. The appropriate level of CEQA review will be conducted on the future project prior to the City taking any action and on any future development of City property. No decision is considered by the City Council at this time that could be analyzed through the CEQA process.

#### **ALTERNATIVES CONSIDERED:**

The City Council may choose to not discuss this item.

#### **DISCUSSION:**

The Fort Ord Reuse Authority (FORA) is responsible for the oversight of Monterey Bay area economic recovery from the closure of and reuse planning of the former Fort Ord military base. The former Fort Ord was/is located on the California coastline near the Monterey Peninsula consisting of 45 square miles/28,000 acres.

FORA implements this legislatively mandated mission by overseeing replacement land use; assuring compliance with adopted measures; removing physical barriers to reuse; financing and constructing major components of the required infrastructure and basewide demands; and protecting identified environmental reserves. FORA exercises planning, financing, and monitoring responsibilities under state law authority to meet these objectives in the best interest of the Northern Monterey Bay Community.

FORA's legislative terminus is June 30, 2020. An ad-hoc committee, the Transition Task Force (TTF) was created in April 2016 and made a recommendation to the Board to pursue a legislative extension and a transition plan. The task of the TTF consists of working with staff to create a transition plan to include methodology for allocating assets/liabilities; a methodology for infrastructure improvement timing; and identifying an entity structure to implement obligations and financing options.

On July 13, 2018, the FORA Board held a study session that included a comprehensive presentation of the major topics to be included in the transition plan. The transition plan outline includes the following:

- a. Executive Summary
- b. Administrative

- c. Water/Wastewater
- d. Transportation
- e. Habitat
- f. Financial Assets
- g. Environmental Services
- h. Miscellaneous Contracts
- i. Transition Staffing
- j. California Environmental Quality Act
- k. Conclusions/Recommendations

Meeting materials for the TTF and the FORA Board can be reviewed on the following FORA webpage: <http://fora.org/Transitiontaskforce.html>.

FORA and City staff will address these topics in our presentation to the City Council; outline their specific relevance to Monterey; identify transition plan issues that have received Board consensus vs. those that have not; and outline the next steps in the transition plan process.

There will be a follow-up to this study session that will focus specifically on Monterey's property development, potential uses, and the City Council's vision for the property.

EC:jl

Attachment: FORA Transition Strategy Technical Analysis; EPS, May 30, 2018

e: Michael Houlemard, Executive Director, FORA  
Sheri Damon, Prevailing Wage/Risk Manager, FORA

U. Alan - WF Housing v. Zoning b/4  
FORA Summary  
Water - + honor H<sub>2</sub>O Allocations.

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**FORA**  
Fort Ord Reuse Authority

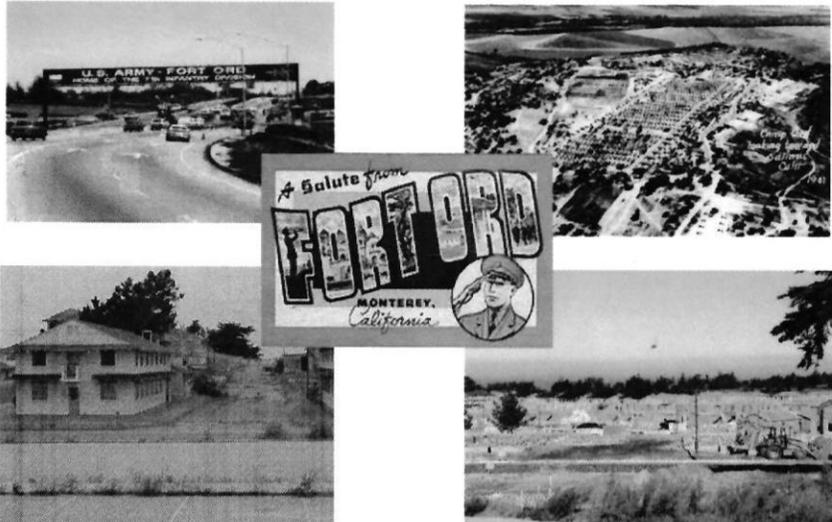
# Transition Plan Study Session

Presentation to City of Monterey  
August 28, 2018

Michael Houlemard, Executive Officer  
Sheri Damon, Prevailing Wage/Risk Manager

**FORA History/Executive Summary**

**FORA**  
Fort Ord Reuse Authority



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## Background and Context



- 1994 SB899 FORA established to foster Regional Cooperation and Collaboration
- 1997 Base Reuse Plan: Transportation Plan, Public Financing Plan and other documents
- 2000 Memorandum of Agreement with Army
- 2001 Implementation Agreements
- 2002 Community Facilities District Formed
- 2007 ESCA Contract
- 2012 AB1614 FORA Extended
- 2016 Transition Planning Process
- 2018 Transition Plan to LAFCO
- June 30, 2020 FORA Dissolution



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## Overview



- Transition Directive
- Key Policy Considerations
- Summary of Expenses
- Summary of Financing
- Key Chapters
- Resolution and assignments



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## Government Code 67700



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.

**Delivery Deadline:** 18 months prior to FORA expiration or December 30, 2018

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## Key Policy Considerations



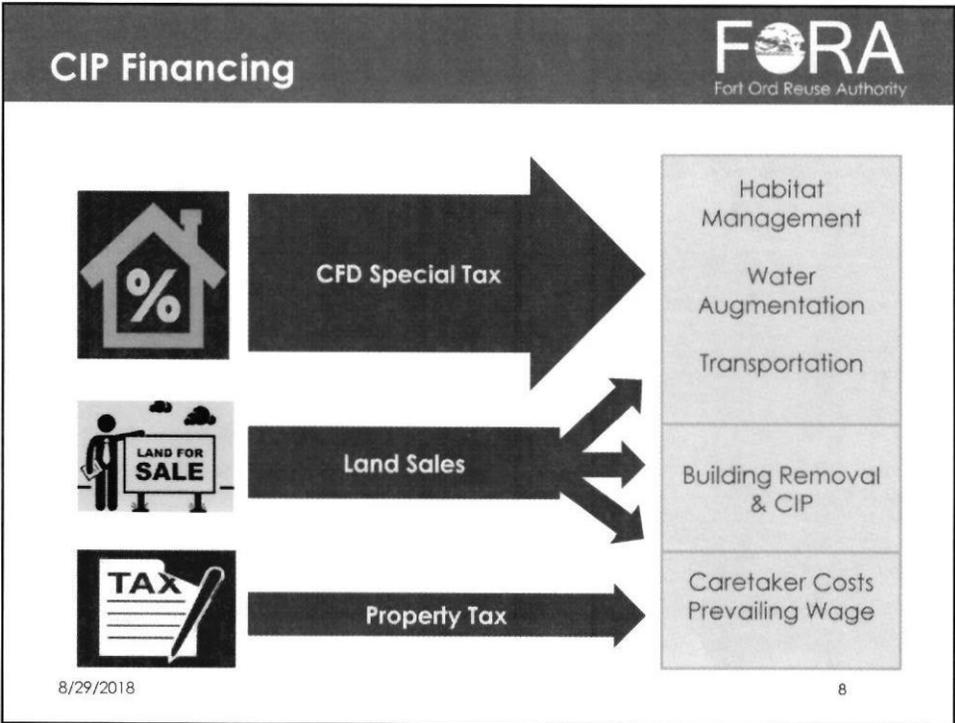
- **COMPLETE THE ECONOMIC RECOVERY**
  - Base wide costs and base wide mitigations
  - What and When
- **REVENUE GENERATION**
  - Continue existing financing or
  - New System
- **REVENUE SHARING**
  - Decide how to share revenues between those that generate the revenues and those providing the basewide costs and mitigation measures (Includes Prioritization).
- **POLICY ENFORCEMENT**
  - What policies and how? (Affordable housing, Prevailing wage, Veteran's Support, Building removal)
- **IMPLEMENTATION PLAN**
  - Contractual Assignment, Agreements and/or Litigation

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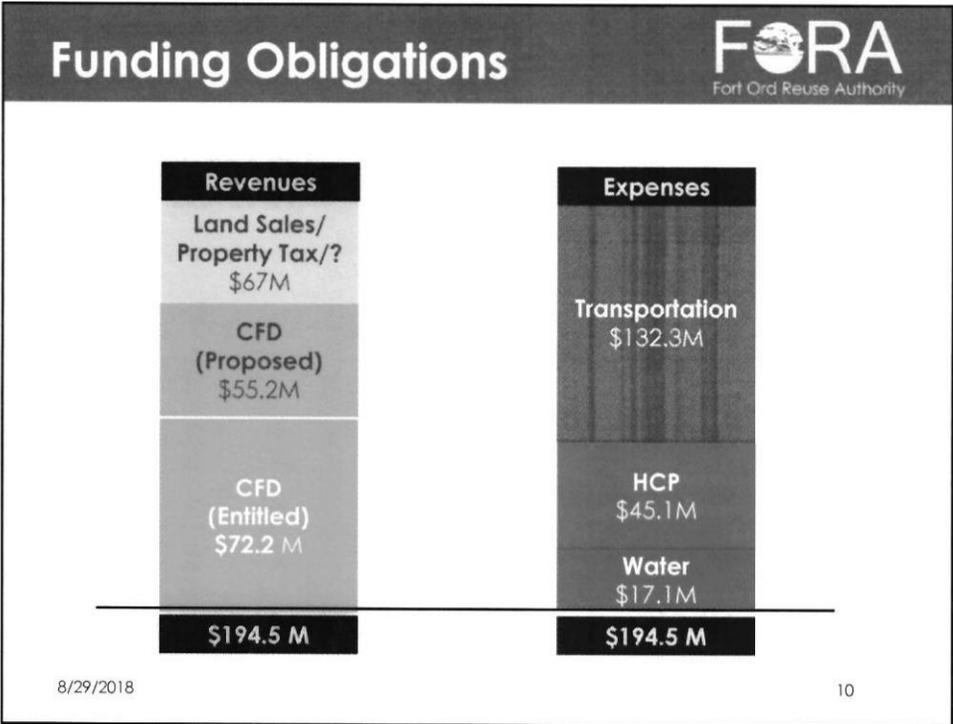
Transition Summary (Expenses)		FORA Fort Ord Reuse Authority	
Major Obligations	Assignments	POST-2020	2029
<b>Expenses</b>			
Transportation/Transit	Jurisdictions – On-site and Off-site projects; TAMC – Regional Projects and Transit or Extension of FORA	\$132.3 M	0
Water Augmentation	MCWD/MRWPCA/Extension of FORA	\$17.1 M	0
Habitat Management	Fort Ord Habitat Cooperative (JPA)	\$45.1M	0
<b>Sub-Total</b>		<b>\$194.5M</b>	<b>0</b>
ESCA Program	New JPA or County or extension of FORA	\$0M*	0
<b>Total</b>		<b>\$194.5M</b>	<b>\$0M</b>
Administrative	New JPA/All Land use/Voting Members?	<b>6.6-8.8M*</b>	0*

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Updated CFD FEES		FORA Fort Ord Reuse Authority	
Jurisdiction	2020 (Entitled)	Post 2020 (Entitled)	Proposed
Del Rey Oaks	\$ 42,370	\$ 42,370	\$ 20,032,700
Marina	\$ 10,640,366	\$ 55,333,761	\$ -
City of Monterey	\$ -		\$ 192,946
City of Seaside	\$ 2,578,905	\$ 2,670,964	\$ 26,988,138
County Of Monterey	\$ 5,987,517	\$ 13,980,905	\$ -
UC			\$ 7,966,189
<b>Total</b>	<b>\$ 19,249,158</b>	<b>\$ 72,220,946</b>	<b>\$ 55,179,973</b>

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### ADMINISTRATIVE



# Indemnity



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### Administration: History

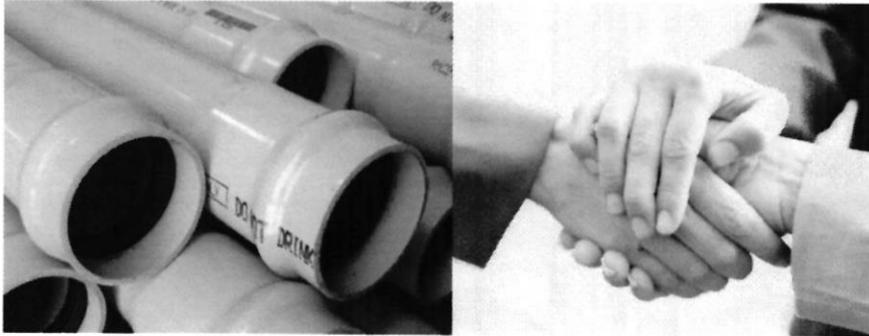
	VOTING (13)
City of Monterey 1/13	7.69%
City of Marina 2/13	15.38%
City of Del Rey Oaks 1/13	7.69%
City of Monterey 1/13	7.69%
County of Monterey 3/13	23.1%
City of Pacific Grove 1/13	7.69%
City of Carmel-by-the-Sea 1/13	7.69%
City of Sand City 1/13	7.69%
City of Seaside 2/13	15.38%
	100%

\* FORA has pre-established funding for these liabilities. If pre-funding does not cover liability, the voting percentage is how the liability is calculated.

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## FORA WATER/WASTEWATER



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## Water/Wastewater

- Annexation to MCWD
- Receiving the benefit of FORA water allocations/rights
- Future water/wastewater service
  - Contract
  - Infrastructure extension

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**TRANSPORTATION**



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**Potential Infrastructure Assignment/Coordination**

Off-Site Improvements					
Proj#	Description	Obligation	Assignment	Est Completion	
Monterey County1	Davis Rd north of Blanco	773,206	CO	2028-2029	
Monterey County2B	Davis Rd south of Blanco	12,849,185	CO	2022-2023	
Monterey County4D	Widen Reservation-4 lanes to WG	9,569,628	CO	2028-2029	
Monterey County4E	Widen Reservation, WG to Davis	5,344,788	CO	2028-2029	
City of Marina 10	Del Monte Blvd Extension	3,965,140	MARINA	2022-2023	
<b>Subtotal Off-Site</b>		<b>\$ 32,501,946</b>			
On-Site Improvements					
Proj#	Description	Obligation	Assignment	Est Completion	
City of Marina FO2	Abrams	1,210,655	MARINA	2020-2021	
City of Marina FO5	8th Street	5,823,534	MARINA	2023-2024	
FORA FO6	Intergarrison	5,115,666	CO	2023-2024	
FORA FO7	Gigling	8,739,609	SEASIDE	2021-2022	
FORA FO9C	GJM Blvd	1,056,168	DEL REY OAKS	2018-2019	
City of Marina FO11	Salinas Ave	1,950,501	MARINA	2022-2023	
FORA FO12	Eucalyptus Road	518,360	SEASIDE	2023-2024	
FORA FO13B	Northeast-Southwest Corridor	19,208,225	CO	2024-2025	
FORA FO14	South Boundary Road Upgrade	7,470,820	DEL REY OAKS	2019-2020	
<b>Subtotal On-Site</b>		<b>\$ 51,093,537</b>			

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## Transportation: Key Issues



1. Who completes FORA lead agency improvements?
  - South Boundary Road Upgrade
  - Intergarrison Road
  - GJM Blvd.
  - NE-SW Corridor
  - Gigling
  - Eucalyptus Road
2. What is the schedule for FORA lead project completion?
3. What is the schedule for FORA Network completion?
4. How do we ensure Fort Ord Zone network obligations are met and monitored/reassessed?
5. How do we ensure network obligations are funded equitably?
6. How do we handle cost overruns from MEC unknowns?

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## HABITAT



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## Habitat: History



- 1996 Habitat Management Plan (HMP) submitted by US Army and approved by USFWS
- 1997 Habitat Conservation Plan/2081 Permit required for base wide HMP Implementation
- 1998-2017 Numerous draft HCP's submitted by FORA but not approved by USFWS/CA DFW
- 2005 Additional requirements for monitoring, fiscal assurances
- 2017 Screen check draft Basewide HCP completed
- August 2018 – Anticipated public release and workshops on Basewide HCP (Pending USFWS/CA DFW review)

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## Habitat: Key Issues



1. What happens if USFWS/CA DFW do not approve Basewide HCP/2081 permit prior to FORA Transition?
2. Who is the successor to a Basewide HCP/2081 permit if no Habitat Cooperative is formed?
3. How are replacement funds (approximately \$45M) allocated and/or how is the endowment funded without the FORA Community Facilities District (CFD) fees?
4. What are the obligations under the HMP?
5. Is it feasible to process individual take permits with USFWS/CA DFW?
6. What are the time /development costs and can or should those costs be shifted as habitat conservation is a **basewide cost/regional asset**?
7. How do jurisdictions finance removal of invasive species and habitat restoration?

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## MISCELLANEOUS CONTRACTS

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## Miscellaneous: History

1. Building Removal
  - 2000 – FORA enters Implementation Agreements identifying certain level of building removal
  - 2002 Board policy authorizes provision of assistance to jurisdictions for building removal to encourage base recovery
2. Veteran's Cemetery Contract
  - Who manages and oversees Veterans' affairs and endowment parcel for cemetery expansion.
3. Judgments (Settlement Agreements/Writs)
  - 1997 – Sierra Club sues over adoption of Base Reuse Plan. Settlement Agreement reached and in 1998 Board adopts Chapter 8 of Master Resolution.
  - 1998 – Board authorizes litigation against CSU. Marina joins lawsuit.
  - 2009 - Case goes to Supreme Court and ultimately return to writ issues resolved in Settlement Agreement
4. Pending Litigation
  1. 2017 – KFOW sues FORA related to engineer hire on Southboundary Road
  2. 2018 – MCP sues FORA related to reimbursement claim for building removal

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## Key Policy Considerations



- **COMPLETE THE ECONOMIC RECOVERY**
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## FORA Act Amendment : Key Issues



1. Board Composition. Same or amended?
2. Voting: Unanimous or majority first?
3. Limit Functions:
  - o ESCA?
  - o CFD Financing District?
  - o Capital Improvement Program?
  - o Policy Compliance
    - Prevailing Wage?
    - Consistency Determinations?

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## Transition Plan Resolution



- Background and Facts
- Findings
  - Basewide Costs and Mitigation Measures
  - Assignments of Administrative and Contractual Obligations/Liabilities
  - Specific Subject Matter findings
  - CEQA
  - LAFCO Review and Approval



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## TRANSITION COMMENTS



Please provide questions and comments on the Transition Plan to the email address below:

**[planning@fora.org](mailto:planning@fora.org)**

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## Discussion



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