A G E N D A

CITY OF SEASIDE CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE	JOINT SPECIAL MEETING Council Chamber 440 Harcourt Avenue Wednesday, December 12, 2018 5:30 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL - ESTABLISHMENT OF A QUORUM**

Ian N. Oglesby	Mayor
David R. Pacheco	Council Member
Jason Campbell	Council Member
Jon Wizard	Council Member
Vacant	Council Member

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**
Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

5. **CONSENT AGENDA**

6. **BUSINESS ITEMS**

A. **RECEIVE AND REVIEW FINAL FORA FISCAL ANALYSIS AND CONSIDER PROPOSED TRANSITION PLANS TO BE DISCUSSED AT THE DECEMBER 14 FORT ORD RESUSE AUTHORITY MEETING**

RECOMMENDATION: Receive the Wildan Financial Services report regarding the fiscal impact of the pending dissolution of the Fort Ord Reuse Authority (FORA) in 2020 and establish the policy position that Seaside is best served by pursuing its vision as a fully-empowered city, unrestricted by FORA's procedural limitations and self-manufactured obligations.

7. **CLOSED SESSION**

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

- **The Property Commonly Referred to As Main Gate** (Property bounded by Lightfighter, Divarty, Second Street and Highway 1) Negotiator for the City: Craig Malin, City Manager, Under Negotiation:Purchase and Sale Agreement Terms
- **Seaside Resort Development** at 1 McClure Way. Negotiator for the City: Craig Malin, City Manager. Under Negotiation: Instructions to negotiator will concern price, terms of payment or both.

8. ADJOURNMENT

Next Regularly Scheduled Meeting:
November 20, 2018
Seaside City Hall
5:30 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at:
http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300
Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

CITY OF SEASIDE
STAFF REPORT

Item No.: 6.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

BY: Craig Malin, City Manager

DATE: December 12, 2018

SUBJECT: **RECEIVE AND REVIEW FINAL FORA FISCAL ANALYSIS AND CONSIDER PROPOSED TRANSITION PLANS TO BE DISCUSSED AT THE DECEMBER 14 FORT ORD RESUSE AUTHORITY MEETING**

PURPOSE & RECOMMENDATION

Receive the Wildan Financial Services report regarding the fiscal impact of the pending dissolution of the Fort Ord Reuse Authority (FORA) in 2020 and establish the policy position that Seaside is best served by pursuing its vision as a fully-empowered city, unrestricted by FORA's procedural limitations and self-manufactured obligations.

BACKGROUND

Under current law, FORA must submit a transition plan to the Monterey County Local Agency Formation Commission (LAFCO) by December 30, 2018 and must dissolve by June 30, 2020. Within the wide range of legal, financial and practical implications embedded within the pending dissolution of FORA, the opportunity for the citizens of Seaside to chart their own path forward, secure the benefit of transformative investment in the community and direct that transformative investment toward the community's vision is paramount. Understanding the range of potential fiscal outcomes under varying buildout scenarios on one hand, along with FORA dissolution or extension scenarios on the other hand, is critical to building community consensus toward strategic decisions regarding Seaside's future.

Willdan Financial Services has prepared a report that makes it clear Seaside is best served pursuing a full buildout scenario on former Fort Ord parcels within its corporate limits, combined with a dissolution of FORA. Even while accepting $56.4 million in "obligations" as presently conceived by FORA, Seaside comes out a projected $83.8 million ahead under this scenario (see Table 1). The worst case scenario, meanwhile, is a partial buildout scenario with a continuation of FORA, resulting in a $34.8 million deficit (Table 1 in summary form and Table 6 in greater detail). As Note 6 to Table 6 (page 15) states, "Seaside's projected deficits in the partial buildout scenario are driven mainly by maintaining full FORA "buildout obligations", without economic improvements from future projects in Seaside which are not yet entitled". This is, in effect, the continuation of the status quo, with Seaside's financial success constrained by a plan formulated for an economy which no longer exists, combined with laborious and untimely approval processes where securing Seaside's future requires at least five votes from FORA Board members beyond our borders.

Seaside operating as fully-empowered city, unrestricted by FORA's procedural limitations and self-manufactured obligations, would be a far more agile, autonomous and successful scenario.

The City of Marina is similarly situated, and has taken policy positions supporting the dissolution of FORA including drafting their own version of a Transition Plan, as one of four currently circulating Transition Plans (see attached staff report for December 14, 2018 FORA Board meeting).

ATTACHMENTS

1. Willdan Final Report
2. FORA Transition Plan

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

Fiscal Impact Analysis of the Potential Dissolution of Fort Ord Reuse Authority (FORA) in 2020

December 7, 2018

WILLDAN Financial Services

Oakland Office:
1939 Harrison Street, Suite 430
Oakland, CA 94612

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Executive Summary

Willdan has been engaged by the Cities of Marina and Seaside to evaluate the fiscal impacts/implications of the dissolution of the Fort Ord Reuse Authority (FORA). Under current law FORA must dissolve by June 30, 2020, with many financial and practical implications. FORA has been at the center of development of the former Fort Ord since its creation. Ultimately Willdan has been tasked with creating a fiscal model of the impact of the dissolution of FORA, and the following report covers the issues that need to be considered in evaluating the implications of fiscal options.

FORA has been engaged in a planning process to evaluate the options and implications of dissolution over the past year or so and reached several conclusions about options and feasibility. In broad terms, Willdan agrees with much of FORA's analysis, but has shifted the frame of reference to the Cities of Seaside and Marina. FORA has identified two basic scenarios for going forward:

1. Single Successor Agency (dissolution of FORA with concomitant creation of an entity to take over some or all of FORA's responsibilities, with others reverting to the Cities and the County)
2. Dissolution

Willdan agrees with this basic summary of options, but it is important to note that option 1 covers a wide range of possibilities in how revenues and responsibilities are allocated. The analysis below covers each of these and Willdan's take on their financial implications, as well as any other issues identified. Additionally, it is important to note that this analysis is based on a plan prepared by FORA and other stakeholders with a regional perspective. **In the event of the dissolution of FORA, each jurisdiction will have the ability to modify development and infrastructure plans to meet its needs and resources. The range of such options is outside the scope of this analysis.**

The three main revenue sources for FORA are 50% of land sales, property taxes, and the FORA CFD fee. Land sale revenues are fairly straightforward and can easily be assigned to a successor agency or the jurisdictions in the event of dissolution of FORA. Property taxes and the FORA fee, however, are more complicated. FORA currently receives property taxes essentially as a redevelopment agency, and upon dissolution these revenues would be redistributed to the Cities, the County, and other entities. Finally, the FORA CFD Fee presents the greatest challenge. It represents a significant portion of total revenues, as will be clear in the analysis below. Although it is collected like a development impact fee, in fact it was established as a special tax under a Community Facilities District. Under current law and its own provisions, it expires with the dissolution of FORA. In the report below Willdan discusses some of the alternatives to replace the revenue, including the modification of the law governing FORA, the creation of replacement CFDs in each jurisdiction, and the establishment of an impact fee to fund the required infrastructure.

Table 1 presents Willdan's current estimates of the fiscal impact to Seaside and Marina of the dissolution of FORA under a full and partial (i.e., only entitled projects are completed) buildout. Seaside's projected deficits in the partial buildout scenario are driven mainly by maintaining full FORA "buildout obligations", without economic improvements from future projects in Seaside which are not yet entitled. Seaside can only avoid such deficits through a combination of shielding itself from being responsible for obligations beyond those which are required for Seaside development and/or through achieving buildout, or near buildout, within its borders.

Table 1 – Net Impact to Cites of FORA's Dissolution after 2020

	Marina	Seaside	Other Cities	Total
Full Buildout Scenario [1]				
Obligations	$72,004,740	$56,436,147	$66,166,518	$194,607,405
Assets & Revenues [2]	$86,562,190	$88,137,509	$68,208,046	$242,907,746
(Gap)/Surplus from FORA Activities	$14,557,450	$31,701,362	$2,041,529	$48,300,341
Land Sales (Non-FORA obligations share) [3]	$16,189,845	$52,175,597	$12,574,714	$80,940,156
Net Impact to City	$30,747,295	$83,876,959	$14,616,242	$129,240,497
FORA Obligations (Gap)/Surplus [4]				$13,538,652
Partial Buildout Scenario [5]				
Obligations	$72,004,740	$56,436,147	$66,166,518	$194,607,405
Assets & Revenues [2]	$83,384,097	$14,443,096	$33,207,760	$131,034,953
(Gap)/Surplus from FORA Activities	$11,379,357	($41,993,052)	($32,958,757)	($63,572,452)
Land Sales (Non-FORA obligations share) [3]	$14,147,250	$7,182,932	$10,987,834	$32,318,016
Net Impact to City	$25,526,607	($34,810,120)	($21,970,924)	($31,254,436)
FORA Obligations (Gap)/Surplus [4]				($61,413,157)

Notes:

[1] Includes revenues from entilted and planned projects. See Table 5.

[2] Includes 50% of land sales, property tax, and CFD Fee revenues.

[3] This represents the 50% of land sales revenues not allocated to FORA Obligations.

[4] Includes initial fund balance in 2020. A gap indicates insufficient funding to cover all the outstanding FORA Obligations.

[5] Excludes revenues from planned (i.e., non-entitled projects). See Table 6.

It is important to note that the above analysis includes a few crucial assumptions:

1. FORA Fee continues or is replaced by something with substantially the same revenue (such as an impact fee, as discussed later in this report). To the extent that the FORA Fee is not available the net revenues will be reduced, and if completely unavailable the amount would be reduced by nearly $146 million.
2. Estimate of property tax allocable to Seaside and Marina, which has not yet been determined but is assumed to be similar to the *ad valorem* share the cities currently receive elsewhere.

I. SCENARIO 1 - FORA AS IS

This chapter presents an overview of FORA's main long-term obligations, assets and revenues. The goal is to identify all the obligations that continue to exist past the possible dissolution of FORA in 2020, as well as the available assets and revenues available to fund such obligations.

FORA has three broad categories of obligations that survive the FORA scheduled sunset.

A. Capital Improvement Program (CIP) /Base Reuse Plan (BRP) California Environmental Quality Act (CEQA) mitigations, which include
    a. Transportation (on-site, off-site, and public transit)
    b. Water augmentation
    c. Habitat Conservation Plan Endowment
B. Board-determined base-wide obligations, which include
    a. Building Removal
C. Organizational/Contractual obligations.

These are obligations that FORA, or any entity, whether the County, individual jurisdictions, or a Joint Powers Authority (JPA), that takes over FORA's functions after 2020 will be required to complete. These obligations are described in detail in Chapter IV.

Under the current FORA structure, these obligations are funded through three primary sources of revenues:

D. Land Sales. FORA receives 50% of all land sold within Fort Ord. Jurisdictions where land is located receive the other 50%.
E. Property Tax (i.e. Tax increment collected on each property developed within Fort Ord.)
F. FORA CFD Fee. FORA charges a fee to new development established as a special tax under a Mello Roos Special Tax District.

These funding sources were established through legislation. A detailed overview of each of these sources is presented in Chapter V.

FORA's obligations, assets, and revenues are tracked in the Capital Improvement Program. The most recent CIP available is for fiscal year 2018-19. According to the CIP 2018-19, if FORA were to continue "as is" through 2028, FORA's estimated assets and revenues would be sufficient to cover all of FORA's obligations going forward.

Table 2 presents a summary of how FORA would fund its obligations through 2028. **The main conclusion from the CIP, is that under the current FORA structure and assuming full buildout, there are sufficient revenues and assets to complete the required improvements at Fort Ord.**

This conclusion, however, is highly dependent on a set of assumptions. In particular, it is based on a 10-year development timeline which is susceptible to real estate cycles. If development does not occur as planned or land sale prices or assessed values fall short of projections, there could be a large deficit or the timeline for completing the capital improvements may be drawn out. Nonetheless, these are the best forecast available.[1]

Table 2 does not include all of FORA's revenues and expenditures. It focuses exclusively on two Special Revenue Funds (SRFs): 1) the CFD Special Tax/Development Fee Fund, and 2) the Land Sales Fund. These SRFs are used to fund project related obligations that extend past 2020. (i.e., CIP/BRP CEQA mitigation obligations and Board-determined obligations). These funds are tracked separately in the Capital Improvement Program.

Table 2 excludes revenues and expenditures tracked in the ARMY/ESCA fund, a third Special Revenue Fund.[2] while ESCA-related obligations extend past 2020, FORA has received sufficient funding from the federal government to complete the ESCA activities.[3] Since these obligations are fully funded they are not included in Table 2.

Table 2 also excludes activities funded through FORA's General Fund. The General Fund collects revenues from Membership Dues,[4] MCWD Franchise Fees, Property Rental/Lease Revenues, Reimbursement agreements, and receives $1.3 million transfer from Property Tax Revenues. The General Fund provides funding for FORA's on-going general operations, primarily salaries and benefits, but also supplies and services, and contractual services.[5] If FORA is dissolved, most of the revenues and expenditures tracked in the General Fund would disappear, therefore they are excluded from Table 2.

Although the focus of this study is the Post-2020 period, FORA obligations for the 2018-2020 period are included in

Table 2 because FORA operates on a "pay-as-you-go" format, which means that projects are only started when revenues are available to cover the costs. That means that projects are dependent on land sales, building permits, and construction of real estate projects within Fort Ord. As a result, as noted above,

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[1] The CIP uses the most current reuse forecasts provided by the FORA land use jurisdictions, Administrative Committee feedback, and Board policies. According to the CIP "annual jurisdictional forecast updates remain the best method for CIP programming since timing of project implementation is the purview of the individual on-base FORA members…In previous updates, the Finance Committee has expressed their concern for a higher degree of accuracy and predictability in FORA's revenue forecasts…FORA works with its member jurisdictions to hone and improve CIP development forecasts and resulting revenue projections."

[2] See chapters IV and V for details about ESCA obligations and funding.

[3] While funding is in place, if FORA is dissolved, ESCA obligations must be assigned to a new entity. The Army has contended with respect to ESCA that it would only deal with one entity. Source: Governing Documents Synopsis. http://www.fora.org/TTF/Additional/ContractAbstract-ALL-080216.pdf

[4] According to Chapter 5 of the FORA Act, "Each agency represented by a board member shall contribute to the authority…the sum of fourteen thousand dollars ($14,000) for each board member that the agency appoints. Each public agency which is represented on the board by an ex officio member shall contribute to the authority… the sum of seven thousand dollars ($7,000)."

[5] In March of 2018, The FORA Board of directors approved the use of $5.7 million from the General Fund balance to be transferred to a 115 Trust program to pre-fund Pension obligations. The board also set aside an additional $1 million from the General Fund for future contributions. See Chapter IV for a discussion of Post-FORA Employee Retirement/Health Provisions.

estimates of costs and revenues across time is dependent on development projections. Deviations from the projections would shift some of the 2018-2020 costs and revenues to the Post-2020 period.

Table 2 – FORA's Long-Term Obligations, Assets, and Revenues – Full Buildout

Obligations [1]	**Through 2020**	**Post 2020**	**Total**
Transportation [2, 3]	$22,735,788	$132,346,820	$155,082,608
Water Augmentation [2, 4]	$6,598,983	$17,098,686	$23,697,669
HCP Endowment [2, 5]	$7,892,226	$45,161,899	$53,054,125
Building Removal [6]	$9,520,871	$0	$9,520,871
Total	**$46,747,868**	**$194,607,405**	**$241,355,273**
Administrative Costs [7]	**$3,487,337**	**$15,261,642**	**$18,748,979**
Assets/Revenues			
Land Sales [8]	$11,496,003	$80,940,158	$92,436,161
Property Tax [9]	$4,111,919	$66,994,175	$71,106,094
CFD [10]	$25,893,569	$119,789,874	$145,683,443
Investment Interest [11]	$72,368	$396,677	$469,045
Total	**$41,573,860**	**$268,120,883**	**$309,694,743**
Net Assets/Revenues [12]	**($8,661,345)**	**$58,251,836**	**$49,590,491**
Beginning fund balance [13]			$22,199,997
Ending Fund Balance			**$71,790,488**

Notes:

[1] Obligations are estimated from Table 3 of the 2018-2019 CIP.

[2] CIP/BRP CEQA mitigations obligation.

[3] Includes Transportation Continency.

[4] Includes RUWAP Pipeline and RUWAP Other.

[5] Includes contingency. Excludes initial fund balance of $13.83 million.

[6] Board-determined obligation.

[7] Organizational/Expenditures for transportation projects (contract change orders, general consulting, additional base wide expenditures, street landscaping, site conditions, project changes, additional habitat mitigations) . General Costs provides for staff, overhead, and direct consulting costs. it also includes FORA Board approved Prevailing Wage and

[8] Excludes Building Removal credits for Marina Community Partners. Estimated from Table 5 of the 2018-19 CIP.

[9] Estimated from Table 8 of the 2018-19 CIP.

[10] Estimated from Table 4 of the 2018-19 CIP.

[11] Estimated from Table 3 of the 2018-19 CIP.

[12] Assets/Revenues minus Obligations and Administrative Costs.

[13] Balance in CFD Special Tax/Property Tax Fund and Land Sales Fund. Estimated from Table 3 of the 2018-2019 CIP.

The estimates above assume that all the entitled and planned real estate projects in Fort Ord are executed and the revenue generated through land sales, property tax, and FORA fee revenues are available to fund outstanding obligations.

Table 3 presents FORA's Long-Term Obligations, Assets and Revenues assuming only the currently entitled projects come to fruition. This change in assumption does not affect FORA Obligations, Administrative Costs, or Beginning Fund Balance. The major difference is a decline in Land Sale, Property Tax and CFD revenues. Willdan has estimated the split between entitled and planned projects for land sales revenues, and has submitted them to FORA for review.

As shown in Table 3, if only the entitled projects come to fruition, the projected revenues will fall short of the projected obligations by a significant margin.

Table 3 – FORA's Long-Term Obligations, Assets, and Revenues – Partial Buildout

Obligations [1]	Through 2020	Post 2020	Total
Transportation	$22,735,788	$132,346,820	$155,082,608
Water Augmentation	$6,598,983	$17,098,686	$23,697,669
HCP Endowment	$7,892,226	$45,161,899	$53,054,125
Building Removal	$9,520,871	$0	$9,520,871
Total	**$46,747,868**	**$194,607,405**	**$241,355,273**
Administrative Costs	**$3,487,337**	**$15,261,642**	**$18,748,979**
Assets/Revenues [2]			
Land Sales [3]	$11,496,004	$32,318,016	$43,814,019
Property Tax [4]	$3,087,851	$42,741,111	$45,828,962
CFD [5]	$20,674,631	$70,599,806	$91,274,437
Investment Interest [6]	$72,368	$396,677	$469,045
Total	**$35,330,854**	**$146,055,609**	**$181,386,463**
Net Assets/Revenues [7]	**($14,904,351)**	**($63,813,438)**	**($78,717,789)**
Beginning fund balance [8]			$22,199,997
Ending Fund Balance			**($56,517,792)**

Notes:

[1] Obligations and Administrative Costs are the same as in the full buildout scenario as they are not impacted by development levels. Data are from the 2018-19 CIP. See footnotes in Table 1 for sources.

[2] Board-Land Sales, Property Tax, and CFD exclude unentitled projects.

[3] Excludes Building Removal credits for Marina Community Partners. Estimated from Table 5 of the 2018-19 CIP.

[4] Estimated from Table 8 of the 2018-19 CIP.

[5] Estimated from Table 4 of the 2018-19 CIP.

[6] Estimated from Table 3 of the 2018-19 CIP.

[7] Assets/Revenues minus Obligations and Administrative Costs.

[8] Balance in CFD Special Tax/Property Tax Fund and Land Sales Fund. estimated from Table 3 of the 2018-2019 CIP.

II. SCENARIO 2 – SINGLE SUCCESSOR AGENCY

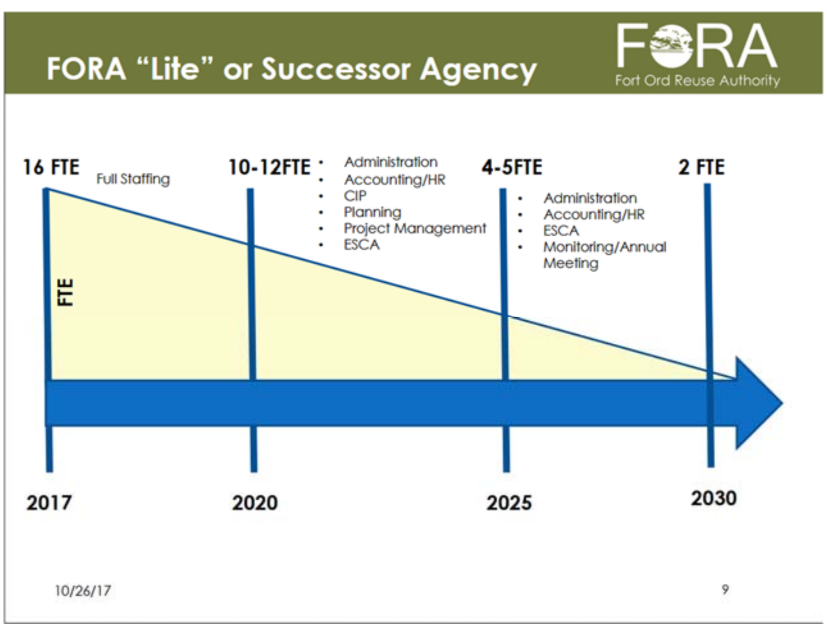
As discussed in Chapter VIII, A Transition Task Force (TTF) was created in April 2016 and appointed by the FORA Board of Directors as an ad hoc committee to explore post 2020 alternatives and the associated transition issues. At the end of the process the TTF recommended 1) the creation of a single successor agency, 2) seeking extension of FORA's CFD powers for the successor agency, and 3) post-FORA obligations/liabilities to be paid using the existing Implementation Agreement formula for completing CIP and Voting Percentage for administrative liabilities.

The final form and composition of the single successor agency are still being studied by the Transition Task Force under supervision of the Board of Directors. Nonetheless, this chapter presents a brief overview of how a single successor agency may impact the remaining FORA obligations and revenue sources after 2020.

Potential impact on obligations

The formation of the single successor agency is unlikely to impact FORA's main remaining obligations after 2020 (i.e., Transportation, Water Augmentation, and HCP Endowment obligations), which may amount to approximate $194 million. See Table 3. As discussed in Chapter IV, these obligations are related to the BRP and mandated by CEQA. Therefore, these obligations are independent of the organizational structure overseeing the development of Fort Ord.

One of the main impacts of establishing single successor agency to replace FORA would be the scaling down of FORA staff. For example, under a "FORA Light" version of a successor agency, FORA staff could be reduced as follows:



Source: Transition Taskforce Presentation to the Board, 10/26/12017.

Changes in FORA staff would reduce administrative costs, most of which are paid through the General Fund and financed through a combination of member fees, MCWD franchise fees, and a $1.3 million annual transfer of property tax revenues from the CFD Special Tax/Property Tax fund. While the reduction in administrative costs may be significant, the administrative costs shown in

Table 2 and Table 3, may not be impacted because those costs are related to project oversight.[6]

Potential JPA impact on assets and revenues

As noted above the TTF recommended seeking an extension of FORA's CFD powers for the successor agency, and for post-FORA obligations/liabilities to be paid using the existing Implementation Agreement formula for completing CIP projects. Therefore, if these recommendations are executed, the existing funding will remain in place to fulfill those existing obligations. The successor agency would continue to receive 50% of land sales and the Property Taxes per the existing implementation agreements, and CFD collections would continue through the completion of FORA obligations.

Therefore, under a single successor agency the obligations, assets and revenue would be relatively unchanged. The successor agency's CIP would very similar to the one for FORA.

[6] Organizational/Expenditures for transportation projects (contract change orders, general consulting, additional base wide expenditures, street landscaping, site conditions, project changes, additional habitat mitigations). General Costs provides for staff, overhead, and direct consulting costs. it also includes FORA Board approved Prevailing Wage and
Caretaker Costs.

III. SCENARIO 3 – REVERSION TO CITIES

If FORA is dissolved in 2020 and a single successor agency is not established, FORA obligations, assets and revenues would need to be assigned to a new entity or entities. Table 4, presents potential assignments.

Table 4 – Potential Assignment of FORA Major Obligations after Dissolution

Major Obligations (Expenses)	Assignment
Expenses	
Transportation	On-site projects: Jurisdictions Off-site projects; Jurisdictions Regional and Transit: TAMC
Water Augmentation	MCWD/MRWPCA
Habitat Management	Fort Ord Habitat Cooperative
Revenues	
Land Sales	Returned to jurisdiction
Property Tax	Returned to jurisdiction and redistributed
CFD	Unassignable; Individual jurisdictions may be able to implement their own CFD

Source: Transition Taskforce Presentation to the Board, 10/26/2017.

Table 4 does not include assignment of expenses related to building removal, post-FORA employee retirement/health provisions (i.e., FORA's long-term retirement funding obligations with), nor ESCA-related obligations. As described in Chapters IV and V, FORA expects building removal to be completed by 2020, the Board has approved funding of long-term retirement obligations from existing funds in the General Fund, and FORA has how secured funding from the US Army for ESCA-obligations. Therefore, these obligations are expected to be fully funded by 2020.

However, regardless of which entity is assigned responsibility for completion, due to the "Fair and Equitable Distribution and Contribution"[7] requirement, all members agencies must share the costs of completing these projects.

FORA's Transition Task Force evaluated the following obligation distribution alternatives:

[7] FORA Act Section 67692 requires the board to "consider a program of local revenue sharing among the member agencies to ensure an equitable apportionment of revenues generated from the reuse of Fort Ord among those member agencies responsible for the provision of services to Fort Ord and member agencies that assist in the funding of services to Fort Ord."

Obligation Distribution COMPARISON

FORA Fort Ord Reuse Authority

	NEW RESIDENTIAL	FUTURE BUILDOUT	WATER ALLOCATION	ACREAGE
County	18%	16%	21%	52%
CSUMB		0%	0%	0%
Del Rey Oaks	13%	13%	7%	5%
Marina	36%	37%	39%	24%
Monterey		0%	2%	2%
Seaside	28%	29%	30%	18%
UC MBEST	5%	5%	0	0%
Totals	**100%**	**100%**	**100%**	**100%**

5/9/17 14

Transition Taskforce Presentation to the Board, 5/9/2017.

On the expense side, the Transition Task force has recommended using future buildout percentage. On the revenue side, it would be up to every jurisdiction to find the revenues necessary to fund those obligations.

Table 5 presents an analysis of how jurisdictions may be able to fund any remaining FORA obligations using the similar tools as under the existing implementation agreements (i.e., a combination of land sales revenues, property taxes and CFD fees). There are, however, several caveats and assumptions for this analysis:

1) Expenses (i.e., obligations related to transportation, water augmentation, and habitat conservation plan endowment): the shares are allocated based on future buildout as estimated by the TTF and FORA staff. Willdan has been unable to verify these numbers.
2) Land Sales: Although jurisdictions would receive 100% of land sales revenues, the model continues to assume that jurisdictions continue to allocate only 50% of revenues to FORA obligations.
3) Property Tax: Assumes that each jurisdiction receives between 15% and 17% of the 1% property tax, except for the County which receives 25%. It assumes that UC development does not pay property taxes. These shares represent the averages received by jurisdictions for all the parcels within each jurisdiction.[8] An important caveat about property taxes is that the estimates below do not include property tax revenues from projects on the tax roll before 2018. According to the 2018-19 CIP there is approximately $1,055,785,914 in assessed value for properties already built within Fort Ord. Assuming that jurisdictions receive 15% of the 1% property tax associated with these properties, then these properties would generate an additional $1.6 million per year (not

[8] Additional information is needed to estimate property tax shares for the cities of Marina and Del Rey Oaks.

inclusive of the 2% annual property tax increase allowed by Proposition 13%). Most of these revenues would accrue to the City of Marina and Monterey County. These revenues can be included in future iterations of this analysis.

4) CFD Taxes: The model assumes that cities will be able to establish CFDs. As described in Chapter VI, there are several legal issues that may impact this assumption. For example, entitled projects may not be subject to new fees. Also, the per unit/acre fee used in this analysis are the same as the current CFD. The actual tax, however may be different for the various jurisdictions.
5) Administrative costs: The analysis does not take into account administrative costs into account. Due to duplication of efforts, the aggregate administrative costs may be higher than they are currently under FORA or what they may be under a single successor agency.

Table 5 – FORA's Long-Term Obligations, Assets, and Revenues After 2020 – Reversion to Cities - Full Buildout

	Calculations/ Footnotes	Marina	Seaside	Other	Total
Remaining FORA Obligations Post 2020	A	$72,004,740	$56,436,147	$66,166,518	$194,607,405
Obligation Allocation Assumption	B	37%	29%	34%	100%
Assets & Revenues					
Land Sales (allocation to FORA obligations)	C	$16,189,845	$52,175,597	$12,574,714	$80,940,156
Property Tax	D	$16,910,225	$9,713,295	$15,554,197	$42,177,717
CFD	E	$53,462,120	$26,248,618	$40,079,136	$119,789,874
Total Revenues	F = C+D+E	$86,562,190	$88,137,509	$68,208,046	$242,907,746
Net Impact to City					
(Gap)/Surplus from FORA Activities	G = F - A	$14,557,450	$31,701,362	$2,041,529	$48,300,341
Land Sales (Non-FORA obligations share)	H	$16,189,845	$52,175,597	$12,574,714	$80,940,156
Net Impact to City	I = G+H	$30,747,295	$83,876,959	$14,616,242	$129,240,497
Net Impact to remaining FORA Obligations					
Jurisdiction contribution toward FORA Obligations	J = MIN(A,F)	$72,004,740	$56,436,147	$66,166,518	$194,607,405
Initial Balance Fund Balance	K				$13,538,652
Total Available toward FORA's obligations	L = J + K				$208,146,057
(Gap)/Surplus	M = L-A				$13,538,652

Notes:

A Includes transportation, water augmentation, and habitat conservation plan. See Table 1.
B Based on future development, estimated by FORA Transition Task Force (May 9, 2017 presentation).
C Source: 2018-19 CIP Table 5. Assumes that each jurisdiction allocates 50% of land sales toward remaining FORA obligations.
D Assumes that each jurisdiction receives between 15 and 17 percent of the 1 percent property tax, except for the County which receives 25%. It assumes that UC development does not pay property taxes. Based on Development Projectsion in CIP. See Supporting Tables for sources.
E Assumes fees similar to current CFD. Source: 2018-19 CIP Table 4.
F Total revenues excluding the share of land sales that each jurisdiction allocates to uses other than FORA remaining obligations.
G Assets and revenues less remaining FORA obligations.
H Portion of land sales that each jurisdiction allocates to uses other than FORA remaining obligations.
I Net Impact to each jurisdiction
J Assumes that each jursidiction contributes all of the revenues (excluding the share of land sales allocated to other purposes) up to the amount necessary to fund its share of remaining FORA obligations.
K Projected fund balance in the CFD Special Tax/Property Tax Fund and Land Sales Fund at the end of 2020.
L Contributions by all jurisdictions plus initial fund balance.
M A gap represents insufficient contributions by jurisdicitons to fund the remaining FORA obligations.

Based on this analysis, if FORA obligations and funding sources reverted to individual jurisdictions:

1) The City of Marina would have a moderate positive impact. See row G.
2) The City of Seaside would have a significant positive impact (i.e., net revenues). See row G.
3) Other jurisdictions, such as the City of Monterey, Monterey County and Del Rey Oaks would have a slight positive surplus (row G).
4) If each jurisdiction contributes all the revenues (excluding the share of land sales allocated to other purposes) up to the amount necessary to fund its share of remaining FORA obligations (see row J), and keeps the rest for its own use, there would be sufficient monies to fund the remaining FORA obligations. See row M.
5) This analysis does not take into account the more than $64 million in affordable housing set aside that could be funded through the current redevelopment tax structure under FORA between 2020 and 2018. When property tax revenues are returned to jurisdictions and redistributed, the affordable housing set aside disappears.
6) This analysis includes CFD revenues (row E), which may prove difficult for jurisdictions to collect or replace if FORA dissolves. If CFD fees were not available, the city of Marina and other jurisdictions would face significant gap in funding, and there would not be sufficient monies to fund FORA obligations. Seaside would continue to have sufficient revenue.

The analysis presented in Table 5 assumes that all of the entitled and planned real estate projects are completed. As discussed above, this analysis is based on a 10-year development timeline which is susceptible to real estate cycles. If development does not occur as planned or land sale prices or assessed values fall short of projections, there could be a deficit or the timeline for completing the capital improvements may be drawn out.

Table 6 presents a more conservative scenario that assumes that only the entitled projects are completed. While it is recognized that completion of entitled projects is not guaranteed, the fact that these projects have already gone through an extensive approval process (and typically considerable private investment to achieve this), increases the chance that they will be completed.

Table 6 – FORA's Long-Term Obligations, Assets, and Revenues after 2020 – Reversion to Cities - Partial Buildout

	Calculations/ Footnotes	Marina	Seaside	Other	Total
Remaining FORA Obligations Post 2020	A	$72,004,740	$56,436,147	$66,166,518	$194,607,405
Obligation Allocation Assumption	B	37%	29%	34%	100%
Assets & Revenues					
Land Sales (allocation to FORA obligations)	C	$14,147,250	$7,182,932	$10,987,834	$32,318,016
Property Tax	D	$15,870,064	$2,013,613	$10,233,456	$28,117,132
CFD	E	$53,366,784	$5,246,551	$11,986,471	$70,599,806
Total Revenues	F = C+D+E	$83,384,097	$14,443,096	$33,207,760	$131,034,953
Net Impact to City					
(Gap)/Surplus from FORA Activities	G = F - A	$11,379,357	($41,993,052)	($32,958,757)	($63,572,452)
Land Sales (Non-FORA obligations share)	H	$14,147,250	$7,182,932	$10,987,834	$32,318,016
Net Impact to City	I = G+H	$25,526,607	($34,810,120)	($21,970,924)	($31,254,436)
Net Impact to remaining FORA Obligations					
Jurisdiction contribution toward FORA Obligations	J = MIN(A,F)	$72,004,740	$14,443,096	$33,207,760	$119,655,596
Initial Balance Fund Balance	K				$13,538,652
Total Available toward FORA's obligations	L = J + K				$133,194,248
(Gap)/Surplus	M = L-A				($61,413,157)

Notes:

A Includes transportation, water augmentation, and habitat conservation plan. See Table 1.

B Based on future development, estimated by FORA Transition Task Force (May 9, 2017 presentation).

C Source: 2018-19 CIP Table 5. Assumes that each jurisdiction allocates 50% of land sales toward remaining FORA obligations.

D Assumes that each jurisdiction receives between 15 and 17 percent of the 1 percent property tax, except for the County which receives 25%. It assumes that UC development does not pay property taxes. Based on Development Projectsion in CIP. See Supporting Tables for sources.

E Assumes fees similar to current CFD. Source: 2018-19 CIP Table 4.

F Total revenues excluding the share of land sales that each jurisdiction allocates to uses other than FORA remaining obligations.

G Assets and revenues less remaining FORA obligations.

H Portion of land sales that each jurisdiction allocates to uses other than FORA remaining obligations.

I Net Impact to each jurisdiction

J Assumes that each jursidiction contributes all of the revenues (excluding the share of land sales allocated to other purposes) up to the amount necessary to fund its share of remaining FORA obligations.

K Projected fund balance in the CFD Special Tax/Property Tax Fund and Land Sales Fund at the end of 2020.

L Contributions by all jurisdictions plus initial fund balance.

M A gap represents insufficient contributions by jurisdicitons to fund the remaining FORA obligations.

The caveats and assumptions of Table 5 also apply to Table 6. Additionally:

1) Land Sales: Land sales revenues have been reduced to account for planned vs. entitled projects. This analysis shows that, if FORA obligations and funding sources reverted to individual jurisdictions, but only the entitled projects move forward:
2) The City of Marina would have sufficient revenue to fund its obligations. (see Row G). This is largely because more of the projects in Marina are entitled compared to the other jurisdictions.
3) The City of Seaside would have a significant negative impact (i.e., net revenues), even after including the additional 50% of land sale revenue available. See row I.

4) Other jurisdictions, such as the City of Monterey, Monterey County and Del Rey Oaks would also face a significant deficit and this deficit could not be funded by increasing the share of land sales revenue dedicated to fund FORA activities. A city by city analysis is outside the scope of this analysis sand has not been conducted.
5) If each jurisdiction contributes all the revenues (excluding the share of land sales allocated to other purposes) up to the amount necessary to fund its share of remaining FORA obligations (see row J), and keeps the rest for its own use, there would not be sufficient monies to fund the remaining FORA obligations. See row M.
6) Seaside's projected deficits in the partial buildout scenario are driven mainly by maintaining full FORA “buildout obligations", without economic improvements from future projects in Seaside which are not yet entitled. Seaside can only avoid such deficits through a combination of shielding itself from being responsible for obligations beyond those which are required for Seaside development and/or through achieving buildout, or near buildout, within its borders

As in the analysis presented in Table 5, this analysis includes CFD revenues (row E), which may prove difficult for jurisdictions to put into effect. If CFD fees were not available, the City of Marina would face a gap in revenue and the negative revenue Seaside and the “Other” jurisdictions would be even larger, as would the gap in funding for remaining FORA Obligations. It is important to note, however, that this analysis contains a number of assumptions about allocation and that revenues could be reallocated among jurisdictions to mitigate some deficits.

Also, as noted in Chapter I, this analysis excludes activities funded through FORA’s General Fund. The General Fund collects revenues from Membership Dues,[9] MCWD Franchise Fees, Property Rental/Lease Revenues, Reimbursement agreements, and also receives $1.3 million transfer from Property Tax Revenues. The General Fund provides funding for FORA’s on-going general operations, primarily salaries and benefits, but also supplies and services, and contractual services.[10] If FORA is dissolved, most of the revenues and expenditures tracked in the General Fund would disappear, therefore they are excluded from

Table 2. This means that the $14,000 per member appointed by each city to the Board of Directors of FORA is not included above. The Cities of Marina and Seaside have two voting members each.

[9] According to Chapter 5 of the FORA Act, “Each agency represented by a board member shall contribute to the authority…the sum of fourteen thousand dollars ($14,000) for each board member that the agency appoints. Each public agency which is represented on the board by an ex officio member shall contribute to the authority… the sum of seven thousand dollars ($7,000).“

[10] In March of 2018, The FORA Board of directors approved the use of $5.7 million from the General Fund balance to be transferred to a 115 Trust program to pre-fund Pension obligations. The board also set aside an additional $1 million from the General Fund for future contributions. See Chapter IV for a discussion of Post-FORA Employee Retirement/Health Provisions.

IV. OVERVIEW OF FORA OBLIGATIONS[11]

FORA has three broad categories of obligations:

A. Capital Improvement Program (CIP) /Base Reuse Plan (BRP) California Environmental Quality Act (CEQA) mitigations,
B. Board-determined base-wide obligations, and
C. Organizational closure obligations.

The following outline describes these obligations, the outstanding amounts, and relative completion timeframes.

1. CIP/BRP CEQA mitigations

i. Transportation/Transit

What is it?

FORA must fund specific amounts for Transit as well as Regional, Off-site, and On-site roadways. This is a CEQA requirement included in the BRP EIR. These projects are described in detail in the 2018-19 CIP.

How much is it?

Table 7 – Transportation Obligations per 2018-19 CIP

Type of Project	Through 2020	Post 2020	Total
Regional	$0	$36,676,790	$36,676,790
Off-site	$4,250,000	$28,251,947	$32,501,947
On-site	$11,091,988	$40,001,549	$51,093,537
Transit	$1,500,000	$14,588,130	$16,088,130
Contingency	$5,893,800	$12,828,404	$18,722,204
Total	**$22,735,788**	**$132,346,820**	**$155,082,608**

Source: CIP 2018-19, Tables 2 and 3.

How is it funded?

Funded through CFD Special Tax/Property Tax revenues. These funds are at risk if FORA is dissolved. See Chapter V.

What happens if FORA is dissolved?

[11] Unless otherwise noted, information presented here is from the April 8, 2016 Board Meeting Packet. http://www.fora.org/TTF/Reports/040816BrdPacket_Report.pdf. Whenever possible, data has been updated to incorporate the most recent available information.

Obligations remain because they are a CEQA requirement linked to development of the base. Responsibility for completing the projects would need to be assigned to a new entity or entities. If a new JPA is not formed after FORA dissolution, a potential assignment of responsibilities may be as follows:[12]

- On-site and Off-site projects: Individual Jurisdictions
- Regional Projects and Transit: TAMC or other multi-jurisdictional entity

However, regardless of which entity is assigned responsibility for completion, due to the "Fair and Equitable Distribution and Contribution"[13] requirement, all members agencies must share the costs of completing these projects.

ii. Water Augmentation

What is it?

FORA must fund a Fort Ord water augmentation project to provide 2,400 acre-feet per year (AFY). FORA has contracted Marina Coast Water District (MCWD) to do this project. MCWD's Regional Urban Water Augmentation Project has identified a 1,427 AFY recycled water project. MCWD and FORA have not yet specifically identified a project that would produce the remaining 973 AFY of augmented water. This is a CEQA requirement included in the BRP EIR, approved by the FORA Board June 13, 1997.

How much is it?

Table 8 – Water Augmentation Obligations per 2018-19 CIP

Type of Project	Through 2020	Post 2020	Total
RUWAP Pipeline	$6,441,983	$2,300,000	$8,741,983
RUWAP Other	$157,000	$14,798,686	$14,955,686
	$6,598,983	**$17,098,686**	**$23,697,669**

Source: CIP 2018-19, Table 3.

How is it funded?

Funded through CFD Special Tax/Property Tax revenues. These funds are at risk if FORA is dissolved. See Chapter V.

What happens if FORA is dissolved?

Obligations remain because they are a CEQA requirement. Responsibility for completing the projects would need to be assigned to a new entity or entities. If FORA is dissolved, and a new

[12] Transition Ad-Hoc Committee, March 27, 2018.
http://www.fora.org/TTF/Presentations/TAC_Presentation_032718.pdf

[13] FORA Act Section 67692 requires the board to "consider a program of local revenue sharing among the member agencies to ensure an equitable apportionment of revenues generated from the reuse of Fort Ord among those member agencies responsible for the provision of services to Fort Ord and member agencies that assist in the funding of services to Fort Ord."

JPA is not formed, responsibility for these projects may be assigned to the Marina Coast Water District (MCWD) and *Monterey Regional Water Pollution Control Agency (MRWPCA)*.[14]

However, regardless of which entity is assigned responsibility for completion, due to the "Fair and Equitable Distribution and Contribution"[15] requirement, all members agencies must share the costs of completing these projects.

A potential funding option, if FORA is dissolved and CFD funds are not available, is for MCWD to add an assessment to its fee program to cover that CEQA requirement.

iii. *Habitat Management Plan/Habitat Conservation Plan (HCP)*

What is it?

The Army's 1997 Habitat Management Plan does not provide Fort Ord jurisdictions with "take" coverage necessary to implement required habitat conservation management on habitat reserves and development/reuse.[16] The jurisdictions and FORA must implement an HCP to receive take coverage from Federal and State wildlife agencies. This is a CEQA requirement included in the BRP Environmental Impact Report (EIR).

How much is it?

Table 9 – HCP Endowment Obligations per 2018-19 CIP

Type of Project	Through 2020	Post 2020	Total
JPA Set Aside (30.2% CFD)	$7,892,226	$26,278,167	$34,170,393
HCP Contingency	$0	$18,883,732	$18,883,732
	$7,892,226	**$45,161,899**	**$53,054,125**

Notes: Does not include $13.8 off-sets

Source: CIP 2018-19, Table 3.

According to the 2018-19 CIP, "As part of the FY 2010-11 FORA CIP Review process conducted by EPS, TAMC, and FORA, at the FORA Board's April 8, 2011 direction, included $18.8M in current dollars as a CIP contingency for additional habitat management costs should the assumed payout rate for the endowment be 1.5% less than the current 4.5% assumption. It is hoped that this contingency will not be necessary, but USFWS and CDFW are the final arbiters as to what

[14] Transition Ad-Hoc Committee, March 27, 2018. http://www.fora.org/TTF/Presentations/TAC_Presentation_032718.pdf

[15] FORA Act Section 67692 requires the board to "consider a program of local revenue sharing among the member agencies to ensure an equitable apportionment of revenues generated from the reuse of Fort Ord among those member agencies responsible for the provision of services to Fort Ord and member agencies that assist in the funding of services to Fort Ord."

[16] https://www.fws.gov/midwest/endangered/permits/hcp/hcp_wofactsheet.html

the final endowment amount will be, with input from FORA and its contractors/consultants. The final endowment amount is expected to be agreed upon in the upcoming fiscal year."[17]

The 2018-19 CIP also includes, $199,916 to be incurred through 2020 for "HCP – UC regents. This represents FORA a funding commitment with the University of California to manage and administer the Fort Ord Natural Reserve (FONR). According to a summary of the agreement FORA will provide "approximately $84,000 annually, indexed to inflation, to the campus for management and operational costs at FONR. After the FORA terminates, the [Fort Ord Regional Habitat Cooperative Membership] will take on this responsibility until the habitat endowments, including the FONR endowment, are fully funded."[18] The Fund is held and managed by the UC.

How is it funded?
Funded through CFD Special Tax/Property Tax revenues. These funds are at risk if FORA is dissolved. See Chapter V.

What happens if FORA is dissolved?
Obligations remain because they are a CEQA requirement. If FORA is dissolved, and a new JPA is not formed, responsibility could be assigned to the Fort Ord the Fort Ord Regional Habitat Cooperative.[19]

However, regardless of which entity is assigned responsibility for completion, due to the "Fair and Equitable Distribution and Contribution"[20] requirement, all members agencies must share the costs of completing these projects.

2. Board-determined base-wide obligations

i. FORA/US Army Environmental Services Cooperative Agreement (ESCA)

What is it?
In 2007, the FORA Board authorized execution of several ESCA agreements. The Administrative Order on Consent (AOC) agreement with United States Environmental Protection Agency (US EPA), California Department of Toxic Substances Control (DTSC) and Regional Water Quality Control Board (RWQCB) was the overarching agreement.

When will it be completed?

[17] Attachment A to Item 8b FORA Board Meeting, 6/8/18.
[18] http://regents.universityofcalifornia.edu/minutes/2014/fin5.pdf. Pages 7-8. See also www.fora.org/Reports/HMP/HCP%20JPA%2012-04-13.doc *Page 10.*
[19] Transition Ad-Hoc Committee, March 27, 2018.
http://www.fora.org/TTF/Presentations/TAC_Presentation_032718.pdf
[20] FORA Act Section 67692 requires the board to "consider a program of local revenue sharing among the member agencies to ensure an equitable apportionment of revenues generated from the reuse of Fort Ord among those member agencies responsible for the provision of services to Fort Ord and member agencies that assist in the funding of services to Fort Ord."

AOC completion schedule: AOC termination is tied to performance standards (completion of Munitions and Explosives of Concern [MEC] related remedial activities), not a fixed date. According to the AOC, EPA, DTSC and RWQCB must approve a successor to FORA's AOC obligations.

ESCA completion schedule: Munitions/ explosives remediation regulatory acceptance is anticipated in 2019. Army 5-year review in 2018-19 and FORA Longer Term ESCA Obligations would continue to 2037.

How much is it?
According to a presentation to the FORA Board on 10/26/17, there is a $7-10 million gap in funding. However, FORA requested an amendment to the agreement with the Army to obtain additional funding. During the meeting of December 12, 2017, the Board of Director's approved entering into an agreement for $6.8 million in additional funding to cover the costs associated with these obligations.[21] Therefore, it appears that this obligation is fully funded.

How is it funded?
Grants from the Federal Government deposited in to a Special Revenue Fund dedicated to ESCA obligations. This funding remains in place if FORA is dissolved. However, it needs to be re-assigned to a new entity.

What happens if FORA is dissolved?
Obligations remain due to contract with U.S. Army. Contract could be assigned to another entity, but Army and Regulatory Agencies may require a single successor entity to ESCA contract.[22] If a new JPA is not formed to replace FORA, responsibility for the ESCA contract (obligations and funding) could be assigned to the County.[23]

ii. Base-wide building removal

What is it?
In 2001, the FORA Board approved inclusion of building removal costs as a FORA CIP obligation. FORA's remaining building removal obligations include Seaside Surplus II and the Marina Stockade areas. FORA is implementing plans that will evaluate overall Surplus II building removal costs. Based on current information, Surplus II building removal costs may exceed the underlying land value even after FORA's CIP obligation is met. FORA has met its financial obligations within the City of Marina Dunes on Monterey Bay project area. However, the Board has tasked staff with identifying means to expedite building removal in this project area.

- FORA is designated by US EPA as a Hazardous Waste Generator for World War II contaminated building debris. The City of Marina would have to take on this obligation at the potential cost of several hundred thousand dollars.

[21] Board of Directors Meeting, December 8, 2017. http://www.fora.org/Board/2017/Packet/120817BrdPacket.pdf
[22] Governing Documents Synopsis. http://www.fora.org/TTF/Additional/ContractAbstract-ALL-080216.pdf
[23] Transition Ad-Hoc Committee, March 27, 2018. http://www.fora.org/TTF/Presentations/TAC_Presentation_032718.pdf

When will it be completed?
FORA's building removal financial obligations can be met by 2020. If the FORA Board modifies FORA's building removal obligation or role in Surplus 11 and/or Dunes on Monterey Bay project areas, such actions may extend the obligation completion schedule.

How much is it?

Table 10 – Building Removal Obligations per 2018-19 CIP

Type of Project	Through 2020	Post 2020	Total
Seaside Plus II	$5,299,471		$5,299,471
Marina Stockade	$4,360,284		$4,360,284
	$9,520,871	**$0**	**$9,520,871**

Notes: Does not include $19.4 million in land sale credits related to Marina Community Partners.
The total sum is off by $128,884 per the CIP.
Source: CIP 2018-19, Table 1B and 3.

The total above does not include $19.4 in land sale credits related to Marina Community Partners (MCP). This is reflected in the Land Sales Revenues described in detail in Chapter V. A description of this land credit is presented in the 2018-19 CIP.

Also, the CIP 2018-19 includes a Set Aside for Building removal for $6,648,056 to be incurred in through 2019. That amount is not included above.

How is it funded?
Land sales.

What happens if FORA is dissolved?
As discussed above it is expected that these obligations will be completed by 2020. If they were not, the obligations would remain and need to be transferred to a new entity; probably the cities in which the projects are located.

However, regardless of which entity is assigned responsibility for completion, due to the "Fair and Equitable Distribution and Contribution"[24] requirement, all members agencies must share the costs of completing these projects.

3. Organizational responsibilities and contractual obligations

FORA has been in operation since 1994 and has acquired many contractual and legislative responsibilities. Before FORA dissolves in 2020, a number of these obligations must be assigned to another entity or otherwise addressed.

[24] FORA Act Section 67692 requires the board to "consider a program of local revenue sharing among the member agencies to ensure an equitable apportionment of revenues generated from the reuse of Fort Ord among those member agencies responsible for the provision of services to Fort Ord and member agencies that assist in the funding of services to Fort Ord."

i. FORA-Marina Coast Water District (MCWD) Water/Waste Water Facilities Agreement

What is it?

The Facilities Agreement provides for MCWD to annex the Ord Community Service area before FORA's dissolution. MCWD has not yet completed annexation of the Ord Community Service area.

What happens if FORA is dissolved?

If MCWD annexation is not completed by June 30, 2020, FORA must assign its Facilities Agreement role and responsibilities to another entity.

Note: This is an administrative obligation but no significant financial obligations, beyond administrative costs, appear to be associated with this obligation.

ii. Fort Ord Water Allocations

What is it?

The June 23, 2000 Memorandum of Agreement (MOA) between the US Army and FORA for Sale of Portions of the Former Fort Ord (Economic Development Conveyance Agreement) [EDC]) assigned most US Army groundwater rights to FORA.

What happens if FORA is dissolved?

FORA subsequently allocated groundwater to former Fort Ord jurisdictions and property owners. FORA must assign its EDC role and responsibilities to another entity before its dissolution. Army prefers a single successor and does not want to deal with multiple entities.[25]

Note: This is an administrative obligation but no significant financial obligations, beyond administrative costs, appear to be associated with this obligation.

iii. Pollution Legal Liability (PLL) Insurance

What is it?

FORA and participating jurisdictions purchased base-wide PLL insurance coverage in 2014 that terminates in 2024.

What happens if FORA is dissolved?

FORA has not yet assigned its first named insured status to an entity after June 30, 2020 but is working with the County of Monterey as a potential first-insured.[26]

Note: no significant financial obligations, beyond administrative costs, appear to be associated with this obligation.

iv. FORA's Powers and BRP Compliance

What is it?

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[25] Governing Documents Synopsis. http://www.fora.org/TTF/Additional/ContractAbstract-ALL-080216.pdf

[26] County is identified as successor to FORA. FORA/County of Monterey/City of Monterey/City of Seaside, Marina, Successor Agency to RDA of Monterey County, MPC, TAMC, MST all named insured. Governing Documents Synopsis. http://www.fora.org/TTF/Additional/ContractAbstract-ALL-080216.pdf

FORA's oversight, consistency, enforcement and financing powers described in the FORA Act are repealed on July 1, 2020. This includes FORA's financing role through the CFD Special Tax, Property Taxes, and land sales/lease proceeds. FORA's BRP compliance role of performing Consistency Determinations and, potentially, provisions that establish that "[the BRP] shall be the official local plan for the reuse of the base for all public purposes, including all discussions with the Army and other federal agencies, and for purposes of planning, design, and funding by all state agencies" would end as well unless modified by state legislation.

There are non-project related costs included in the 2018-19 CIP, most of which are attributed to FORA operating functions. Therefore, Willdan is tracking them under “FORA's Powers and BRP Compliance.

The following costs are covered by the CFD Special Tax/Development Fee Fund (i.e., CFD and Property taxes)

1) Property Tax- Jurisdiction Share (All Jurisdictions)
2) HCP – UC Regents: This most likely due to the endowment related to the UC Fort Ord Natural Reserve (FONR). These costs are described in more detail above in the HCP obligation section.
3) General CIP/FORA Costs, which according to the footnotes of the CIP, includes expenditures for transportation projects (contract change orders, general consulting, additional base wide expenditures, street landscaping, site conditions, project changes, additional habitat mitigations). General Costs provides for staff, overhead, and direct consulting costs. In 2015/2016, the FORA Board approved Prevailing Wage and Caretaker Costs to be funding with Property taxes.
4) *Caretaker Costs (Including Emergency Fund)*: These costs are “Costs associated with potential delays in redevelopment and represent interim capital costs associated with property maintenance prior to transfer for development.” *Examples* of caretaker costs include the following: tree trimming, mowing, pavement patching, centerline/stenciling, barricades, traffic signs, catch basin/storm drain maintenance, vacant buildings, vegetation control/spraying, paving/slurry seal, and administration (10% of total costs). Annual Care taker costs are estimated at $500,000 per year, except for FY 16/17 which has an additional set aside of $75,000 for urgent and unforeseen caretaker costs. This is described in more detail in the 2018-19 CIP. Caretaker costs are funded with Property Taxes. However, the Biennial CIP review takes these costs out of land sales.

The following costs are covered by the Land Sales Fund

1) General CIP/FORA Costs (A/E, PM, CM, Staff Costs, etc.…)
2) The 2018-19 CIP also includes a $6,648,056 Set Aside for Building Removal. Costs related to these expenditures are expected to be incurred in 2018-2019 and appear to be funded out of the existing fund balance. Therefore, they are not included in the table below.

Table 11 – Project Related Administrative Obligations per 2018-19 CIP

	Through 2020	Post 2020	Total
Expenses paid by CFD/Property Taxes Fund			
Property Tax - Jurisdiction Share*	$0	$4,117,492	$4,117,492
HCP - UC Regents*	$199,916	$105,145	$305,061
General CIP/FOR A Costs*	$2,071,548	$6,539,005	$8,610,553
Caretaker Costs*	$1,075,000	$4,500,000	$5,575,000
General CIP / FOR A Costs (A/E, PM, CM, Staff Costs, etc.)**	$140,873	$0	$140,873
	$3,487,337	**$15,261,642**	**$18,748,979**

* Funded through the CFD Special Tax/Development Fee Fund, which includes property taxes
** Funded through the Land Sales Fund
Source: CIP 2018-19, Table 3.

v. *Miscellaneous Contract Obligations*

What is it?

FORA has entered into several contracts with state, federal, and local agencies since 1994. These contracts must be reviewed and, if FORA's obligations continue past 2020, FORA must assign its obligations to another entity. For example, FORA entered into an agreement with Monterey Peninsula College, Bureau of Land Management (BLM), and County of Monterey in 2002. FORA agreed to assume MPC's habitat management responsibilities for its habitat reserve parcels after MPC makes a specific mitigation payment to FORA. FORA would need to assign these responsibilities to another entity before 2020.

vi. *Post-FORA Employee Retirement/Health Provisions (2040-2060)*

What is it?

FORA participates in the CalPERS retirement program. Public Agencies participating in CalPERS programs are typically on-going entities, such as a City government or Special District such as a water district. Due to FORA's limited term, FORA's long-term retirement funding obligations with CalPERS will extend past 2020.

How much is it and how is it funded?

At the 3/9/18 meeting, the Board of Directors approved the establishment of a Section 115 Trust Program to pre-fund future pension obligations. Trust funding will restrict the use of funds that are transferred to the fund. The Board approved $5.7 million to be transferred to the 115 Trust program to pre-fund Pension obligations, and an additional $1 million is set aside for future contributions. Funding for the $5.7 million (in addition to $586,160 needed to start the program) is included in the 2018-19 mid-year budget. The remaining $1 million set aside is carried as “committed/assigned”. All funding for this program comes from the General Fund balance.[27]

[27] Board of Directors Meeting, March 9, 2018. http://www.fora.org/Board/2018/Agenda/030918BrdAgenda.pdf

V. OVERVIEW OF FORA ASSETS AND REVENUES[28]

FORA's assets and revenues will be affected by its 2020 dissolution. These changes will affect the financial resources available for Fort Ord Base Reuse. The following section describes each asset or revenue source and a brief discussion of how dissolution may affect each of them.

The estimates presented below are based on the 2018-2019 CIP. While the focus of our study is the post 2020 period, Willdan included the period leading up to it because the costs and revenues will shift across time as new estimates are produced.

The major revenue categories, such as Land Sales, Property Taxes, and CFD revenues and

1. Land sale and lease proceeds

What is it?

Under State law, FORA currently shares land sale and lease proceeds 50/50 with the underlying jurisdictions.

What happens if FORA is dissolved?

Post 2020, barring legislative action otherwise, jurisdictions would receive 100 percent of sale or lease proceeds paid to them by end-users of the property.

How much is it?

Table 12 – Estimated Land Sales Revenues per 2018-19 CIP

Total Sales by Jurisdiction	Through 2020	Post 2020	Total
Marina	-$15,708	$32,379,690	$32,363,982
Seaside	$22,634,310	$104,351,194	$126,985,504
Other	$19,798,813	$25,149,427	$44,948,240
Total	$42,417,415	$161,880,311	$204,297,726
FORA 50% share	$11,496,003	$80,940,158	$92,436,161

Notes: Marina and FORA revenues are shown net of a $19,425,408 building removal credit associated with MCP II and III. FORA share assumes extention past 2020.

Source: 2018-19 CIP, Table 5. Except for Building Removal Credits, which are from Table 4.

What is it for?

[28] Unless otherwise noted, information presented here is from the April 8, 2016 Board Meeting Packet. http://www.fora.org/TTF/Reports/040816BrdPacket_Report.pdf. Whenever possible, data has been updated to incorporate the most recent available information.

Land Sale proceeds are deposited into the Land Sales Fund. They are designated to cover building removal costs as a first priority and other CIP costs as second priority per FORA Board policy.[29]

2. Property Taxes

What is it?

By a special formula included in the State Health and Safety Code, FORA currently receives a portion of property taxes generated from former Fort Ord

What happens if FORA is dissolved?

Assuming no legislative action otherwise, this revenue source would be reallocated to the State of California, Educational institutions, special districts, and County of Monterey based on a new formula.

If Property Tax funds were used to pay debt, they would not be affected if FORA is dissolved.According to California Code, Health and Safety Code 33492.71 (c)(1)(D):

> "Upon dissolution of the authority, the amount allocated pursuant to this section shall continue to be paid to the accounts of the authority insofar as needed to pay principal and interest or other amounts on debt that was incurred by the authority. Funds that would be allocated pursuant to this section that exceed the amounts necessary to pay debt service on authority debt shall be divided as follows: 54 percent shall be allocated to the city or county redevelopment agency that establishes the project area; 38 percent shall be allocated to the county; and 8 percent shall be allocated to other affected taxing entities."[30]

How much is it?

[29] 2017-18 CIP, Page3

[30] http://codes.findlaw.com/ca/health-and-safety-code/hsc-sect-33492-71.html. FORA operates on a pay-as-you go system. Since there is no debt, it is unclear what the post-FORA split will be. It is possible that it could be split based on the 54-38-8% split described in the Health and Safety Code.

Table 13 – Estimated Property Tax Revenues per 2018-19 CIP

	Through 2020	Post 2020	Total
Property Tax assessment 1%	$31,896,934	$373,976,916	$405,873,850
Less housing set aside (20%)	-$6,379,387	-$74,795,383	-$81,174,770
Property Tax net of housing set aside	$25,517,547	$299,181,533	$324,699,080
Tier 1 (13.5%)	-$3,445,998	-$40,402,742	-$43,848,739
Tier 2 (11.3)	-$2,894,637	-$33,938,292	-$36,832,929
Tier 3	$0	$0	$0
Annual net property tax	$19,176,912	$224,840,499	$244,017,411
FORA Property Tax (35%)	$6,711,919	$78,694,175	$85,406,094
Forecast Estimate - 90% of Property Tax	$6,040,727	$70,824,757	$76,865,484
Operating Costs	-$2,600,000	-$11,700,000	-$14,300,000
Property Tax Transfer to CIP	**$4,111,919**	**$66,994,175**	**$71,106,094**
FORA net share of 1% Prop. Tax*	18.9%	18.9%	18.9%

*Includes FORA operating costs
Source: CIP 2018-19, Table 8.

What is it for?
Of the 35% property tax collected by FORA, $1.3million per year are assigned the General Fund and used to cover to FORA Salaries, Benefits, Supplies & Services, and contractual Services.[31] This is shown as “Operating Costs” in Table 13. The remainder of the property tax collected is assigned to the CFD Special Tax/Development Fee Fund and used to cover CIP related costs.

3. CFD Special Tax

What is it?
FORA’s Development Fee is a Mello Roos Special Tax District (Government Code section 53311 and following). It does not require a nexus (This is important because a new entity establishing a CFD may require a nexus.)

What happens if FORA is dissolved?
The Special Tax lien establishing the FORA CFD does not provide for special tax collection after FORA's dissolution and appears to dissolve under its own terms. This revenue source would end on June 30,2020 unless the State legislature and/or LAFCO expressly act to continue it (and have the power to do so), or a jurisdiction acts to create a new one to replace it. A more detailed overview of the CFD is presented in Chapter VI.

[31] Board meeting 5/12/17.

How much is it?

Table 14 – Estimated CFD Revenues per 2018-19 CIP

	Through 2020	Post 2020	Total
Marina	$13,767,133	$53,462,120	$67,229,253
Seaside	$6,092,897	$26,248,618	$32,341,515
Other	$6,033,539	$40,079,136	$46,112,676
Total	**$25,893,569**	**$119,789,874**	**$145,683,443**

Source: Estimated by Willdan based on CIP 2018-19, Table 4.

The revenue projections above include numerous sites, such as Seaheaven and Seaside Resort, which were entitled before 2008. This is important because as highlighted during the *10/26/17 Board Presentation,* projects that entered a development agreement before 2008, the year the CFD went into effect, cannot be subject to a new fee. A legal review may be necessary to establish whether projects entitled before 2008 can be subject to the CFD fee.

What is it for?
The CFD funds are deposited into the CFD Special Tax/Development Fee Fund and used to finance CEQA mitigations described in the BRP Final Environmental Impact Report (FEIR). These include Transportation/Transit projects, Habitat Management obligations, and Water Augmentation. CFD legislation allows payment for specified public services and public facilities (building removal costs are not allowed unless in conjunction with an identifiable public facility which will remain in existence for longer than 5 years.[32]

4. Membership dues

What is it?
The FORA Act provides for membership dues to help fund FORA operations.

What happens if FORA is dissolved?
This revenue source would end on June 30, 2020.

How much is it?
For fiscal year 2016-17 (revised budget), Membership dues amounted to $331,000 in FY 2016-17 (revised budget).[33] And $307,000 in FY 2017-18[34] For FY 2018-19 the projected amount is $310,928.

What is it for?
Membership fees are assigned the General Fund and used to cover to FORA Salaries, Benefits, Supplies & Services, and contractual Services.

[32] Board Workshop10/26/17, slide 23.
[33] FORA 2016-17 Revised Budget. http://fora.org/Board/2017/Packet/031017BrdPacket.pdf
[34] FY 2017-18 Annual budget.
http://fora.org/Board/2017/Presentations/05/051217_Item8b_Annual_Budget_FY17-18.pdf

5. MCWD Franchise Fee

What is it?

FORA receives an MCWD Franchise Fee of $15,000 annually in accordance with the Facilities Agreement.

What happens if FORA is dissolved?

If FORA assigns its Facilities Agreement roles and responsibilities to another entity, this revenue source would continue past 2020. If MCWD annexes the Ord Community service area before June 30, 2020, this revenue source would end before June 30, 2020.

What is it for?

MCWD Franchise Fees are assigned FORA's General Fund and used to cover to FORA Salaries, Benefits, Supplies & Services, and contractual Services.

6. MCWD Revenues

What is it?

FORA receives a percentage of MCWD's Ord Community revenues annually in accordance with the Facilities Agreement.

What happens if FORA is dissolved?

If FORA assigns its Facilities Agreement roles and responsibilities to another entity, this revenue source would continue past 2020. If MCWD annexes the Ord Community service area before June 30, 2020, this revenue source would end before June 30, 2020.

How much is it?

MCWD revenues fund FORA operations, not capital improvements. FORA's budget for FY 2016-17 has a line item labeled "MCWD Franchises Fees – MCWD" for $2,000 each year in FY 2015-16 and FY 2016-19. According to the budget "this amount represents MCWD's projected FY 16-17 payments to FORA from water and sewer operations on Fort Ord and associated fees."[35] In the Revised FY 16-17 Annual budget this amount was increased to $615,000.

What is it for?

MCWD Revenues are assigned to FORA's General Fund and used to cover to FORA Salaries, Benefits, Supplies & Services, and contractual Services.

7. ESCA grant funds

What is it?

FORA receives funding from the U.S. Army to finance activities related to the Army Environmental Services Cooperative Agreement.

What happens if FORA is dissolved?

The Army ESCA Special Revenue Fund will likely have sums remaining in ESCA funding in 2020. If FORA assigns its ESCA responsibilities to another entity or entities, this funding would continue past 2020.

[35] Ibid.

How much is it?
See discussion above on the ESCA obligations.

What is it for?
ESCA grant funds are deposited into a Special Revenue fund (ARMY ESCA Fund) and used specifically to pay for ESCA obligations. See discussion above on the ESCA obligations.

VI. CFD Replacement/Extension Options

As shown in the analysis above, the CFD revenues (also known as the "FORA Fee" are a significant source of infrastructure funding. Assuming full buildout and the use of a portion of the City's 50% of land sale revenues, the City of Seaside is still able to fund development. The other jurisdictions under full buildout, and all of the jurisdictions under partial buildout, cannot fully fund their obligations without the FORA fee or some alternate revenue source.

The special tax lien establishing the FORA Fee does not provide for special tax collection after FORA's dissolution.[36] Although transfer of CFDs is allowed between County and Cities with written agreement (such as in an annexation or incorporation), there does not appear to be any authority in the law that would grant such authority in the case of dissolution of FORA..[37] Therefore, this revenue source would end on June 30, 2020, unless the State legislature acts, LAFCO finds a way to continue it, or a jurisdiction acts to create a new one (new CFD).

According to presentation to the Board of Directors by Sheri Damon on 11/17/17, the following are the CFD Extension Options:[38]

1) Extend and Amend FORA Act to address community concerns, thus extending the current CFD by changing FORA's termination date (note that this does not mean Extending FORA itself, only the act). For example, the following could be amended:
    a. FORA Lite (only member jurisdictions)
    b. FORA Shell (retaining financing powers and limited participation: reduced staffing)
    c. Eliminate unanimous first vote rule?
    d. Consistency Oversight Adjustment?

2) Vote and Amend Mello Roos to address the following:
    a. Add End Date of CFD. The end date ambiguity is found in the formation documents (NOTICE of Special Tax and Ordinance 02-10 and 05-01, it would most likely require a vote to fix the ambiguity and extend date to 2051.
    b. Sections 53368 and 53368.1- Transfer Process. If End Date is extended and FORA is dissolved, the Mello Roos statue must be amended to provide a transfer process from FORA to successor(s), such as a city, the county, or a JPA.
    c. Section 53313.5 – to permit allowed uses of funds to cover building removal and other uses. This amendment is not necessary to extend life of the CFD, but it would a useful amendment to make financing more flexible.

A third option, would be for jurisdictions to form independent CFDs. However, there are some of challenges, which may preclude the feasibility of this option, including:

- May require approval of multiple land owners or voters within district.
- Will require revenue sharing and/or cooperative agreements to execute BRP obligations, such as Habitat Conservation Plan.

[36] Per Section 53321(d) of the FORA Act, Special Taxes shall not be levied after Fiscal Year 2013-2014 or the Termination of FORA, whichever is later, but in no circumstances shall the Special Tax be levied later than calendar year 2051.
[37] Ibid.
[38] These options are also discussed at the Board Workshop 10/26/17, slide 24.

- Entitled projects may not be subject to new fees.
- Individual jurisdictions may end up with different fees, based on the CIP items allocated in that jurisdiction (although CFD law allows for some improvements outside the CFD itself)

Willdan has identified a fourth option, which would be for the individual jurisdictions to establish a development impact fee to fund the required infrastructure that would have been funded by the FORA Fee.

- Nexus requirement: For impact fees the jurisdictions will have to establish a nexus between the CIP and development. For example, the Transportation Agency of Monterey County is required to follow the Mitigation Fee Act (Government Code section 66000 and following) which requires a Nexus to development. The FORA CFD is a special tax which does not require a nexus in the same was as impact fees do.
- Entitled projects may not be subject to new impact fees (although by law projects pay the impact fees in effect at the time the project applies for building permits).
- Individual jurisdictions may end up with different fees, based on the CIP items allocated in that jurisdiction.

Table 15 – CFD Summary

SUMMARY	Creates comprehensive financing mechanism to implement Base-Wide Costs (BWC) and Base-Wide Mitigation Measures (BWMM). The financing district is beyond legal challenge on the establishment.
DATE OF EXECUTION/ADOPTION	Recorded 5/22/2002
TERMINATION	Termination of FORA or 2051 whichever first occurs
PARTIES	FORA
ASSETS	• Creates financing mechanism to implement Base-wide Costs (BWC) and Base-wide Mitigation Measures (BWMM). • Statute of Limitations passed on challenging CFD. • District Boundaries already exist. • Mello Roos District (Gov §53321 et seq).
LIABILITIES	Assessment approved through termination of FORA but not later than 2051.
ASSIGNABILITY	Unlikely. The CFD says it terminates on FORA dissolution but tax extends to 2051. The Gov't Code §53368 states that CFD may be transferred by County to City. Multiple issues and would require special counsel for FORA and Cities/County to concur on interpretation and solutions.
PRE-REQUISITES TO ASSIGNABILITY	• Needs agreements between FORA Board and each individual jurisdiction. • Needs revenue sharing and BWC/BWMM expenditure agreements among jurisdictions. • District map amendments; new Notices.
OUTSTANDING ISSUES	• LAFCO does not have jurisdiction over CFD law. • Extensive legal analysis and costs associated therewith. • May require jurisdiction to set up own district to collect. • May require approval of multiple land owners or voters within district. • Will require revenue sharing and/or cooperative agreements. • Unknown Litigation risk.
POST FORA FUNDING	No

Source: Governing Document Synopsis.

VII. FORA BACKGROUND[39]

1993 – 1994: Establishment
In December of 1993, Senator Henry Mello proposed Senate Bill (SB) 899 to create a Fort Ord Reuse Authority (FORA). SB 899 was approved unanimously by the State Assembly Ways and Means Committee in April 1994 and was signed into law by Governor Pete Wilson on May 10, 1994. SB 899, as amended, has been codified as Title 7.85 of the Government Code, sections 76750, et. seq., known as the "Fort Ord Reuse Authority Act." Formally established as a corporation of the State of California on May 20, 1994, FORA's purpose is to prepare, adopt, finance and implement a plan for the land formerly occupied by Fort Ord. FORA's initial sunset was planned for June 30, 2014.

1997: Fort Ord Reuse Plan (Base Reuse Plan or BRP) & Habitat Management Plan (HMP)
The BRP is a regional planning document utilized by federal and state government to implement military base reuse. The deeds, government clean-up, base-wide costs and mitigation measures all stem from this document. The BRP 1) defines recovery program and constraints (includes environmental impact report), 2) addresses agency build out conflicts, 3) Identifies mitigations to implement program, and 4) identifies base-wide costs (BWC) and mitigation measures (BWMM) (BWC and BWMM require both funding and construction). The BRP was litigated and subject to settlement agreement with the *Sierra Club*.

The HMP is the US Army's base wide mitigation measure required by NEPA and Endangered Species Act (ESA) to mitigate the closure and subsequent development of Fort Ord. It has been followed since 1997. There is still a requirement that FORA take the Landfill parcel and maintain 75% of it as habitat. The Landfill parcel is not scheduled to transfer until 2023 after the expiration of the current Authority Act.

Requires preparation of a Habitat Conservation Plan (HCP) Requires protection, maintenance of habitat areas Est.

2000: Memorandum of Agreement – Economic Development Conveyance (EDC)
The EDC is the overarching document which guides land transfers from the Army to the local redevelopment authority (LRA). It contains representations and warranties, many of which are also contained in the transfer deeds. The EDC 1) establishes FORA as the LRA, 2) Establishes cleanup requirements based on BRP, 3) establishes No Cost EDC requirements, 4) Establishes water/wastewater allocations, establishes transfer of land process, and 5) requires FORA to take property from the U.S. Army.

2005: Community Facilities District
Creates comprehensive financing mechanism to implement BWC and BWMM. The financing district is beyond legal challenge on the establishment.

[39] Fort Ord Reuse Authority Finance Committee Memorandum, January 27, 2016.

2012: FORA Extension

In 2012, Assembly Bill (AB) 1614 requested a ten-year extension of FORA. AB 1614 also required FORA's Board of Directors to approve and submit a transition plan to the Monterey County Local Agency Formation Commission (LAFCO) eighteen months before the inoperability date. The transition plan assigns assets and liabilities, designates responsible successor agencies, and provides a schedule of remaining obligations. Through the LAFCO process, the obligations and responsibilities of FORA would be allocated among FORA's constituent membership and/or successor agency. Also, the bill required a progress report to be delivered to the State Legislature. Although FORA was granted six additional years rather than ten, the other requirements were adopted. Chapter 7 - Dissolution of the FORA Act, effective January 1, 2013, states that FORA "shall become inoperative when the board determines that 80 percent of the territory of Fort Ord that is designated for development or reuse in the plan . . . has been developed or reused in a manner consistent with the plan adopted or revised pursuant to Section 67675, or June 30, 2020, whichever occurs first."

VIII. SUMMARY OF TRANSITION PROCESS

2016 – 2017: Transition Planning Process

2016 Process
A Transition Task Force (TTF) was created in April 2016 and appointed by the then FORA Board of Directors chair as an ad hoc committee to explore post 2020 alternatives and the associated transition issues. The TTF) which explored several options for the Post FORA period, including:

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

These options are explored in a presentation to the Board of Directors from April 2016.[40]

From this process the following recommendation emerged: Pursue dual tracks: 1) Pursue Legislative extension of FORA through 2037 and 2) continue 2020 Transition Planning.[41]

2017 Process

The TTF is re-formed as a limited term ad hoc committee to work with staff to provide a "transition plan" recommendation to the Board. The transition plan will include:

1) a methodology for allocating obligations/liabilities (including - but not limited to - CEQA mitigations) and resources/assets among FORA member jurisdictions;
2) a methodology and alternatives for infrastructure improvement timing and prioritization;
3) a structure to implement obligations; and
4) feasible financing options to meet jurisdictional post-FORA obligations.

At the end of the process the task force recommended 1) the creation of a single successor agency, 2) seeking extension of FORA's CFD, and 3) post-FORA obligations/liabilities be paid using Implementation Agreement formula for completing CIP and Voting Percentage for administrative liabilities.

[40] http://www.fora.org/TTF/Reports/040816TransitionPlanOptions.pdf
[41] http://www.fora.org/TTF/Reports/110416TTFBoard-Presentation.pdf

IX. Supporting Tables/CIP Tables

The analysis presented in this report is based on the 2018-19 Capital Improvement Program (CIP) as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

CIP Table 2 - 2018-2019 Transportation Network and Transit Elements by Priority [1]

Project #	Project Name	Type	Lead	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Post-FORA	Pre-2020	Post 2020	Total
FO13B	NE-SW Connector (formerly ESP)	On-Site	FORA	560,000	315,000			1,795,000	7,383,818	9,154,407					875,000	18,333,225	19,208,225
FO14	South Boundary Road (SBR) Upgrade	On-Site	FORA	5,345,820	2,125,000										7,470,820	0	7,470,820
2B	Davis Rd south of Blanco	Off-Site	MoCo	750,000	2,000,000	3,000,000	4,000,000	3,099,185							2,750,000	10,099,185	12,849,185
FO7	Gigling	On-Site	FORA	800,000	330,000	4,000,000	3,609,609								1,130,000	7,609,609	8,739,609
FO9C	GJM Boulevard / SBR Intersection*	On-Site	FORA	1,056,168											1,056,168	0	1,056,168
10	Del Monte Blvd Extension	Off-Site	Marina	500,000	1,000,000	1,000,000	1,369,998	95,142							1,500,000	2,465,140	3,965,140
FO5	8th Street	On-Site	Marina			375,000	500,000	750,000	4,198,534						0	5,823,534	5,823,534
T3	Transit Vehicle Purchase/Replace	Transit	MST	500,000	1,000,000	1,000,000	1,000,000	1,458,789	1,000,000	1,000,000	1,500,000				1,500,000	6,958,789	8,458,789
R3a	Hwy 1-Del Monte-Fremont-MBL	Regional	TAMC						5,000,000	5,000,000	4,563,309				0	14,563,309	14,563,309
T22	Intermodal Centers	Transit	MST				3,000,000		3,000,000		1,629,341				0	7,629,341	7,629,341
FO6	Intergarrison	On-Site	FORA	200,000	250,000			3,050,000	1,615,666						450,000	4,665,666	5,115,666
FO12	Eucalyptus Road	On-Site	FORA	110,000				408,360							110,000	408,360	518,360
R11	Hwy 156-Freeway Upgrade	Regional	TAMC					5,000,000	5,000,000	5,000,000	3,244,005				0	18,244,005	18,244,005
4D	Widen Reservation-4 lanes to WG	Off-Site	MoCo									1,000,000	4,000,000	4,569,628	0	9,569,628	9,569,628
4E	Widen Reservation, WG to Davis	Off-Site	MoCo											5,344,788	0	5,344,788	5,344,788
FO11	Salinas Ave	On-Site	Marina				750,000	1,200,500							0	1,950,500	1,950,500
FO2	Abrams	On-Site	Marina			1,210,655									0	1,210,655	1,210,655
1	Davis Rd north of Blanco	Off-Site	MoCo											773,206	0	773,206	773,206
R10	Hwy 1-Monterey Rd. Interchange	Regional	TAMC											3,869,476	0	3,869,476	3,869,476
				9,821,988	**7,020,000**	**10,585,655**	**14,229,607**	**16,856,976**	**27,198,018**	**20,154,407**	**10,936,655**	**1,000,000**	**4,000,000**	**14,557,098**	**16,841,988**	**119,518,416**	**136,360,404**
	Contingency [2]			3,928,200	1,965,600	1,587,848	2,134,441	2,528,546	4,079,703	2,191,658	306,208	-	-	-	5,893,800	12,828,404	18,722,204

Summary by Type [3]

		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Post-FORA	Pre-2020	Post 2020	Total
	Regional	0	0	0	0	5,000,000	10,000,000	10,000,000	7,807,314	0	0	3,869,476	0	36,676,790	36,676,790
	Off-site	1,250,000	3,000,000	4,000,000	5,369,998	3,194,327	0	0	0	1,000,000	4,000,000	10,687,622	4,250,000	28,251,947	32,501,947
	On-site	8,071,988	3,020,000	5,585,655	4,859,609	7,203,860	13,198,018	9,154,407	0	0	0	0	11,091,988	40,001,549	51,093,537
	Transit	500,000	1,000,000	1,000,000	4,000,000	1,458,789	4,000,000	1,000,000	3,129,341	0	0	0	1,500,000	14,588,130	16,088,130
	Contingency	3,928,200	1,965,600	1,587,848	2,134,441	2,528,546	4,079,703	2,191,658	306,208	0	0	0	5,893,800	12,828,404	18,722,204
	Total	**13,750,188**	**8,985,600**	**12,173,503**	**16,364,048**	**19,385,522**	**31,277,721**	**22,346,065**	**11,242,863**	**1,000,000**	**4,000,000**	**14,557,098**	**22,735,788**	**132,346,820**	**155,082,608**

[1] 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

[2] From Table 3 of CIP.

[3] Estimated by Willdan.

2018-19 CIP TABLE 3: SUMMARY OF CAPITAL IMPROVEMENT PROGRAM 2018/2019 - POST FORA [1]

	Estimated Year-End Balance	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2018-2020	2020-2029	Total
DEDICATED REVENUES															
Development Fees		10,734,756	15,158,813	21,147,724	23,127,110	18,663,425	14,000,215	13,457,487	11,100,511	9,011,286	7,287,816	1,994,301	25,893,569	119,789,875	145,683,444
OTHER REVENUES															
Property Taxes - CIP Allocation		1,674,613	2,437,306	3,754,961	5,072,518	6,145,834	7,177,715	7,840,781	8,499,668	9,082,205	9,601,237	9,819,262	4,111,920	66,994,181	71,106,101
Miscellaneous (investment interest)		41,490	30,879	39,230	50,867	63,622	73,997	81,874	87,088	-	-	-	72,368	396,677	469,045
TOTAL REVENUES		**12,450,859**	**17,626,998**	**24,941,915**	**28,250,495**	**24,872,881**	**21,251,927**	**21,380,142**	**19,687,267**	**18,093,491**	**16,889,053**	**11,813,563**	**30,077,857**	**187,180,733**	**217,258,590**
PROJECTS EXPENDITURES															
Transportation/Transit - See CIP Table 2		9,821,988	7,020,000	10,585,655	14,229,607	16,856,976	27,198,018	20,154,407	10,936,655	1,000,000	4,000,000	14,557,098	16,841,988	119,518,416	136,360,404
Transportation Contingency		3,928,200	1,965,600	1,587,848	2,134,441	2,528,546	4,079,703	2,191,658	306,208	-	-	-	5,893,800	12,828,404	18,722,204
Water Augmentation - RUWAP Pipeline		5,600,000	841,983		2,300,000								6,441,983	2,300,000	8,741,983
Water Augmentation - RUWAP Other		157,000							7,200,000	7,598,686			157,000	14,798,686	14,955,686
TOTAL CFD PROJECTS		**19,507,188**	**9,827,583**	**12,173,503**	**18,664,048**	**19,385,522**	**31,277,721**	**22,346,065**	**18,442,863**	**8,598,686**	**4,000,000**	**14,557,098**	**29,334,771**	**149,445,506**	**178,780,277**
OTHER EXPENDITURES															
Property Tax - Jurisdiction Share (all jurisdictions)					175,496	307,252	414,583	517,771	584,078	649,967	708,221	760,124	0	4,117,492	4,117,492
HCP - UC Regents		98,268	101,648	105145	-	-	-	-	-	-	-	-	199,916	105,145	305,061
General CIP/FORA Costs - Footnote 1		1,018,260	1,053,288	1,220,866	1,262,864	1,306,306	1,351,243	1,397,726		-	-	-	2,071,548	6,539,005	8,610,553
Caretaker Costs (Including Caretaker Emergency Fund)		575,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500000	500000	500000	1,075,000	4,500,000	5,575,000
TOTAL OTHER		**1,691,528**	**1,654,936**	**1,826,011**	**1,938,360**	**2,113,558**	**2,265,826**	**2,415,497**	**1,084,078**	**1,149,967**	**1,208,221**	**1,260,124**	**3,346,464**	**15,261,642**	**18,608,106**
TOTAL EXPENDITURES		**21,198,716**	**11,482,519**	**13,999,514**	**20,602,408**	**21,499,080**	**33,543,547**	**24,761,562**	**19,526,941**	**9,748,653**	**5,208,221**	**15,817,222**	**32,681,235**	**164,707,148**	**197,388,383**
STARTING BALANCES AND SET ASIDES															
Net Annual Revenue		(8,747,857)	6,144,479	10,942,401	7,648,087	3,373,801	(12,291,620)	(3,381,420)	160,326	8,344,838	11,680,832	(4,003,659)	(2,603,378)	22,473,585	19,870,207
Set Aside - HCP - See CIP Table 1B	(13,829,853)	(3,283,386)	(4,608,840)	(6,425,843)	(7,035,254)	(5,699,976)	(4,302,062)	(2,815,032)						Net HCP Set Aside	(48,000,246)
Set Aside - HCP Contingency - See Table 1B								(4,146,035)	(3,439,442)	(2,721,408)	(2,200,920)	(6,375,927)		Net HCP Contingency	(18,883,732)
Beginning Balance	24,844,821	11,014,968	0	1,535,639	6,052,197	6,665,030	4,338,855	0	1	1	5,623,431	15,103,343		Starting cash balance	24,844,821
UNRESERVED FUND BALANCE	11,014,968	(1,016,275)	1,535,639	6,052,197	6,665,030	4,338,855	(12,254,827)	(10,342,487)	(3,279,115)	5,623,431	15,103,343	4,723,757	(2,603,378)	Net Revenue	(22,168,950)
TRANSFER - from LESAL to DEVFE		1,016,275					12,254,827	10,342,488	3,279,116					Net Transfers	26,892,706
DEVFE ENDING BALANCE		**0**	**1,535,639**	**6,052,197**	**6,665,030**	**4,338,855**	**0**	**1**	**1**	**5,623,431**	**15,103,343**	**4,723,757**			**4,723,756**
DEDICATED REVENUES															
Land Sales			30,921,411	10,242,932	8,125,134	16,914,577	664,849	-	-	16,197,360	16,197,360	12,597,946	30,921,411	80,940,158	111,861,569
Land Sales - Building Removal Credits			(19,425,408)										(19,425,408)	0	(19,425,408)
TOTAL REVENUES		**0**	**11,496,003**	**10,242,932**	**8,125,134**	**16,914,577**	**664,849**	**0**	**0**	**16,197,360**	**16,197,360**	**12,597,946**	**11,496,003**	**80,940,158**	**92,436,161**
PROJECT EXPENDITURES															
Building Removal Obligation - See Table 1B		9,520,871											9,520,871	0	9,520,871
OTHER EXPENDITURES															
General CIP/FOR A Costs (A/E, PM, CM Staff Costs, Etc.)		140,873											140,873	0	140,873
TOTAL EXPENDITURES		**9,661,744**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**9,661,744**	**0**	**9,661,744**
Net Annual Revenue		(9,661,744)	11,496,003	10,242,932	8,125,134	16,914,577	664,849	0	0	16,197,360	16,197,360	12,597,946		**Revenue**	**82,774,417**
Beginning Balance	11,185,029	4,536,973	507,010	12,003,013	22,245,945	30,371,079	47,285,656	35,695,678	25,353,190	22,074,074	38,271,434	54,468,794		Starting Cash Bala	11,185,029
Set Aside - Bldg. Removal	(6,648,056)	6,648,056												Net BR - Set Aside	0
UNRESERVED FUND BALANCE	4,536,973	**1,523,285**	**12,003,013**	**22,245,945**	**30,371,079**	**47,285,656**	**47,950,505**	**35,695,678**	**25,353,190**	**38,271,434**	**54,468,794**	**67,066,740**	**82,475,128**		**93,959,446**
Transfer - from LESAL TO DEFVE		(1,016,275)	0	0	0	0	(12,254,827)	(10,342,488)	(3,279,116)	0	0	0		**Net Transfers**	(26,892,706)
LESAL ENDING BALANCE		507,010	12,003,013	22,245,945	30,371,079	47,285,656	35,695,678	25,353,190	22,074,074	38,271,434	54,468,794	67,066,740			**67,066,740**
TOTAL ENDING BALANCE ALL PROJECTS		**507,010**	**13,538,652**	**28,298,142**	**37,036,109**	**51,624,511**	**35,695,678**	**25,353,191**	**22,074,075**	**43,894,865**	**69,572,137**	**71,790,497**			**71,790,496**

[1] 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

2018-19 CIP TABLE 4: COMMUNITY FACILITIES DISTRICT REVENUE

Land Use: Location & Description	Jurisdiction	Status	FAR	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total	Forecast through 2020	Forecast Post-2020	Total	Forecast Post-2020 Entitled
New Residential (Units)																			
Seahaven (Entitled)	Marina	Entitled	6		2,782,173	2,954,520	2,954,520	2,954,520	2,954,520	2,954,520	2,191,269				19,746,042	2,782,173	16,963,869	19,746,042	16,963,869
Dunes Phase 1 (Entitled)	Marina	Entitled	6	1,772,712	2,831,415										4,604,127	4,604,127		4,604,127	
Dunes Phase 3 (Entitled)	Marina	Entitled	6			2,215,890	1,107,945	1,107,945	1,107,945						5,539,725		5,539,725	5,539,725	5,539,725
Dunes Phase 3 (Entitled)	Marina	Entitled	6				1,107,945	1,107,945	1,107,945	2,215,890	2,215,890	2,215,890	738,630		10,710,135		10,710,135	10,710,135	10,710,135
Cypress Knolls (Entitled)	Marina	Entitled	6			2,462,100	2,462,100	2,462,100	2,462,100	2,462,100	2,462,100	1,378,776	1,378,776		17,530,152		17,530,152	17,530,152	17,530,152
TAMC (Planned)	Marina	Planned	6																
Seaside Resort (Entitled)	Seaside	Entitled	6	98,484	295,452	886,356	886,356	837,114							3,003,762	393,936	2,609,826	3,003,762	2,609,826
Surplus II (Planned)	Seaside	Planned	6			246,210	2,462,100	2,462,100	689,388						5,859,798		5,859,798	5,859,798	
26 Acre Parcel (Planned_	Seaside	Planned	6		246,210	2,462,100	984,840								3,693,150	246,210	3,446,940	3,693,150	
Main Gate (Planned)	Seaside	Planned	6		246,210	2,462,100	861,735								3,570,045	246,210	3,323,835	3,570,045	
Nurses Barracks (Planned)	Seaside	Planned	6		984,840										984,840	984,840		984,840	
Seaside East (Planned)	Seaside	Planned	6						246,210	1,231,050	1,231,050	2,462,100	2,462,100		7,632,510		7,632,510	7,632,510	
East Garrison I (Entitled)	Other	Entitled	6	2,954,520	2,954,520	2,954,520	2,954,520	2,954,520	2,979,141						17,751,741	5,909,040	11,842,701	17,751,741	11,842,701
Del Rey Oaks (Planned)	Other	Planned	6			492,420	1,477,260	1,477,260	1,477,260	1,477,260	2,954,520	2,954,520	2,708,310	1,994,301	17,013,111		17,013,111	17,013,111	
UC (Planned)	Other	Planned	6			2,708,310	2,708,310	492,420							5,909,040		5,909,040	5,909,040	
Other Residential (Planned)	Other	Planned	6																
CSUMB Planned	Other	Planned	6																
Existing/Replacement Residential	Marina	Entitled		5,909,040	344,694										6,253,734	6,253,734		6,253,734	
CFD Special Tax per Unit	**$24,621**			**10,734,756**	**10,685,514**	**19,844,526**	**19,967,631**	**15,855,924**	**13,024,509**	**10,340,820**	**11,054,829**	**9,011,286**	**7,287,816**	**1,994,301**	**129,801,912**	**21,420,270**	**108,381,642**	**129,801,912**	**65,196,408**
		-																	
Office(Square Feet)																			
Del Rey Oaks RV Park (entitled	Other	Entitled	0.35																
Del Rey Oaks RV Park (Planned)	Other	Planned	0.35		$42,372	$42,372									84,744	42,372	42,372	84,744	
Monterey (Planned)	Other	Planned	0.35			25,540	25,540	25,540	38,121	38,121					152,861		152,861	152,861	
East Garrison I (Entitled)	Other	Entitled	0.35		5,085	5,085	4,237								14,406	5,085	9,322	14,406	9,322
Dunes Phase 1 (Entitled	Marina	Entitled	0.35		4,873	4,873	4,873								14,618	4,873	9,746	14,618	9,746
Dunes Phase 2 (Entitled	Marina	Entitled	0.35																
Dunes Phase 3 (Entitled	Marina	Planned	0.35			15,889	15,889	15,889	15,889	15,889	15,889				95,336		95,336	95,336	
Interim Inc. (Entitled)	Marina	Entitled	0.35																
Marina (Planned)	Marina	Planned	0.35																
TAMC (Planned)	Marina	Planned	0.35																
Campus Town / Surplus II (Planned)	Seaside	Planned	0.35		4,873	20,762	20,762	15,889	15,889	15,889	15,889				109,953	4,873	105,080	109,953	
Campus Town / 26 Acre (Planned)	Seaside	Planned	0.35				1,059	1,059							2,119		2,119	2,119	
Main Gate (Planned)	Seaside	Planned	0.35				1,059	1,059							2,118		2,118	2,118	
Seaside East (Planned)	Seaside	Planned	0.35																
UC (Planned)	Other	Planned	0.35				2,119	2,119	2,119						6,357		6,357	6,357	
CFD Special Per Acre	**$3,230**				**57,202**	**114,521**	**75,539**	**61,556**	**72,018**	**69,899**	**31,778**				**482,513**	**57,202**	**425,310**	**482,513**	**19,067**

Cells highlighted in red do not match the development program. The numbers reported here have not been corrected. They are presented as they appear in the CIP.

Land Use: Location & Description	Jurisdiction	Status	FAR	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total	Forecast through 2020	Forecast Post-2020	Total	Forecast Post-2020 Entitled
Industrial (Square Feet)																			
Monterey (Planned)	Other	Planned	0.4					$13,364	$13,364	$13,364					40,092		40,092	40,092	
Marina CY (Entitled)	Marina	Entitled	0.4																
Dunes Phase 1 (Entitled	Marina	Entitled	0.4																
Dunes Phase 2 (Entitled	Marina	Entitled	0.4																
Dunes Phase 3 (Entitled	Marina	Entitled	0.4			$13,903	$13,903	$13,903	$13,903	$13,903	$13,903				83,419		83,419	83,419	83,419
TAMC (Planned)	Marina	Planned	0.4																
Marina Airport (Entitled)	Marina	Entitled	0.4																
Campus Town / Surplus II (Planned)	Seaside	Planned	0.4			$7,415									7,415		7,415	7,415	
Campus Town / 26 Acre (Planned)	Seaside	Planned	0.4			$5,561									5,561		5,561	5,561	
Seaside East (Planned)	Seaside	Planned	0.4				$1,854	$1,854	$1,854						5,561		5,561	5,561	
UC (Planned)	Other	Planned	0.4		$3,708	$3,708	$3,708	$3,708	$3,708						18,538	3,708	14,830	18,538	
CFD Special Tax per acre	**$3,230**				**3,708**	**30,587**	**19,465**	**32,829**	**32,829**	**27,267**	**13,903**				**160,587**	**3,708**	**156,880**	**160,587**	**83,419**

2018-19 CIP TABLE 4: COMMUNITY FACILITIES DISTRICT REVENUE (Continued)

Land Use: Location & Description	Jurisdiction	Status	FAR	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total	Forecast through 2020	Forecast Post-2020	Total	Forecast Post-2020 Entitled
Retail (Square Feet)																			
Del Rey Oaks (Planned)	Other	Planned	0.25																
East Garrison I (Entitled)	Other	Entitled	0.25		$73,336	$73,336	$61,113								207,784	73,336	134,448	207,784	134,448
Dunes Phase 1 (Entitled	Marina	Entitled	0.25		$122,226	$122,226	$122,226	$122,226							488,904	122,226	366,678	488,904	366,678
Dunes Phase 2 (Entitled	Marina	Entitled	0.25																
Dunes Phase 3 (Entitled	Marina	Entitled	0.25																
TAMC (Planned)	Marina	Planned	0.25																
Seaside Resort (Entitled)	Seaside	Entitled	0.25					$61,113							61,113		61,113	61,113	61,113
Campus Town / Surplus II (Planned)	Seaside	Planned	0.25		$61,113	$244,452									305,565	61,113	244,452	305,565	
Campus Town / 26 Acre (Planned)	Seaside	Planned	0.25		$61,113	$183,339									244,452	61,113	183,339	244,452	
Main Gate	Seaside	Entitled	0.25		$152,782	$152,782	$152,782	$152,782	$305,565						916,694	152,782	763,912	916,694	763,912
Seaside East (Planned)	Seaside	Planned	0.25				$61,113	$61,113	$61,113						183,339		183,339	183,339	
UC (Planned)	Other	Planned	0.25			$381,956	$504,182	$504,182	$504,182						1,894,501		1,894,501	1,894,501	
CFD Special Tax per Acre	**$66,552**				**470,570**	**1,158,090**	**901,416**	**901,416**	**870,860**						**4,302,352**	**470,570**	**3,831,782**	**4,302,352**	1,326,151
Hotel (rooms)																			
Del Rey Oaks RV Park (Planned)	Other	Planned	32							$3,019,500					3,019,500		3,019,500	3,019,500	
Dunes Phase 1 (Entitled	Marina	Entitled	32																
Dunes Phase 2 (Entitled	Marina	Entitled	32				$2,163,060								2,163,060		2,163,060	2,163,060	2,163,060
Dunes Phase 3 (Entitled	Seaside	Entitled	32																
Seaside Resort (Entitled)	Seaside	Entitled	32					$1,811,700							1,811,700		1,811,700	1,811,700	1,811,700
Seaside Resort TS(Entitled)	Seaside	Entitled	32		$373,320										373,320	373,320		373,320	
Campus Town / Surplus II (Planned)	Seaside	Planned	32																
Campus Town / 26 Acre (Planned)	Seaside	Planned	32		$1,647,000										1,647,000	1,647,000		1,647,000	
Main Gate	Seaside	Planned	32		$1,921,500										1,921,500	1,921,500		1,921,500	
Seaside East (Planned)	Seaside	Planned	32																
UC (Planned)	Other	Planned	32																
CFD Special Tax per Hotel Room	**$5,490**				**3,941,820**		**2,163,060**	**1,811,700**		**3,019,500**					**10,936,080**	**3,941,820**	**6,994,260**	**10,936,080**	3,974,760
Total CFD				**10,734,756**	**15,158,813**	**21,147,724**	**23,127,110**	**18,663,424**	**14,000,215**	**13,457,486**	**11,100,511**	**9,011,286**	**7,287,816**	**1,994,301**	**145,683,443**	**25,893,569**	**119,789,874**	**145,683,443**	70,599,806
CFD by City																			
Marina				$7,681,752	$6,085,381	$7,789,401	$9,952,461	$7,784,529	$7,662,303	$7,662,303	$6,899,052	$3,594,666	$2,117,406		$67,229,253	13,767,133	53,462,120	67,229,253	$53,366,784
Seaside				$98,484	$5,994,413	$6,671,077	$5,433,660	$5,405,783	$1,320,018	$1,246,939	$1,246,939	$2,462,100	$2,462,100		$32,341,515	6,092,897	26,248,618	32,341,515	$5,246,551
Other				$2,954,520	$3,079,019	$6,687,245	$7,740,988	$5,473,113	$5,017,894	$4,548,245	$2,954,520	$2,954,520	$2,708,310	$1,994,301	$46,112,676	6,033,539	40,079,136	46,112,676	$11,986,471
Total				**$10,734,756**	**$15,158,813**	**$21,147,724**	**$23,127,110**	**$18,663,424**	**$14,000,215**	**$13,457,486**	**$11,100,511**	**$9,011,286**	**$7,287,816**	**$1,994,301**	**$145,683,443**	**25,893,569**	**119,789,874**	**145,683,443**	**$70,599,806**
CFD Entitled vs Unentitled																			
Entitled				$10,734,756	$9,939,875	$11,845,590	$13,995,580	$13,585,868	$10,931,119	$7,646,413	$6,883,162	$3,594,666	$2,117,406		$91,274,437	20,674,631	70,599,806	91,274,437	
Planned					$5,218,938	$9,302,134	$9,131,530	$5,077,556	$3,069,096	$5,811,073	$4,217,348	$5,416,620	$5,170,410	$1,994,301	$54,409,006	5,218,938	49,190,068	54,409,006	
Total				**$10,734,756**	**$15,158,813**	**$21,147,724**	**$23,127,110**	**$18,663,424**	**$14,000,215**	**$13,457,486**	**$11,100,511**	**$9,011,286**	**$7,287,816**	**$1,994,301**	**$145,683,443**	**25,893,569**	**119,789,874**	**145,683,443**	

Source: 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

2018-19 CIP TABLE 5: LAND SALES REVENUE

	Entitled? [1]	Forecasted Sale	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total land sales 2018-2020	2020-2029	Total	Entitled Land Sales 2018-2020	2020-2029	Total
Monterey County			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**						
E8a.1.2 21.22 Ord Market per acre	Y	3,628,620																	
multiple 152.93 East Garrison 2 per acre	N	26,151,030																	
multiple 374.07 Parker Flat Development per acre	N	63,965,970																	
multiple 12.00 Travel Camp - Developable per acre	N	2,052,000																	
E11b.8 67.69 Ammo Supply Point per acre	N	11,574,990																	
Monterey City				**8,918,813**		**15,855,667**								**8,918,813**	**15,855,667**	**24,774,480**			
E29b.2 31.19 Business Park/Recreation per acre	Y	5,333,490		1,920,056		3,413,434											1,920,056	3,413,434	5,333,490
E29b.3 27.71 Business Park parcel per acre	Y	4,738,410		1,705,828		3,032,582											1,705,828	3,032,582	4,738,410
E29e 9.45 Open Space/Recreation																	0	0	0
E29b.1 33.52 Monterey -Ryan Ranch per acre	Y	5,731,920		2,063,491		3,668,429											2,063,491	3,668,429	5,731,920
L4.2 7.03 Open Space/Recreation																	0	0	0
L4.1 18.10 Business Park/ Public Facility per acre	Y	3,095,100		1,114,236		1,980,864											1,114,236	1,980,864	3,095,100
E29.1 22.48 Business Park parcel per acre	Y	3,844,080		1,383,869		2,460,211											1,383,869	2,460,211	3,844,080
E29.2 11.88 Business Park parcel per acre	Y	2,031,480		731,333		1,300,147											731,333	1,300,147	2,031,480
Marina				**19,409,700**			**32,379,690**							**19,409,700**	**32,379,690**	**51,789,390**			
multiple Dunes Phase II Contract	Y	6,750,000		6,750,000													6,750,000	0	6,750,000
multiple Dunes Phase II Option Contract	Y																0	0	0
multiple Dunes Phase III Contract	Y	12,659,700		12,659,700													12,659,700	0	12,659,700
E4.1.2.2 9.63 Cypress Knolls Marina Est.	Y	1,444,500					1,444,500										0	1,444,500	1,444,500
E4.1.1 153.50 Cypress Knolls Marina Est.	Y	22,950,000					22,950,000										0	22,950,000	22,950,000
E4.1.2.2 26.24 Cypress Knolls Marina Est.	Y	3,900,000					3,900,000										0	3,900,000	3,900,000
E2c.4.2.1 13.39 Stockade Marina Est.	N	2,289,690					2,289,690										0	0	0
L35.2 1.71 Stockade + per acre	N	292,410					292,410										0	0	0
L2.2.1 2.11 Stockade + per acre	N	360,810					360,810										0	0	0
L2.2.2 4.54 Stockade corner @ imjin per acre	N	776,340					776,340										0	0	0
E2c.4.2.2 2.14 Stockade + per acre	N	365,940					365,940										0	0	0
Seaside				**22,634,310**	**14,365,864**						**32,394,719**	**32,394,719**	**25,195,892**	**22,634,310**	**104,351,194**	**126,985,504**			
multiple 86.01 Surplus II Contract	Y	18,000,000		9,129,597	8,870,403												9,129,597	8,870,403	18,000,000
multiple 89.27 Main Gate per acre	Y	15,265,170		9,769,709	5,495,461												9,769,709	5,495,461	15,265,170
multiple 563.24 Seaside East per acre	N	89,985,330									32,394,719	32,394,719	25,195,892				0	0	0
F2.3.2 26.00 26 Acre Parcel Seaside Est	Y	3,735,004		3,735,004													3,735,004	0	3,735,004
E18.1.3 40.00 Barracks Parcel fixed	N	6,640,000															0	0	0
Del Rey Oaks				**10,880,000**	**6,120,000**	**394,600**	**1,449,463**	**1,329,697**						**10,880,000**	**9,293,760**	**20,173,760**			
E29a 271.60 270 Acres (Parcels A-D) Contract	Y	17,000,000		10,880,000	6,120,000												10,880,000	6,120,000	17,000,000
E36 6.41 Development Parcel E36 per acre	N	1,096,110				394,600	701,510										0	0	0
E31a 4.89 Development w/ Reserve per acre	N	836,190					301,028	535,162									0	0	0
E31b 3.34 Development w/ Reserve per acre	N	571,140					205,610	365,530									0	0	0
E31c 3.92 Development w/ Reserve per acre	N	670,320					241,315	429,005											
CSUMB																			
UC MBEST																			
Lump Sum Sale Forecast - Sub-total		337,735,744		61,842,823	20,485,864	16,250,267	33,829,153	1,329,697			32,394,719	32,394,719	25,195,892	61,842,823	161,880,311	223,723,134	61,842,823	64,636,031	126,478,854
FORA Share (50% of Lump Sum Sales)		**168,867,872**		**30,921,411**	**10,242,932**	**8,125,134**	**16,914,577**	**664,849**			**16,197,360**	**16,197,360**	**12,597,946**	**30,921,411**	**80,940,158**	**111,861,569**	**30,921,412**	**32,318,016**	**63,239,427**
Building Removal Credits			0	(19,425,408)	0	0	0	0	0	0	0	0	0	**(19,425,408)**	**0**	**(19,425,408)**	**(19,425,408)**	**0**	**(19,425,408)**
Sumary by jurisdiction (100% of Sales)																			
Marina [2]			0	(15,708)	0	0	32,379,690	0	0	0	0	0	0	(15,708)	32,379,690	32,363,982	(15,708)	28,294,500	28,278,792
Seaside			0	22,634,310	14,365,864	0	0	0	0	0	32,394,719	32,394,719	25,195,892	22,634,310	104,351,194	126,985,504	22,634,310	14,365,864	37,000,174
Other			0	19,798,813	6,120,000	16,250,267	1,449,463	1,329,697	0	0	0	0	0	19,798,813	25,149,427	44,948,240	19,798,813	21,975,667	41,774,480
Total			**0**	**42,417,415**	**20,485,864**	**16,250,267**	**33,829,153**	**1,329,697**	**0**	**0**	**32,394,719**	**32,394,719**	**25,195,892**	**42,417,415**	**161,880,311**	**204,297,726**	**42,417,415**	**64,636,031**	**107,053,446**

Source: 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18. All numbers from Table 5, except for Building Removal Credits, which are from Table 4.

[1] Willdan Assumption.

[2] Marina summary is shown net of building removal credits.

2018-19 CIP TABLES 6 AND 7: DEVELOPMENT PROGRAM - RESIDENTIAL AND COMMERCIAL

Land Use: Location & Description	Jurisdiction	Built to date	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total	Built	Forecast through 2020	Forecast Post-2020	Total
New Residential (Units)																			
Seahaven (Entitled)	Marina				113	120	120	120	120	120	89				802		233	569	802
Dunes Phase 1 (Entitled)	Marina	390		72	115										187	390	187		577
Dunes Phase 3 (Entitled)	Marina					90	45	45	45						225		90	135	225
Dunes Phase 3 (Entitled)	Marina						45	45	45	90	90	90	30		435			435	435
Cypress Knolls (Entitled)	Marina					100	100	100	100	100	100	56	56		712		100	612	712
TAMC (Planned)	Marina																		
Seaside Resort (Entitled)	Seaside	3		4	12	36	36	34							122	3	52	70	125
Surplus II (Planned)	Seaside					10	100	100	28						238		10	228	238
26 Acre Parcel (Planned_	Seaside				10	100	40								150		110	40	150
Main Gate (Planned)	Seaside				10	100	35								145		110	35	145
Nurses Barracks (Planned)	Seaside				40										40		40		40
Seaside East (Planned)	Seaside								10	50	50	100	100		310			310	310
East Garrison I (Entitled)	Other	749		120	120	120	120	120	121						721	749	240	481	1,470
Del Rey Oaks (Planned)	Other					20	60	60	60	60	120	120	110	81	691			691	691
UC (Planned)	Other					110	110	20							240			240	240
Other Residential (Planned)	Other																		
CSUMB Planned	Other																		
Total New Residential		**1,142**		**196**	**420**	**806**	**811**	**644**	**529**	**420**	**449**	**366**	**296**	**81**	**5,018**	**1,142**	**1,172**	**3,846**	**6,160**
Existing/Replacement Residential (Units)																			
Preston Park (Entitled)	Marina	352														352			352
Seahaven (Entitled)	Marina	121		120	7										127	121	127		248
Abrams B (Entitled)	Marina	192														192			192
MOCO Housing Authority (Ent	Marina	56														56			56
Shelter Outreach Plus (Entitle	Marina	39														39			39
VTC (Entitled)	Marina	13														13			13
Interim Inc (Entitled)	Marina	11														11			11
Sunbay (Entitled) -	Seaside	297														297			297
Bayview (Entitled) -	Seaside	225														225			225
Seaside Highlands (Entitled)	Seaside	380														380			380
Total Existing/Replacement Residential		**1,686**		**120**	**7**										**127**	**1,686**	**127**		**1,813**
Office(Square Feet)																			
Del Rey Oaks RV Park (entitle	Other				200,000	200,000									400,000		200,000	200,000	400,000
Del Rey Oaks RV Park (Planne	Other																		
Monterey (Planned)	Other					120,552	120,552	120,552	179,934	179,934					721,524			721,524	721,524
East Garrison I (Entitled)	Other				24,000	24,000	20,000								68,000		24,000	44,000	68,000
Dunes Phase 1 (Entitled	Marina	203,000			23,000	23,000	23,000								69,000	203,000	23,000	46,000	272,000
Dunes Phase 2 (Entitled	Marina																		
Dunes Phase 3 (Entitled	Marina					75,000	75,000	75,000	75,000	75,000	75,000				450,000			450,000	450,000
Interim Inc. (Entitled)	Marina	14,000														14,000			14,000
Marina (Planned)	Marina																		
TAMC (Planned)	Marina																		
Campus Town / Surplus II (Pla	Seaside						5,000	5,000							10,000			10,000	10,000
Campus Town / 26 Acre (Plan	Seaside						5,000	5,000							10,000			10,000	10,000
Seaside East (Planned)	Seaside	14,900					10,000	10,000	10,000						30,000	14,900		30,000	44,900
UC (Planned)	Other				60,000	80,000	180,000	180,000	180,000						680,000		60,000	620,000	680,000
Total Office		**231,900**			**307,000**	**522,552**	**438,552**	**395,552**	**444,934**	**254,934**	**75,000**				**2,438,524**	**231,900**	**307,000**	**2,131,524**	**2,670,424**

2018-19 CIP TABLES 6 AND 7: DEVELOPMENT PROGRAM - RESIDENTIAL AND COMMERCIAL (CONTINUED)

Land Use: Location & Description	Jurisdiction	Built to date	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total	Built	Forecast through 2020	Forecast Post-2020	Total
Industrial (Square Feet)																			
Monterey (Planned)	Other							72,092	72,092	72,092					216,276			216,276	216,276
Marina CY (Entitled)	Marina	12,300														12,300			12,300
Dunes Phase 1 (Entitled	Marina																		
Dunes Phase 2 (Entitled	Marina																		
Dunes Phase 3 (Entitled	Marina					75,000	75,000	75,000	75,000	75,000	75,000				450,000			450,000	450,000
TAMC (Planned)	Marina																		
Marina Airport (Entitled)	Marina	250,000														250,000			250,000
Campus Town / Surplus II (Pla	Seaside					40,000									40,000			40,000	40,000
Campus Town / 26 Acre (Plan	Seaside					30,000									30,000			30,000	30,000
Seaside East (Planned)	Seaside	14,900					10,000	10,000	10,000						30,000	14,900		30,000	44,900
UC (Planned)	Other	38,000			20,000	20,000	20,000	20,000	20,000						100,000	38,000	20,000	80,000	138,000
Total Industrial		**315,200**			**20,000**	**165,000**	**105,000**	**105,000**	**177,092**	**147,092**	**75,000**				**866,276**	**315,200**	**20,000**	**846,276**	**1,181,476**
Retail (Square Feet)																			
Del Rey Oaks (Planned)	Other																		
East Garrison I (Entitled)	Other				12,000	12,000	10,000								34,000		12,000	22,000	34,000
Dunes Phase 1 (Entitled	Marina	418,000			20,000	20,000	20,000	20,000							80,000	418,000	20,000	60,000	498,000
Dunes Phase 2 (Entitled	Marina																		
Dunes Phase 3 (Entitled	Marina																		
TAMC (Planned)	Marina																		
Seaside Resort (Entitled)	Seaside							10,000							10,000			10,000	10,000
Campus Town / Surplus II (Pla	Seaside				10,000	40,000									50,000		10,000	40,000	50,000
Campus Town / 26 Acre (Plan	Seaside				10,000	30,000									40,000		10,000	30,000	40,000
Main Gate	Seaside				25,000	25,000	25,000	25,000	50,000						150,000		25,000	125,000	150,000
Seaside East (Planned)	Seaside						10,000	10,000	10,000						30,000			30,000	30,000
UC (Planned)	Other					62,500	82,500	82,500	82,500						310,000			310,000	310,000
Total Retail		**418,000**			**77,000**	**189,500**	**147,500**	**147,500**	**142,500**						**704,000**	**418,000**	**77,000**	**627,000**	**1,122,000**
Hotel (rooms)																			
Del Rey Oaks RV Park (Planne	Other									550					550			550	550
Dunes Phase 1 (Entitled	Marina	108														108			108
Dunes Phase 2 (Entitled	Marina						394								394			394	394
Dunes Phase 3 (Entitled	Seaside																		
Seaside Resort (Entitled)	Seaside							330							330			330	330
Seaside Resort TS(Entitled)	Seaside				68										68		68		68
Campus Town / Surplus II (Pla	Seaside																		
Campus Town / 26 Acre (Plan	Seaside				300										300		300		300
Main Gate	Seaside				350										350		350		350
Seaside East (Planned)	Seaside																		
UC (Planned)	Other																		
Total Hotel		**108**			**718**		**394**	**330**		**550**					**1,992**	**108**	**718**	**1,274**	**2,100**

Source: CIP 2018-19 Tables 6 and 7.

2018-19 CIP TABLE 8: PROPERTY TAX ESTIMATE

Full Buildout [1]

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	Forecast through 2020	Forecast Post-2020	Total
Estimated Assessed Value	366,429,210	380,074,302	621,821,927	610,987,086	476,949,271	446,986,471	250,816,650	242,906,755	198,004,170	160,134,520				
2% Max Property Value Escalation - Proposition 13	373,757,794	395,429,303	659,882,404	661,352,071	526,590,534	503,379,366	288,109,491	284,603,978	236,633,312	195,203,086				
Discount Cash Flow - Bond Buyers Index	357,834,173	362,453,219	579,083,532	555,646,957	423,575,494	387,654,423	212,421,492	200,896,982	159,918,933	126,299,676				
Net Cash Inflow (CUM) including previous years	1,413,620,087	1,776,073,306	2,355,156,839	2,910,803,796	3,334,379,290	3,722,033,713	3,934,455,205	4,135,352,187	4,295,271,120	4,421,570,796	4,421,570,796			
Net Present Value	1,413,620,087	1,776,073,306	2,402,259,976	3,028,400,269	3,538,469,977	4,028,848,991	4,343,956,462	4,657,078,224	4,933,916,375	5,180,574,901	5,284,186,399			
Property Tax assessment 1%	14,136,201	17,760,733	24,022,600	30,284,003	35,384,700	40,288,490	43,439,565	46,570,782	49,339,164	51,805,749	52,841,864	31,896,934	373,976,916	405,873,850
Less housing set aside (20%)	-2,827,240	-3,552,147	-4,804,520	-6,056,801	-7,076,940	-8,057,698	-8,687,913	-9,314,156	-9,867,833	-10,361,150	-10,568,373	-6,379,387	-74,795,383	-81,174,770
Property Tax net of housing set aside	11,308,961	14,208,586	19,218,080	24,227,202	28,307,760	32,230,792	34,751,652	37,256,626	39,471,331	41,444,599	42,273,491	25,517,547	299,181,533	324,699,080
Tier 1 (13.5%)	-1,527,210	-1,918,788	-2,595,291	-3,271,744	-3,822,800	-4,352,583	-4,693,010	-5,031,293	-5,330,376	-5,596,854	-5,708,791	-3,445,998	-40,402,742	-43,848,739
Tier 2 (11.3)	-1,282,856	-1,611,781	-2,180,044	-2,748,264	-3,211,151	-3,656,168	-3,942,127	-4,226,284	-4,477,514	-4,701,356	-4,795,383	-2,894,637	-33,938,292	-36,832,929
Tier 3												0	0	0
Annual net property tax	8,498,895	10,678,018	14,442,745	18,207,194	21,273,809	24,222,041	26,116,514	27,999,049	29,663,441	31,146,389	31,769,317	19,176,912	224,840,499	244,017,411
FORA Property Tax (35%)	2,974,613	3,737,306	5,054,961	6,372,518	7,445,833	8,477,714	9,140,780	9,799,667	10,382,204	10,901,236	11,119,261	6,711,919	78,694,175	85,406,094
Forecast Estimate - 90% of Property Tax	2,677,152	3,363,576	4,549,465	5,735,266	6,701,250	7,629,943	8,226,702	8,819,700	9,343,984	9,811,112	10,007,335	6,040,727	70,824,757	76,865,484
Operating Costs	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-2,600,000	-11,700,000	-14,300,000
Property Tax Transfer to CIP	**1,674,613**	**2,437,306**	**3,754,961**	**5,072,518**	**6,145,833**	**7,177,714**	**7,840,780**	**8,499,667**	**9,082,204**	**9,601,236**	**9,819,261**	**4,111,919**	**66,994,175**	**71,106,094**

Partial Build Out Scenario (Entitled Projects Only) [2]

Assumptions

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29
Prop 13 escalation	2.00%	4.04%	6.12%	8.24%	10.41%	12.62%	14.87%	17.17%	19.51%	21.90%	
Bond Buyers Index	0.957	0.917	0.878	0.840	0.804	0.770	0.737	0.706	0.676	0.647	
NPV factor			1.02	1.0404	1.061208	1.08243216	1.104080803	1.126162419	1.148685668	1.171659381	1.195092568
Initial AV	1,055,785,914										
Tier 1	13.5044%										
Tier 2	11.3437%										
Tier 3											

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	Forecast through 2020	Forecast Post-2020	Total
Estimated Assessed Value [3]	170,954,420	270,088,455	319,316,970	338,366,490	317,159,080	244,587,595	174,559,700	157,788,855	78,985,270	46,525,570				
2% Max Property Value Escalation - Proposition 13	174,373,508	281,000,028	338,861,723	366,258,771	350,169,252	275,445,358	200,514,226	184,874,792	94,394,709	56,714,410				
Discount Cash Flow - Bond Buyers Index	166,944,479	257,566,558	297,370,020	307,718,960	281,666,882	212,121,550	147,838,000	130,499,890	63,792,798	36,695,176				
Net Cash Inflow (CUM) including previous years	1,222,730,393	1,480,296,951	1,777,666,972	2,085,385,931	2,367,052,814	2,579,174,363	2,727,012,363	2,857,512,253	2,921,305,052	2,958,000,228	2,958,000,228			
Net Present Value	1,222,730,393	1,480,296,951	1,813,220,311	2,169,635,523	2,511,935,382	2,791,781,277	3,010,842,000	3,218,022,913	3,355,661,244	3,465,768,715	3,535,084,090			
Property Tax assessment 1%	12,227,304	14,802,970	18,132,203	21,696,355	25,119,354	27,917,813	30,108,420	32,180,229	33,556,612	34,657,687	35,350,841	27,030,273	258,719,515	285,749,788
Less housing set aside (20%)	-2,445,461	-2,960,594	-3,626,441	-4,339,271	-5,023,871	-5,583,563	-6,021,684	-6,436,046	-6,711,322	-6,931,537	-7,070,168	-5,406,055	-51,743,903	-57,149,958
Property Tax net of housing set aside	9,781,843	11,842,376	14,505,762	17,357,084	20,095,483	22,334,250	24,086,736	25,744,183	26,845,290	27,726,150	28,280,673	21,624,219	206,975,612	228,599,830
Tier 1 (13.5%)	-1,320,982	-1,599,245	-1,958,920	-2,343,974	-2,713,779	-3,016,112	-3,252,775	-3,476,604	-3,625,302	-3,744,257	-3,819,142	-2,920,226	-27,950,863	-30,871,089
Tier 2 (11.3)	-1,109,624	-1,343,365	-1,645,492	-1,968,938	-2,279,574	-2,533,533	-2,732,330	-2,920,346	-3,045,252	-3,145,175	-3,208,078	-2,452,989	-23,478,718	-25,931,707
Tier 3												0	0	0
Annual net property tax	7,351,237	8,899,766	10,901,351	13,044,172	15,102,130	16,784,605	18,101,631	19,347,234	20,174,736	20,836,718	21,253,453	16,251,003	155,546,030	171,797,034
FORA Property Tax (35%)	2,572,933	3,114,918	3,815,473	4,565,460	5,285,746	5,874,612	6,335,571	6,771,532	7,061,158	7,292,851	7,438,708	5,687,851	54,441,111	60,128,962
Forecast Estimate - 90% of Property Tax	2,315,640	2,803,426	3,433,926	4,108,914	4,757,171	5,287,151	5,702,014	6,094,379	6,355,042	6,563,566	6,694,838	5,119,066	48,997,000	54,116,066
Operating Costs	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-1,300,000	-2,600,000	-11,700,000	-14,300,000
Property Tax Transfer to CIP	**1,272,933**	**1,814,918**	**2,515,473**	**3,265,460**	**3,985,746**	**4,574,612**	**5,035,571**	**5,471,532**	**5,761,158**	**5,992,851**	**6,138,708**	**3,087,851**	**42,741,111**	**45,828,962**

Notes:

[1] Source: Table 8 of the 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

[2] Estimated by Willdan using similar methology as 2018-19 CIP.

[3] Includes only projects. See Assessed Value Estimates.

The following tables ("Estimated Assessed Value" and "Estimated Assessed Value and Property Tax Revenue by City") present the detailed calculations of property tax revenues presented in Table 5 and Table 6 of this report. The numbers are primarily derived from the Development Projections in Tables 6 and 7 of the Capital Improvements Program.

ESTIMATED ASSESSED VALUE [1]

Land Use: Location & Description	Jurisdiction	AV per unit or Sq. Ft. Assumption [2]	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Forecast through 2020	Forecast Post-2020	Total
New Residential (Units)																
Seahaven (Entitled)	Marina	540,995		61,132,435	64,919,400	64,919,400	64,919,400	64,919,400	64,919,400	48,148,555				126,051,835	307,826,155	433,877,990
Dunes Phase 1 (Entitled)	Marina	540,995	38,951,640	62,214,425										101,166,065		101,166,065
Dunes Phase 3 (Entitled)	Marina	540,995			48,689,550	24,344,775	24,344,775	24,344,775						48,689,550	73,034,325	121,723,875
Dunes Phase 3 (Entitled)	Marina	540,995				24,344,775	24,344,775	24,344,775	48,689,550	48,689,550	48,689,550	16,229,850			235,332,825	235,332,825
Cypress Knolls (Entitled)	Marina	540,995			54,099,500	54,099,500	54,099,500	54,099,500	54,099,500	54,099,500	30,295,720	30,295,720		54,099,500	331,088,940	385,188,440
TAMC (Planned)	Marina	540,995														
Seaside Resort (Entitled)	Seaside	540,995	2,163,980	6,491,940	19,475,820	19,475,820	18,393,830							28,131,740	37,869,650	66,001,390
Surplus II (Planned)	Seaside	540,995			5,409,950	54,099,500	54,099,500	15,147,860						5,409,950	123,346,860	128,756,810
26 Acre Parcel (Planned)	Seaside	540,995		5,409,950	54,099,500	21,639,800								59,509,450	21,639,800	81,149,250
Main Gate (Planned)	Seaside	540,995		5,409,950	54,099,500	18,934,825								59,509,450	18,934,825	78,444,275
Nurses Barracks (Planned)	Seaside	540,995		21,639,800										21,639,800		21,639,800
Seaside East (Planned)	Seaside	540,995						5,409,950	27,049,750	27,049,750	54,099,500	54,099,500			167,708,450	167,708,450
East Garrison I (Entitled)	MCO	540,995	64,919,400	64,919,400	64,919,400	64,919,400	64,919,400	65,460,395						129,838,800	260,218,595	390,057,395
Del Rey Oaks (Planned)	DRO	540,995			10,819,900	32,459,700	32,459,700	32,459,700	32,459,700	64,919,400	64,919,400	59,509,450	43,820,595		373,827,545	373,827,545
UC (Planned)	UC	540,995			59,509,450	59,509,450	10,819,900								129,838,800	129,838,800
Other Residential (Planned)	Other	540,995														
CSUMB Planned	Other	540,995														
Total New Residential			**106,035,020**	**227,217,900**	**436,041,970**	**438,746,945**	**348,400,780**	**286,186,355**	**227,217,900**	**242,906,755**	**198,004,170**	**160,134,520**	**43,820,595**	**634,046,140**	**2,080,666,770**	**2,714,712,910**
Existing/Replacement Residential (Units)																
Preston Park (Entitled)	Marina	540,995														
Seahaven (Entitled)	Marina	540,995	64,919,400	3,786,965										68,706,365		68,706,365
Abrams B (Entitled)	Marina	540,995														
MOCO Housing Authority (Ent	Marina	540,995														
Shelter Outreach Plus (Entitle	Marina	540,995														
VTC (Entitled)	Marina	540,995														
Interim Inc (Entitled)	Marina	540,995														
Sunbay (Entitled) -	Seaside	540,995														
Bayview (Entitled) -	Seaside	540,995														
Seaside Highlands (Entitled)	Seaside	540,995														
Total Existing/Replacement Residential		**5409950**	**64,919,400**	**3,786,965**										**68,706,365**		**68,706,365**
Office(Square Feet)																
Del Rey Oaks RV Park (entitle	DRO	223.3		44,660,000	44,660,000									44,660,000	44,660,000	89,320,000
Del Rey Oaks RV Park (Planne	DRO	223.3														
Monterey (Planned)	MRY	223.3			26,919,262	26,919,262	26,919,262	40,179,262	40,179,262						161,116,309	161,116,309
East Garrison I (Entitled)	MCO	223.3		5,359,200	5,359,200	4,466,000								5,359,200	9,825,200	15,184,400
Dunes Phase 1 (Entitled	Marina	223.3		5,135,900	5,135,900	5,135,900								5,135,900	10,271,800	15,407,700
Dunes Phase 2 (Entitled	Marina	223.3														
Dunes Phase 3 (Entitled	Marina	223.3			16,747,500	16,747,500	16,747,500	16,747,500	16,747,500	16,747,500					100,485,000	100,485,000
Interim Inc. (Entitled)	Marina	223.3														
Marina (Planned)	Marina	223.3														
TAMC (Planned)	Marina	223.3														
Campus Town / Surplus II (Pla	Seaside	223.3				1,116,500	1,116,500								2,233,000	2,233,000
Campus Town / 26 Acre (Plan	Seaside	223.3				1,116,500	1,116,500								2,233,000	2,233,000
Seaside East (Planned)	Seaside	223.3				2,233,000	2,233,000	2,233,000							6,699,000	6,699,000
UC (Planned)	UC	223.3		13,398,000	17,864,000	40,194,000	40,194,000	40,194,000						13,398,000	138,446,000	151,844,000
Total Office				**68,553,100**	**116,685,862**	**97,928,662**	**88,326,762**	**99,353,762**	**56,926,762**	**16,747,500**				**68,553,100**	**475,969,309**	**544,522,409**

ESTIMATED ASSESSED VALUE (Continued) [1]

Land Use: Location & Description	Jurisdiction	AV per unit or Sq. Ft. Assumption [2]	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Forecast through 2020	Forecast Post-2020	Total
Industrial (Square Feet)																
Monterey (Planned)	MRY	91.35					6,585,604	6,585,604	6,585,604						19,756,813	19,756,813
Marina CY (Entitled)	Marina	91.35														
Dunes Phase 1 (Entitled	Marina	91.35														
Dunes Phase 2 (Entitled	Marina	91.35														
Dunes Phase 3 (Entitled	Marina	91.35			6,851,250	6,851,250	6,851,250	6,851,250	6,851,250	6,851,250					41,107,500	41,107,500
TAMC (Planned)	Marina	91.35														
Marina Airport (Entitled)	Marina	91.35														
Campus Town / Surplus II (Pla	Seaside	91.35			3,654,000										3,654,000	3,654,000
Campus Town / 26 Acre (Plan	Seaside	91.35			2,740,500										2,740,500	2,740,500
Seaside East (Planned)	Seaside	91.35				913,500	913,500	913,500							2,740,500	2,740,500
UC (Planned)	UC	91.35		1,827,000	1,827,000	1,827,000	1,827,000	1,827,000						1,827,000	7,308,000	9,135,000
Total Industrial				**1,827,000**	**15,072,750**	**9,591,750**	**16,177,354**	**16,177,354**	**13,436,854**	**6,851,250**				**1,827,000**	**77,307,313**	**79,134,313**
Retail (Square Feet)																
Del Rey Oaks (Planned)	DRO	91.35														
East Garrison I (Entitled)	MCO	91.35		1,096,200	1,096,200	913,500								1,096,200	2,009,700	3,105,900
Dunes Phase 1 (Entitled	Marina	91.35		1,827,000	1,827,000	1,827,000	1,827,000							1,827,000	5,481,000	7,308,000
Dunes Phase 2 (Entitled	Marina	91.35														
Dunes Phase 3 (Entitled	Marina	91.35														
TAMC (Planned)	Marina	91.35														
Seaside Resort (Entitled)	Seaside	91.35					913,500								913,500	913,500
Campus Town / Surplus II (Pla	Seaside	91.35		913,500	3,654,000									913,500	3,654,000	4,567,500
Campus Town / 26 Acre (Plan	Seaside	91.35		913,500	2,740,500									913,500	2,740,500	3,654,000
Main Gate	Seaside	91.35		2,283,750	2,283,750	2,283,750	2,283,750	4,567,500						2,283,750	11,418,750	13,702,500
Seaside East (Planned)	Seaside	91.35				913,500	913,500	913,500							2,740,500	2,740,500
UC (Planned)	UC	91.35			5,709,375	7,536,375	7,536,375	7,536,375							28,318,500	28,318,500
Total Retail				**7,033,950**	**17,310,825**	**13,474,125**	**13,474,125**	**13,017,375**						**7,033,950**	**57,276,450**	**64,310,400**
Hotel (rooms)																
Del Rey Oaks RV Park (Planne	DRO	164,430							90,436,500						90,436,500	90,436,500
Dunes Phase 1 (Entitled	Marina	164,430														
Dunes Phase 2 (Entitled	Marina	164,430				64,785,420									64,785,420	64,785,420
Dunes Phase 3 (Entitled	Seaside	164,430														
Seaside Resort (Entitled)	Seaside	164,430					54,261,900								54,261,900	54,261,900
Seaside Resort TS(Entitled)	Seaside	164,430		11,181,240										11,181,240		11,181,240
Campus Town / Surplus II (Pla	Seaside	164,430														
Campus Town / 26 Acre (Plan	Seaside	164,430		49,329,000										49,329,000		49,329,000
Main Gate	Seaside	164,430		57,550,500										57,550,500		57,550,500
Seaside East (Planned)	Seaside	164,430														
UC (Planned)	UC	164,430														
Total Hotel				**118,060,740**		**64,785,420**	**54,261,900**		**90,436,500**					**118,060,740**	**209,483,820**	**327,544,560**
Total Assessed Value																
Entitled			170,954,420	270,088,455	319,316,970	338,366,490	317,159,080	244,587,595	174,559,700	157,788,855	78,985,270	46,525,570		441,042,875	1,677,289,530	2,118,332,405
Planned				156,391,200	265,794,437	286,160,412	203,481,841	170,147,251	213,458,316	108,716,650	119,018,900	113,608,950	43,820,595	156,391,200	1,524,207,352	1,680,598,552
Total AV			**170,954,420**	**426,479,655**	**585,111,407**	**624,526,902**	**520,640,921**	**414,734,846**	**388,018,016**	**266,505,505**	**198,004,170**	**160,134,520**	**43,820,595**	**597,434,075**	**3,201,496,882**	**3,798,930,957**

Notes:

[1] Estimated by Willdan based on development forecast presented in Tables 6 and 7 of the 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

[2] Table 8 of the of the 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

ESTIMATED ASSESSED VALUE AND PROPERTY TAX REVENUE BY CITY

Estimated Annual Assessed Value

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	Forecast through 2020	Forecast Post-2020	Total
Entitled														
Marina	103,871,040	134,096,725	181,522,600	246,308,020	176,386,700	174,559,700	174,559,700	157,788,855	78,985,270	46,525,570	0	237,967,765	1,236,636,415	1,474,604,180
Seaside	2,163,980	19,956,930	21,759,570	21,759,570	75,852,980	4,567,500	0	0	0	0	0	22,120,910	123,939,620	146,060,530
County	64,919,400	71,374,800	71,374,800	70,298,900	64,919,400	65,460,395	0	0	0	0	0	136,294,200	272,053,495	408,347,695
Del Rey Oaks	0	44,660,000	44,660,000	0	0	0	0	0	0	0	0	44,660,000	44,660,000	89,320,000
Monterey	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	**170,954,420**	**270,088,455**	**319,316,970**	**338,366,490**	**317,159,080**	**244,587,595**	**174,559,700**	**157,788,855**	**78,985,270**	**46,525,570**	**0**	**441,042,875**	**1,677,289,530**	**2,118,332,405**
Planned														
Marina	0	0	16,747,500	16,747,500	16,747,500	16,747,500	16,747,500	16,747,500	0	0	0	0	100,485,000	100,485,000
Seaside	0	141,166,200	126,397,950	100,967,125	60,392,500	24,617,810	27,049,750	27,049,750	54,099,500	54,099,500	0	141,166,200	474,673,885	615,840,085
County	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Del Rey Oaks	0	0	10,819,900	32,459,700	32,459,700	32,459,700	122,896,200	64,919,400	64,919,400	59,509,450	43,820,595	0	464,264,045	464,264,045
Monterey	0	0	26,919,262	26,919,262	33,504,866	46,764,866	46,764,866	0	0	0	0	0	180,873,122	180,873,122
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UC	0	15,225,000	84,909,825	109,066,825	60,377,275	49,557,375	0	0	0	0	0	15,225,000	303,911,300	319,136,300
Subtotal	**0**	**156,391,200**	**265,794,437**	**286,160,412**	**203,481,841**	**170,147,251**	**213,458,316**	**108,716,650**	**119,018,900**	**113,608,950**	**43,820,595**	156,391,200	1,524,207,352	1,680,598,552
Total (Entitled and Planned)														
Marina	103,871,040	134,096,725	198,270,100	263,055,520	193,134,200	191,307,200	191,307,200	174,536,355	78,985,270	46,525,570	0	237,967,765	1,337,121,415	1,575,089,180
Seaside	2,163,980	161,123,130	148,157,520	122,726,695	136,245,480	29,185,310	27,049,750	27,049,750	54,099,500	54,099,500	0	163,287,110	598,613,505	761,900,615
County	64,919,400	71,374,800	71,374,800	70,298,900	64,919,400	65,460,395	0	0	0	0	0	136,294,200	272,053,495	408,347,695
Del Rey Oaks	0	44,660,000	55,479,900	32,459,700	32,459,700	32,459,700	122,896,200	64,919,400	64,919,400	59,509,450	43,820,595	44,660,000	508,924,045	553,584,045
Monterey	0	0	26,919,262	26,919,262	33,504,866	46,764,866	46,764,866	0	0	0	0	0	180,873,122	180,873,122
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UC	0	15,225,000	84,909,825	109,066,825	60,377,275	49,557,375	0	0	0	0	0	15,225,000	303,911,300	319,136,300
Total	**170,954,420**	**426,479,655**	**585,111,407**	**624,526,902**	**520,640,921**	**414,734,846**	**388,018,016**	**266,505,505**	**198,004,170**	**160,134,520**	**43,820,595**	**597,434,075**	**3,201,496,882**	**3,798,930,957**

Cummulative Assessed Value inclusive of Proposition 13 Annual Increase

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29
Proposition 13 annual increase	2%										
Entitled											
Marina	103,871,040	240,045,186	426,368,690	681,204,083	871,214,865	1,063,198,862	1,259,022,540	1,441,991,845	1,549,816,952	1,627,338,861	1,659,885,638
Seaside	2,163,980	22,164,190	44,367,043	67,013,954	144,207,213	151,658,858	154,692,035	157,785,875	160,941,593	164,160,425	167,443,633
County	64,919,400	137,592,588	211,719,240	286,252,525	356,896,975	429,495,310	438,085,216	446,846,920	455,783,858	464,899,536	474,197,526
Del Rey Oaks	0	44,660,000	90,213,200	92,017,464	93,857,813	95,734,970	97,649,669	99,602,662	101,594,716	103,626,610	105,699,142
Monterey	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
UC	0	0	0	0	0	0	0	0	0	0	0
Subtotal	**170,954,420**	**444,461,963**	**772,668,173**	**1,126,488,026**	**1,466,176,867**	**1,740,087,999**	**1,949,449,459**	**2,146,227,303**	**2,268,137,119**	**2,360,025,432**	**2,407,225,940**
Planned											
Marina	0	0	16,747,500	33,829,950	51,254,049	69,026,630	87,154,663	105,645,256	107,758,161	109,913,324	112,111,591
Seaside	0	141,166,200	270,387,474	376,762,348	444,690,095	478,201,707	514,815,492	552,161,551	617,304,282	683,749,868	697,424,865
County	0	0	0	0	0	0	0	0	0	0	0
Del Rey Oaks	0	0	10,819,900	43,495,998	76,825,618	110,821,830	235,934,467	305,572,556	376,603,407	443,644,926	496,338,419
Monterey	0	0	26,919,262	54,376,908	88,969,312	137,513,565	187,028,703	190,769,277	194,584,662	198,476,356	202,445,883
Other	0	0	0	0	0	0	0	0	0	0	0
UC	0	15,225,000	100,439,325	211,514,937	276,122,510	331,202,335	337,826,382	344,582,910	351,474,568	358,504,059	365,674,141
Subtotal	**0**	**156,391,200**	**425,313,461**	**719,980,141**	**937,861,585**	**1,126,766,068**	**1,362,759,706**	**1,498,731,550**	**1,647,725,081**	**1,794,288,533**	**1,873,994,898**

ESTIMATED ASSESSED VALUE AND PROPERTY TAX REVENUE BY CITY (Continued)

Total (Entitled and Planned)															
Marina		103,871,040	240,045,186	443,116,190	715,034,033	922,468,914	1,132,225,492	1,346,177,202	1,547,637,101	1,657,575,113	1,737,252,185	1,771,997,229			
Seaside		2,163,980	163,330,390	314,754,517	443,776,303	588,897,309	629,860,565	669,507,526	709,947,427	778,245,875	847,910,293	864,868,499			
County		64,919,400	137,592,588	211,719,240	286,252,525	356,896,975	429,495,310	438,085,216	446,846,920	455,783,858	464,899,536	474,197,526			
Del Rey Oaks		0	44,660,000	101,033,100	135,513,462	170,683,431	206,556,800	333,584,136	405,175,219	478,198,123	547,271,535	602,037,561			
Monterey		0	0	26,919,262	54,376,908	88,969,312	137,513,565	187,028,703	190,769,277	194,584,662	198,476,356	202,445,883			
Other		0	0	0	0	0	0	0	0	0	0	0			
UC		0	15,225,000	100,439,325	211,514,937	276,122,510	331,202,335	337,826,382	344,582,910	351,474,568	358,504,059	365,674,141			
Total		**170,954,420**	**600,853,163**	**1,197,981,633**	**1,846,468,168**	**2,404,038,452**	**2,866,854,067**	**3,312,209,165**	**3,644,958,853**	**3,915,862,200**	**4,154,313,964**	**4,281,220,839**			
Estimated Share of 1% Property Tax															
Entitled	**Share of 1% Property Tax**														
Marina	15.0%	155,807	360,068	639,553	1,021,806	1,306,822	1,594,798	1,888,534	2,162,988	2,324,725	2,441,008	2,489,828	515,874	15,870,064	16,385,938
Seaside	16.6%	3,594	36,815	73,695	111,312	239,532	251,909	256,947	262,086	267,328	272,675	278,128	40,410	2,013,613	2,054,023
County	25.0%	162,353	344,098	529,477	715,874	892,545	1,074,102	1,095,584	1,117,496	1,139,846	1,162,643	1,185,895	506,451	8,913,461	9,419,913
Del Rey Oaks	15.0%	0	66,990	135,320	138,026	140,787	143,602	146,475	149,404	152,392	155,440	158,549	66,990	1,319,994	1,386,984
Monterey	16.9%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	15.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UC	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		**321,754**	**807,971**	**1,378,045**	**1,987,018**	**2,579,686**	**3,064,412**	**3,387,540**	**3,691,974**	**3,884,291**	**4,031,765**	**4,112,401**	**1,129,726**	**28,117,132**	**29,246,858**
Planned															
Marina	15.0%	0	0	25,121	50,745	76,881	103,540	130,732	158,468	161,637	164,870	168,167	0	1,040,162	1,040,162
Seaside	16.6%	0	234,481	449,121	625,812	738,642	794,305	855,122	917,155	1,025,358	1,135,726	1,158,441	234,481	7,699,682	7,934,163
County	25.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Del Rey Oaks	15.0%	0	0	16,230	65,244	115,238	166,233	353,902	458,359	564,905	665,467	744,508	0	3,150,086	3,150,086
Monterey	16.9%	0	0	45,612	92,136	150,749	233,002	316,899	323,237	329,702	336,296	343,022	0	2,170,655	2,170,655
Other	15.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UC	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		**0**	**234,481**	**536,083**	**833,937**	**1,081,510**	**1,297,080**	**1,656,655**	**1,857,219**	**2,081,603**	**2,302,360**	**2,414,138**	**234,481**	**14,060,585**	**14,295,065**
Total (Entitled and Planned)															
Marina	15.0%	155,807	360,068	664,674	1,072,551	1,383,703	1,698,338	2,019,266	2,321,456	2,486,363	2,605,878	2,657,996	515,874	16,910,225	17,426,100
Seaside	16.6%	3,594	271,296	522,815	737,124	978,174	1,046,215	1,112,069	1,179,241	1,292,687	1,408,401	1,436,569	274,890	9,713,295	9,988,185
County	25.0%	162,353	344,098	529,477	715,874	892,545	1,074,102	1,095,584	1,117,496	1,139,846	1,162,643	1,185,895	506,451	8,913,461	9,419,913
Del Rey Oaks	15.0%	0	66,990	151,550	203,270	256,025	309,835	500,376	607,763	717,297	820,907	903,056	66,990	4,470,080	4,537,070
Monterey	16.9%	0	0	45,612	92,136	150,749	233,002	316,899	323,237	329,702	336,296	343,022	0	2,170,655	2,170,655
Other	15.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UC	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		**321,754**	**1,042,452**	**1,914,128**	**2,820,955**	**3,661,196**	**4,361,492**	**5,044,195**	**5,549,193**	**5,965,894**	**6,334,125**	**6,526,539**	**1,364,206**	**42,177,717**	**43,541,923**

Notes:

[1] Estimated by Willdan based on development forecast presented in Tables 6 and 7 of the 2018-19 CIP as presented in Attachment A to Item 8b FORA Board Meeting, 6/8/18.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Transition Plan Resolution	
Meeting Date: **Agenda Number:**	December 14, 2018 8b	**INFORMATION/ACTION**

RECOMMENDATION:

1. Find that approval of a Transition Plan Resolution is a mere organizational change and not a project subject to CEQA.
2. Approve a Transition Plan Resolution and set a special meeting, if necessary, for December 19, 2018 if the Transition Plan and its Resolution are not unanimously approved.
3. Authorize staff to take appropriate action to comply with state law requiring submittal of an approved Transition Plan to the Local Area Formation Commission ("LAFCO") by December 2018.

BACKGROUND/DISCUSSION:

On November 9, 2018, the Fort Ord Reuse Authority ("FORA") Board reviewed and considered four Transition Plan Resolution versions, each with slightly differing approaches/content. On November 9, 2018, the Board directed that staff meet with the member jurisdiction attorneys as a group for input. The attorney group confined itself to discussing various legal issues associated with the four versions. The primary working document was entitled the "Hybrid" version, which was the Authority Counsel and staff attempt to address issues related to a version submitted by Board members Allan Haffa, Cynthia Garfield and Jane Parker. Since, that time, the attorney group met twice focusing on legal issues.

In addition, staff and Authority Counsel met with representatives from Landwatch and Keep Fort Ord Wild ("KFOW") related to their concerns with the draft Transition Plan Resolution and their comments focused primarily on water and transportation.

Staff also attended discussions about the draft Transition Plan and related issues with the Administrative Committee. Landwatch representatives also attended the Administrative Committee workshop as did Board member Gail Morton and new Del Rey Oaks City council member John Gaglioti. Attached please find some of the notes from the Administrative Committee's November 29, 2018 meeting. The first is a compilation of jurisdictional wants and needs. The green board is the listing of the "needs" articulated by the member jurisdictions, ex officio members and development community. The list compiled in black are some potential avenues to address the needs and wants.

On December 3, 2018, FORA staff attended the LAFCO meeting to give a brief update on the status of the Transition Plan Resolution and the meetings. At that meeting LAFCO staff expressed their intent and commitment to continue working collaboratively with FORA to address and resolve ongoing issues and make refinements to the Transition Plan, even after a submittal on December 30, 2018.

Based upon the multiple sources of input/discussions, staff is bringing forward the most recent version which tries to incorporate and/or respond to many of the issues raised. Authority Counsel and CEQA Counsel have reviewed this most recent version and find that they meet with the spirit and intent of the Authority Act and the California Environmental Quality Act ("CEQA").

Given that FORA is unique (unique legislation, multiple City/County jurisdictions, a superfund site, overlapping federal, state and local laws and multiple contractual issues), it was not possible eliminate all of the legal issues facing the transition plan. Those issues range from what aspects of the Implementation Agreements, Base Reuse Plan, FORA policies, programs, water allocations and contract obligation survive the FORA dissolution and repeal of the Authority Act and to what level of CEQA review might be required to single vote or two for adoption of the Transition Plan. Currently, the Plan tries to address these issues in the following ways: 1) it provides for negotiated agreements between the jurisdictions to address revenue sharing and other potentially disputed items; and 2) it provides for modification of the Transition Plan by the FORA Board should the need arise.

By way of status update, on October 29, 2018, the FORA Board authorized engaging a facilitator who can assist FORA and the jurisdictions in forming agreements that might address some or all of the outstanding issues. FORA staff issued a Request for Proposal shortly after the meeting, however, as of the close of the proposal time period, **no facilitator submitted a proposal**. FORA Executive Officer has now proceeded with individual contact for prospective facilitators and will provide further updates to the Board as soon as possible.

The Executive Committee met on December 5, 2018 and discussed the Transition Plan resolution agenda item and the vote required for adoption. In particular, they were advised that the most risk averse course of action is to take two votes on the Transition Plan Resolution in December. Accordingly, they recommended setting a special meeting for Wednesday, December 19, 2018 at 4:00 p.m., if a second vote is needed for Transition Plan adoption.

The Executive Committee also directed that multiple versions of the Transition Plan Resolution be provided to the Board.

- The first attachment is the current form of the Resolution and its supporting documents.
- The second attachment is the current form of the Resolution compared with the October 29, 2018 version and annotated with comments addressing various comments/ information review provided.
- The third attachment is the November 5, 2018 submittal revision by Board members Garfield, Haffa and Parker.
- The fourth attachment is the most recent version of the City of Marina ("Marina") Transition Plan Resolution submitted to FORA on December 5, 2018.
- The fifth attachment is a comparison version Marina 12-5 version to 10-29-18 version.
- The sixth attachment is the October 29, 2018 version.
- The seventh attachment is the Landwatch letter suggesting language for water and transportation.

The Resolution continues to organized into the following sections: *Background/Recitals*; Section 1 *Findings and Determinations*; Section 2: *Assignment of Assets, Liabilities and Obligations*; Section 3: *Insurance*; Section 4: *Transition Plan Implementation and Resolution Adoption*. A brief summary of pertinent sections is provided.

Background and Recitals:

The Background and Recital Section has been revised to address a few issues. The member agency attorney group was split between eliminating or streamlining the recitals and providing a background and history context for the Transition Plan. In particular, the Marina approach was to eliminate most if not all of the recitals. One of their main comments was that their attorneys did not agree with how the recitals were phrased in terms of interpreting the law and/or documents. Another comment we heard from the Landwatch and KFOW group were the importance of the water agreements (in particular, the 1993 Annexation Agreement between the Army and Monterey County Water Resources Agency ("MCWRA") on Fort Ord. Accordingly, we have revised the recitals to include the water and wastewater agreements (responding to Landwatch, KFOW and others) and we have refined some of the other recital language to be responsive to the Marina issues.

Section 1: Findings and Determinations:

Section 1 has been modified to reflect that all policies, programs and mitigation measures of the Base Reuse Plan are assigned to the extent they survive dissolution of FORA. Paragraph 1.2 has been enhanced utilizing the statutory references contained in the Alan Waltner letter dated November 5, 2018. Section 1.4 has been modified to address the survivability issue and follows the encouragement to adopt policies approach offered by Board members Haffa, Garfield and Parker. We have also highlighted some of the pertinent policies contained in the Master Resolution, including affordable housing percentages and prevailing wage. Section 1.8 related to water and wastewater has been modified to include references to the 1993 Army-MCWRA Agreement and Army-FORA Economic Development Conveyance agreement.

Section 2: Assignment of Assets, Liabilities and Obligations

This section addresses FORA's assets, primary liabilities and obligations.

It clarifies that all funds available (Section 115 Trust, on-hand cash and property tax revenues now and post-2020) to FORA will be used to retire any CalPERS administrative liability so no jurisdiction or successor will have liability for the existing contract.

Section 2.1.3 Litigation Reserve Funds addresses the amounts budgeted for LAFCO indemnification and provides for the funds to be distributed if no litigation or indemnification obligation. Directs funds to an "escrow" account held by County of Monterey ("County"), to reimburse reasonable costs and managed by a panel, in accordance with Section 4.2 and 4.3.

Section 2.1.4 deals with Habitat Funds on hand and establishes the following distribution plan: First to the Habitat Conservation Plan ("HCP") Cooperative, if none, to a joint powers agency that manages habitat basewide, and if none, then FORA staff directed to bring back a new plan which allocates funds between habitat conservation and management and incidental take permits.

Section 2.1.5 directs that all Community Facilities District ("CFD") funds collected prior to 2020 be directed as follows: habitat conservation funds are protected and remaining funds directed to finish any in-progress construction projects and second, as identified in the final year Capital Improvement Program, if the agency has a Transition Plan Implementing Agreement ("TPIA"). If a jurisdiction does not have a TPIA, then funds are redistributed to those jurisdictions which have a TPIA. It should be noted, aside from in progress projects, Board priorities for the final year

Capital Improvement Program ("CIP") will set how any collected CFD funds (and other extra funds) are distributed.

Section 2.1.6 addresses "other funds". Essentially, based upon the origination of any "other funds", administrative liabilities shall be first addressed and then any remaining balance are applied to the final year CIP as outlined in Section 2.1.5.

Section 2.1.7 has clarified based upon Seaside staff comment that Seaside wishes to be the successor to FORA for the Environmental Services Contract ("ESCA"). It also clarifies comments received by the Army that these approvals are Army, federal and state regulatory approvals. Finally, revisions include the concept that any successor must be agreeable to both the successor and the Army and the regulators.

2.1.8 Disposal of FORA personal property after June 30, 2020, directs County to dispose of and to receive reimbursement of any administrative fees related to such disposal services any excess to the final year CIP.

2.1.9. Addresses two post-2020 real property issues: One with respect to the landfill parcel and one with respect to parcels in Seaside. At this point, we are recommending sufficient approvals to allow Army to direct transfer to the recipient entities or their designees. The Army may have limitations on who can be a "designee", as transfers to land use jurisdiction "designees" was accommodated by FORA through the Implementation Agreement language, which is not binding on the Army.

Approvals for real property transfer, may include Army, state and federal regulators and may even require some state legislation for appropriate state-designation as a federally recognized local reuse authority ("LRA"). The requirement for a LRA may limit who may be a receiving entity to only a public agency. These approvals will necessarily take some time to obtain, so it will be helpful to have the appropriate designations and decisions by the underlying land use jurisdictions as soon as possible.

2.1.10 Insurance Policies. This section has been clarified that policies are not terminated, but expire on their own terms. It also calls out the Pollution Legal Liability policy and makes provision for the self-insured retention fund and identifies the County as the potential First Named Insured, consistent with the County's actions on this matter.

As compared to the Marina version, the difference, extra funds are diverted only to the habitat program, instead of the Capital Improvement Program.

Section 2.2 identifies liabilities and obligations.

Section 2.2.1 related to the CalPERS liability requires FORA staff to seek receipt of a CalPERS actuarial valuation no less than six (6) months prior to FORA dissolution. Government Code section 20570 requires that any Notice of Termination of CalPERS contract be requested at least twelve months prior to termination. FORA staff has been speaking with CalPERS regularly about this issue and anticipates bringing something forward to the FORA Board early 2019. Additionally, this section clarifies that if cash on hand is insufficient, then FORA will seek to encumber property tax revenues, to the extent legally permissible, post 2020 to retire this administrative liability.

Sections 2.2.2, 2.2.3, and 2.2.4 all refer back to corresponding sections in 2.1.4, 2.1.5 and 2.1.7.

Section 2.2.6 related to the transportation and transit network. Identifies that lead agency projects return to lead agency. FORA lead agency projects shall be considered by the underlying jurisdictions, but in the event they are not incorporated into another jurisdiction or entity's capital improvement program, they shall be re-evaluated in concert with TAMC to identify the impact to the surrounding road network by removing those roads and that information can be used as the Board moves forward with a final year CIP. This section now calls for termination of the Reimbursement Agreements with Marina and County, unless specifically addressed in TPIAs and requests that the TPIA address any "entitled development" revenue issues with TAMC and MST. Finally, the section also clarifies that the lead agency will determine whether, how or when to fund and construct any particular road or transit project. These changes respond to comments by Landwatch, and others about home rule in moving forward on capital improvement program projects.

Section 2.2.7 related to water. Assigns FORA's right of enforcement under the Implementation Agreement. Adds in that this "assignment" does not create any new obligation to utilize groundwater to meet water needs, nor does it eliminate any duties existing at the time of this Transition Plan pursuant to state, federal law or contract requirements. The language now also confirms MCWD's commitment through its October 29, 2018 letter to work with the jurisdictions on allocations and reductions in a fair and equitable manner.

Section 2.2.8 addresses the 107 documents and directs that these are updated as we proceed through the process.

Section 2.2.9 addresses a process for assignment of items discovered after June 30, 2020.

Section 3: Insurance

Addresses researching whether Transition Plan insurance coverage will be available and how much it will cost.

Section 4: Transition Plan Implementation

Section 4.1 addresses TPIAs. This section addresses the ability of the land use jurisdictions to negotiate and address revenue generation and sharing and reduction or elimination of legal issues by agreement.

Section 4.2. Calls for an Escrow Account for the indemnification funds

Section 4.3. Litigation management now provides for management by any land use jurisdiction identified real party. This allows for a single Land use jurisdiction to go into closed session to discuss litigation strategy, an issue which would have been difficult with multiple-entity litigation management.

Section 4.4 LAFCO review.

Section 4.6 Reserved right of modification.

Exhibit A to the Transition Plan is the Contract Matrix Assignment which outlines contracts as assets/liabilities and identifies the agencies to be FORA successors in such contracts.

Exhibit B to the Transition Plan are reference documents for ease of access background documents related to this Transition Plan.

As currently drafted, the Transition Plan addresses assets, liabilities, pledges and obligations and a schedule. A fundamental difference between the Marina version and the version before the Board today is that Marina's version directs every "extra" dollar into habitat management, instead of the final year CIP. FORA staff does not believe that the FORA version is inconsistent with Marina's position because the FORA Board could certainly direct every dollar into future habitat as a part of the final year CIP. There are more recitals in the FORA version than in the Marina version. As discussed above, we have modified the language in the FORA version in response to comments raised by the Marina attorneys. We have added language suggested by Marina attorneys to address the issue of utilizing property tax revenues for any CalPERS liability shortfall. We have been responsive to comments from Landwatch and KFOW related to water and transportation, by adding reference to the background water and wastewater agreements and clarifying lead agency funding and construction schedules for transportation projects. We have incorporated Army-BRAC comments on ESCA approvals and addressed County comments on reimbursement for administrative costs. We have tried to craft a plan which is flexible and modifiable as negotiated agreements continue and additional issues arise.

A table compiling jurisdictional Transition reports/materials provided to FORA can be found at: https://www.fora.org/Transitiontaskforce.html. Public comment letters are on the FORA Board page.

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 1: Transition Plan Resolution 12-6-18 with Exhibits A and B
Attachment 2: Comparison Transition Plan Resolution 12-6-18 to 10-29-18 version annotated
Attachment 3: November 5, 2018 submittal by Board members Garfield, Haffa and Parker
Attachment 4: Marina Transition Plan Resolution 12-5-18
Attachment 5: Comparison Marina Transition Plan Resolution 12-5-18 to 10-29-18 version
Attachment 6: October 29, 2018 version
Attachment 7: Landwatch letter suggesting language for water and transportation
Attachment 8: 11-29-18 Administrative Commitee Meeting Notes

Prepared by
Sheri L. Damon

Reviewed by D. Steven Endsley
Steve Endsley

Approved by
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 relocation by the United States Army (the "Army") of the 7th Infantry Division - Light resulted 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. Over the years in which Fort Ord was an active military base, the Army entered into contracts with regional entities to address water and wastewater needs of the reservation. On or about 1981, the Army and Monterey Regional Water Pollution Control Agency ("MRWPCA") entered into Contract No. DACA 05-81-C-0021 wherein the Army participated in the construction of the Monterey Regional Wastewater Treatment Plant and such agreement was amended several times, ultimately resulting in Contract No. DAKF 03-83-C0527 wherein MRWPCA agreed to provide sanitary sewage service to the Army. A subsequent agreement was entered into between the Army, Marina Coast Water District ("MCWD"), the Fort Ord Reuse Authority ("FORA") and MRWPCA regarding wastewater treatment. That agreement (referenced as Document 136 in Exhibit A attached hereto and incorporated by this reference) provided for up to 3.30 million gallons per day of wastewater to be accepted and treated by MRWPCA.

C. On or about September 21, 1993, the Army entered into Contract No. A-6404 with the Monterey County Water Resources Agency (MCWRA) for annexation of the former Fort Ord lands into MCWRA Zone 2 and 2A. That Agreement (referenced as Document 93 in Exhibit A attached hereto and incorporated by this reference) is the basis for the Army's pumping limitation of 6,600 acre-feet per year ("AFY") of water from the Salinas Valley Groundwater Basin and of that, no more than 5,200 AFY from the 180 and 400-foot aquifers therein. On or about October 23, 2001, the Army quit claimed its water and wastewater infrastructure to the Fort Ord Reuse Authority and issued two easements to FORA in DACA 05-0-00-57 and DACA 05-9-00-58. The easements to FORA required, among other obligations, assumption of the obligation to provide water required by the Installation-Wide Habitat Management Plan, the Army's obligation to cooperate and coordinate with parcel recipients, MCWRA, FORA and others to ensure all owners of property at the former Fort Ord will continue to be provided an equitable supply of water at equitable rates and to cooperate and coordinate with MCWRA, MRWPCA, FORA, property recipients and others to ensure Non-Army Responsibility Mitigations required by the records of decision dated December 23, 1993 and June 8, 1997 are met and that it will meet all requirements of the Army Agreement with MCWRA approved on September 21, 1993. On October 26, 2001, FORA in turn quitclaimed water and wastewater infrastructure and assigned said easements to MCWD requiring compliance with all underlying requirements. (See Document 128)

D. After the announcement but prior to the implementation of the base downsizing/closure, political leaders 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"). The Strategy Report may be accessed via Exhibit B – Reference Documents attached hereto and incorporated by this reference.

E. 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.

F. 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 FORA Act was amended in 2012. The FORA Act, as amended, may be accessed via Exhibit B – Reference Documents attached hereto and incorporated by this reference. 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 declared the following goals to be the policy of the State of California: (1) To facilitate the transfer and reuse of the real and other property of the former Fort Ord with all practical speed; (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and development of the base 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.

G. 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. The contract with CalPERS as amended to date is referenced as items 1, 2 and 3 in Exhibit A attached hereto and incorporated by this reference.

H. Pursuant to the requirements of Government Code section 67675, FORA certified a Final Environmental Impact Report and adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997 in Resolution 97-06. The Reuse Plan, its attendant environmental report, and Resolution 97-06 are available on the FORA website at www.fora.org or may be accessed via Exhibit B - Reference Documents attached hereto and incorporated by this reference.

I. As part of that approval, FORA's Board of Directors (the "Board") certified the 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.

J. FORA has committed and is obligated by the FORA Act, the Reuse Plan, and/or the California Environmental Quality Act ("CEQA") to implement a program addressing policies, programs and mitigation measures of the Reuse Plan, including a capital improvement program and finance program addressing basewide facilities.

K. 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 basewide facilities outlined in the Capital Improvement Program ("CIP").

L. 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 CIP. The most current CIP is available on the FORA website at www.fora.org or may be accessed via Exhibit B - Reference Documents attached hereto and incorporated by this reference.

M. 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. 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. Collecting taxes or fees on developments that have already been entitled will require each jurisdiction to obtain agreements from each developer of an entitled project to pay development fees that the developer would not otherwise be obligated to pay. Those fees are estimated to be $72 million for entitled projects, if all entitled developments are fully completed.

N. 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 127, 129 through 134 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." Sections 5.03 and 5.04 of the EDC MOA require a fair process to ensure an equitable supply of water is provided to grantees of former Fort Ord property and that all grantees enjoy an equitable utilization of the existing sewage treatment capacity.

O. 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. 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 17 through 22 in Exhibit A attached hereto and incorporated by this reference.

P. 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 43 and as amended in 53 and 54 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 34, 43, 44, 45, 48 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 and all property transfers will not have occurred before the currently anticipated dissolution of FORA.

Q. 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)

R. 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 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 Findings and Determinations:

1.1 Base-wide Facilities:

The Board hereby finds and determines that this Transition Plan assigns policies, programs and mitigation measures of the Reuse Plan to the extent they survive the dissolution of FORA. The Board further finds that new implementing agreements negotiated with the landholding jurisdictions (or, in the absence of such an implementing agreement with a respective jurisdiction, the other provisions of this Transition Plan) will establish a fair and equitable assignment of assets, liabilities, and 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 mitigations that were required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, 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"). CEQA only applies to government activities that may cause a direct or a reasonably foreseeable indirect physical change in the environment. Public Resources Code section 21065. CEQA Guidelines, Section 15378(b) also provide that certain activities are not CEQA "Projects" including (4) The creation of government funding mechanism or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

This Transition Plan does not authorize any particular development, and does not itself change any of the land use requirements applicable to projects within the geographic area of the former Fort Ord. It is not a "project" and no environmental impact report or other CEQA document is required.

To the contrary and to the extent not already so contained in their general plans, this Transition Plan calls for the Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey to follow the Reuse Plan policies and programs. After FORA's ultimate dissolution, any changes to the policies and programs of the Reuse Plan 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.

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 entity 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).

1.4 Reuse Plan and Master Resolution:

To the extent the policies and programs of the Reuse Plan and Master Resolution survive the dissolution of FORA, those policies and programs are assigned to the underlying land use jurisdiction. The FORA Master Resolution includes a jobs/housing balance policy requiring provision of a minimum of twenty percent (20%) affordable housing on former Fort Ord lands and a target of ten percent (10%) workforce housing. The Board further finds and determines that the policies contained in the Master Resolution should be continued and enforced following FORA's dissolution. In particular, the Board finds that the prevailing wage policy established in 1996 to promote equitability and fairness to all workers on the former Fort Ord should be sustained in the completion of the former Fort Ord recovery program. The Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey are encouraged to take the necessary legal steps to adopt the Master Resolution policies by December 30, 2019; however, if they have not by then done so, staff is directed to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. Recording the Master Resolution is not intended to create any liabilities or obligations that do not already exist but instead is intended to preserve a permanent record of the policies contained in the Master Resolution. The Master Resolution may be accessed via Exhibit B - Reference Documents attached thereto and incorporated by this reference.

1.5 Funding of Habitat Protection:

The Board hereby finds and determines that 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 considered for retention through the anticipated termination of the ESCA in 2028 by the agreed upon successor to FORA. That successor is identified in the ESCA contract documents as the County of Monterey, City of Seaside, City of Marina or a joint powers agency.

1.7 Transportation and Transit:

The Board hereby finds and determines that implementation of the on-site Fort Ord transportation network and transit policies and programs are essential to the long term success of the economic recovery of the reuse.

1.8 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. In the event of a water supply shortage that reduces the overall amount of water available for the Ord Community, MCWD has committed by letter dated October 29, 2018 to reducing each entity's water allocation in an equitable manner, consistent with the 1993 Army-MCWRA Agreement and the Economic Development Conveyance Agreement obligation to provide a fair and equitable water supply to all property recipients of former Fort Ord lands.

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. 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, the unexpended balance of such reserves shall be distributed to the County of Monterey, as escrow holder, in accordance with Section 4.2 hereinbelow and managed in accordance with Section 4.3 hereinbelow.

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 base-wide habitat management. 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 management 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 management 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 addressing habitat management areas (HMA) on the one hand and incidental take permits for future development on the other and distribute funds according to that program.

2.1.5 Capital Improvement Funds: Except for those CFD Special Taxes specifically identified for the habitat conservation plan, 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 Implementing 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: Except as otherwise specifically identified in this Transition Plan, 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 generated by the CFD Special Taxes, land sales revenues and/or property tax revenues. Except as otherwise specifically provided herein, funds related to the general administration of FORA, such as insurance refunds or other general fund revenues remaining unexpended or unallocated immediately prior to FORA's dissolution, shall be used first to address any unfunded administrative liabilities and only after the full satisfaction of such administrative liabilities shall any remaining balance of such funds be applied and distributed according to Section 2.1.5.

2.1.7 ESCA Reimbursement: An estimated approximately $6,800,000 in potential reimbursement is available for work conducted under the ESCA. All rights under the ESCA shall be assigned to Seaside, 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 and the state and federal regulators (collectively "the regulators"). In the event that the assignment is not approved by the Army or the regulators, then whichever jurisdiction(s) is/are acceptable to the Army and the regulators and acceptable to the Army-approved jurisdiction 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). The ESCA requires that such successor jurisdiction be either the County of Monterey, City of Seaside, City of Marina or a joint powers agency.

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, remaining after reimbursement to the County for its administrative costs, 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 as outlined in Paragraph 2.1.5 hereinabove.

2.1.9 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 as of January 2021, 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. Necessary legislation and approvals from the state and federal governments for direct transfer of the landfill parcel may take a substantial amount of time to receive. The County is therefore requested identify any designee recipient of the landfill parcel at least twelve (12) months prior to FORA dissolution in order to seek and receive such approvals and/or legislation for any designee recipient. 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.

Additionally, there are parcels within the City of Seaside which will not transfer prior to 2020 due to a change in the State of California clean up requirements for residential use. FORA staff is directed to work with the Army and the City of Seaside to bring resolution to potential transfer issues prior to June 30, 2020. In the event that no resolution(s) are reached, FORA shall seek all necessary legislation and approvals from the state and federal governments to enable the Seaside parcels to be directly transferred to the City of Seaside or its designee.

2.1.10 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 or by the terms of the insurance policy itself, FORA shall not keep any of such policies of insurance in force beyond the date of their expiration.

With respect to the Pollution Legal Liability ("PLL") policy (Item 23 in Exhibit A), FORA currently holds approximately $267,000 in a separately identified account for the PLL insurance self-insured retention (SIR). These funds shall be utilized to defray the administrative costs for the successor to FORA as the First Named Insured and to defray the costs in the event of a claim requiring application of a self-insured retention amount. The County agreed to negotiate to become FORA's successor as a First Named Insured (Monterey County Board Order December 2, 2014) and to take on the First Named Insured obligations and receive the FORA self-insured retention (SIR) fund. In the event, the County does not wish to become the First Named Insured, the PLL policy, Endorsement 15 provides for a FORA designated successor. Any successor that becomes the First Named Insured shall be entitled to receive the $267,000 SIR funds. In the event, the SIR is not utilized for any claims made, the amount in the fund shall be returned, after any administrative deduction for contract management by the successor, to the named insureds in proportion to the amounts of their insurance coverages

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

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.

discharge this liability, including without limitation by applying monies on hand in the FORA accounts and/or encumbering future property tax revenues, to the extent legally permissible, 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. The County shall be entitled to recover its reasonable costs of administering and distributing said property tax revenues. 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.

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

2.2.4 ESCA Reimbursement: See Section 2.1.7 hereinabove.

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 be addressed, after FORA's dissolution, if at all, by the jurisdictions in which the remaining abandoned 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: The Board finds that as of 2018, there are 19 transportation and transit projects identified in the capital improvement program. These projects are listed in Document 92 in Exhibit A attached hereto and incorporated by this reference. The City of Marina, County of Monterey, Transportation Agency of Monterey County (TAMC) and Monterey Salinas Transit (MST) are the identified lead agencies for 13 of 19 projects. Of those 13, FORA has reimbursement agreements in place with lead agencies City of Marina and County of Monterey. The Board identifies those Agreements (Documents 114 and 115) to be addressed in the new Transition Plan Implementing Agreements as to how revenue generation and revenue sharing will occur, including without limitation, contributions or mechanisms to lead agencies TAMC and MST to replace revenues generated by the expiring CFD Special Tax. Those Reimbursement Agreements shall terminate on June 30, 2020, unless otherwise addressed in the Transition Plan Implementing Agreements. With respect to the projects for which FORA is the lead agency and which no jurisdiction has addressed in its Transition Plan Implementing Agreement, FORA working in conjunction with TAMC shall prepare a regional traffic modeling analysis showing the inclusion of the FORA lead agency on-site roads as compared to the removal of the FORA lead agency roads on the remaining Fort Ord roads. In particular, off-site, regional and on-site Fort Ord local roads within or adjacent to the City of Marina, City of Seaside, City of Del Rey Oaks, and County of Monterey shall be analyzed to ascertain the impact on the Ord Community, including without limitation, California State University Monterey Bay ("CSUMB"), University of California Monterey Bay Science and Technology ("UC MBEST"), Monterey Peninsula College ("MPC"), the Veteran's Cemetery, the Army and the National Monument, and the regional network, so as to inform the last year CIP. The schedule for implementing transportation and transit projects shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project, but nothing in this Transition Plan changes the authority or the discretion of a lead agency to determine whether, how or when to fund and construct any particular road or transit project. 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, to the extent they survive post-dissolution, 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. In the event of a ground water shortage, any resulting reductions in the amount of water supplies shall be applied fairly and equitably across all jurisdictions. MCWD and the jurisdictions shall work together as to how to apply a fair and equitable reduction of water supply amongst the underlying land holding jurisdictions. Nothing in this assignment creates any new obligation to utilize groundwater to meet the water service needs of the jurisdictions, but neither does this assignment reduce or eliminate any water service obligation already established by federal or state law or contract. 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. In its October 29, 2018 letter MCWD has confirmed its commitment to working with the jurisdictions on water supply needs in a fair and equitable manner. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement, jurisdictions may alter their relative water allocations, as identified in the Implementation Agreements[2] only by written agreement with other jurisdictions. To the extent possible, the jurisdictions may also agree among themselves as to what fair and equitable reduction in water allocation would be applied in the instance of a mandated water shortage in a written agreement and with concurrence of MCWD. As part of the MCWD ongoing commitment to work with the jurisdictions they are requested to honor any alternate water allocations as agreed between two or more jurisdictions as though the new agreed upon allocation had been 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 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 liability or obligation is unrelated to the use of real property, either FORA or LAFCO shall notify the appropriate insuring entity or the County, and/or shall expend and encumber such additional funds as are necessary to fully discharge any liability, including without limitation by applying monies on hand in the FORA accounts

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2 In the event that the water allocations are found to be unenforceable or terminate upon the expiration of FORA, water services shall be in accordance with existing federal and state laws and contracts.

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.

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 Transition Plan Implementation:

4.1 Transition Plan Implementing Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each affected entity and/or land holding member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective entity or jurisdiction will generate revenues to meet its obligations as assigned in this Transition Plan or as agreed upon in the Transition Plan Implementing Agreements and include 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 regular meetings to assess and update habitat, transportation, transit and water augmentation needs in Fort Ord. 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 funding mechanism. 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).

4.2 Escrow:

In the event that as of immediately prior to FORA's dissolution, there are litigation or indemnity obligations pending, the unexpended balance of the litigation reserves set forth in Section 2.1.3 shall fund an escrow account for the LAFCO Indemnification Agreement for the purpose of paying outstanding legal costs, court judgments, settlements, or other litigation costs that are not covered by insurance and are unable to be paid by FORA due to its dissolution. The initial escrow account holder shall be the County of Monterey, who shall be entitled to reimbursement for reasonable administrative costs of such administration. The escrow account shall be 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. The escrow account shall be maintained for three (3) years, after which any remaining money in the account shall be used to pay for a CIP project expense, including but not limited to habitat management, as determined by the panel.

4.3 Litigation Management:

In the absence of either (a) FORA approved Transition Plan Implementing Agreements entered into with each of the land holding jurisdictions identifying a successor or successors in interest to FORA relative to post FORA litigation or (b) an agreement entered into by all of the land holding jurisdictions that post FORA litigation may be managed by any one or more, but less than all, of the land holding jurisdictions, any post FORA litigation shall be managed by any land use jurisdiction that is an identified real party(ies) in interest for such pending litigation.

4.4 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).

4.5 Reserved Right of Modification:

The Board hereby reserves its right to augment, clarify or modify this Transition Plan as law, facts, circumstances, or agreements may require.

NOW THEREFORE, 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 shall be updated by December 30, 2019; and
2. The Board hereby makes all assignments in accordance with Government Code section 67700(b);
3. The Board hereby finds that as adopted herein, the Transition Plan is not a project subject to CEQA; and
4. The Board 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
5. The Board further directs staff to provide regular monthly progress reports on the implementation of this Transition Plan, including without limitation, bringing forth future implementing actions, status of Transition Plan Implementing Agreements, any LAFCO information or requests, and any subsequent information that might affect this Transition Plan.

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

AYES:
NOES:
ABSTENTIONS:
ABSENT:

____
Chair FORA Board

ATTEST:

____
Michael A. Houlemard, Jr., Clerk

GLOSSARY

"Army" means the United States Army.

"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.*

"FORA" means the Fort Ord Reuse Authority.

"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.

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

“Master Resolution” means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended.

“MCWD” means the Marina Coast Water District.

“MCWRA” means the Monterey County Water Resources Agency.

“MRWPCA” means the Monterey Regional Water Pollution Control Agency.

“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.

“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.

Exhibit A to Item 8b
FORA Board Meeting, 12/14/18

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
10	FORA Organizational Chart	2016	http://b77.402.myftpupload.com/wp-content/uploads/FORA_Org_Chart_10-2016.pdf		FORA	
11	Transition Plan Memorandum Draft	2016	http://b77.402.myftpupload.com/wp-content/uploads/Transition-SunsetPlanMemo.pdf			
12	Transition Plan Timeline Draft	2016	http://b77.402.myftpupload.com/wp-content/uploads/FORA-Timeline-DRAFT-050416.pdf			
13	Transition PowerPoint Presentation Draft	2016				
14	FORA MST PLL Insurance Agreement	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-MST-PLL-Insurance-Agreement.pdf			

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15	FORA TAMC PLL Insurance Agreement	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-TAMC-PLL-Insurance-Agreement.pdf			
16	Del Rey Oaks Reimbursement Agreement	2014	http://b77.402.myftpupload.com/wp-content/uploads/DRO-Reimbursement-Agreement.pdf			

Financial Assets

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
17	County of Monterey Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/mtycty_ia.pdf	Asset	County of Monterey/MCWD/Habitat Cooperative/TAMC	1
18	Del Rey Oaks Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/dro_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC	1
19	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
20	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
21	City of Monterey Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/monterey_ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC	1
22	City of Seaside Implementation Agreement	2001	http://fora.org/Reports/ImplementAgreements/seaside-ia.pdf	Asset	MCWD/Habitat Cooperative/TAMC/County of Monterey/Seaside	1
23	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
24	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	
25	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
26	FORA-UCSC Agreement Concerning Funding of Habitat Management	2005	http://fora.org/Reports/TTF/101405_agreement_Habitat_UMBEST.PDF	Liability	Continues until replaced by HCP	

	Related Expenses on the Fort Ord Natural Reserve					
27	Pollution Legal Liability Reimbursement Agreement (DRO)	2015	http://b77.402.myftpupload.com/wp-content/uploads/DRO-Reimbursement-Agreement.pdf	Asset	DRO	3
28	Pollution Legal Liability Insurance Agreement (MST)	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-MST-PLL-Insurance-Agreement.pdf			
29	Pollution Legal Liability Insurance Agreement (TAMC)	2014	http://b77.402.myftpupload.com/wp-content/uploads/FORA-TAMC-PLL-Insurance-Agreement.pdf			
30	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmital-summary-policy010215.pdf		County of Monterey/Seaside/Monterey/Marina	4
	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.					

Environmental Services

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
31	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
32	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			
33	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			
34	US EPA-Army-State of CA Federal Facility Agreement	1990	http://fora.org/Reports/TTF/111990_Federal_Facilites_Agreement_Amendment.pdf	Obligation/Liability		County
35	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		

36	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	
37	FORA-CSUMB ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/101507_MOA_FORA-ESCA_CSUMB.PDF	Asset/Obligation	Dependent upon Property transfer	
38	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			
39	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	
40	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			
41	FORA-Seaside ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/092007_MOA_FORA-ESCA_Seaside.PDF	Asset/Obligation	Dependent upon Property transfer	
42	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			
43	ESCA Cooperative Agreement Award (End date amended 2017)	2007	http://fora.org/Reports/TTF/033007_Coop_Agreement_Award_ESCA.pdf	Asset/Liability	2037	County***
44	FORA-LFR Fort Ord Remediation Services Agreement	2007	http://fora.org/Reports/TTF/033007_RSA_ESCA.pdf	Asset/Liability	?2019/2020 ?	County***
45	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
46	FORA-MPC ESCA Property Management MOA	2008	http://fora.org/Reports/TTF/121708_MOA_FORA-ESCA_MPC.PDF	Asset/Obligation	Dependent upon Property transfer	
47	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			
48	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
49	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
50	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
51	Pollution Legal Liability Insurance PLL ESCA Insurance Policy	2007	http://b77.402.myftpupload.com/wp-content/uploads/ESCA_Insurance_Policy-PLL-5-15-07.pdf			

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52	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmital-summary-policy010215.pdf	Asset/Liability/Obligation		
53	ESCA Cooperative Agreement Award-Amendment 1	2017	tan	Asset/Liability	2028	County***
54	ESCA Cooperative Agreement Award-Amendment 2	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully_signed_ESCA_Grant_Amendment_12-20-17.pdf			
55	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
56	G2 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
57	G3 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
58	G4 LUCIP/OMP	2018**	"Not available. Under Regulatory review. Estimated issue date 2018/early 2019."	Obligation	No End Date	Enforcement by Successor
59	FORA-Seaside ESCA Property Management MOA	2007	http://fora.org/Reports/TTF/092007_MOA_FORA-ESCA_Seaside.PDF	Asset/Obligation	Dependent upon Property transfer	
60	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			
61	ESCA Cooperative Agreement Award (End date amended 2017)	2007	http://fora.org/Reports/TTF/033007_Coop_Agreement_Award_ESCA.pdf	Asset/Liability	2037	County***
62	FORA-LFR Fort Ord Remediation Services Agreement	2007	http://fora.org/Reports/TTF/033007_RSA_ESCA.pdf	Asset/Liability	2019/2020	County***
63	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
64	FORA-MPC ESCA Property Management MOA	2008	http://fora.org/Reports/TTF/121708_MOA_FORA-ESCA_MPC.PDF	Asset/Obligation	Dependent upon Property transfer	
65	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			
66	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
67	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
68	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
69	Pollution Legal Liability Insurance (PLL) CHUBB	2015	http://fora.org/Reports/TTF/PLL-Chubb-Policy-transmital-summary-policy010215.pdf	Asset/Liability/Obligation		
70	ESCA Cooperative Agreement Award-Amendment 1	2017	tan	Asset/Liability	2028	County***
71	ESCA Cooperative Agreement Award-Amendment 2	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully_signed_ESCA_Grant_Amendment_12-20-17.pdf			
72	MPC Extension Letter -Esca Cleanup	2018	http://b77.402.myftpupload.com/wp-content/uploads/2018-07-02_MOA_hold_property_during_ESCA_cleanup_MPC_fully-executed.pdf			
73	ESCA Grant Amendment – Fully Signed	2017				
74	ESCA Amendment Modification	2017	http://b77.402.myftpupload.com/wp-content/uploads/Fully_signed_ESCA_Grant_Amendment_12-20-17.pdf			

75	Amendment No. 1 MOA FORA ESCA County	2018				
76	Amendment No. 1 MOA property held for ESCA clean up	2018				
77	Amendment No. 1 MOA City of Seaside	2018				
78	Amendment No. 1 MOA County of Monterey	2018				
79	Extend 2007 MOA by FORA and City of Monterey	2018	http://b77.402.myftpupload.com/wp-content/uploads/05092018_Executed_2007_MOA_FORA_Monterey.pdf			
	REFERENCE MATERIALS/WEBSITES Kutak Rock letter dated [] Army Base Realignment And Closure Administrative Record website http://www.fortordcleanup.com/ Notes: * Agreement will be replaced with new LUCIP Agreement/Restriction ** LUCIP/OMP agreements are expected to be finalized in 2018					

Habitat

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
80	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	
81	USFWS EG-PF Biological Assessment Concurrence Letter	2002	http://fora.org/Reports/TTF/USFWS_EG-PF_LandUseModificationAssessment_ConcurrenceLetter_2002.pdf			
82	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	
83	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.
84	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
85	Parker Flats - East Garrison biological assessment	2005	http://fora.org/Reports/TTF/EG-PF_BiologicalAssessment_BW-2180_2005.pdf			
86	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	

87	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			
88	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			
89	FORA-MPC Reimbursement Agreement		http://b77.402.myftpupload.com/wp-content/uploads/FORA-MCP-LLC-Reimbursement-Agmt_signed-01-26-2006.pdf			
90	FORA-UC Habitat Funding Agreement	2005	http://b77.402.myftpupload.com/wp-content/uploads/FORA-UC-Habitat-UMBEST-signed10-14-2005.pdf			
91	County, MPC, FORA Public Safety Officer Training Facilities Agreement	2002	http://b77.402.myftpupload.com/wp-content/uploads/102202_agreement_Public-Safety-Officer.pdf			
92	Writ of Mandate	2007	http://d77.495.myftpupload.com//wp-content/uploads/2016/09/FORA_MARINA_v_CSU_WRIT_5-02-07.pdf			
93	MOA Dept of Toxic Substances Control	2008	http://b77.402.myftpupload.com/wp-content/uploads/16_022708moaEnviroRestricts.pdf			
94	FORA UC FONR Extend Funding	2007	http://b77.402.myftpupload.com/wp-content/uploads/FORA-UC-FONR-Extend-Funding-signed072707.pdf			

Miscellaneous

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
95	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	
96	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	
97	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
98	FORA-Seaside-County-Cemetery Foundation	2012	http://b77.402.myftpupload.com/wp-content/uploads/012812-MOU-VetsCem-signed.pdf	Liability	County/Seaside/Foundation	
99	Army-FORA Memorandum of Agreement - Amendment #6	2014	http://b77.402.myftpupload.com/wp-content/uploads/072914_MOA_Army_FORA_Amend_6.pdf			

100	Army-FORA Water Quitclaim Deed- Veteran's Cemetery		http://b77.402.myftpupload.com/wp-content/uploads/Army-FORA_VTC_Water_Agreement-Recorded.pdf			
101	FORA-City of Marina Quitclaim Deed		http://b77.402.myftpupload.com/wp-content/uploads/FORA-Marina_Water_Agreement022318.pdf			
102	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
103	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
104	PENDING LAWSUITS					
105	MCP v. FORA, Monterey County Superior Court	2017	N/A	Asset/Liability		
106	KFOW v. FORA, Monterey Superior Court	2017	N/A	Asset/Liability		
107	County, FORA, East Garrison Partners MOA on Basewide Funding Obligations	2006	http://b77.402.myftpupload.com/wp-content/uploads/FORA-MCRDA-EastGarrison_Obligations_MOA_022806.pdf			
108	FORA-Seaside-County-VCF Cemetery Land Sale Agreement	2012	http://b77.402.myftpupload.com/wp-content/uploads/012812_MOU_VeteransCemetery_Land_Sale.pdf			
109	FORA-Seaside-County-VCF Cemetery Land Sale Agreement: Exhibit 1	2012	http://b77.402.myftpupload.com/wp-content/uploads/012812_MOU_VeteransCemetery_Land_SaleExhibit1.pdf			
110	FORA-Seaside-County-VCF Cemetery Land Sale Agreement: Exhibit 2	2012	http://b77.402.myftpupload.com/wp-content/uploads/012812_MOU_VeteransCemetery_Land_SaleExhibit2.pdf			
111	FORA MCP LLC Reimbursement Agreement	2006	http://b77.402.myftpupload.com/wp-content/uploads/Fully_signed_ESCA_Grant_Amendment_12-20-17.pdf			
112	MOA Concerning Base-wide Obligations	2006	http://b77.402.myftpupload.com/wp-content/uploads/MOA_MoCo-FORA-EG-Partners-LLC_Basewide-Funding-Obligations-signed2.28.06.pdf			
113	MOU County, Seaside CCVC Foundation on CCCVC Planning	2012	http://b77.402.myftpupload.com/wp-content/uploads/012812-MOU-VetsCem-signed.pdf			

Transportation

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES
114	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]

115	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]
116	FORA-TAMC Reimbursement Agreement Concerning Hwy 68 Operational Improvements	2014	http://fora.org/Reports/TTF/051614_FORA-TAMC_Hwy68_operational_improvements.pdf	Liability/Obligation:		
117	FORA-Monterey Bay Charter School Traffic MOU	2015	http://fora.org/Reports/TTF/FORA_MBCS_Traffic_MOU_signed_111315.pdf	Asset		
118	MST - TAMC-Marina-FORA MOU	2007	http://fora.org/Reports/TTF/FORA-MST-TAMC-Marina_MOU_050107.pdf			
119	Whitson Engineers (Master Services)	2017	https://www.fora.org/Reports/2017_Contract_FC-2017117-Executed-Whitson.pdf	Asset		
120	Capital Improvement Program Transportation Assignments	TBD	ATTACHED	Liability/Obligation	As Assigned.	
121	FORA-City of Marina Shea Homes Fee Credit Agreement concerning 8th Street	2014	http://b77.402.myftpupload.com/wp-content/uploads/111414_FORA-Marina_Reimbursement_Amendment.pdf			
	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.					

Water/Wastewater

	CONTRACTS	YEAR	AGREEMENT LINK	ASSET/LIABILITY PLEDGE/OBLIGATION	MULTI-AGENCY	MULTI-AGENCY NOTES	Notes
122	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
123	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/unserved areas on Fort Ord only served by new contracts; subsequent annexation by MCWD/LAFCO issues	1
124	Water/Wastewater Facilities Agreement Exhibits	1998	http://fora.org/Reports/CIP/031398%20_Water_Wastewater_Facilities_Agreement.pdf				
125	FORA-MCWD Water/Waste Water Facilities Agreement-Amendment 1	2001	http://www.fora.org/Reports/CIP/Water-Wastewater-FAamend1.pdf		MCWD		
126	FORA-MCWD Water/Waste Water Facilities Agreement - Amendment 2	2007	http://www.fora.org/Reports/CIP/Water-Wastewater-FAamend2.pdf		MCWD		
127	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/waste water rights; Issue as to prioritization and access;	2, 3

128	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/waste water service obligations	4
129	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
130	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 2	2006	http://b77.402.myftpupload.com/wp-content/uploads/121406_MOA_Army-FORA_Amend_2.pdf				
131	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 3	2008	http://b77.402.myftpupload.com/wp-content/uploads/082808_MOA_Army-FORA_Amend_3.pdf				
132	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 4	2009	http://b77.402.myftpupload.com/wp-content/uploads/031709_MOA_Army-FORA_Amend_4.pdf				
133	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 5	2011	http://b77.402.myftpupload.com/wp-content/uploads/110310_MOA_Army_FORA_Amend_5.pdf				
134	Army-FORA MOA for Sale of Portions of the Former Fort Ord: Amendment 6	2014	http://b77.402.myftpupload.com/wp-content/uploads/072914_MOA_Army_FORA_Amend_6.pdf				
135	MCWD-FORA Quitclaim deed L35.1 & L35.2	2004	http://fora.org/Reports/TTF/MCWD_FORA_Quitclaim_Deed090304.pdf				
136	Army- FORA, MRWPCA, and MCWD MOA	2005	http://fora.org/Reports/110205_MOA_Army_MRWPCA-FORA-MCWD.pdf	Asset	Seaside/DRO/City of Monterey		
137	MCWD-FORA Quitclaim deed L35.5	1997	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		
138	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
139	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
140	Army-FORA VTC Water Agreement	2018	http://b77.402.myftpupload.com/wp-content/uploads/Army-FORA_VTC_Water_Agreement-Recorded.pdf				
141	FORA to City of Marina Water Agreement	2018	http://b77.402.myftpupload.com/wp-content/uploads/FORA-Marina_Water_Agreement022318.pdf		Marina		
142	Army-Seaside AYH Water Deed	2008	http://fora.org/Reports/TTF/082808_AYH_Water_Deed.pdf		Seaside		8
143	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		9

Revised as of 12-05-2018

					Monterey/County of Monterey		
144	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
145	Reimbursement Agreement for AWT Phase I RUWAP Recycled Project	2016	http://b77.402.myftpupload.com/wp-content/uploads/2016_Rmbrs_Agrmt_FORA-MCWD_Pipeline_Executed_08-25-16.pdf				
	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
6	Ft Ord Community Task Force – Strategy Report	https://www.fora.org/Reports/1992-06-19_Ft_Ord_Comm_TF__Strategy.pdf
7	Resolution 97-06	https://www.fora.org/Reports/Resolutions/1997/061397%20resol%20_Resolution%20No.%2097-6_.PDF
8	SB 899 FORA Act	http://b77.402.myftpupload.com/wp-content/uploads/AuthorityAct.pdf
9	FORA Community Facilities District (CFD) Notice of Special Tax Lien	http://b77.402.myftpupload.com/wp-content/uploads/052202_CFD_notice_special_tax_lien.pdf
10	PG&E Army Public Easement	http://b77.402.myftpupload.com/wp-content/uploads/PGE_PUE_Ft_Ord_1997-04-17.pdf

Updated 12-5-18

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~~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 relocation by the United States Army (the "Army") ~~moved~~of the 7th Infantry Division - Light ~~to Fort Lewis Washington over the following two years, resulting~~resulted 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. Over the years in which Fort Ord was an active military base, the Army entered into contracts with regional entities to address water and wastewater needs of the reservation. On or about 1981, the Army and Monterey Regional Water Pollution Control Agency ("MRWPCA") entered into Contract No. DACA 05-81-C-0021 wherein the Army participated in the construction of the Monterey Regional Wastewater Treatment Plant and such agreement was amended several times, ultimately resulting in Contract No. DAKF 03-83-C0527 wherein MRWPCA agreed to provide sanitary sewage service to the Army. A subsequent agreement was entered into between the Army, Marina Coast Water District ("MCWD"), the Fort Ord Reuse Authority ("FORA") and MRWPCA regarding wastewater treatment. That agreement (referenced as Document 136 in Exhibit A attached hereto and incorporated by this reference) provided for up to 3.30 million gallons per day of wastewater to be accepted and treated by MRWPCA.

Commented [SD1]: Inserted to address Landwatch and complete background documents discussed by attorney group.

C. On or about September 21, 1993, the Army entered into Contract No. A-6404 with the Monterey County Water Resources Agency (MCWRA) for annexation of the former Fort Ord lands into MCWRA Zone 2 and 2A. That Agreement (referenced as Document 93 in Exhibit A attached hereto and incorporated by this reference) is the basis for the Army's pumping limitation of 6,600 acre-feet per year ("AFY") of water from the Salinas Valley Groundwater Basin and of that, no more than 5,200 AFY from the 180 and 400-foot aquifers therein. On or about October 23, 2001, the Army quit claimed its water and wastewater infrastructure to the Fort Ord Reuse Authority and issued two easements to FORA in DACA 05-0-00-57 and DACA 05-9-00-58. The easements to FORA required, among other obligations, assumption of the obligation to provide water required by the Installation-Wide Habitat Management Plan, the Army's obligation to cooperate and coordinate with parcel recipients, MCWRA, FORA and others to ensure all owners of property at the former Fort Ord will continue to be provided an equitable supply of water at equitable rates and to cooperate and coordinate with MCWRA, MRWPCA, FORA, property recipients and others to ensure Non-Army Responsibility Mitigations required by the records of decision dated December 23, 1993 and June 8, 1997 are met and that it will meet all requirements of the Army Agreement with MCWRA approved on September 21, 1993. On October 26, 2001, FORA in turn quitclaimed water and wastewater infrastructure and assigned said easements to MCWD requiring compliance with all underlying requirements. (See Document 128)

Commented [SD2]: Inserted to address Landwatch/KFOW comments and complete background recitals discussed by attorney group.

~~B.~~D. 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"). The Strategy Report may be accessed via Exhibit B – Reference Documents attached hereto and incorporated by this reference.

~~C.~~E. 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.~~F. ~~The Fort Ord Reuse Authority ("FORA")~~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 FORA Act was amended in 2012. The FORA Act, as amended, may be accessed via Exhibit B – Reference Documents attached hereto and incorporated by this reference. 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~~ declared the following ~~primary directives~~goals to be the policy of the State of California: (1) ~~plan,~~To facilitate~~, and manage~~ the transfer ~~of~~ and reuse of the real and other property of the former Fort Ord ~~property from the Army to local jurisdictions or their designee(s),~~with all practical speed; (2) minimize the economic disruption caused by the base's closure, (3) provide for reuse and ~~redevelopment~~development of the base 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.~~G. 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~~The contract with CalPERS as amended to date is referenced as ~~Contract #~~items 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~~.

H. Pursuant to the requirements of Government Code section 67675, FORA certified a Final Environmental Impact Report and 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)~~

Commented [SD3]: Paragraph amended to address a Marina attorney comment that this was not a technically correct recitation of the Authority Act.

Commented [SD4]: No longer necessary.

Commented [SD5]: Paragraph revised to address a Marina concern that the recital was not technically correct. Paragraph now references the Resolution of adoption which speaks for itself.

~~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~~ in Resolution 97-06. The Reuse Plan ~~and~~, its attendant environmental report ~~is~~, and Resolution 97-06 are available on the FORA website at ~~www.fora.org~~www.fora.org or ~~for your convenience link 2 on~~may be accessed via Exhibit B - Reference ~~documents is~~Documents attached ~~to~~hereto and incorporated by this ~~report. A~~reference.

~~F.~~**I.** As part of that approval, FORA's Board of Directors (the "Board") certified ~~an~~the 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.~~**J.** 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.~~ a program addressing policies, programs and mitigation measures of the Reuse Plan, including a capital improvement program and finance program addressing basewide facilities.

Commented [SD6]: Removing the Basewide Costs and Basewide Mitigation Measure language that is in the Implementation Agreements and instead utilizes the Marina concept of policies/programs/and mitigation measures of the Reuse Plan.

~~H.~~K. 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.~~basewide facilities outlined in the Capital Improvement Program ("CIP").

~~I.~~L. 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~~CIP. The most current CIP is available on the FORA website at www.fora.org or may be accessed via Exhibit B - Reference Documents attached hereto and incorporated by this reference.

Commented [SD7]: Removes extraneous language and only references the background document.

~~J.~~M. 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. Collecting taxes or fees on developments that have already been entitled will require each jurisdiction to obtain agreements from each developer of an entitled project to pay development fees that the developer would not otherwise be obligated to pay. Those fees are estimated to be $72 million for entitled projects, if all entitled developments are fully completed.

~~K.~~N. 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~~127, 129 through 134 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~~Sections 5.03 and 5.04 of the EDC MOA require a fair process to ensure an equitable supply of water is provided to grantees of former Fort Ord property and that all grantees enjoy an equitable utilization of the existing sewage treatment capacity.

~~L.~~**O.** 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~~17 through ~~15~~22 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.~~**P.** 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~~43 and as amended in 53 and 54 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~~34, 43, 44, 45, and 48 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 and all property transfers will not have occurred before the currently anticipated dissolution of FORA ~~and all property transfers will not have occurred~~.

~~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.~~

~~N.~~Q. 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)

~~O.~~R. 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~~Facilities:

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~~this Transition Plan assigns policies, programs and mitigation measures of the ~~projects identified in the~~ Reuse Plan ~~and contained in~~ to the extent they survive the dissolution of FORA. The Board further finds that new implementing agreements negotiated with the ~~CIP, constitute Base-wide Costs and/~~landholding jurisdictions (or ~~Base-wide Mitigation Measures and are required to be addressed by~~, in the absence of such an implementing agreement with a respective jurisdiction, the other provisions of this Transition Plan ~~as~~) will establish a fair and equitable assignment of assets, liabilities, ~~or~~and obligations pursuant to Government Code section 67700.

1.2 California Environmental Quality Act:

Commented [SD8]: Removed to conform with Garfield/Haffa/Parker suggestions

Commented [SD9]: Revised to respond to Marina, attorneys and others about Basewide Costs and Mitigation Measures and the concept that the Reuse Policies/programs/and mitigations are assigned if they survive.

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~~CEQA only applies to government activities that may cause a direct or a reasonably foreseeable indirect physical change ~~any part~~in the environment. Public Resources Code section 21065. CEQA Guidelines, Section 15378(b) also provide that certain activities are not CEQA "Projects" including (4) The creation of ~~the FORA Program that would have~~ government funding mechanism or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment~~.~~; and (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Commented [SD10]: Added at suggestion by the attorney group and based upon the Waltner letter.

This Transition Plan does not authorize any particular development, and does not itself change any of the land use requirements applicable to projects within the geographic area of the former Fort Ord. It is not a "project" and no environmental impact report or other CEQA document is required.

To the contrary and to the extent not already so contained in their general plans, 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~~calls for the Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey to follow the Reuse Plan policies and programs. After FORA's ultimate dissolution, any changes to the ~~FORA Program~~policies and programs of the Reuse Plan 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~~entity 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.~~ To the extent the policies and programs of the Reuse Plan and Master Resolution survive the dissolution of FORA, those policies and programs are assigned to the underlying land use jurisdiction. The FORA Master Resolution includes a jobs/housing balance policy requiring provision of a minimum of twenty percent (20%) affordable housing on former Fort Ord lands and a target of ten percent (10%) workforce housing. 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. The Cities of Marina, Seaside, Monterey and Del Rey Oaks and the County of Monterey are encouraged to take the necessary legal steps to adopt the Master Resolution policies by December 30, 2019; however, if they have not by then done so, staff is directed to record the Master Resolution in its entirety not less than one (1) month prior to the anticipated dissolution of FORA. Recording the Master Resolution is not intended to create any liabilities or obligations that do not already exist but instead is intended to preserve a permanent record of the policies contained in the Master Resolution. The Master Resolution may be accessed via Exhibit B - Reference Documents attached thereto and incorporated by this reference.

Commented [SD11]: This Paragraph modified to conform to suggestions by Board members Garfield, Haffa and Parker as refined by Authority Counsel and CEQA Counsel.

Commented [SD12]: This section reflects Board members Garfield, Haffa and Parker's suggestions encouraging adoption by the Cities and recordation as a last resort. Also includes comments about notice and not creating any new liabilities or obligations simply to preserve a record an issue raised in the attorney group.

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~~considered for retention through the anticipated termination of the ESCA in 2028 ~~either~~ by the agreed upon successor to FORA. That successor is identified in the ESCA contract documents as the County of Monterey ~~or the~~, City of Seaside ~~as single successor to FORA for the purposes~~, City of ~~the ESCA or by assignment of the ESCA to~~ Marina or a joint powers ~~authority formed by both of them.~~agency.

Commented [SD13]: This paragraph revised to address Board members concern and County comment that Marina should be added back as the ESCA contract technically allows for Marina. (NOTE: Both Marina attorneys, and staff indicated that they did not want to be the successor to the ESCA)

1.7 ~~Building Removal~~Transportation and Transit:

The Board hereby finds and determines that ~~former~~implementation of the on-site 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~~ transportation network and ~~reuse program~~transit policies and ~~a nuisance to quiet enjoyment of the region's assets. The Board~~

Commented [SD14]: Now only refers to Reuse Plan transportation network and policies and programs essential to recovery of the reuse. Removes the CFD and other revenue sharing statements.

~~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~~programs 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~~8 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.~~In the event of a water supply shortage that reduces the overall amount of water available for the Ord Community, MCWD has committed by letter dated October 29, 2018 to reducing each entity's water allocation in an equitable manner, consistent with the 1993 Army-MCWRA Agreement and the Economic Development Conveyance Agreement obligation to provide a fair and equitable water supply to all property recipients of former Fort Ord lands.

Commented [SD15]: Removes the CFD and instead focuses on water allocations as fair and equitable and references MCWD commitment (both contractually and in writing to continue to work with each entity in this regard) Also consistent with the water and wastewater quitclaim to meet such obligations in perpetuity-an issue raised by Landwatch.

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.~~, the unexpended balance of such reserves shall be distributed to the County of Monterey, as escrow holder, in accordance with Section 4.2 hereinbelow and managed in accordance with Section 4.3 hereinbelow.

Commented [SD16]: Section clarified to reduce ambiguity and potential inconsistency that these funds are deposited into an Escrow account and managed.

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 base-wide habitat ~~conservation~~management. 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~~management 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~~management 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~~addressing habitat management areas (HMA) on the one hand and incidental take permits for future development~~.~~ on the other and distribute funds according to that program.

2.1.5 Capital Improvement Funds: ~~All~~Except for those CFD Special Taxes specifically identified for the habitat conservation plan, 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 Implementing 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.

Commented [SD17]: Added to address County staff comments.

2.1.6 Other Funds: ~~All~~Except as otherwise specifically identified in this Transition Plan, 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~~generated by the CFD Special Taxes, land sales revenues and/or property tax revenues. ~~For receipt of~~ Except as otherwise specifically provided herein, funds related to the general administration of FORA, such as insurance refunds or other general fund revenues remaining unexpended or unallocated immediately prior to FORA's dissolution, shall be used first to address any unfunded administrative liabilities and only after the full satisfaction of such administrative liabilities shall any remaining balance of such funds be applied and distributed ~~to all the member jurisdictions in proportion~~according to ~~their voting percentages in FORA as set forth in~~ Section 2.1.~~9 below.~~5.

Commented [SD18]: Revised for internal consistency. Paragraph tracks with the source of funds and ability to utilize only certain funds for certain expenses.

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~~All rights under the ESCA shall be assigned to ~~the County~~Seaside, 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~~.~~ and the state and federal regulators (collectively "the regulators"). In the event that the assignment is not approved by the Army or the regulators, then whichever jurisdiction(s) is/are acceptable to the Army and the regulators and acceptable to the Army-approved jurisdiction 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). The ESCA requires that such successor jurisdiction be either the County of Monterey, City of Seaside, City of Marina or a joint powers agency.

Commented [SD19]: Revised to reflect Seaside staff assertion (and County staff concurrence) that Seaside is ready, willing and able to be FORA successor to ESCA. Includes a "back-up plan" should that situation change or if they are not approved.

Commented [SD20]: Added in response to Army BRAC oral comments

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, remaining after reimbursement to the County for its administrative costs, 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~~as outlined in Paragraph 2.1.5 hereinabove.

Commented [SD21]: Revised to address County comments on reimbursement of costs.

~~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.~~

Commented [SD22]: Paragraph delete to conform with Garfield/Haffa/Parker suggestions

~~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~~2.1.9 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 as of January 2021, 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~~Necessary legislation and approvals from the state and federal governments for direct transfer of the landfill parcel may ~~be provided in~~take a ~~Transition Plan Implementing Agreement approved by FORA, the~~substantial amount of time to receive. The County ~~shall make such designation not less than~~is therefore requested identify any designee recipient of the landfill parcel at least twelve (12) months prior to ~~the anticipated date of FORA's~~FORA 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~~seek and receive such approvals and/or legislation for any designee recipient. 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.

Additionally, there are parcels within the City of Seaside which will not transfer prior to 2020 due to a change in the State of California clean up requirements for residential use. FORA staff is directed to work with the Army and the City of Seaside to bring resolution to potential transfer issues prior to June 30, 2020. In the event that no resolution(s) are reached, FORA shall seek all necessary legislation and approvals from the state and federal governments to enable the Seaside parcels to be directly transferred to the City of Seaside or its designee.

Commented [SD23]: Expands property which may not transfer, based upon the clean up standards currently in effect and Seaside's plan.

2.1.~~12~~10 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 or by the terms of the insurance policy itself, FORA shall not keep any of such policies of insurance in force beyond the date of ~~FORA's dissolution.~~their expiration.

With respect to the Pollution Legal Liability ("PLL") policy (Item 23 in Exhibit A), FORA currently holds approximately $267,000 in a separately identified account for the PLL insurance self-insured retention (SIR). These funds shall be utilized to defray the administrative costs for the successor to FORA as the First Named Insured and to defray the costs in the event of a claim requiring application of a self-insured retention amount. The County agreed to negotiate to become FORA's successor as a First Named Insured (Monterey County Board Order December 2, 2014) and to take on the First Named Insured obligations and receive the FORA self-insured retention (SIR) fund. In the event, the County does not wish to become the First Named Insured, the PLL policy, Endorsement 15 provides for a FORA designated successor. Any successor that becomes the First Named Insured shall be entitled to receive the $267,000 SIR funds. In the event, the SIR is not utilized for any claims made, the amount in the fund shall be returned, after any administrative deduction for contract management by the successor, to the named insureds in proportion to the amounts of their insurance coverages

Commented [SD24]: Addresses a County comment about the PLL and First Named Insured. FORA's portion of this policy is $11M.

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, to the extent legally permissible, 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. The County shall be entitled to recover its reasonable costs of administering and distributing said property tax revenues. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

Commented [SD25]: Addresses a comment by Marina's attorneys' in this regard. Also provides for cost reimbursement to the County to hold funds and send check to CalPERS.

2.2.2 Habitat Funds: See Section 2.1.4 hereinabove.

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).~~

Commented [SD26]: Duplication.

2.2.4 ESCA Reimbursement: See Section 2.1.7 hereinabove.

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 be addressed, after FORA's dissolution~~ be addressed~~, if at all, by the jurisdictions in which the ~~offending~~remaining abandoned 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~~

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.

~~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.~~2.2.6 Transportation and Transit: The Board finds that as of 2018, there are 19 transportation and transit projects identified in the capital improvement program. These projects are listed in Document 92 in Exhibit A attached hereto and incorporated by this reference. The City of Marina, County of Monterey, Transportation Agency of Monterey County (TAMC) and Monterey Salinas Transit (MST) are the identified lead agencies for 13 of 19 projects. Of those 13, FORA has reimbursement agreements in place with lead agencies City of Marina and County of Monterey. The Board identifies those Agreements (Documents 114 and 115) to be addressed in the new Transition Plan Implementing Agreements as to how revenue generation and revenue sharing will occur, including without limitation, contributions or mechanisms to lead agencies TAMC and MST to replace revenues generated by the expiring CFD Special Tax. Those Reimbursement Agreements shall terminate on June 30, 2020, unless otherwise addressed in the Transition Plan Implementing Agreements. With respect to the projects for which FORA is the lead agency and which no jurisdiction has addressed in its Transition Plan Implementing Agreement, FORA working in conjunction with TAMC shall prepare a regional traffic modeling analysis showing the inclusion of the FORA lead agency on-site roads as compared to the removal of the FORA lead agency roads on the remaining Fort Ord roads. In particular, off-site, regional and on-site Fort Ord local roads within or adjacent to the City of Marina, City of Seaside, City of Del Rey Oaks, and County of Monterey shall be analyzed to ascertain the impact on the Ord Community, including without limitation, California State University Monterey Bay ("CSUMB"), University of California Monterey Bay Science and Technology ("UC MBEST"), Monterey Peninsula College ("MPC"), the Veteran's Cemetery, the Army and the National Monument, and the regional network, so as to inform the last year CIP. The schedule for implementing transportation and transit projects shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project, but nothing in this Transition Plan changes the authority or the discretion of a lead agency to determine whether, how or when to fund and construct any particular road or transit project. 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, to the extent they survive post-dissolution, regarding water allocations. In the

Commented [SD27]: Substantially revised to re-evaluate any FORA lead agency projects that the jurisdictions do not want or do not address in the TPIA. Responds to multiple comments on the transportation network and call for autonomy. Now plans for re-evaluation (after TPIA/negotiation period) by FORA and TAMC of impacts of removing the roads from the transportation network. Board and jurisdictions can then re-evaluate based upon technical studies, so all can make a decisions about these roads in the final year CIP (keep in or remove or other action).

Commented [SD28]: Added at Landwatch, attorney and jurisdictional comment about autonomy about when and how to proceed.

Commented [SD29]: Also captures Garfield/Haffa/Parker suggestions about consultation between lead agencies and funding entities.

Commented [SD30]: Attorney comment about survivability.

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. In the event of a ground water shortage, any resulting reductions in the amount of water supplies shall be applied fairly and equitably across all jurisdictions. MCWD and the jurisdictions shall work together as to how to apply a fair and equitable reduction of water supply amongst the underlying land holding jurisdictions. Nothing in this assignment creates any new obligation to utilize groundwater to meet the water service needs of the jurisdictions, but neither does this assignment reduce or eliminate any water service obligation already established by federal or state law or contract. 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~~In its October 29, 2018 letter MCWD ~~is unable to serve augmented~~ has confirmed its commitment to working with the jurisdictions on water ~~in the amounts necessary to implement the any jurisdiction's planned development due to pumping or other limitations.~~supply needs in a fair and equitable manner. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement ~~approved by FORA~~, jurisdictions may alter their relative water allocations, as identified in the Implementation Agreements[2] only by written agreement with other jurisdictions. ~~Upon its receipt of such an~~To the extent possible, the jurisdictions may also agree among themselves as to what fair and equitable reduction in water allocation would be applied in the instance of a mandated water shortage in a written agreement ~~altering the~~and with concurrence of MCWD. As part of the MCWD ongoing commitment to work with the jurisdictions they are requested to honor any alternate water allocations as agreed between two or more jurisdictions~~, MCWD shall honor the agreement~~ as though ~~it was~~ the new agreed upon allocation had been 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~~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

Commented [SD31]: Addresses Admin comments about jurisdictions trying to agree on alternative reductions in the event of a water shortage, not necessarily an "across the Board" based upon allocation.

Commented [SD32]: Addresses Landwatch comment that the TP does not create any new obligations for MCWD as to water service.

Commented [SD33]: Reiterates and references MCWD letter confirmation of working with the jurisdictions.

2 In the event that the water allocations are found to be unenforceable or terminate upon the expiration of FORA, water services shall be in accordance with existing federal and state laws and contracts.

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.~~

If the liability or obligation is unrelated to the use of real property, either FORA or LAFCO shall notify the appropriate insuring entity or the County, and/or shall expend and encumber such additional funds as are necessary to fully discharge any 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.

Commented [SD34]: Outlines a process for how to address an undiscovered debt or make claim.

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:~~Implementation:

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.~~:

Commented [SD35]: Removed the assignment by CIP deferring instead to the Transition Plan Implementing Agreements.

~~4.2 Transition Plan Agreements:~~

In order to continue to foster regional cooperation and completion of the FORA program, the Board requests that each affected entity and/or land holding member jurisdiction enter into a Transition Plan Implementing Agreement addressing how the respective entity or jurisdiction will generate revenues to meet its obligations as assigned ~~by~~in this Transition Plan~~,~~ or as agreed upon in the Transition Plan Implementing Agreements and include 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.~~regular meetings to assess and update habitat, transportation, transit and water augmentation needs in Fort Ord. 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.~~funding mechanism. 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~~2 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~~In the event that as of immediately prior to FORA's dissolution, there are litigation or indemnity obligations pending, the unexpended balance of the litigation reserves set forth in Section 2.1.3 shall fund an escrow account for the LAFCO Indemnification Agreement for the purpose of paying outstanding legal costs, court judgments, settlements, or other litigation costs that are not covered by insurance and are unable to be paid by FORA due to its dissolution. The initial escrow account holder shall be the County of Monterey, who shall be entitled to reimbursement for reasonable administrative costs of such administration. The escrow account shall be 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. The escrow account shall be maintained for three (3) years, after which any remaining money in the account shall be used to pay for a CIP project expense, including but not limited to habitat management, as determined by the panel.

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~~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~~

Commented [SD36]: Removed in response to LAFCO's comments.

~~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.~~

4.3 Litigation Management:

In the absence of either (a) FORA approved Transition Plan Implementing Agreements entered into with each of the land holding jurisdictions identifying a successor or successors in interest to FORA relative to post FORA litigation or (b) an agreement entered into by all of the land holding jurisdictions that post FORA litigation may be managed by any one or more, but less than all, of the land holding jurisdictions, any post FORA litigation shall be managed by any land use jurisdiction that is an identified real party(ies) in interest for such pending litigation.

Commented [SD37]: Revised to address County and attorney concerns about management by multiple jurisdictions.

4.4~~.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~~5 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.~~

Commented [SD38]: Included at request of Authority Counsel, substantially streamlined. Necessary to allow the Board to make modifications as necessary

The Board hereby reserves its right to augment, clarify or modify this Transition Plan as law, facts, circumstances, or agreements may require.

NOW ~~THEREFOR~~THEREFORE, 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 shall be updated by December 30, 2019; and

2. The Board hereby makes all assignments in accordance with Government Code section 67700(b~~) by approving this~~);

~~2.~~3. The Board hereby finds that as adopted herein, the 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~~is not a project subject to ~~Government Code sections 56886 and 67700(b);~~CEQA; and

~~3.~~4. 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.~~

5. The Board further directs staff to provide regular monthly progress reports on the implementation of this Transition Plan, including without limitation, bringing forth future implementing actions, status of Transition Plan Implementing Agreements, any LAFCO information or requests, and any subsequent information that might affect this Transition Plan.

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

AYES:
NOES:
ABSTENTIONS:
ABSENT:

____
~~Mayor Ralph Rubio,~~ Chair FORA Board

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.*

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~~"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.

"LAFCO" means the Monterey County Local Agency Formation Commission.

"Master Resolution" means the collection of administrative rules and regulations adopted by FORA under the Authority Act, as amended. ~~"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.~~

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"MCWD" means the Marina ~~Cost~~Coast Water District.

"~~PFIP~~MCWRA" means the ~~Public Facilities Implementation Plan adopted by~~Monterey County Water Resources Agency.

"MRWPCA" means the ~~Fort Ord Reuse Authority in 2001~~Monterey Regional Water Pollution Control Agency.

"Reuse Plan" means the ~~plan for the future use~~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~~ adopted pursuant to Government Code section 67675,~~, all as amended from time to ~~date.~~time.

"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.

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. Collecting taxes on developments that have already been entitled will require each jurisdiction to create agreements with each developer for an entitled project to continue to pay a development fee: Those fees are estimated to be $72 million for entitled projects, if all entitled developments are fully completed and development fees are equal to the current FORA CFD.

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.

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.~~ There is an ongoing discussion about what aspects of the Implementation Agreements may survive FORA's dissolution. The FORA Board voted on October 29, 2018 to direct staff to hire a facilitator who can assist FORA members with outstanding issues in the Transition process.

L. 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.

~~**M.** 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.~~

N. 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*)

O. 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 Transition Plan establishes continuity for the Base Reuse Plan policies and programs. Implementing Agreements negotiated by landholding jurisdictions will establish a fair and equitable assignment of ~~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 recognizes ~~requires each jurisdiction~~ the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey are expected to follow the base reuse plan policies and programs. ~~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 policies and programs ~~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), but there is an ongoing discussion about what aspects of the Implementation Agreements may survive FORA's dissolution. The signatories to the Implementation Agreements shall work with the facilitator retained as a result of the FORA Board vote on October 29, 2018 to negotiate and execute agreements regarding revenue sharing arrangements.
. ~~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. In the event that recordation of the Master Resolution is legally insufficient to protect the policies contained in the Master Resolution, the Cities of Marina, Seaside, Monterey, and Del Rey Oaks and the County of Monterey agree to take the necessary legal steps to adopt those policies by December 30, 2019.

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 staffing of the Environmental Services Cooperative Agreement ("ESCA") should be considered for retention ~~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 policies and programs ~~projects that have been identified in the CIP~~ is 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~~ fund aspects of the Transportation Network and Transit needs in Fort Ord that cannot be covered by fees. ~~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.~~ Revenue sharing for Transportation and Transit Needs will be addressed in the Implementing Agreements.

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 replacement source of revenue substantially similar to the FORA CFD might allow 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 <u>Capital Improvement Funds</u>: 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 Implementing 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 <u>Other Funds</u>: 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 <u>ESCA Reimbursement</u>: 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 <u>and is acceptable to the Army-approved jurisdiction</u> 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 <u>Miscellaneous Personal Property</u>: 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.

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 (and agreed to by the Army-approved jurisdiction) 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.

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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.

2.2.6 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 shall be addressed through a facilitated process of Implementing Agreements, to be completed by December 30, 2019 and 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 transportation projects ~~these obligations~~ shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project. ~~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~~ MCWD commits to working with the jurisdictions on water supply needs in a fair and equitable manner. ~~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 a~~All projects identified in the final year 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~~ shall be addressed by Transition Plan Implementing Agreements. The preferred method of allowing discretion to the lead agency ~~evidencing such assignment is by the entry into Transition Plan Implementing Agreements, which can~~ allows the jurisdictions choice and flexibility in exactly how transportation needs ~~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 agreed upon in the Transition Plan Implementing Agreements and include ~~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 regular meetings of jurisdictions to assess and update transportation needs in Fort Ord. ~~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 transportation needs in Fort Ord ~~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~~ aAn escrow account shall be established for the purpose of paying outstanding legal costs, court judgements, settlements, or other litigations costs that are not covered by insurance and are unable to be paid by FORA due to its dissolution. ~~sharing revenues~~ ~~and~~ The escrow account shall be 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. The escrow account shall be maintained for 3 years, after which any remaining money in the account shall be used to pay for a CIP project expense and\or habitat management, as determined by the panel.

~~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 shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues, 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 <u>monthly thereafter.</u> ~~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.

~~FORT ORD REUSE AUTHORITY~~

RESOLUTION NO. 2018-153

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RECOMMENDING THAT THE FORT ORD REUSE AUTHORITY ADOPT THE ALTERNATIVE TRANSITION PLAN FOR THE DISSOLUTION OF THE FORT ORD REUSE AUTHORITY

WHEREAS, The Fort Ord Reuse Authority was created pursuant to legislation that requires that FORA dissol ve on the earlier of June 30, 2020 or when 80% of the territory of Fort Ord that is designated for development or reuse in the Reuse Plan has been developed or reuse d in a manner consiste nt with the Reuse Plan.

WHEREAS, FORA is requir ed by Government Code Section 67700 to approve and submit a transition plan to the Monterey County Local Agency Formation Commiss io n on or before December 30, 2018. The tran s ition plan is to assign assets and lia bilit ies, desig nate res pons ible s uccesso r age nc ies a nd provide a schedule of remaining obligatio ns.

WHEREAS, In October, a hybrid Transition Plan ("Hybrid Transition Plan") was presented by some memb ers of the FORA Board address ing concerns arising from the FORA Transition Plan.

WHEREAS, At its meeting of November 9, 2018, the FORA Board considered the FORA Transition Plan , the Hybrid Transition Plan and the Transition Plan recommended by the City of Marina pursuant to Counc il Action taken on November 7, 2018 ("Marina Transitio n Pla n").

WHEREAS , the FORA Administ rative Committee met to discuss the Transition Plan on November 27. FORA is expected to cons ider adoption of a Transition Plan at its meeting on December 14, 2018.

WHEREAS, as a result of these mee tings, LandWatch has proposed changes to the Hybrid Trans ition Plan. ln addition, the disc ussions at the Administrative Co mmittee as well as the discussions with the attorney group related to lega l issue s have surfaced some iss ues that should be addressed in the Marina Alternative Transitio n Plan

NOW, THEREFORE IT BE RESOLVED that the City Co uncil of the City of Marin a does hereby:

1. Approve and adopt the proposed A lte rnative Transition Plan set forth in the attached Exhibit A.
2. Direct that a copy of this Resolu tion 2018-, and the proposed Alternative Trans ition Plan be transmitted forthwit h to the FORA Board Chair for the immediate consideration of the FORA Board of Directors.

PASSED AND ADOPTED by the City Counci l of the Cit y of Marina at an Adjourned Regular City Council Meeting duly he ld on this 4[th] day of Decem ber 2018 by the following vote:

AYES, COUNCIL MEMBERS: Amadeo , Morton, O' Conne ll , B rown, Delgado
NOES, COUNCIL MEMBERS: None
ABSENT, COUNC IL MEMBERS: No ne
ABSTATN, CO UNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

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Anita Sharp, Deputy City Clerk

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.~~A. 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.~~

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~~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.~~

B. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997

~~O.~~C. 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:

(1) 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*)~~

(2) 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.

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:

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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.~~

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~~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.~~

~~2.1 1.9 Water and Wastewater:~~

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~~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~~,~~ and Liabilities~~, and Obligations~~:

1.1 ~~2.1~~ Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

1.1.1 ~~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~~.~~ of paying FORA's CalPERS unfunded pension liability. 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).~~

1.1.2 ~~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:~~ $1,000,000. Those funds shall be reviewed in 2020, to the extent that the reserve funds are necessary to fund the CalPERS unfunded pension liability, the funds shall be allocated to that liability. To the extent that the funds are not necessary for the CalPERS unfunded pension liability, the funds shall be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under construction as of the date of FORA's dissolution and third to satisfy any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis.

1.1.3 Litigation Reserve Funds: Although not irrevocably committed to use for litigation or

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indemnification purposes and available to meet FORA's other needs, FORA holds funds identified for indemnification of LAFCO and payment of costs related to other litigation 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~~4, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover ~~Transition Plan~~post- dissolution 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~~If insurance policies are not obtained, immediately prior to dissolution, FORA will deposit with LAFCO the litigation reserve funds in an amount to be determined by the Board, to be held by LAFCO to cover costs related to any litigation pursuant to the LAFCO indemnification or other litigation costs that remain post dissolution. Upon expiration of the statute of limitations, as determined by LAFCO, any funds remaining in the reserve shall be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under construction as of the date of FORA's dissolution and third to satisfy any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis. FORA will make all efforts to resolve any pending litigation prior to its dissolution.

~~2.1.4~~

1.1.4 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

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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~~fund established for ~~use in connection with~~implementation of 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~~all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the ~~joint powers authority~~fund established for ~~use in connection with~~ implementation of the ~~management of~~ base-wide Habitat Management ~~Areas within the former~~ Plan for 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 jurisdictions responsible for long~~-~~-term management of the habitat management areas (HMA) ~~on the one hand and incidental take permits for future development.~~). Funds provided directly to a jurisdiction or agency shall be restricted to habitat protection.

1.1.5 ~~2.1.5~~ Capital Improvement Funds: ~~All~~Any CFD Special Taxes not dedicated to Habitat Protection collected and remaining unexpended immediately prior to FORA's dissolution shall ~~first be directed to completing in progress~~be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under 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~~of the date of 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~~and third to satisfy any reimbursement obligations FORA has ~~an executed Transition Plan Agreement. If there is no Transition Plan Implementing Agreement, those funds shall be redistributed to those~~to the land use jurisdictions ~~with Transition Plan Implementing Agreements in proportion to the priorities of each project in the final year CIP unless provided otherwise in~~on a ~~Transition Plan Implementing Agreement.~~ pro rata basis.

1.1.6 ~~2.1.6~~ Other Funds: All funds in FORA's other accounts including land sales revenues, property tax revenues, 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~~1.1.5 for funds generated by the CFD Special Tax.

1.1.7 ~~2.1.7~~ ESCA Reimbursement: An estimated approximately $6,800,000 in potential reimbursement is available for work to be 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

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including any balance of ESCA funds shall be assigned to the City of Seaside or 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).

1.1.8 ~~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, after payment of reasonable costs incurred by the County related to the sale of the property, 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~~, including those related to reimbursement agreements and ~~obligations any~~ all remaining ~~proceeds shall~~funds will be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, 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~~ to 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.~~transportation and transit projects under construction as of the date of FOR A's dissolution and third to satisfy

~~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~~

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~~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~~

any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis.

1.1.9 Real Property: As of the anticipated date of dissolution of FORA, if not all real property interests owned by FORA will have transferred to the underlying land use jurisdictions, such real property interests shall be transferred to the appropriate underlying land use jurisdiction. Each of the applicable jurisdictions shall be responsible for acquiring any property still held by the Army, including compliance with any federal laws related to such disposition.

1.1.10 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 in Section 4, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution, but nor shall FORA cancel any policies that may have terms extending beyond the FORA dissolution date.

1.2 ~~2.2~~ Liabilities and ~~Obligations and~~ Assignment Thereof:

FORA's principal liabilities and obligations include the following:

~~2.2.1~~

1.2.1 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.~~ (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). If FORA determines that funds on hand are insufficient and that FORA needs to encumber future property tax revenues pursuant to Health and Safety Code Section 33492.71 to fund the liability, FORA shall at least six (6) months prior to its dissolution prepare and provide to the member jurisdictions a financing plan for the use of the property tax revenues which plan has been approved by the County of Monterey Auditor-Controller in order to provide assurances to the member jurisdictions that the property tax revenues will be available and disbursed for the purpose of funding the CalPERS unfunded pension liability. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

~~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.~~

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1.2.2 ~~2.2.2~~ Habitat Funds: See Section ~~2~~1.1.4 hereinabove.

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

~~2.2.4~~

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.

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1.2.3 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~~

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~~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~~

1.2.4 Other Contracts and Agreements: Attached as Exhibit ~~A~~B to this Transition Plan are references to ~~a compilation of~~existing contracts ~~and other documents and/or commitments relevant to the FORA program and the dissolution of FORA.~~ to which FORA is a party that create liabilities for FORA (**contract review is still underway to determine which contracts create liabilities and which contract terminate upon FORA dissolution).** 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~~B current and shall provide quarterly updates to the Board regarding any changes. ~~FORA's outstanding~~To the extent that FORA has assets available, prior to dissolution, FORA shall satisfy the monetary obligations created by those contracts listed on Exhibit B which include monetary liabilities. If there are ongoing non-monetary obligations under any of the contracts listed in Exhibit B or if there are monetary obligations that cannot be met prior to FORA's dissolution, FORA will work with the contracting parties to discharge the obligations, terminate the contracts or identify an appropriate assignee and negotiate the terms of an assignment of the obligations. FORA, as of the date of the approval of this Transition Plan, shall refrain from entering into new contractual obligations ~~reflected on Exhibit A are hereby assigned as set forth in Exhibit A~~unless such obligations can be fully completed within the remaining term of FORA's existence and with funds that FOR A currently has on hand or that FORA can with a reasonable certainty determine will be available prior to FORA's dissolution.

1.2.5 ~~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~~

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~~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~~addressed in accordance with the procedures set forth in Section 1.2.4 above.

Section 2 Obligations

2.1 Base Reuse Obligations:

FORA adopted a Base Reuse Plan that was designed to guide the reuse of Fort Ord in a manner that benefitted the region while addressing the resource constraints associated with redevelopment of the Base. All of the land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan. All of the property transferred from FORA is subject to a covenant running with the land that requires that the property be developed subject to the, the policies and programs of the Reuse Plan, including the Master Resolution, the applicable general plan and land use ordinances of

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Formatted: Body Text, Left, Indent: Left: 0", Space Before: 0.05 pt the local governmental entity and that the properties comply with CEQA. To the extent that the Reuse Plan constitutes an obligation of FORA, the recorded covenants ensure continued compliance with the Reuse Plan and the Final Environmental Impact Report on the Reuse Plan to the extent applicable to a particular property. Based on the above, the Board finds and determines that the Transition Plan establishes continuity for the Reuse Plan policies and programs.

2.2 Transportation and Transit Infrastructure:

For all of those road construction or 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 authority and discretion to generate revenues or solicit revenues from 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, authority to generate revenue and solicit revenues from other member agencies and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved and executed by the lead agency for the project. Funding for road construction and transit projects may be addressed through the Transition Plan Implementing Agreements, including offsets for a jurisdictions actual construction, participation in a regional traffic impact fee program, contribution agreements with other jurisdictions, receipt of grant funding or implementation of other funding mechanisms but nothing in this Transition Plan or a Transition Plan Implementing Agreement shall interfere with the discretion of a lead agency to determine when and if to fund or construct any particular road or transit project. All road and transit projects will be subject to compliance with applicable law as it exists at the time of project approval and implementation, including compliance with CEQA. CEQA review shall be the responsibility of the lead agency.

2.3 Water and Wastewater:

The Army assigned a portion of its water allocation to the Marina Coast Water District ("MCWD") in the 2001 Assignment of Easements on the Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deeds for Water and Wastewater systems, which assignment required MCWD as Grantee to meet all requirements of the 1993 Annexation Agreement and to implement the non-Army Responsibility Mitigations in the Army's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure. FORA made water allocations in accordance with its obligations under the EDC MOA to ensure a fair and equitable water supply to all property recipients. As part of the Transition Plan, the Board recommends that MCWD use the water allocations made by FORA for each land use jurisdiction and that such allocations be documented pursuant to agreements between MCWD and the land use jurisdictions. Such agreements should address proportionate reduction or increase in any allocation in the event of a reduction or increase in the water supply resulting from MCWD complying with its obligations under the 1993 Annexation Agreement and the implementation of the Non-Army Responsibility Mitigations referenced above. Such agreements may include a process for recipients to transfer allocations subject to the conditions and requirements set forth in such agreements.

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In addition, the Board finds that recognizing MCWD's authority and discretion to finance planned non-potable water augmentation project, water infrastructure and wastewater infrastructure is appropriate at FORA's dissolution.

2.4 Building Removal. FORA, prior to its dissolution, shall complete those building removal projects for which it has assumed responsibility and for which it has funds available

Section 3 CEQA:

3.1 California Environmental Quality Act:

Adoption of this Transition Plan is exempt from the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the adoption of the Transition Plan may have a significant effect on the environment. The activities authorized by this Transition Plan do not involve the physical design, development, or construction of residential or nonresidential structures or any modification of land. Accordingly the adoption of the Transition Plan would result in no physical change to the environment. 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 CEQA Mitigations required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (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. Following FORA's ultimate dissolution, any changes to the FORA policies and programs or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FOR A, which entities retain full discretion with respect to approvals for any changes to the FORA policies and programs and which entities will be responsible for 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.

Section 4 Insurance:

4.1 ~~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.

4.2 ~~3.2~~ Tail Coverage:

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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~~existing insurance policies, including general liability, workers compensation and premises liability 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**~~**5 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~~

5.1 Transition Plan Implementing 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.~~ recommends that the land use jurisdictions may enter into one or more Transition Plan Implementing Agreement addressing funding for regional impacts and infrastructure related to completion of the redevelopment of the Base which agreements may include revenue sharing and allocation of resources for the benefit of the region. 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 FORA adopted 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). The Board also recommends that all land use jurisdictions, prior to FORA's dissolution, adopt the Regional Urban Design Guidelines

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as applicable to developments at the Base.

~~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~~

Section 6. 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~~

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~~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 shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues, 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~~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.~~

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

~~AYES:~~

NOES:

ABSTENTIONS:

ABSENT:

Mayor Ralph Rubio, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

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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.~~

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~~“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” means the Fort Ord Reuse Authority.

“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 3.1.~~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.~~

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"HCP" means Habitat Conservation Plan.

"LAFCO" means the Monterey County Local Agency Formation Commission.

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"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.

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EXHIBIT A
FOR A LIST OF CONTRACTS

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EXHIBIT B
FORA CONTRACTUAL LIABILITIES

1. FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve (Item 67) as amended by FORA UCSC FONR Extension of Funding (Item 68) – (Obligates FORA To pay $75,000 per year to UCSC. Agreement to be assigned to party subject to the approval of UCSC if HCP not complete before FORA expiration.)

2. FORA-County-EG Partners LLC Funding Obligations – provides EG with a land sale credit for certain obligations. If credit is still operative agreement can be assigned to County with County receiving land sales proceeds and giving EG credit.

3. FORA-MCP Reimbursement Agreement (item 73)

4. Marina Redevelopment Agency, Marina Community Partners and FORA MOA on University Villages Building Removal (item 74)

5. FORA-City of Marina Reimbursement Agreement for Abrams, Crescent, 8thStreet and Salinas Road (item 86)– reimbursement of costs up to amount shown in CIP as it may be amended from time to time and only from CFD funds to the extent collected.

6. FORA-County of Monterey reimbursement agreement for Davis Road Improvements (Item 87) FORA to reimburse County of Monterey for Davis Road in the amount of $9,242,411 but only from CFD fees collected. FORA to set aside .3669 cents of every Transit/Transportation dollar until full amount collected.

7. FORA Reimbursement Agreement Concerning Hwy 68 Operational Improvements (Item 88) – requires FOR A to reimburse TAMC for planning and design costs of $312,205 for Highway 68. FORA's obligation contingent upon CFD fees being available.

8. FORA MCWD Pipeline Reimbursement Agreement – (Item) FORA to reimburse MCWD up to $6,000,000 toward the AWT Phase 1 and product Water Conveyance Facilities of the RUWAP Recycled Project. FORA has sole discretion as to source of funds. Payment schedule is

$1,000,000 in 16-17
$1,600,000 in 17-18
$1,200,000 to $1,900,000 in 18-19 depending upon real estate market and receipt of land sales and CFD funds
$1,000,000 in 19-20

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RESOLUTION NO. 2018-153

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RECOMMENDING THAT THE FORT ORD REUSE AUTHORITY ADOPT THE ALTERNATIVE TRANSITION PLAN FOR THE DISSOLUTION OF THE FORT ORD REUSE AUTHORITY

WHEREAS, The Fort Ord Reuse Authority was created pursuant to legislation that requires that FORA dissolve on the earlier of June 30, 2020 or when 80% of the territory of Fort Ord that is designated for development or reuse in the Reuse Plan has been developed or reused in a manner consistent with the Reuse Plan.

WHEREAS, FORA is required by Government Code Section 67700 to approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018. The transition plan is to assign assets and liabilities, designate responsible successor agencies and provide a schedule of remaining obligations.

WHEREAS, In October, a hybrid Transition Plan ("Hybrid Transition Plan") was presented by some members of the FORA Board addressing concerns arising from the FORA Transition Plan.

WHEREAS, At its meeting of November 9, 2018, the FORA Board considered the FORA Transition Plan, the Hybrid Transition Plan and the Transition Plan recommended by the City of Marina pursuant to Council Action taken on November 7, 2018 ("Marina Transition Plan").

WHEREAS, the FORA Administrative Committee met to discuss the Transition Plan on November 27. FORA is expected to consider adoption of a Transition Plan at its meeting on December 14, 2018.

WHEREAS, as a result of these meetings, LandWatch has proposed changes to the Hybrid Transition Plan. In addition, the discussions at the Administrative Committee as well as the discussions with the attorney group related to legal issues have surfaced some issues that should be addressed in the Marina Alternative Transition Plan

NOW, THEREFORE IT BE RESOLVED that the City Council of the City of Marina does hereby:

1. Approve and adopt the proposed Alternative Transition Plan set forth in the attached Exhibit A.
2. Direct that a copy of this Resolution 2018-, and the proposed Alternative Transition Plan be transmitted forthwith to the FORA Board Chair for the immediate consideration of the FORA Board of Directors.

PASSED AND ADOPTED by the City Council of the City of Marina at an Adjourned Regular City Council Meeting duly held on this 4th day of December 2018 by the following vote:

AYES, COUNCIL MEMBERS: Amadeo, Morton, O'Connell, Brown, Delgado
NOES, COUNCIL MEMBERS: None
ABSENT, COUNCIL MEMBERS: None
ABSTAIN, COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp

Anita Sharp, Deputy City Clerk

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. 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. 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.

B. Pursuant to the requirements of Government Code section 67675, FORA adopted a Fort Ord Reuse Plan (the "Reuse Plan") on June 13, 1997

C. 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) provides as follows:

> (1) 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.
>
> (2) 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.

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 Assignment of Assets and Liabilities:

1.1 Assets and Disposition Thereof:

FORA's principal assets are comprised of the following:

1.1.1 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 purposes of paying FORA's CalPERS unfunded pension liability. 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.

1.1.2 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, to the extent that the reserve funds are necessary to fund the CalPERS unfunded pension liability, the funds shall be allocated to that liability. To the extent that the funds are not necessary for the CalPERS unfunded pension liability, the funds shall be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under construction as of the date of FORA's dissolution and third to satisfy any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis.

1.1.3 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 and payment of costs related to other litigation 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 4, herein below directs that FORA staff bring back information on acquisition of insurance policies to cover post- dissolution litigation costs, among other costs, and funds set aside may be used to acquire such policy (ies). If insurance policies are not obtained, immediately prior to dissolution, FORA will deposit with LAFCO the litigation reserve funds in an amount to be determined by the Board, to be held by LAFCO to cover costs related to any litigation pursuant to the LAFCO indemnification or other litigation costs that remain post dissolution. Upon expiration of the statute of limitations, as determined by LAFCO, any funds remaining in the reserve shall be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under construction as of the date of FORA's dissolution and third to satisfy any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis. FORA will make all efforts to resolve any pending litigation prior to its dissolution.

1.1.4 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 (HCP) has been established, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the fund established for implementation of the base-wide Habitat Conservation Plan for Fort Ord. If no HCP is then in existence, but a joint powers authority has been formed for the management of Habitat Management Areas within the former Fort Ord, all of the habitat conservation funds held by FORA immediately prior to FORA's dissolution shall be transferred to the fund established for implementation of the base-wide Habitat Management Plan for Fort Ord. If no HCP 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 jurisdictions responsible for long-term management of the habitat management areas (HMA). Funds provided directly to a jurisdiction or agency shall be restricted to habitat protection.

1.1.5 Capital Improvement Funds: Any CFD Special Taxes not dedicated to Habitat Protection collected and remaining unexpended immediately prior to FORA's dissolution shall be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under construction as of the date of FORA's dissolution and third to satisfy any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis.

1.1.6 Other Funds: All funds in FORA's other accounts including land sales revenues, property tax revenues, 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 1.1.5 for funds generated by the CFD Special Tax.

1.1.7 ESCA Reimbursement: An estimated approximately $6,800,000 in potential reimbursement is available for work to be 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 including any balance of ESCA funds shall be assigned to the City of Seaside or 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).

1.1.8 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, after payment of reasonable costs incurred by the County related to the sale of the property, shall first be directed to any shortfall in funds available to satisfy liabilities or obligations, including those related to reimbursement agreements and all remaining funds will be allocated first to funding Habitat Protection, to the extent necessary to meet funding needs, next to the completion of transportation and transit projects under construction as of the date of FOR A's dissolution and third to satisfy

any reimbursement obligations FORA has to the land use jurisdictions on a pro rata basis.
.

1.1.9 Real Property: As of the anticipated date of dissolution of FORA, if not all real property interests owned by FORA will have transferred to the underlying land use jurisdictions, such real property interests shall be transferred to the appropriate underlying land use jurisdiction. Each of the applicable jurisdictions shall be responsible for acquiring any property still held by the Army, including compliance with any federal laws related to such disposition.

1.1.10 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 in Section 4, FORA shall not keep any of such policies of insurance in force beyond the date of FORA's dissolution, but nor shall FORA cancel any policies that may have terms extending beyond the FORA dissolution date.

1.2 Liabilities and Assignment Thereof:

FORA's principal liabilities and obligations include the following:

1.2.1 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 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). If FORA determines that funds on hand are insufficient and that FORA needs to encumber future property tax revenues pursuant to Health and Safety Code Section 33492.71 to fund the liability, FORA shall at least six (6) months prior to its dissolution prepare and provide to the member jurisdictions a financing plan for the use of the property tax revenues which plan has been approved by the County of Monterey Auditor-Controller in order to provide assurances to the member jurisdictions that the property tax revenues will be available and disbursed for the purpose of funding the CalPERS unfunded pension liability. CalPERS is able to enter into a payment plan not to exceed five (5) years to satisfy such liability.

1.2.2 Habitat Funds: See Section 1.1.4 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.

1.2.3 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).

1.2.4 Other Contracts and Agreements: Attached as Exhibit B to this Transition Plan are references to existing contracts to which FORA is a party that create liabilities for FORA (**contract review is still underway to determine which contracts create liabilities and which contract terminate upon FORA dissolution)**. Some of these contracts, documents or commitments may be completed, revised, replaced, or superseded prior to the dissolution of FORA. FORA staff shall endeavor to keep Exhibit B current and shall provide quarterly updates to the Board regarding any changes. To the extent that FORA has assets available, prior to dissolution, FORA shall satisfy the monetary obligations created by those contracts listed on Exhibit B which include monetary liabilities. If there are ongoing non-monetary obligations under any of the contracts listed in Exhibit B or if there are monetary obligations that cannot be met prior to FORA's dissolution, FORA will work with the contracting parties to discharge the obligations, terminate the contracts or identify an appropriate assignee and negotiate the terms of an assignment of the obligations. FORA, as of the date of the approval of this Transition Plan, shall refrain from entering into new contractual obligations unless such obligations can be fully completed within the remaining term of FORA's existence and with funds that FOR A currently has on hand or that FORA can with a reasonable certainty determine will be available prior to FORA's dissolution.

1.2.5 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 addressed in accordance with the procedures set forth in Section 1.2.4 above.

Section 2 Obligations

2.1 Base Reuse Obligations:

FORA adopted a Base Reuse Plan that was designed to guide the reuse of Fort Ord in a manner that benefitted the region while addressing the resource constraints associated with redevelopment of the Base. All of the land use jurisdictions have or will have general plans which have been found consistent with the Reuse Plan. All of the property transferred from FORA is subject to a covenant running with the land that requires that the property be developed subject to the, the policies and programs of the Reuse Plan, including the Master Resolution, the applicable general plan and land use ordinances of the local governmental entity and that the properties comply with CEQA. To the extent that the Reuse Plan constitutes an obligation of FORA, the recorded covenants ensure continued compliance with the Reuse Plan and the Final Environmental Impact Report on the Reuse Plan to the extent applicable to a particular property. Based on the above, the Board finds and determines that the Transition Plan establishes continuity for the Reuse Plan policies and programs.

2.2 Transportation and Transit Infrastructure:

For all of those road construction or 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 authority and discretion to generate revenues or solicit revenues from 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, authority to generate revenue and solicit revenues from other member agencies and to complete construction is assigned by this Transition Plan to the underlying jurisdiction in which the project is situated, unless otherwise provided in a Transition Plan Implementing Agreement approved and executed by the lead agency for the project. Funding for road construction and transit projects may be addressed through the Transition Plan Implementing Agreements, including offsets for a jurisdictions actual construction, participation in a regional traffic impact fee program, contribution agreements with other jurisdictions, receipt of grant funding or implementation of other funding mechanisms but nothing in this Transition Plan or a Transition Plan Implementing Agreement shall interfere with the discretion of a lead agency to determine when and if to fund or construct any particular road or transit project. All road and transit projects will be subject to compliance with applicable law as it exists at the time of project approval and implementation, including compliance with CEQA. CEQA review shall be the responsibility of the lead agency.

2.3 Water and Wastewater:

The Army assigned a portion of its water allocation to the Marina Coast Water District ("MCWD") in the 2001 Assignment of Easements on the Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deeds for Water and Wastewater systems, which assignment required MCWD as Grantee to meet all requirements of the 1993 Annexation Agreement and to implement the non-Army Responsibility Mitigations in the Army's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure. FORA made water allocations in accordance with its obligations under the EDC MOA to ensure a fair and equitable water supply to all property recipients. As part of the Transition Plan, the Board recommends that MCWD use the water allocations made by FORA for each land use jurisdiction and that such allocations be documented pursuant to agreements between MCWD and the land use jurisdictions. Such agreements should address proportionate reduction or increase in any allocation in the event of a reduction or increase in the water supply resulting from MCWD complying with its obligations under the 1993 Annexation Agreement and the implementation of the Non-Army Responsibility Mitigations referenced above. Such agreements may include a process for recipients to transfer allocations subject to the conditions and requirements set forth in such agreements.

In addition, the Board finds that recognizing MCWD's authority and discretion to finance planned non-potable water augmentation project, water infrastructure and wastewater infrastructure is appropriate at FORA's dissolution.

2.4 Building Removal. FORA, prior to its dissolution, shall complete those building removal projects for which it has assumed responsibility and for which it has funds available

Section 3 CEQA:

3.1 California Environmental Quality Act:

Adoption of this Transition Plan is exempt from the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the adoption of the Transition Plan may have a significant effect on the environment. The activities authorized by this Transition Plan do not involve the physical design, development, or construction of residential or nonresidential structures or any modification of land. Accordingly the adoption of the Transition Plan would result in no physical change to the environment. 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 CEQA Mitigations required as a part of the adoption of the Reuse Plan, (c) changing the Reuse Plan itself, (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. Following FORA's ultimate dissolution, any changes to the FORA policies and programs or any part thereof will be made by the respective land use jurisdiction(s) and any successor(s) to FOR A, which entities retain full discretion with respect to approvals for any changes to the FORA policies and programs and which entities will be responsible for 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.

Section 4 Insurance:

4.1 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.

4.2 Tail Coverage:

FORA staff is directed to explore the availability and cost of an endorsement, rider, or policy of insurance extending the reporting period and coverage of existing insurance policies, including general liability, workers compensation and premises liability 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 5 Transition Plan Implementing Agreements:

5.1 Transition Plan Implementing Agreements:

In order to continue to foster regional cooperation and completion of the FORA program, the Board recommends that the land use jurisdictions may enter into one or more Transition Plan Implementing Agreement addressing funding for regional impacts and infrastructure related to completion of the redevelopment of the Base which agreements may include revenue sharing and allocation of resources for the benefit of the region. 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 FORA adopted 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). The Board also recommends that all land use jurisdictions, prior to FORA's dissolution, adopt the Regional Urban Design Guidelines as applicable to developments at the Base.

Section 6. 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).

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 shall be updated by December 30, 2019 following completion of a facilitated process to address outstanding issues, and

2. The Board hereby makes all assignments in accordance with Government Code section 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

Upon motion by Board member ---- seconded by Board member ---- the foregoing Resolution was passed on this _____ day of December, 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.

"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).

"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.

"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" means the Fort Ord Reuse Authority.

"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.

"FORA Program" has the meaning given in Section 3.1.

"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" means Habitat Conservation Plan.

"LAFCO" means the Monterey County Local Agency Formation Commission.

“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.

“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.

EXHIBIT A
FOR A LIST OF CONTRACTS

EXHIBIT B
FORA CONTRACTUAL LIABILITIES

1. FORA-UCSC Agreement Concerning Funding of Habitat Management Related Expenses on the Fort Ord Natural Reserve (Item 67) as amended by FORA UCSC FONR Extension of Funding (Item 68) – (Obligates FORA To pay $75,000 per year to UCSC. Agreement to be assigned to party subject to the approval of UCSC if HCP not complete before FORA expiration.)

2. FORA-County-EG Partners LLC Funding Obligations – provides EG with a land sale credit for certain obligations. If credit is still operative agreement can be assigned to County with County receiving land sales proceeds and giving EG credit.

3. FORA-MCP Reimbursement Agreement (item 73)

4. Marina Redevelopment Agency, Marina Community Partners and FORA MOA on University Villages Building Removal (item 74)

5. FORA-City of Marina Reimbursement Agreement for Abrams, Crescent, 8thStreet and Salinas Road (item 86)– reimbursement of costs up to amount shown in CIP as it may be amended from time to time and only from CFD funds to the extent collected.

6. FORA-County of Monterey reimbursement agreement for Davis Road Improvements (Item 87) FORA to reimburse County of Monterey for Davis Road in the amount of $9,242,411 but only from CFD fees collected. FORA to set aside .3669 cents of every Transit/Transportation dollar until full amount collected.

7. FORA Reimbursement Agreement Concerning Hwy 68 Operational Improvements (Item 88) – requires FOR A to reimburse TAMC for planning and design costs of $312,205 for Highway 68. FORA's obligation contingent upon CFD fees being available.

8. FORA MCWD Pipeline Reimbursement Agreement – (Item__) FORA to reimburse MCWD up to $6,000,000 toward the AWT Phase 1 and product Water Conveyance Facilities of the RUWAP Recycled Project. FORA has sole discretion as to source of funds. Payment schedule is

$1,000,000 in 16-17
$1,600,000 in 17-18
$1,200,000 to $1,900,000 in 18-19 depending upon real estate market and receipt of land sales and CFD funds
$1,000,000 in 19-20

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.

m | r | wolfe
& associates, p.c.
attorneys-at-law

November 26, 2018

By E-mail

Board of Directors
Fort Ord Reuse Authority
920 2nd Ave. Suite A
Marina, CA 93933
board@fora.org
michael@fora.org
dominique@fora.org

Re: Proposed Revisions to the "Hybrid" Transition Plan

Dear Members of the Board:

On behalf of LandWatch Monterey County, I write to thank FORA staff for inviting LandWatch to discuss its concerns with the draft Transition Plan. LandWatch discussed its primary concerns with FORA staff and legal counsel on November 20, 2018 and offered to propose specific changes to the November 8, 2018 "Hybrid" Transition Plan in order to address those concerns. LandWatch's suggestions are attached.

LandWatch has two overarching concerns.

First, nothing in the Transition Plan should constrain the authority and discretion of the land use jurisdictions to determine when and if to fund or build any specific road or transit project.

Second, nothing in the Transition Plan should purport to oblige MCWD to fulfill FORA's existing water supply allocations by pumping groundwater.

Yours sincerely,

M. R. WOLFE & ASSOCIATES, P.C.

John Farrow

JHF:hs

PROPOSED CHANGES RE TRANSPORTATION AND TRANSIT

Section 1.7

Change

The Board hereby finds and determines that completion of the on-base Fort Ord Transportation Network and Transit policies and programs are essential to the long term success of the economic recovery of the reuse. The Board further finds that nexus fees alone will not be sufficient to fund aspects of the Transportation Network and Transit needs and revenue sharing between the land use jurisdictions will be required. Revenue generation and revenue sharing for Transportation and Transit needs will be addressed in the Implementing Agreements.

to

The Board hereby finds and determines that completion of the on-base Fort Ord <u>t</u>~~T~~ransportation <u>n</u>~~N~~etwork and <u>t</u>~~T~~ransit policies and programs are essential to the long term success of the economic recovery of the reuse. The Board further finds that nexus fees alone ~~will~~ <u>may</u> not be sufficient to fund aspects of the ~~T~~<u>t</u>ransportation ~~N~~<u>n</u>etwork and <u>t</u>~~T~~ransit needs and revenue sharing between the land use jurisdictions ~~will~~ <u>may</u> be required. Revenue generation and revenue sharing for <u>t</u>~~T~~ransportation and <u>t</u>~~T~~ransit needs will be addressed in the Implementing Agreements.

Rationale for change:

Because the term "Fort Ord Transportation Network and Transit policies and programs" is not a defined and term, it should not be capitalized. Since there is no agreement as to what roads may be build or when, there should not be any suggestion to the contrary.

Neither the insufficiency of nexus fees nor the categorical requirement for revenue sharing have been established. Nor can these conclusions be established without a legal conclusion as to mandated infrastructure and reliable projections about future development and impact fees. There is no need to draw these conclusions if the parties all agree that the land use jurisdictions shall have plenary authority to fund, solicit funding, and construct roads and transit projects when and if they determine the projects to be necessary.

Section 2.2.6

Change

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. Funding responsibilities shall be addressed through a facilitated process of Implementing Agreements to be completed by December 30, 2019 and 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 transportation and transit projects shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project. 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.

to

For all of those ~~Fort Ord Transportation Network and Transit~~road construction or 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~~ authority and discretion to generate and/or ~~collect~~ solicit 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, authority and discretion~~responsibility~~ to generate and/or ~~collect~~ solicit 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. Funding ~~responsibilities~~ shall be addressed through a facilitated process of Implementing Agreements to be completed by December 30, 2019 and 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 transportation and transit projects shall be determined by the lead agency in consultation with the jurisdictions who are collecting revenue for the project, but nothing in this Transition plan or its Implementing Agreements shall interfere with the discretion of a lead agency to determine when and if to fund and construct any particular road or transit project. 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.

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Rationale for change

"Fort Ord Transportation Network and Transit projects" is not a defined term so should not be capitalized. Since there is no agreement as to what roads may be build or when, there should not be any suggestion to the contrary.

The changes clarify that land use agencies will have plenary authority and discretion to fund and construct road and transit projects within their territory.

PROPOSED CHANGES RE WATER SUPPLY

Recital K.

Change

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.

to

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 and that Marina Coast Water District meet all requirements of the 1993 Annexation Agreement between MCWRA and the Army and implement the Non-Army Responsibility Mitigations in the Amy's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure.

Rationale for change:

MCWD's obligation to provide an "equitable supply of water at equitable rates" is only one of three obligations assumed by MCWD as grantee of the Army's interests in water facilities and production rights. (See Easement to Fort Ord Reuse Authority for Water and Wastewater Distribution Systems Located on Former Fort Ord, October 23, 2001, paragraph 2, Consideration, available at pdf page 141 of https://www.mcwd.org/docs/ocsiaa/MCWD%20Public%20Draft%20IS%20Dec192017.pdf.) MCWD's obligations as grantee are discussed below in the rationale for proposed changes to Paragraph 1.7.

Paragraph 1.7

Change

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 jurisdictional implementation of a replacement source of revenue substantially similar to the FORA CFD might allow for funds to reduce connection and other costs imposed by MCWD.

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The Board hereby finds that in the 1993 Annexation Agreement between the Army and MCWRA, MCWRA agreed that the Army could pump 6,600 afy of groundwater for use on Fort Ord on an interim basis pending implementation of an expected water supply project to provide a replacement potable water supply of at least 6,600 afy, at which time all Fort Ord wells would be shut down due to the seawater intrusion caused by existing groundwater pumping. The Board further finds that the Army assigned a portion of its interest in the 6,600 afy to Marina Coast Water District ("MCWD') in the 2001 Assignment of Easements on Former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deeds for Water and Wastewater Systems, which assignment required MCWD as Grantee to meet all requirements of the 1993 Annexation Agreement, to implement the Non-Army Responsibility Mitigations in the Amy's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure, and to cooperate and coordinate with others to ensure landowners continue to be provided with an equitable supply of water at equitable rates. The Board further finds that the Non-Army Responsibility Mitigations in the Amy's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure required FORA to cooperate with MCWRA's plans

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and/or develop private plans for additional water supplies and to phase development based on water supply availability. The Board ~~hereby~~ further 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 its water allocations were intended to allocate the potable water supply expected to be available from the replacement water supply and that FORA did not require or authorize MCWD to fulfill the allocations by pumping groundwater. The Board further finds that continuing seawater intrusion may preclude increases in existing groundwater pumping to meet the allocations and may require development of alternative, non-groundwater sources of potable water supply to meet the allocations.

The Board recognizes that the land use jurisdictions may choose to use the FORA allocations in the future as a means of allocating whatever water supply is available and may wish to agree that MCWD may manage available water supply with reference to the FORA allocations. ~~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~~recognizing MCWD's authority and discretion to finance a planned non-potable water augmentation project, water infrastructure, 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 jurisdictional implementation of a replacement source of revenue substantially similar to the FORA CFD might allow for funds to reduce connection and other costs imposed by MCWD.

Rational for change

The Transition Plan should recognize that there is no mandate to MCWD to meet the FORA water supply allocations, and especially no mandate to do so with pumped groundwater. The Transition Plan should recognize that FORA's "fair and equitable" water supply allocations were made in the context of plans in the 1993 Annexation Agreement between the Army and MCWRA to replace the groundwater supply with another potable water supply and commitments to phase development based on the availability of a supply that does not induce seawater intrusion or exceed safe yield.

The Transition Plan should recognize that FORA cannot assign new obligations to MCWD. The Transition Plan should only recognize the obligations that MCWD has already undertaken and that will not expire when FORA sunsets. FORA's authority over

MCWD expires with the expiration of the 1998 Water/Wastewater Facilities Agreement between FORA and MCWD when FORA sunsets. (See Article 9 of that agreement.)

When the Army quit claimed to MCWD the Army's Fort Ord infrastructure and the Army's water production rights under the 1993 Annexation Agreement, the Consideration for that grant recited three obligations that Grantee (MCWD) assumed: to cooperate and coordinate with others to ensure landowners continue to be provided with an equitable supply of water at equitable rates; to honor the 1993 Annexation Agreement; and to implement the Non-Army Mitigations in the Army's 1993 and 1997 Environmental Impact Statements for the Fort Ord Closure. See Easement to Fort Ord Reuse Authority for Water and Wastewater Distribution Systems Located on Former Fort Ord, October 23, 2001, paragraph 2, Consideration. (Available at pdf page 141 of https://www.mcwd.org/docs/ocsiaa/MCWD%20Public%20Draft%20IS%20Dec192017.pdf.) If the Transition Plan is going to recite one of the obligations MCWD assumed, it should recite them all.

While the FORA water allocations may be one means of providing a "fair and equitable" supply, these allocations are not the only means; and the specific allocations are not mandated by the Army's grant to MCWD, and they do not survive by virtue of the 1998 Water/Wastewater Facilities Agreement, which expires when FORA sunsets. That said, the Transition Plan may recognize that land use jurisdictions are free to agree among themselves to use the FORA allocations in the future as a basis for allocating whatever potable water supply is available.

Nothing in the Army's grant to MCWD obligates MCWD to continue pumping groundwater to provide a "fair and equitable" supply, especially if increased pumping induces seawater intrusion and compromises the continuing use of groundwater for existing MCWD customers on Fort Ord. The Transition Plan should expressly recognize this, and it should certainly not suggest anything to the contrary by implying MCWD has a duty to continue meeting the allocations if MCWD does not have available supply.

Finally, the Transition Plan should recognize that there is no legal basis to assign MCWD responsibility to provide the non-potable augmentation supply after the 1998 Water/Wastewater Facilities Agreement expires, but that MCWD may pursue the augmentation project on its own volition.

Section 2.2.7

Change

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. MCWD commits to working with the jurisdictions on water supply needs in a fair and equitable manner. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement, jurisdictions may alter their water allocations as identified in the Implementation Agreements2 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.

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Should the land use jurisdictions agree, MCWD may use the FORA water allocations as a means of allocating whatever potable water supply is available. ~~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.~~ For example, ~~I~~in the event that any jurisdiction's approved developments exceed the jurisdiction's approved water allocation, the jurisdictions may agree that 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~~. Regardless how water is allocated among the land use jurisdictions, nothing in this Transition Plan or its Implementing Agreements shall authorize or obligate MCWD to pump groundwater to meet those allocations or to abrogate MCWD's statutory responsibility and authority to restrict water use in accordance with a threatened or existing water shortage. ~~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. MCWD commits to working with the jurisdictions on water supply needs in a fair and equitable manner. Except as set forth in the preceding sentence or in a Transition Plan Implementing Agreement, jurisdictions may alter their water allocations as identified in the Implementation Agreements2 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.~~

Rationale for change

When FORA sunsets, MCWD will no longer be bound by the 1998 Water/Wastewater Facilities Agreement (see Article 9). There is no authority for, or agreement on, the proposition that the FORA water allocations would persist, and there is no need to resolve this question if the land use jurisdictions are willing to reach an agreement among themselves to continue to allow MCWD to manage the available water supply with reference to the allocations in some manner. There is also no apparent legal basis to constrain the future agreements the land use agencies may make with regard to water allocation.

The Transition Plan must acknowledge that it cannot compel MCWD to honor the FORA water allocations by pumping groundwater. This would abrogate MCWD's authority to refuse service in a water shortage. See Gov. Code, §§ 31026, 31029.1, 31035.1; Water Code § 350; *Building Industry Assn. v. Marin Mun. Water Dist.* (1991) 235 Cal.App.3d 1641; *Swanson v. Marin Municipal Water Dist.* (1976) 56 Cal.App.3d 512; *San Diego County Water Authority v. Metropolitan Water Dist. of Southern California* (2004) 117 Cal.App.4th 13. It would also be inconsistent with MCWD's duties to phase development based on available water supply under the Army's assignment of its Fort Ord water facilities and water production rights.

Language purporting to bind MCWD to new obligations, or to constitute a commitment now being made by MCWD (e.g., "MCWD commits to working with the jurisdictions …"), is inappropriate because MCWD is not a party to the Transition Plan.

Discussion of the remaining funding balance for the non-potable water augmentation project is not relevant because the Transition Plan does not provide funding for this project.

OTHER PROPOSED CHANGES:

Recital F: Strike the definitions of Base-wide Mitigation Measures and Base-wide Costs. These terms are not useful in the Transition Plan since there will not be agreement as to the actual referents of these terms (Which projects? Which policies? Which development restrictions?)

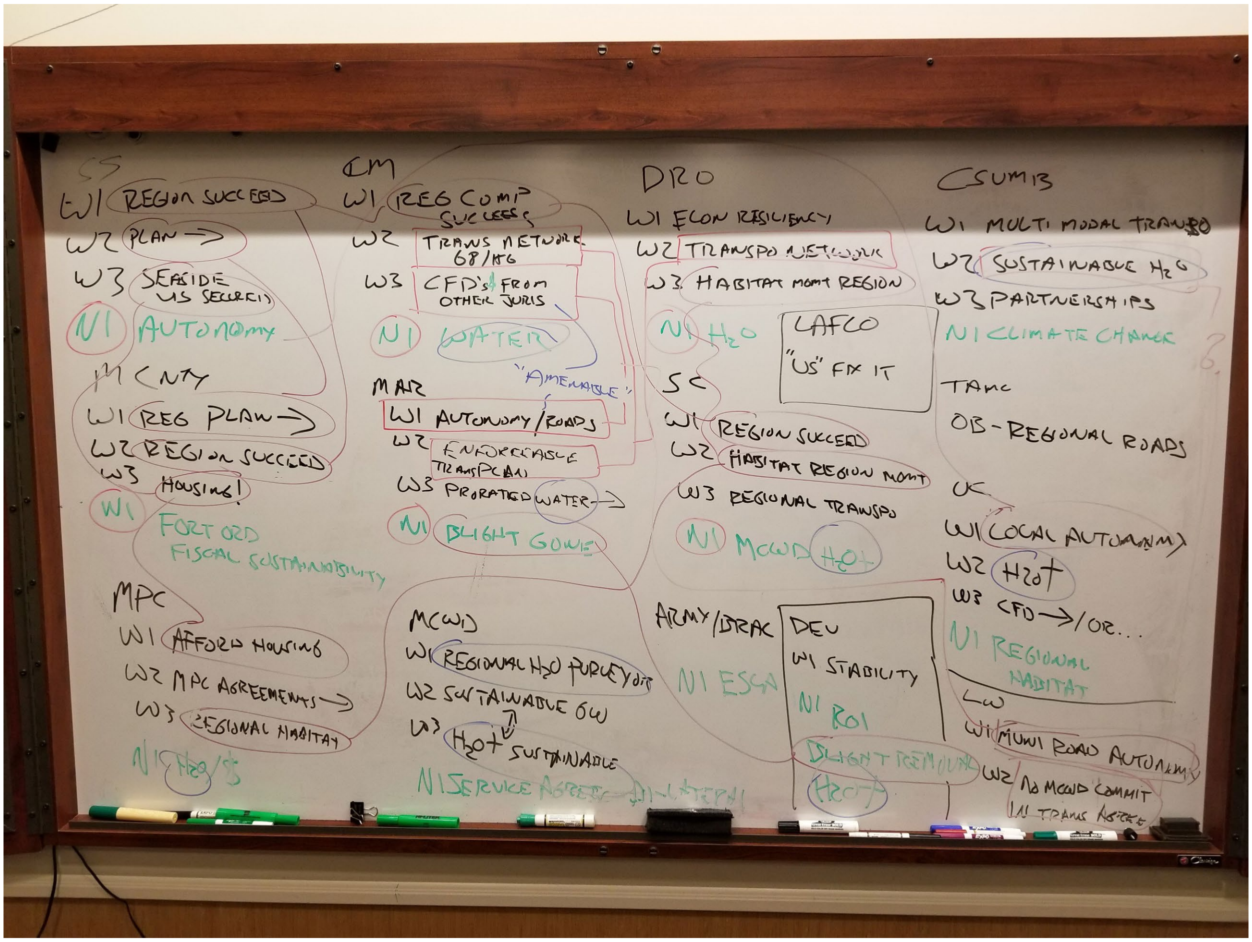
Recital G: Strike all of recital G, which states that FORA is obligated to implement the Base-wide Mitigation Measures and Base-wide Costs. This recital is not useful in the Transition Plan.

Paragraph 1.1: This should be captioned "Continuity of Base Reuse Plan Policies and Programs" since that is what it actually covers. It should not be captioned "Base-wide Costs and Base-wide Mitigation Measures" since it does not mention these topics.

Paragraph 2.1.5: Unexpended funds should be allocated on a pro-rata basis among land use jurisdictions based on an agreed formula. Allocating these funds to specific projects is inconsistent with recognizing that the land use jurisdictions have plenary authority and discretion to pursue infrastructure projects when and if they chose to implement those projects.

Paragraph 4.1: This paragraph should be revised to provide that the preferred method is to allow "jurisdictions choice and flexibility in whether and how CIP projects" will be funded and carried out. There can be no guarantee that CIP projects will in fact be implemented and the assumption that all CIP projects will be carried out is inconsistent with the "home rule" provisions for road and transit projects.

Paragraph 4.2: Change "generate revenues to meet its obligations" to "generate revenues to exercise its authority and discretion." There is no foundation for assuming that there are any post-FORA obligations.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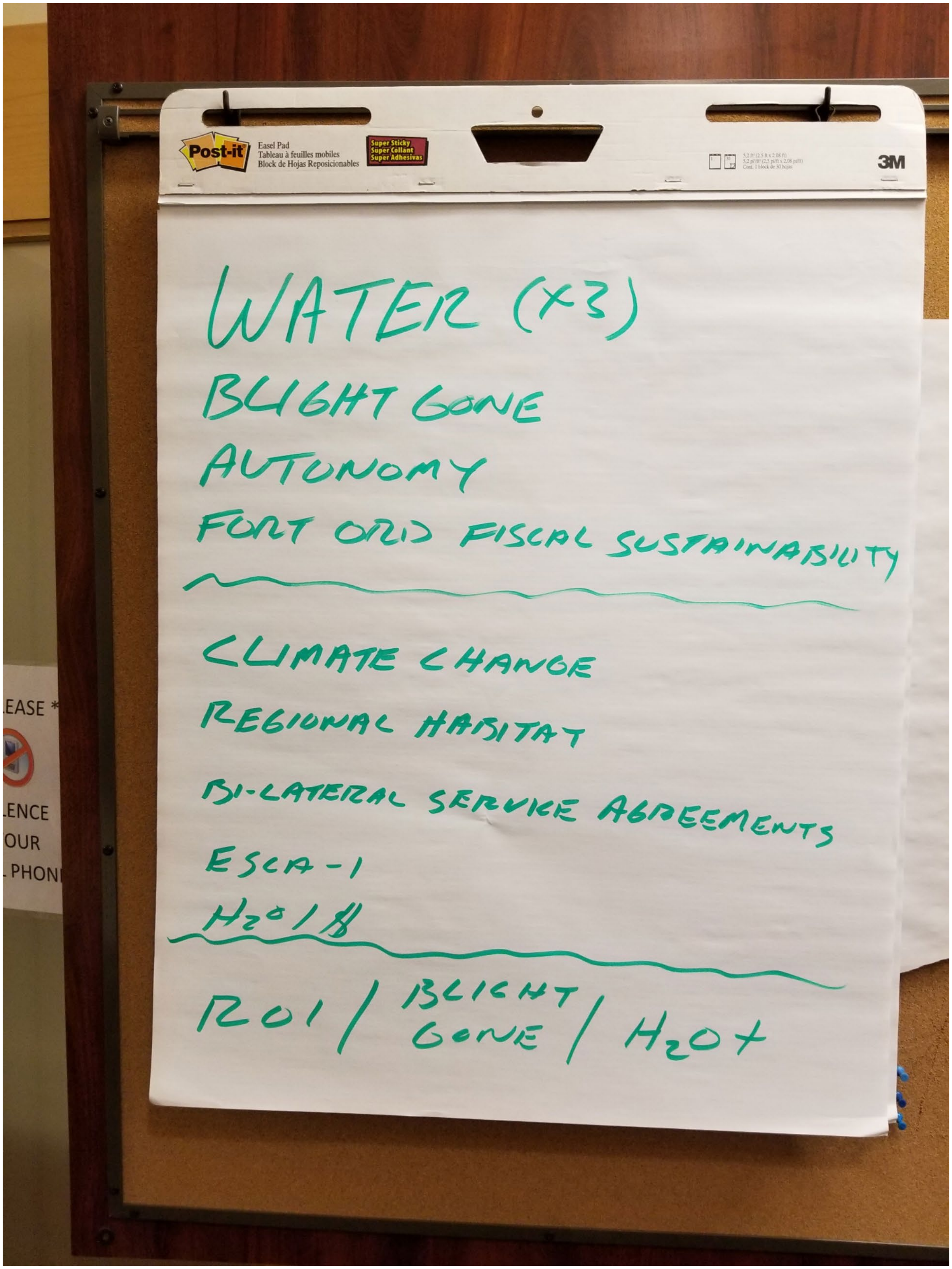
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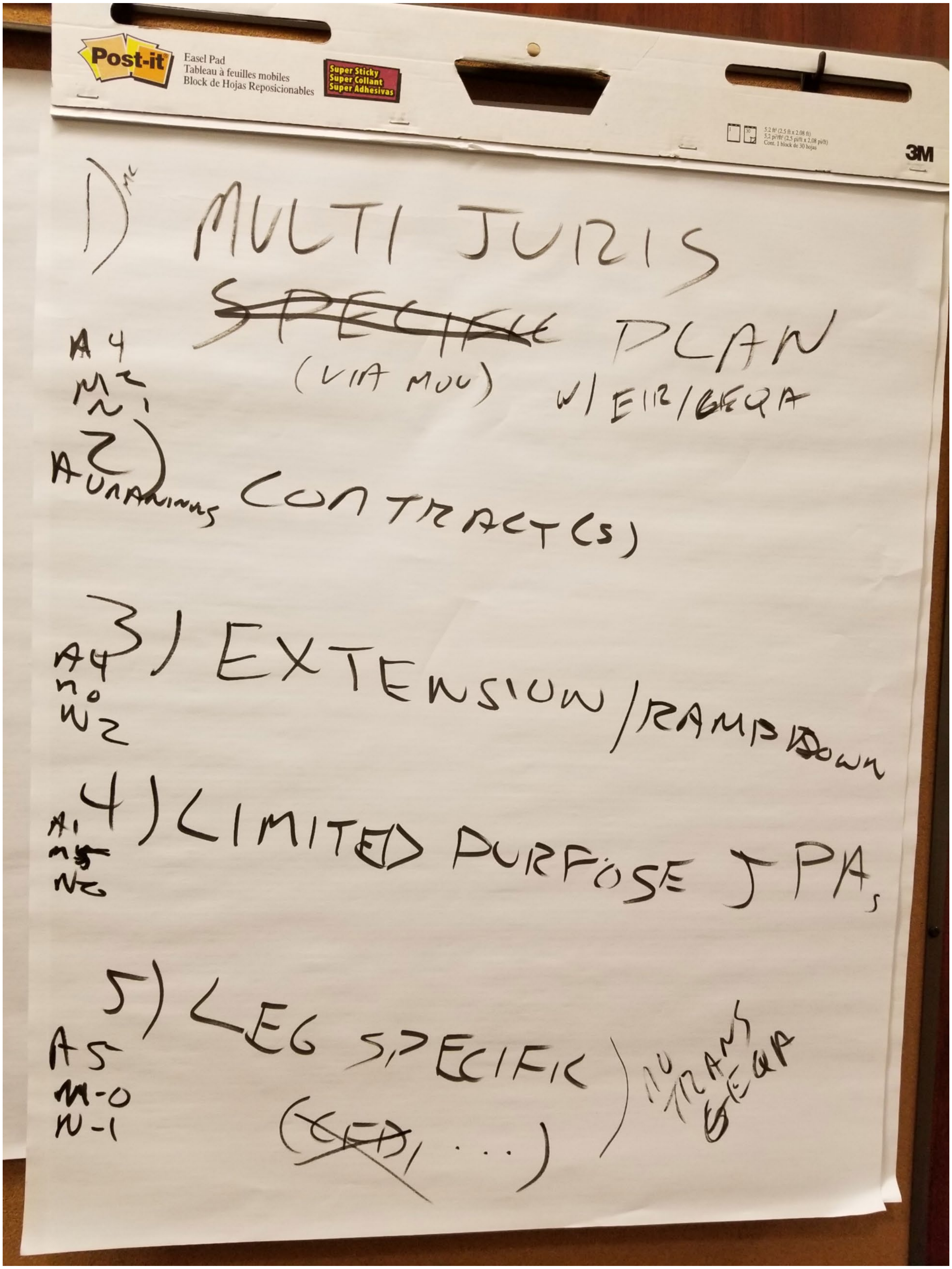
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