



# Monterey County

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## Board Report

Legistar File Number: 18-876

September 11, 2018

**Introduced:** 8/31/2018

**Current Status:** Scheduled PM

**Version:** 1

**Matter Type:** General Agenda Item

- a. Receive a report regarding the Fort Ord Reuse Authority Draft Transition Plan and transition planning process;
- b. Conduct an informational workshop as recommended by the Board of Supervisors Fort Ord Committee;
- c. Return on September 25, 2018 for consideration of the Board of Supervisors Fort Ord Committee's preliminary recommendations on the Draft Transition Plan and transition planning process; and
- d. Request that the Fort Ord Reuse Authority Board of Directors delay its first vote on the Draft Transition Plan currently anticipated on September 28, 2018.
- e. Give other direction to staff as appropriate.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report regarding the Fort Ord Reuse Authority Draft Transition Plan and transition planning process;
- b. Conduct an informational workshop as recommended by the Board of Supervisors Fort Ord Committee;
- c. Return on September 25, 2018 for consideration of the Board of Supervisors Fort Ord Committee's preliminary recommendations on the Draft Transition Plan and transition planning process; and
- d. Request that the Fort Ord Reuse Authority Board of Directors delay its first vote on the Draft Transition Plan currently anticipated on September 28, 2018.
- e. Give other direction to staff as appropriate.

### SUMMARY:

The Fort Ord Reuse Authority (FORA) Act authorized the creation of FORA to facilitate the transfer and reuse of the former Fort Ord, to minimize the disruption caused by the base closure on the local economy, to provide for the reuse and development of the base to maintain and enhance the local economy, and to maintain and protect the unique environmental resources of the base. FORA was originally scheduled to sunset on June 30, 2014. Prior to dissolution, the State Legislature extended FORA to June 30, 2020 (Government Code section 67700). The statutory extension requires the FORA Board to submit a transition plan to the Local Agency Formation Commission (LAFCO) on or before December 30, 2018. The transition plan "shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations."

The FORA Board has been discussing and planning the transition since January 2016. A range of possible options and alternatives have been discussed. FORA's transition planning may have financial

and legal consequences for the County, depending on the final transition plan and outcome of the transition planning process. The Board of Supervisors Fort Ord Committee has had several meetings to discuss FORA's transition plan to evaluate the issues from County's perspective and formulate recommendations and options to present to the full Board of Supervisors. Recognizing FORA's statutory timeline for submitting a transition plan to LAFCO by December 30, 2018 and the number and complexity of the issues, the Committee requested staff provide an informational workshop to the full Board on September 11, 2018. As a result of the Committee's deliberations, the Fort Ord Committee has also developed several preliminary recommendations for the Board's consideration, as well as identified a number of issues that require additional analysis. Staff plans to return to the Board of Supervisors on September 25, 2018, to present the Committee's preliminary recommendations and to receive direction from the Board.

#### DISCUSSION:

##### **Fort Ord Reuse Authority Draft Transition Plan and Planning Process**

FORA Board has been discussing and planning the transition since January 2016. A range of possible options and alternatives have been discussed, which have included, but are not limited to:

- Statutory extension of FORA;
- Statutory extension of FORA for a limited, specified time frame, allowing for a "ramp down" of FORA operations and staffing as functions are transferred or completed;
- Statutory extension of FORA in a modified form, sometimes referred to as "FORA Lite";
- Selectively extending certain functions of FORA, with a single entity (e.g. Joint Power Authority) or different entities designated as FORA's successor for remaining FORA functions;
- Plan devolution to multiple successor agencies by June 30, 2020, whereby each individual jurisdiction would be assigned projects located within that jurisdiction and funding obligations on a pro-rata basis;
- Plan function transfer to single entity successor agency(ies) by June 30, 2020, whereby transferring all major FORA functions to individual successor agency(ies) with appropriate subject matter expertise.

Specific to the requirement that FORA prepare and submit a transition plan to LAFCO by December 30, 2018, FORA staff prepared a Draft Transition Plan (dated June 5, 2018) and the FORA Board of Directors held two Study Sessions on June 25, and July 13, 2018, regarding the Draft Transition Plan. Some transition planning topics of importance to the County, as identified by County staff and the Board of Supervisors Fort Ord Committee, include, but are not limited to:

- Financial Assets;
- Transportation;
- Habitat;
- Environmental Services; and
- Miscellaneous Contracts.

Each of these topics are interrelated, and present unique potential burdens and opportunities to the County and the region, depending on the outcome of FORA's transition planning process. On August 10, 2018, the FORA Board received an update of the FORA Transition Planning Process, including a

draft resolution for adopting a transition plan. The August 10th FORA agenda also included a Habitat Conservation Plan Update, but the Board adjourned before hearing this item. See Attachment 1.

At this time, FORA staff continues to work with the U.S. Army regarding long-term stewardship and munitions clean-up. FORA staff is working with the Board's Executive Committee to schedule a Habitat Conservation Plan Workshop at the FORA Board, prior to its next Board meeting on September 28, 2018. Minor updates are expected to the August 10, 2018 resolution presented to the FORA Board for consideration and they will be presented to the FORA Board at its September 28, 2018 meeting.

### **Local Agency Formation Commission of Monterey County Process**

State law requires the Local Agency Formation Commission (LAFCO) of Monterey County to "provide for the orderly dissolution of FORA." On August 27, 2018, LAFCO considered a status report on the FORA dissolution process outlining LAFCO's role in the transition planning process and staff-recommended tentative schedule that outlines specific steps to implement LAFCO's statutory role in FORA's dissolution. FORA staff will also be meeting with LAFCO staff to clarify roles and process for LAFCO's consideration of FORA's Transition Plan. See Attachment 2.

### **Board of Supervisors Fort Ord Committee**

Over the past three months, the Board of Supervisors Fort Ord Committee (Supervisors Parker and Adams) has deliberated on FORA's Draft Transition Plan and the transition planning process. On June 21, 2018, the Fort Ord Committee considered the Draft Transition Plan. During this meeting, County staff indicated that it was in the process of analyzing the Draft Transition Plan and evaluating potential impacts and benefits of various options for the County. The Committee recommended that staff conduct this analysis and lay out options for the Committee and Board to consider. In addition, the Committee posed questions for staff to consider in its analysis of the various chapters outlined in the Draft Transition Plan. The Committee also discussed possible procedural pathways for County involvement in the FORA transition planning process. See Attachment 3.

In June, the County, through RMA, hired a Management Specialist with expertise in finances, understanding of the County of Monterey, and experience with the Fort Ord redevelopment area to provide financial and policy analysis and expertise to help inform County decision-makers and staff regarding the FORA transition planning.

On August 9, 2018, the Fort Ord Committee held a Special Committee meeting where it considered the FORA Draft Transition Plan and relevant agreements and documents with particular attention to potential impacts to the County. At this meeting, staff presented information and options for the Fort Ord Committee to consider with respect to the Community Facilities District (CFD), Environmental Services Cooperative Agreement (ESCA), Habitat management and habitat conservation planning, and a process by which the Committee could further consider the Draft Transition Plan and make recommendations to the Board of Supervisors. See Attachment 4.

On August 23 and 24, 2018, the Fort Ord Committee held a Special Meeting over two days to continue discussion of the FORA Draft Transition Plan, with focus on financial considerations, ESCA, and transportation. In light of the complexity and breadth of the issues and potential implications for

the County, the Committee also provided direction to staff to schedule an informational workshop on the FORA transition for the Board of Supervisors on September 11, 2018 and to schedule September 25th to enable the Board to determine if the County wants to take a position with respect to any of the issues in the FORA Transition Plan. As a result of the Committee's deliberations, the Fort Ord Committee has also developed several preliminary recommendations for the Board's consideration, as well as identified a number of issues that require additional analysis. Staff plans to return to the Board of Supervisors on September 25, 2018, to present the Committee's recommendations and to receive direction from the Board.

OTHER AGENCY INVOLVEMENT:

RMA represents the County on the FORA Administrative Committee and has monitored FORA's Transition Planning. County Counsel has provided legal analysis of issues per the Fort Ord Committee's request. The CAO and County Counsel, in addition to RMA, are available to assist and advise the County in the upcoming months regarding the FORA transition.

FINANCING:

The potential impacts, benefits, and costs to the County as a result of the FORA's Transition Plan could be significant depending on the final transition plan, and is a critical component of staff's analysis. County staff time to prepare this report and participate in the Transition Planning process is included in the FY2018-19 Adopted Budget Fund 001-RMA013. See attachments to this report for discussion information about the possible financial implications of the options being considered in the transition planning process.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

FORA was established to facilitate the transfer and reuse of the former Fort Ord, to minimize the disruption caused by the base closure on the local economy, to provide for the reuse and development of the base to maintain and enhance the local economy, and to maintain and protect the unique environmental resources of the base. Managing and preparing for a smooth transition of FORA is vital for protecting County interests and reducing fiscal impacts. Part of the remaining physical infrastructure is located in Unincorporated Monterey County.

- ☒ Economic Development
- ☒ Administration
- ☐ Health & Human Services
- ☒ Infrastructure
- ☐ Public Safety

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Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment 1: FORA Meeting Packet for FORA Transition and Habitat Conservation Planning updates (August 10, 2018)

Attachment 2: LAFCO FORA Dissolution Process Update (August 27, 2018)

Attachment 3: Fort Ord Committee Regular Meeting Packet (June 21, 2018)

Attachment 4: Fort Ord Committee Special Meeting Packet (August 9, 2018)

Attachment 5: Fort Ord Committee Special Meeting Packet (August 23 & 24, 2018)

(Attachments on file with the Clerk of the Board)