



County of Orange

County Executive Office

August 11, 2020

Honorable Kirk H. Nakamura
Presiding Judge of the Superior Court of California
700 Civic Center Drive West
Santa Ana, CA 92701

Subject: Response to Grand Jury Report, "What's Happening with the Historic Tustin Hangars?"

Dear Judge Nakamura:

Per your request, and in accordance with Penal Code 933, please find the County of Orange response to the subject report as approved by the Board of Supervisors. The respondents are the Orange County Board of Supervisors and the County Executive Office.

If you have any questions, please contact Lala Oca Ragen of the County Executive Office at 714-834-7219.

Sincerely,

Frank Kim
County Executive Officer

Enclosure

cc: Orange County Grand Jury
Lala Oca Ragen, Assistant Deputy Chief Operating Officer, County Executive Office



Responses to Findings and Recommendations
2019-20 Grand Jury Report:

“What’s Happening with the Historic Tustin Hangars?”

SUMMARY RESPONSE STATEMENT:

On June 9, 2020, the Grand Jury released a report entitled “What’s Happening with the Historic Tustin Hangars?” This report directed responses to findings and recommendations to the Orange County Board of Supervisors. The responses are below:

FINDINGS AND RESPONSES:

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 with the constraints of its Park Public Benefit Conveyance.

Response: Disagrees wholly with the finding. Parcel 18 has yet to be environmentally cleared by the Department of Navy (Navy). Accordingly, the Navy has not issued a Finding of Suitability to Transfer (FOST), which outlines the environmental constraints for the development of the property. The County has explored various concepts for Parcel 18, however soliciting the private sector for proposals and developing plans prior to issuance of the FOST would not be a prudent, sound course of action.

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.

Response: Disagrees partially with the finding. Prior to the COVID-19 Pandemic, the County was in communication with the National Parks Service (NPS) regarding the viability of converting a portion of the Park Public Benefit Conveyance

(PBC) into a Historic Monument PBC. As a result of these discussions NPS instructed the County to submit a Historic Surplus Property application along with an updated financial plan. The application requires a Preservation and Architectural Use Plan and development of these plans requires the services of a preservation architect. Presently, the COVID-19 pandemic has postponed the County's ability to procure the services of a preservation architect, halted discussions with NPS and furthered delayed the issuance of a FOST for Parcel 18. As the state of California progresses towards re-opening the County intends to re-engage these efforts.

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.

Response: Disagrees wholly with the finding. The County is unfamiliar with the details surrounding the planned retention and reuse of the South Hangar by the City of Tustin, if any. The County has repeatedly asked the City to provide the County with information and studies relative to the reuse and demolition of the South Hangar, but the information has not been provided. This information could prove useful in analyzing potential reuses of the North Hangar and their viability. At this time the County is not in a position to agree or disagree with the Finding that the City retaining the South Hangar "significantly limits the potential economic viability and public benefits of also retaining the North Hangar," as it is premature to make such a determination until further due diligence is completed and clarity with respect to the City's plans is achieved.

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 in 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.

Response: Disagrees partially with the finding. In the event the NPS agrees with the conversion of the Park PBC to an Economic Development Conveyance, with the loss of potential parkland, the City may be better positioned to facilitate the development of the property under that method of conveyance. However, this may not be in the best interest of the County as a whole relative to the potential development of a regionally significant park project.

F5. The Navy has stated to the County 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.

Response: Disagrees partially with this finding. In a letter dated March 27, 2018 to the County, the Navy stated “Absent a viable path forward, the Navy will re-engage the National Park Service and the City of Tustin to discuss as alternative conveyance approach to meet the objectives of the Reuse Plan.” That language is not necessarily synonymous with meeting the objectives of the Tustin Legacy Reuse Plan.

RECOMMENDATIONS AND RESPONSES:

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 through F5.)

Response: The recommendation will not be implemented because it is not reasonable. As stated in Findings 1-4, the Navy has not issued the FOST for Parcel 18. In addition, the COVID-19 pandemic has limited the County’s ability to procure the services of a preservation architect and to continue discussions with NPS. As California progresses towards re-opening, the County intends to resume its efforts to obtain all the information needed for the Board of Supervisors to make an informed decision to proceed with or withdraw the County’s PBC application. Thus, a 90-day determination for withdrawal or proceeding with the County’s PBC application at this time is both premature and unreasonable. In the meantime, the County continues to complete its due diligence and explore options for the redevelopment of Parcel 18 to serve the taxpayers of Orange County as a countywide asset.