

What's Happening with the Historic Tustin Hangars?



GRAND JURY 2019-2020

TABLE OF CONTENTS

SUMMARY	1
REASON FOR THE STUDY	3
METHOD OF STUDY	3
BACKGROUND AND FACTS	4
MCAS Tustin Base Closure	4
County’s Conceptual Plan	8
Department of Navy Base Realignment and Closure	10
City of Tustin’s South Hangar	12
Recent Communication	13
FINDINGS	14
RECOMMENDATIONS	15
RESPONSES	16
Responses Required	17
<i>Findings</i>	<i>17</i>
<i>Recommendations</i>	<i>17</i>
REFERENCES	18
<i>County of Orange</i>	<i>18</i>
<i>City of Tustin</i>	<i>18</i>
<i>Department of Navy</i>	<i>18</i>
<i>National Park Services</i>	<i>19</i>
<i>Historic Preservation</i>	<i>19</i>
GLOSSARY	21
APPENDIX	22
MCAS Tustin Hangar Timeline Overview	22

FIGURES

Figure 1. Aerial view of the historic Tustin hangars 2
Figure 2. Location map showing park location within former MCAS Tustin..... 4
Figure 3. Parcel map showing Parcel 18 and improvements..... 5
Figure 4. Tustin Legacy Specific Plan, Page 2-4. Parcel 18 identified as PA 6..... 7
Figure 5. County proposed Program of Utilization, 2012 9
Figure 6. Ground contamination plumes 2018 11

SUMMARY

When former Marine Corp Air Station (MCAS) Tustin closed in 1994, the County of Orange, supported by the City of Tustin, applied for and received approval from the Department of the Navy to develop Parcel 18 through a no-cost Public Benefit Conveyance (PBC). The 85-acre property includes the North “blimp” Hangar, one of two similar historical structures on the former base, which was proposed to be preserved as the centerpiece for a county regional park (see Figure 1).

The County of Orange has spent significant time and resources over the past twenty-five years attempting to generate plans to redevelop the property as a regional park, yet has been unable to obtain the necessary approvals for an economically viable plan within the constraints of the PBC. Unexpected changes in the original conditions, including the Navy’s prolonged and continued cleanup of on-site contaminants and the North Hangar’s partial roof collapse in 2013, have made redevelopment potentially more complicated and costly.

As the Local Reuse Authority, the City of Tustin received the majority of the property within former MCAS Tustin as part of an Economic Development Conveyance (EDC), including the historic South Hangar, which was slated to be demolished. The EDC allows the City of Tustin to generate income from property sales or leases to offset infrastructure and redevelopment costs. In 2013, the City of Tustin commenced licensing the South Hangar for interim uses, and has more recently developed plans and budgeted funds for initial repairs and renovation to begin in 2020. The planned retention of the South Hangar significantly reduces the potential economic viability or public benefit to be gained from also retaining the North Hangar.

Based on altered conditions, the City of Tustin appears to be in a more advantageous position than the County to redevelop the 85 acres within Parcel 18 as it is the Local Reuse Authority, and could potentially accept the property through its existing Economic Development Conveyance and re-plan/redevelop the property in joinder with currently owned adjacent properties. The Department of the Navy has expressed its concern to the County that absent a viable plan and path forward on the transfer of Parcel 18 to the County, the Navy will re-engage the National Park Service (NPS) and the City of Tustin to discuss an alternative conveyance mechanism to meet the objectives of the original agreement and the Tustin Legacy Specific Plan.

The County once envisioned a unique regional park with a grand testament to Orange County’s military history at its center. However, it has been ineffective in its planning efforts and unexpected circumstances have diminished the potential economic viability and public benefit to be gained from a county regional park in this location. Despite altered conditions and the lack of an approved plan, there is no indication that the County has reevaluated the fundamental benefit of remaining involved in development of Parcel 18. Best practices for any policy making body

includes reevaluating decisions made when circumstances change. It is time for the County of Orange to reevaluate its ability to provide additional benefit to county residents from its involvement with the redevelopment of Parcel 18 as a county regional park.



Image clipped from Google Earth¹

Figure 1. Aerial view of the historic Tustin hangars
North Hangar and Parcel 18 are in the foreground. South Hangar is in the background

¹ Google Data LDEO – Columbia, NSF, NOAA Data SIO, NOAA, U.S. Navy, NGA, GEBCO Landsat/Copernicus

REASON FOR THE STUDY

The reason for this investigation is to provide a current review of the County's plan to redevelop the 85-acre parcel within the former MCAS Tustin as a county regional park. It has been over twenty-five years since the County's Public Benefit Conveyance application was approved by the Department of the Navy, yet no redevelopment plans have been approved and the property continues to deteriorate as surrounding properties become developed. The Orange County Grand Jury's intent is to facilitate a path forward that would be most beneficial to the residents of Orange County.

METHOD OF STUDY

In conducting its investigation, the Grand Jury completed extensive document review and online research pertaining to the history and reuse of Parcel 18 within the former MCAS Tustin property. The Grand Jury interviewed ten individuals including representatives from the City of Tustin and Orange County who provided invaluable information to the Grand Jury in its investigation.

BACKGROUND AND FACTS

MCAS Tustin Base Closure

As part of the military base realignment and closures in the 1990's, Orange County applied for and received approval in 1994 for a no-cost Public Benefit Conveyance of Parcel 18, containing 85 acres within the former MCAS Tustin (Figure 2).² Sites and buildings obtained through the PBC program are required to be used exclusively for parks and recreation purposes and any income in excess of repairs, rehabilitation, restoration, and maintenance can only be used for public historic preservation, park, or recreational purposes.



Image from park concept report to County of Orange, 2011, prepared by Tait and Associates

Figure 2. Location map showing park location within former MCAS Tustin

² See Appendix for additional background and detail on base closure and history.

Parcel 18 contains the historic North Hangar, also known as Hangar 1 or Building 28, along with the historically significant control tower and helium storage buildings (Figure 3). The County intended to redevelop the property as a county regional park, retaining the historic North Hangar as a centerpiece.



Image from park concept report to County of Orange, 2011, prepared by Tait and Associates

Figure 3. Parcel map showing Parcel 18 and improvements.

The County's role in preserving historical structures was the impetus behind its interest in acquiring, redeveloping, and maintaining the property as a county regional park. Without the

retention of historic elements, the flat infill development site does not embody the typically unique characteristics of regional recreational facilities within the recreation element of the County's general plan, nor does it offer more than what is available in nearby local parks. The proposed park lies within Supervisorial District 3, which currently has a larger share of parks in comparison to most of the other districts. Moreover, there appears to be limited need or county-wide political support to spend funds for additional recreational venues in this district.

The City of Tustin, as the Local Reuse Authority, approved and supported Orange County's PBC application, and adopted the county regional park as a feature of the Tustin Legacy Specific Plan.³ The City of Tustin entered into a no-cost Economic Development Conveyance (EDC) with the Department of the Navy to acquire the majority of the former MCAS Tustin property. The EDC allows the City of Tustin the ability to generate income from land sales and leases to offset infrastructure and development costs. Additionally, in its position as the Local Reuse Authority, the City of Tustin has authority over the review and approval of any reuse or redevelopment of property within the former MCAS Tustin under the Tustin Legacy Specific Plan.

A Memorandum of Agreement (MOA), signed in 1999, between the Department of the Navy, the California State Historic Preservation Office, Orange County, and the City of Tustin, sets out the stipulations and mitigation measures which the County and the City of Tustin would be required to meet if the hangar complexes are conveyed *without* historic preservation restrictions. Orange County and Tustin completed those mitigation measures in 2009. As a result, the Navy determined the MOA was no longer in effect and the future disposal of the property is not encumbered by a historic preservation covenant.⁴

³ See References #5 - Tustin Legacy Specific Plan

⁴ See References #15 - MOA Stipulations

Figure 2-1 Land Use Plan

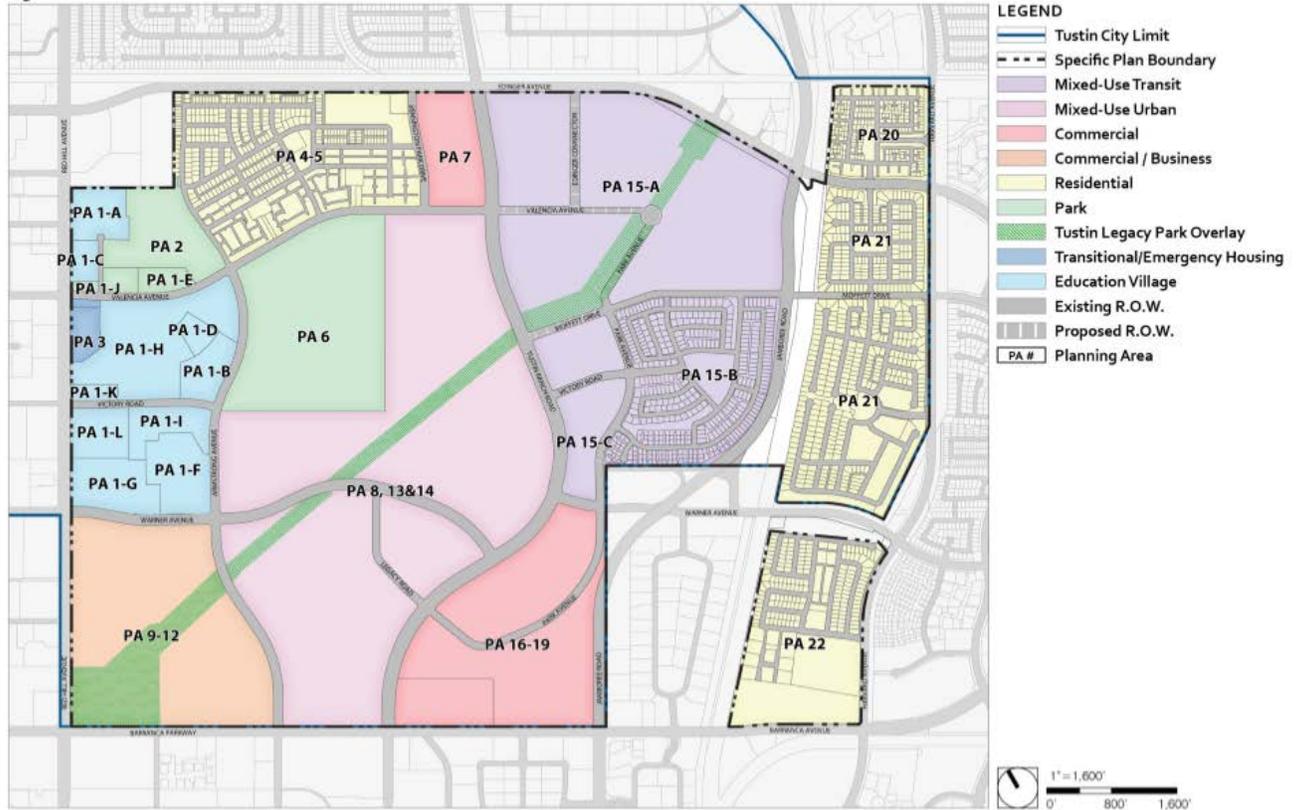


Figure 4. Tustin Legacy Specific Plan, Page 2-4. Parcel 18 identified as PA 6

Parcel 18 is designated as Planning Area 6 within the Tustin Legacy Specific Plan (Figure 4), and its designated land use is as a county regional park. Section 3.9 of the Tustin Legacy Specific Plan sets out the Development Standards and Use Regulations pertaining to Planning Area 6 which regulate the redevelopment of the property. Surrounding land uses include existing residential development to the north, undeveloped commercial designated land to the south and east, and institutional uses to the west. A private high school is currently under construction to the east of Parcel 18.

The City of Tustin is the owner of the adjacent commercially zoned vacant property to the east and south of Parcel 18 and would be in a more advantageous position than the County to potentially re-plan future uses in jinder with this larger land area. Changes to the land use of Parcel 18 could have potential negative impacts on adjacent properties which were planned in

anticipation of a regional park being developed. Any proposed changes to the existing recreational park land use to more intensive uses would require revising the Tustin Legacy Specific Plan which would most likely include additional environmental impact assessments and public hearings.

In May 2002, the City of Tustin received a Lease in Furtherance of Conveyance, (LIFOC), on the majority of the property within the former MCAS Tustin, including the property containing the historic South Hangar, known as Hangar 2. The South Hangar was slated for demolition, and remained “moth-balled” with no activity through 2012. The county also considered accepting Parcel 18 through a LIFOC from the Navy at the same time, but they decided not to pursue a lease for unknown reasons.

In the original planning for the reuse of MCAS Tustin, the County of Orange also received approval for a PBC of a parcel designated as Disposal Site 2, which is an approximate 10-acre site to the northwest of Parcel 18, adjacent to Armstrong Avenue. Due to delays in transfer and altered conditions from the original planning, the County subsequently agreed to withdraw its application for the PBC of Disposal Site 2 as part of a multi-party agreement with the City of Tustin and the South Orange County Community College District. The City of Tustin and Department of the Navy agreed to amend their agreements to include Disposal Site 2 into the City of Tustin's EDC. Based on this precedent, it is anticipated that the City of Tustin will be able to amend its EDC to incorporate Parcel 18 should the County not proceed with its plans or should it withdraw its PBC application.

County's Conceptual Plan

In February 2012, the Orange County Board of Supervisors approved a conceptual plan for the Regional Park and submitted a Program of Utilization (POU) to the National Park Service (NPS) (Figure 5). The County's conceptual plan for the POU included retention of the historic North Hangar. The POU also included a private partnership comprised of USA Water Polo and the Anaheim Ducks, who were proposing to lease areas within the future park. The POU had a development cost estimate of \$69,000,000 and annual maintenance costs of \$1,700,000 in 2011 dollars. The submitted POU never received the required approval from the NPS.

What's Happening with the Historic Tustin Hangars?

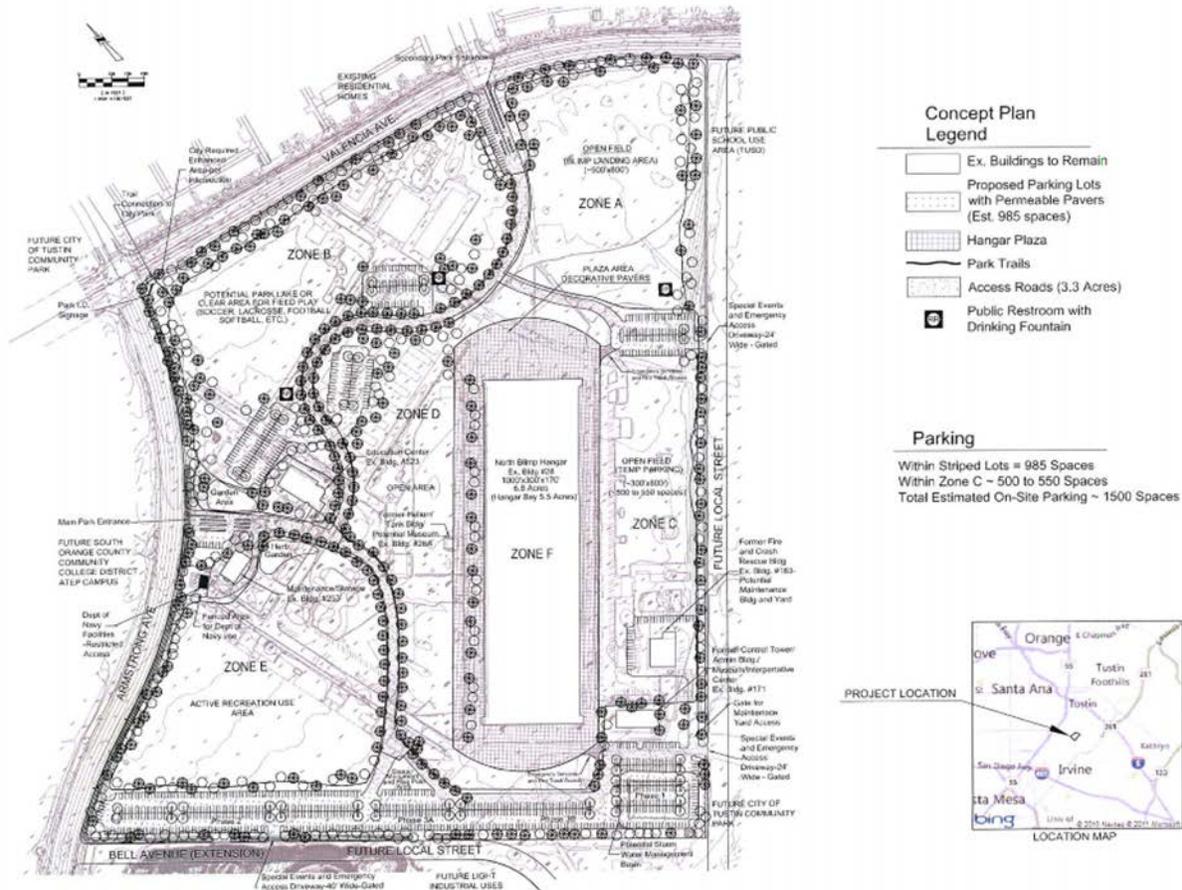


Image from Orange County Program of Utilization submittal to National Parks Service, 2012

Figure 5. County proposed Program of Utilization, 2012

The preliminary financing plan forwarded to the NPS as part of the POU submittal indicated there appeared to be viable financial support to design and construct the park at that time. The source for repayment of the proposed bond debt was assumed to be Orange County Parks' property tax apportionment revenue of approximately \$9,800,000, which was to become available in 2016. The County has made no modification to its program of utilization or submittal to the NPS. Prospective tenants have moved on to other locations and the anticipated financing is no longer in place.

In October 2013, a portion of the North Hangar's roof collapsed (see Figure 1). As a result, the structure was "red-tagged" and not permitted to be occupied. The damage was temporarily stabilized by the Department of the Navy in 2014, at a cost of \$3.2 million. The Navy's annual contracted cost to maintain the North Hangar structure is approximately \$350,000. The Department of the Navy is not legally obligated to repair the hangar, and the structure is only required to be in a stabilized condition at the time of transfer. The County of Orange has sought no engineering assessments or cost estimates to repair the damage to the North Hangar.

An investigation and assessment of the historic South Hangar, conducted in September 2017 by consultants to the City of Tustin, indicated potential hazardous materials within the structure. The hazardous materials identified were asbestos, lead, biological contaminants, and groundwater contaminants which may result in vapor intrusion issues. These same hazardous materials would be assumed to exist within the North Hangar and mitigation of these hazardous materials could add significant costs to either retention or demolition of either of the hangar structures.

The County of Orange has retained multiple land use consultants to assess and provide development concepts for the property over the past 25 years, including alternative redevelopment conceptual plans without retaining the North Hangar. None of the potential development concepts were considered to be economically or legally viable within the constraints of a PBC. The cost to demolish the North Hangar and its ancillary structures to clear the property would be significant, with preliminary estimates in the range of \$15-25 million. Without the retention of the historic structures, and with limited potential for recreational uses to generate income, there does not appear to be significant offsetting financial or public benefit to the residents of Orange County.

The County of Orange has indicated an interest in applying to the National Park Service to alter the conveyance mechanism to a Historic Monument PBC, yet has made little to no progress towards submitting that application. Although a Historic Monument PBC may include revenue producing activities to support the historic monument, all income exceeding the cost of repair, rehabilitation, and maintenance must be used for public historic preservation, park or recreational purposes. The application for *Obtaining Real Property for Historic Monument Purposes*⁵ requires that some historical elements be maintained, and requires extensive details on the proposed Preservation Plan, Use Plan, and Financial Plan. The County currently has no viable proposals to meet the preservation, use, and financial requirements of a Historic Monument PBC.

Department of Navy Base Realignment and Closure

The Department of the Navy's Base Realignment and Closure Team, (BRAC), along with its environmental Base Clean-up Team and Restoration Advisory Board, (RAB) for MCAS Tustin, are the lead agencies in reviewing future uses and transfers of property within MCAS Tustin. The Department of the Navy's BRAC team operates extraction wells and equipment on Parcel 18, and continues to oversee the monitoring, testing, and clean-up of Chemicals of Concern in on-site soils and groundwater. The Navy will continue to monitor and clean-up groundwater contaminants until cleared by regulatory agencies, regardless of when the transfer of ownership of the property may ultimately occur.

⁵ See References #13 - Public Benefit Conveyance – Historic Monument Application

What's Happening with the Historic Tustin Hangars?

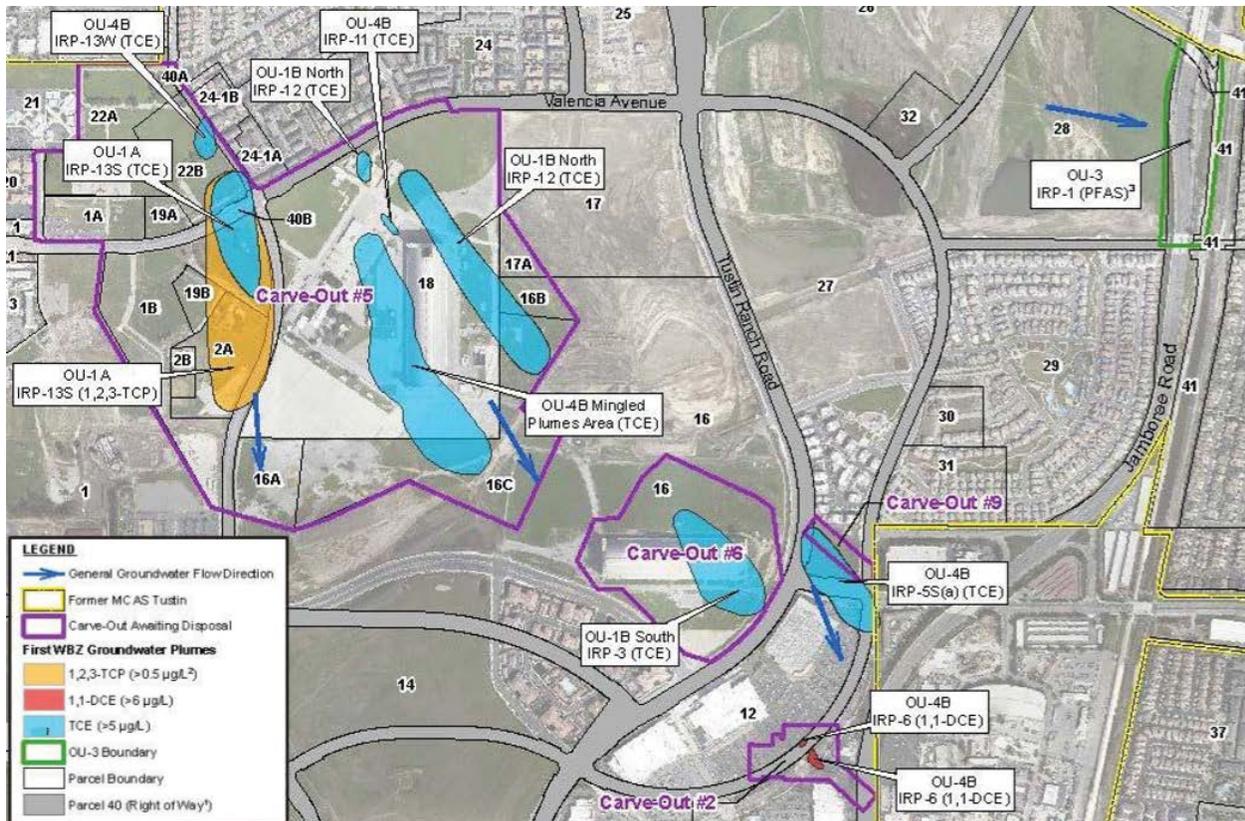


Image from PowerPoint presented at RAB meeting, Tustin October 2018. See references #10

Figure 6. Ground contamination plumes 2018

Minutes from the October 2019 meeting of the RAB indicate that the Navy is continuing to monitor, test, and clean groundwater plumes, and levels of potential contaminants of concern continue to be reduced.⁶ Current contaminants of concern identified on the property include 1,2,3-TCP and PFAS. Figure 6 is a map of identified groundwater plumes on the MCAS site. Parcel 18 with the North Hangar is identified as Carve-Out 5, and the Tustin Legacy area with the South Hangar is identified as Carve-Out 6. The recently identified PFAS substances have yet to receive clarification of contaminant levels by the regulating authorities, including the California Department of Toxic Substances Control and will continue to be monitored and reported on by the RAB.

The RAB is also responsible for establishing any institutional controls, deed restrictions and any Covenants to Restrict Use of the Property (CRUP) documents. Potential institutional controls, deed restrictions and CRUP documents for Parcel 18 are unknown at this time. Conditions may include various measures such as grading limitations, vapor barriers, hazardous material abatement, storm water runoff management, and other remediation and/or mitigation measures.

⁶ See References #10 - Navy RAB

These restrictions could limit the extent of future development and add additional costs and time to the redevelopment of the property.

On March 30, 2018, the Navy issued the draft Findings of Suitability to Transfer #10 (FOST #10), for Carve-Out 5 (which includes Parcel 18), and Carve-out 6 on former MCAS Tustin. Draft FOST #10 summarizes how transfer requirements and notifications have been satisfied and that the parcels are environmentally suitable for transfer. The draft FOST indicated that finalization of the transfer was anticipated by August 2018. However, the identification of newly emergent PFAS contaminates in 2018 has delayed the Navy's transfer timeframe. The Navy is currently coordinating with the appropriate regulatory agencies, the City of Tustin, and other stakeholders to develop a strategy to further assess PFAS impacts to groundwater. The Navy currently indicates that it anticipates a final FOST in early to mid-2021.

Extended delays in the site clean-up and in the fee title conveyance from the Navy have made it challenging for the County to develop plans and attract potential development partners. The lack of clarity on potential institutional controls and deed restrictions which will be placed on the redevelopment of Parcel 18 make it difficult to plan future uses and costs. While delays in the Navy's environmental clean-up have impacted transfer timelines for most properties within Tustin Legacy, these delays have not halted the City of Tustin's plans as it continues to complete planning and site preparations on property still owned by the Navy in anticipation of future conveyance.

City of Tustin's South Hangar

In 2013, the City of Tustin re-evaluated the use of the South Hangar and began issuing licensing agreements for temporary uses. The City of Tustin currently maintains a website marketing the South Hangar with an advertised rate of \$9,000/day⁷ and is currently open to proposals for use. The City of Tustin indicates that the South Hangar was utilized approximately 43 times in the period from 2013-2019 (avg. 7 users/year) with a total gross revenue generated of approximately \$1,000,000 over the six-year period. The interim uses were primarily for film/advertising production and community events. The City of Tustin currently has no economically viable proposals from prospective long-term tenants.

In 2017, the City of Tustin retained consultants to lead an extensive investigation and engineering assessment of the historic South Hangar structure. The resulting report, produced in September 2017, indicated that the South Hangar was in relatively good condition and, in fact, was in the best condition of the five remaining hangars which the team of experts had inspected. The pre-design phase of the consultant's contracted work was completed in the fall of 2018 and the design phase, which includes construction documents for permitting, is due to be finalized in

⁷ See References #8 - City of Tustin, Tustin South Hangar Rental

2020. The City of Tustin indicates that the plans are due to be submitted to the Tustin City Council for approval in the first quarter of 2020.

The City of Tustin indicates that it has spent approximately \$680,000 on capital improvements⁸ to the South Hangar through June 30, 2019, and have an additional \$4,300,000 requested in FY 2019-2020 for truss repair and utility connections to improve the functionality and safety of the hangar structure. An additional \$10,000,000 in capital improvements for the South Hangar is included in the City's Capital Improvement Program for FY22-23 and is dependent on the timing of income from licensing and future land sales. Tustin's planned retention of the South Hangar significantly reduces the potential economic viability or public benefit to be gained from retaining the North Hangar.

Recent Communication

The Department of the Navy has recently urged the County to explore the option of converting the hangar portion of the property from a Park PBC, into a Historic Monument PBC which allows limited revenue generating activities compatible with retention of the structure.⁹ A Historic Monument PBC requires that all income exceeding the cost of repair, rehabilitation, and maintenance must be used for public historic preservation, park, or recreational purposes.

Although the County has attempted to meet with the NPS to discuss the option of converting portions of the property into a Historic Monument PBC, no progress has been made. The application to obtain property from the NPS for Historic Monument purposes requires extensive plans and details including a Preservation Plan, a Use Plan, and a Financial Plan.¹⁰ The County does not currently have a viable plan for a Historic Monument PBC, yet has indicated an interest in identifying potential development partners through the Request for Proposals process.

On March 8, 2018, prior to issuance of Draft FOST #10, the Department of the Navy and the County met to discuss the transfer. At that time, the Department of the Navy expressed its concern in writing that altering the current conveyance mechanism is not inconsequential and will cause substantial delays in the transfer. The Navy was informed by both the City of Tustin and County that the two are not coordinated in their efforts. The County indicated they have no further direction from the Board of Supervisor beyond the 2013 Program of Utilization. The Department of the Navy indicated in a March 27, 2018 follow-up letter to the County, that absent a path forward, the Department of the Navy will re-engage the National Park Service and the City of Tustin to discuss an alternative conveyance approach to meet the objectives of the Reuse Plan.

⁸ See References #7 – Tustin Capital Improvement

⁹ See References #14 – Requirements for Public Benefit Conveyance.

¹⁰ See References #13 – Public Benefit Conveyance - Historic Monument Application

In October 2019, the City of Tustin, notified the County and the Department of the Navy that delays in advancing the County's regional park plans and transfer have resulted in unmaintained and unsafe conditions on Parcel 18. The City of Tustin stated that there have been numerous incidents on the property involving trespassing, vandalism and suspicious activity calls resulting in Tustin Police Department response. They have expressed that the unmaintained condition of the property is not a sustainable situation for the surrounding community.

FINDINGS

Pursuant to *California Penal Code Sections 933 and 933.05*, the Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation entitled "What's Happening with the Historic Tustin Hangars" the 2019-2020 Orange County Grand Jury has arrived at five principal findings, as follows:

- F1. The County of Orange has explored numerous planning options and development proposals regarding Parcel 18 within former MCAS Tustin over the past twenty-five years, yet has been ineffective in its efforts and has not been able to produce an approved economically viable plan within the constraints of its Park Public Benefit Conveyance.
- F2. Although the County of Orange has indicated an interest in applying to the National Park Service to alter their conveyance mechanism to a Historic Monument PBC, it has made limited progress and currently has no economically viable proposals within the constraints of a Historic Monument PBC.
- F3. The City of Tustin commenced licensing the historic South Hangar for interim uses in 2013 and has recently moved forward with its plans to renovate and retain the South Hangar. The planned retention of the South Hangar significantly limits the potential economic viability and public benefits of also retaining the North Hangar.
- F4. The City of Tustin appears to be in a more advantageous position than the County to redevelop the 85 acres within Parcel 18 as it is the Local Reuse Authority, and could potentially accept the property through its existing Economic Development Conveyance and re-plan/redevelop the property in joinder with adjacent property under its ownership.
- F5. The Navy has stated to the County of Orange that absent a viable plan and path forward on the transfer of Parcel 18 to the County, the Navy will re-engage the National Park Service and the City of Tustin to discuss an alternative conveyance mechanism to meet the objectives of the original agreement and the Tustin Legacy Reuse Plan.

RECOMMENDATIONS

Pursuant to *California Penal Code Sections 933 and 933.05*, the Grand Jury requires (or, as noted, requests) responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation entitled “What’s Happening with the Historic Tustin Hangars?” the 2019-2020 Orange County Grand Jury makes the following two recommendations:

- R1. Given the altered conditions since the initial planning, the County of Orange should reevaluate its ability to provide additional value or benefit to county residents from its involvement with the redevelopment of Parcel 18 as a county regional park, and the Board of Supervisors should determine within 90-days of the release of this report whether to proceed with or withdraw from its PBC application. (F1 thru F5.)
- R2. As the Local Reuse Authority, the City of Tustin should commence initial steps and planning with the Department of the Navy for incorporating Parcel 18 into its Economic Development Conveyance to meet the objectives of the Tustin Legacy Specific Plan. (F3 and F4.)

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the findings and recommendations of this Grand Jury report:

§933 “Comments and Reports on Grand Jury Recommendations.”

“(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head or any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices....”

§933.05 “Response to Grand Jury Recommendations – Content Requirements; Personal Appearances by Responding Party; Grand Jury Report to Affected Agency.”

“(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.*
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.*

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.*
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.*
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.*
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.*

(c) However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.”

Responses Required

Comments to the Presiding Judge of the Superior Court in compliance with *California Penal Code Section 933.5* are required from:

Findings

County of Orange
City of Tustin

F1, F2, F3, F4, F5
F3, F4

Recommendations

County of Orange
City of Tustin

R1
R2

REFERENCES

County of Orange

1. Orange County Original Concepts for Park
<https://www.ocparks.com/civicax/filebank/blobdload.aspx?BlobID=21919>
2. Orange County Parks Website – Regional Park at Former MCAS Tustin
<http://www.ocparks.com/about/projects/tbh>

City of Tustin

3. **EDC/LIFO**C (Between USA and City of Tustin) and **Memorandum of Agreement** Among the Department of the Navy the California State Historic Preservation Officer and the Advisory Council on Historic Preservation for the Disposal and Reuse of Marine Corps Air Station Tustin Orange County California.
<https://www.tustinca.org/DocumentCenter/View/1162/Navy-City-Economic-Development-Conveyance-Compressed-PDF?bidId=>
4. Photo Essay: Marine Corp Air Station & North Hangar, Tustin – Closed. May 30, 2013
<https://www.avoidingregret.com/2013/05/photo-essay-marine-corp-air-station.html>
5. Tustin Legacy Specific Plan
<https://www.tustinca.org/DocumentCenter/View/635/Tustin-Legacy-Specific-Plan-PDF>
6. The Tustin Hangars Titans of History
<http://www.militarymuseum.org/NAS-Santa-Ana-History.pdf>
7. Tustin Capital Improvement Program Fiscal Year 2019-2020
<https://www.tustinca.org/DocumentCenter/View/2458/Capital-Improvement-Program-Fiscal-Year-2019-Through-2020-PDF>
8. Tustin South Hangar Rental
www.tustinca.org/766/Renting
9. Historic Preservation Video/DVD to emphasize Lighter-than-air operations
<https://www.tustinca.org/765/Tustin-Hangars>

Department of Navy

10. Navy RAB meeting minutes 2018

https://www.bracpmo.navy.mil/content/dam/bracpmo/california/former_marine_corps_air_station_tustin/pdfs/meetings/2018rab/20181011_Tustin_RAB_Meeting_Summary.pdf

11. Federal Register

<https://www.govinfo.gov/content/pkg/FR-2001-03-02/html/01-5127.htm>

12. Ground Contaminations Plumes 2015

<https://ca-tustin.civicplus.com/DocumentCenter/View/1149/Carve-Out-Areas-and-Groundwater-Plumes-PDF>

National Park Services

13. Public Benefit Conveyance – Historic Monument Application (Blank)

[http://files.cityofportsmouth.com/files/mcintyreproject/Historic%20Monument%20Application%20\(May%202016\).pdf](http://files.cityofportsmouth.com/files/mcintyreproject/Historic%20Monument%20Application%20(May%202016).pdf)

14. Requirements for Public Benefit Conveyance through National Parks Service

- a. **Public Parks and Recreational Areas:** Title 40 U.S.C. 550 (e) ... recommended by the Secretary of the Interior as being needed for use as a public park or recreation area. Deeds conveying any surplus real property disposed of under this authority shall provide that the property shall be used and maintained for the purpose for which it was conveyed in perpetuity...
- b. **Historic Monuments:** Title 40 U.S.C. 550(h) ... authorized by Secretary of the Interior as suitable and desirable for use as a historic monument for the benefit of the public...in conformity with the recommendation of the National Park Advisory Board established under section 3 of the Act of Congress approved August 21, 1935 (16 U.S.C. 463) and only so much of any such property shall be so determined to be...necessary for the preservation and proper observation of its historic features. Property conveyed for historic monument purposes may... be used for revenue producing activities to support the historic monument. Deeds conveying...property under this authority shall be used and maintained for the purposes for which it was conveyed in perpetuity...

Historic Preservation

15. MOA Stipulations required by Federal Advisory Council on Historic Preservation and California Office of Historic Preservation.

- i. **Stipulation IA.** Navy has submitted HABS report to required parties. Report HABS No. CA-2707 is on file with the Library of Congress.
- ii. **Stipulation IB.** Navy has provided all available plans/drawings etc. for all facilities on site to local curation facility and to Tustin.

- iii. Stipulation II.** After both Orange County and City of Tustin conducted comprehensive marketing efforts, no viable adaptive re-use of the hangars could be substantiated, therefor Stipulation III was required.
- iv. Stipulation III.** Parties were required to provide three things:
 - 1. A written history of the LTA base. (See “Tustin Hangars, Titans of History”)¹¹
 - 2. Interpretive Video/DVD to emphasize the Lighter-than-air operations. City of Tustin hosted a one-time distribution and outreach program for the documentary video on September 1, 2009. Copies are available from the City¹².
 - 3. Interpretative Exhibit. On display at Tustin City Hall.

Based on **fulfillment of all required stipulations** in the MOA, the Navy in a letter to both Federal and State Historic Preservation Agencies has determined that the MOA is no longer in effect with respect to historic preservation. (Letter dated November 3, 2009)

¹¹ See Reference #6 – Titans of History

¹² See Reference #9 – Historic Preservation Video/DVD

GLOSSARY

BoS	Board of Supervisors
BRAC	Base Realignment and Closure
COC	Chemicals of Concern
CRUP	Covenants to Restrict Use of the Property
DoN	Department of the Navy
DTSC	California Department of Toxic Substances Control
EDC	Economic Development Conveyance
FOST	Finding of Suitability to Transfer
HABS	Historic American Buildings Survey
LIFOC	Lease in Furtherance of Conveyance
LRA	Local Reuse Authority
MCAS	Marine Corps Air Station
MOA	Memorandum of Agreement
NPS	National Parks Service
PBC	Public Benefit Conveyance
PFAS	Per- and polyfluoroalkyl substances
PFOS	Perfluorooctanesulfonic acid
POU	Program of Utilization
RAB	Restoration Advisory Board
1,2,3-TCP	Trichloropropane

APPENDIX

MCAS Tustin Hangar Timeline Overview

The following timeline is a simplified, abbreviated list of events or occurrences shown in chronological order. We include it, hoping that for some, a quick look at the actions by the various players involved over time will aid in understanding how we got from the time of the base closure to where we are now.

County of Orange	Orange
City of Tustin	Green
Department of Navy	Blue
National Parks Service	Purple

1991

Closure announced, Marine Corps Air Station (MCAS) Tustin. City of Tustin named as the Local Reuse Authority (LRA).¹³

April 18, 1994

Department of Interior National Parks Service (NPS): Letter from NPS to Navy indicating an application by Orange County for an urban regional park on the 85-acre site. It requires the county to submit a detailed general development plan and implementation schedule for the park. It may be as a historic monument transfer Title 40 U.S.C. §550(h) or a park and recreation transfer Title 40 U.S.C. §550 (e).

1995

The county reveals concept for a regional park. OC Parks PowerPoint “Regional Park at former MCAS, Tustin.

1996/98

Reuse Plan for MCAS Tustin approved by city of Tustin in 1996, amended in 1998. This later becomes the Tustin Legacy Specific Plan. Ordinance 1482 07-18-17, Adopted October 31, 1996, Amended September 8, 1998

1999

Tustin applies to the Navy for a no-cost Economic Development Conveyance (EDC) for 75% of MCAS.

1999

¹³ See References #11 – Federal Register

Base formally closes in July. Environmental documents, deeds and leases are prepared for conveyance 1999-2002. Base closes July 2, 1999. Source: Federal Register Volume 66, Number 42 (Friday, March 2, 2001).¹⁴

May 10, 2002

City of Tustin receives 75% of MCAS through an EDC via fee or lease. 25% goes to public or nonprofit entities. Source: Agreement Between the United States of America and city of Tustin, California for the Conveyance of a Portion of the Former Marine Corps Air Station Tustin. Execution Version May 10, 2002.

1999

Orange County received approval of a Public Benefit Conveyance (PBC) of Parcel 18 containing Hangar 28 and Bldg. 28A for an 84-acre Regional park through the National Parks Service.

2009

County and city indicate compliance with **mitigation measures required by MOA**. Hangars are still subject **historic preservation** standards until **conveyed** by the Navy.

2002-2012

South Hangar sits in “moth-balled” condition. No planned uses; slated for demolition.

December 27th, 2011

Consultant's report “Concept Plan for Regional Park at MCAS Tustin” received by Orange County December 27, 2011.

2012

January 12, BOS approved a Conceptual Plan for a park including Historic Hangar 28. Finance was directed to find a way to finance outside the General Fund. Estimated Cost 69 million dollars. Maintenance annually 1.7 million dollars of which 400k is for the hangar.

February 28, 2012

Board of Supervisors approved a **Program of Utilization (POU)** on February 28, 2012. It was submitted to National Parks Service and **was not approved**.

2013

Tustin begins licensing South Hangar for civic and private events, filming, storage etc.

October 1, 2013

Feasibility Study by consultants to OC Parks. (Basic concepts; no details, no applications submitted.)

October 2013

Hangar 1 roof collapse; December 24, 2013 Navy awarded contract to **stabilize** the damaged hangar.

February 2014

Navy begins Stabilization of Hangar.

¹⁴ See References #11 – Federal Register

What's Happening with the Historic Tustin Hangars?

April 7, 2014

A revised consultant's proposal is submitted to OC for Re-Use Study of Hangar 1.

April 17, 2014

(OC Register Article) The hangar is being prepared to be conveyed from the Navy to the county. It's included in the county's plans for an 84.5-acre regional park, but following October's incident, county officials have expressed some reluctance to take on a potentially expensive repair project. "It's all up in the air, depending on the cost to fix it," said a county supervisor. "I don't want that blimp hangar destroyed or taken down, but we really need to know realistically what it's going to cost to repair that hole."

April 24, 2014

Parks communication to District Supervisor: OC Parks has immediately decided to delay finalization of the General Development Plan until concerns about integrity of the hangar and whether and at what cost the hangar roof could be repaired. Revised consultant's proposal (**April 7, 2014**) is submitted to OC for Re-Use Study of Hangar 1.

May 9, 2014

County solicits consultant's assessment report.

May 12, 2014

County asks Navy for access to hangar 1 for consultant's assessment work.

June 17, 1 2014

City of Tustin: following North Hangar collapse, Tustin retains consultant to perform an assessment and reuse study for **South Hangar**.

December 2016

County gets consultants to provide conceptual drawings for a park with and without the hangar. "Development Concepts" PowerPoint presentation to Orange County dated December 2016

September 2017

Consultant's "Final Report – Tustin Hangar 2 Conditions Assessment and Reuse Study". Volume 1. Prepared for City of Tustin. Board of Supervisors Agenda Item 14, September 19, 2017. Professional Services agreement with consultant to perform architectural and engineering design services related to Maintenance, repairs and voluntary upgrades of Hangar 2.

September 9, 2017

Tustin City Council approves purchase of a 185' boom lift to repair and maintain Hangar 2 on a regular basis. Agenda Report Item 14 September 19, 2017. City also approves two phases I-\$1,004,410.00, phase II 5 million appropriation for FY 17-18 from land sale proceeds for maintenance, repair and upgrade of Hangar 2.

October 17, 2017

OC Board of Supervisors has closed session with the Department of the Navy and city of Tustin.

December 11, 2017

What's Happening with the Historic Tustin Hangars?

Navy to Real Estate CEO – Request for meeting regarding Parcel 18 PBC. Navy anticipates FOST will be ready for review early summer 2018. If county contemplates a change beyond existing PBC, talk to NPS as soon as possible. County has not been able to attend meetings to discuss a way forward.

February 21, 2018

County acknowledges receipt of letter referenced above. Is glad to coordinate and refers to contact person.

March 8, 2018

Orange County RE CEO team met with Navy BRAC team to discuss transfer of Parcel 18.

March 27, 2018

Navy to Orange County Real Estate CEO – We are ready to convey Parcel 18 to National Parks Service by September of 2018. Conveyance to **Tustin** is desirable for any scenarios beyond the original PBC. Navy is concerned that changes to the original conveyance mechanism will cause substantial delays in the transfer date. Any scenario that changes the reuse plan needs to be vetted with the LRA (Tustin). Both city and county recently informed us the two parties are not coordinated on this effort. “Absent a viable path forward, the Navy will re-engage National Parks Service and the city of Tustin to discuss and alternative conveyance approach to meet the objectives of the reuse plan”.

March 30, 2018

Navy issues Draft FOST 10 setting out their findings of suitability to transfer. EPA defers to State (DTSC) for review of environmental issues.

April 30, 2018

County to Navy and NPS – No additional direction from BoS since the previously approved **POU (2012)**. County states it is concerned about the condition of the North Hangar and ground contamination PFAS and PFOS.

May 23, 2018

Navy to Real Estate CEO – Navy believes a reassessment of the financing plans for the 2013 POU is prudent. Suggest you talk to NPS and Tustin if there is not an approved plan in place. Also, the Navy provides the reports showing levels of PFAS and PFOS.

August 4, 2018

Orange County gets consultant to provide conceptual plans for a park with hangar. (No details and no attempts to gain the approval of NPS).

September 11, 2018

Real Estate CEO letter to BOS: earlier this year, Navy said it intended to issue a FOST in September of 2018. CEO states County has not been able to determine if revenue is there to make the proposals viable.

They need to pursue the Historic Structure option to find greater economic opportunities. CEO asks BoS if they want to accept the property.

2018

Tustin City Council approves a Capital Improvement Program Budget that includes funding for South Hangar improvements.

October 5, 2018

What's Happening with the Historic Tustin Hangars?

From Navy to DTSC and WQCB: **Final** semi-annual groundwater monitoring data summary.

October, 2018

RAB indicate DoN is continuing to monitor, test, clean groundwater plumes and will report their conclusions and recommendations in 2018 and 2019.

November 30, 2018

FINAL summery report for locations and levels of PFAS and PFOS on site.

December 18, 2018

OC Board of Supervisors has closed session with the Department of the Navy, City of Tustin and Mater Dei Development regarding Parcel 18.

March 2019

PEERS lawsuit against Navy.

August 1, 2019

City of Tustin asks Navy to step up maintenance on Parcel 18. City has no right of entry (except in emergencies) and no personnel or budget to provide security services.

August 2019

DTSC is unable to concur that a Carve Out property is suitable for transfer due to findings from HERO.

August 15, 2019

Orange County Real Estate office e-mails the Navy to request meeting about Historic Monument requirements of NPS with regard to the hangar structure. It wants to better understand the requirements to help put together a proposal that will be met with approval by NPS. No response from NPS. (See October 15, 2019 entry below)

August 30, 2019

Navy to Tustin: we will step up maintenance and security on North Hangar site per your request.

September 2019

Tustin City Council has consultant produce bid-ready documents for a power and lighting package, and a structural package in line with CIP budget. Includes: voluntary upgrades to Hangar No. 2. (Truss Repair, Hangar Doors, Power Distribution, Exterior Shell and Fire Life Safety/Disabled Access).

October 8, 2019

City of Tustin meets with OC Supervisor 3rd District, regarding the 85-acre parcel and North Hangar.

October 10, 2019

RAB meeting at Tustin Senior Center. Ground contamination is being identified, classified and in some areas remediated by Navy contractors on an ongoing basis. DTSC has no timeline for establishing PFAS standards.

October 14, 2019

City of Tustin sends letter dated October 14, 2019 to Orange County reaffirming Tustin's good faith commitment to work with the Navy on property acquisition and asking the county to decide whether they still have a commitment to a regional park or not. If their intentions have changed, they need to engage

What's Happening with the Historic Tustin Hangars?

the Navy and city of Tustin regarding their decision. Tustin cannot wait any longer. They need to start the process of planning changes to the Tustin Legacy development if necessary.

2020

Tustin plans to begin construction of South Hangar improvements. Tustin has plans to continue improvement and use of the South Hangar. They intend to continue to develop infrastructure adjacent to and around the hangar and make the South Hangar more publicly accessible on a more regular basis.