



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Cynthia Garfield, Council Member
MEETING DATE: June 7, 2017
SUBJECT: FORA Update

CEQA: This action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

RECOMMENDATION

Receive the report.

DISCUSSION

Last year, Council decided to take action to remove Pacific Grove from an association with FORA as soon as the existing agreement expires, in 2020. Part of the discussion included severing Pacific Grove’s participation prior to 2020. In follow up to that vote, this summary update is submitted for consideration.

The Fort Ord Reuse Authority was created by a state law that includes Pacific Grove’s membership in the FORA Board. This arrangement has two binding elements: financial contribution and term of involvement. By this law, PG must contribute \$14,000/year during the term of the legislation that created FORA. In addition, Pacific Grove’s membership in FORA will continue as long as FORA continues to exist. The terms of the original legislation was to keep the Authority in place until 80% of the planned outcomes were met, or 2014 whichever came first. In 2012, an extension was granted to 2020. In order to extend FORA beyond 2020, the Authority must be extended by legislation, likely in 2018.

At this point in time, FORA’s timetables indicate that they are far behind on planned schedules for blight removal, employment and population growth. Given that so many goals are lagging, FORA management is advocating for the creation of legislation that will extend FORA. The first suggestion was to extend until 2037 – this was not well received. A Transition Task Force, which includes representation by Pacific Grove, will evaluate a range of options, building on a 2016 Draft Plan (that draft plan, as well as other documents can be accessed at www.fora.org):

- Extend the existing structure and membership for some number of additional years
- Extend some elements of FORA’s responsibilities with other responsibilities taken on by the jurisdictions with a land share: Marina, Monterey County, Seaside, CSUMB, the Army and Del Ray Oaks.
- Create alternative structures to meet specific goals, with varying memberships
- Cease operations in 2020.

This year begins a new term of FORA committees and, in addition to the Transition Task Force, I have been nominated to serve on FORA's Finance Committee. One of the most critical functions of the Finance Committee is determining how much money can be set aside to fund the pension obligations incurred to date. At the most recent meeting, the Finance Committee voted to add \$2 million to the reserves for covering anticipated CalPERS obligations. With this addition, FORA now has a reserve of \$7.5 million to meet a pension obligation estimated to reach \$12-15 million by 2020.

The Transition Task Force is charged with making a recommendation to the Board that includes a methodology for allocating unfinished obligations and responsibilities and allocating financial obligations that cannot be fully met by 2020 and determining which of FORA's activities can be transferred to a successor entity (either an existing one such as Monterey County or TAMC or a newly created one such as a JPA to take over contracts with the Army for munitions removal).

FORA's ability to meet all the outstanding goals/obligations depends on revenue that is received from development and permit fees. If development accelerates, FORA will have more funds to use for projects and more to set aside for obligations such as fully funding CalPERS. If development slows or stalls, as it did during the recession, FORA will be constrained in its ability to accomplish remaining goals or contribute to offsetting future obligations.

Going forward, the FORA Board will likely focus on several key areas that are relevant to Pacific Grove and which warrant our active participation until 2020 or perhaps further if we decide that a proposed extension plan is in Pacific Grove's best interests. These pertinent issues include, but are not limited to:

- Setting priorities for any remaining time that FORA is in operation in its current configuration. For instance, the Board could direct staff to focus on blight removal more and to reduce attention to economic development
- Assuring that all CalPERS pension obligations are covered by the time Pacific Grove exits the Authority
- Completing a Habitat Plan to determine access, trails, habitat protection and environmental actions. This plan will establish recreation areas, open space preservation and habitat protection that will be for the benefit of the entire area.
- Transportation issues most directly impact the land-holding jurisdictions, but are important to the entire peninsula as a way to reduce traffic congestion. Water issues are complex and likely to impact the entire region.

OPTIONS

1. Information only; no action required.

FISCAL IMPACT

None

RESPECTFULLY SUBMITTED:

Cynthia Garfield

Cynthia Garfield, Councilmember