



PUBLIC SALE OF MCAS EL TORO

**BRAC
PMO**



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MCAS El Toro Background

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- Designated for closure in 1993 and operationally closed in 1999
- BRAC disposal of about 4,691 total acres
 - 3,719 acres for public sale
 - 898 acres conveyed to FAA
 - 74 acres to be conveyed to FAA
- Located in Orange County, California
 - Median housing value in Irvine – over \$400K
- The last large tract of developable property in the County

MCAS EL TORO

TUSTIN

MCAS
TUSTIN

I-5

133

241

IRVINE

MCAS EL TORO

FOOTHILL
RANCH

I-405

UCI

LAKE FOREST

NEWPORT
BEACH

LAGUNA HILLS

I-5

MISSION VIEJO





Base Closure Summary

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- **BRAC Closure Date: 1993**
- **Operational Closure Date: 1999**
- **Reuse Plan (HUD Approval): 1998**
- **NEPA Record of Decision: April 2002**



History – Decade of Reuse Debate

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- March 1994 County of Orange, City of Irvine, City of Lake Forest formed a joint powers authority to develop a reuse plan
- 1994 local Initiative passed for commercial airport (Measure A)
- January 1995 County of Orange withdrew from joint powers authority in response to Measure A
- April 1995 County of Orange became the recognized Local Redevelopment Authority (LRA)
- 1996 local Initiative to repeal the airport plan (Measure S) lost by a landslide
- LRA formulated Reuse Plan in 1996



History – Decade of Reuse Debate

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- 2000 local Initiative passed to require a two-thirds vote at a County General Election to approve County of Orange civilian airport projects (Measure F)
- 2001 HUD approved the Reuse Plan
- Environmental documents litigated
- 2002 local Initiative passed for non-aviation use (Measure W)
- LRA decided not to formulate another BRAC reuse plan
- Spring 2002 Navy decides to sell the base



Establishment of Mutual Interests

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- Spring 2002, the Local Reuse Authority (Orange County) decided to support City of Irvine redevelopment and annexation planning efforts
- Navy, GSA, and City worked together on a way forward that would
 - Sell property as quickly as possible in order to put property into productive use
 - Ensure sale revenue for Navy
 - Enable a 'park' to be built without using local public funds



Environmental Coordination

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- Prepared Finding of Suitability to Transfer (FOST) based on environmental condition of property
- Coordinated Resource Conservation and Recovery Act (RCRA) Part B Permit and Subtitle I corrective action requirements via a Federal Facility Agreement
- Department of Toxic Substances Control (DTSC) issued public notice on a proposed corrective action complete determination and hazardous waste facility boundary modification
- DTSC's decision to approve the RCRA corrective action complete determinations and boundary modification documented in final FOST



Local and Federal Government Interests

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City of Irvine

- Ensure non-aviation use at El Toro
- Annex entire property into City
- Land plan consistent with Measure W (mixed-use development)
- Orderly development of the property
- Build and maintain “Great Park” at no cost to local taxpayers

Department of Navy

- Expeditious property disposal
- Reinstate traditional role of local government in the property disposal process
- Ensure value back to the nation’s taxpayers



Great Park Plan

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- 4,700 acres property with 2,500 acres dedicated to public ownership.
- Two-tiered entitlement with the base plan largely parks, open space and agricultural uses.
- Mixed-use development includes residential, business parks, retail services, transit related uses, a college campus, commercial, recreation and golf courses.
- Development incentives allow for the private sector funding of all public improvements and dedications of public lands implemented through development agreements.





Steps to Public Sale

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The City, Navy and GSA have well defined roles

Navy (Property Owner):

- Owns and maintains property
- Enlists GSA to market property for sale
- Responsible for environmental clean-up

GSA (Real Estate Agent):

- Prepares property for sale (utilized outside marketing firm)
- Solicits prospective buyers
- Administers sale of the property

Local Government:

- Leads land use planning effort
- Entitles and annexes property
- Facilitates sale, providing technical information regarding the property



Steps to Public Sale (continued)

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- Establish list of mutual interests (Navy/City)
- Define clear roles of responsibility
- Agree on a reuse plan consistent with the mutual interests
- Establish an entitlement and disposal process with well defined milestones
- Define and document environmental condition of property



Role of the Private Sector

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- Purchases 100% of the available property
- Dedicates the public lands -- central park, sports park, museum district, public streets, etc.
- Pays for 100% of the public infrastructure
- Provides funding for the public parks improvements or other exactions



Benefits to the Local Government

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- The local government will not be the developer of the property
- The local government did not receive any land directly from the Federal government
- The local government will not require any Federal subsidies for the construction of public facilities
- The local government will not require any local taxpayer funds for the construction and maintenance of Great Park or public infrastructure
- The local government will not be responsible for caretaking, marketing, administering or selling the property



Homeless Integration

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The Navy honored the intent of the Legally Binding Agreements (LBAs) they signed with the County of Orange for homeless assistance provider organizations

- LBAs and identified properties were included in the Invitation for Bid
 - Prior to closing escrow on the sale
 - Bidder was able to work with providers to reach agreement on alternatives to address the intent of the LBAs
 - If bidder chooses alternative, the agreement with provider will be provided to GSA prior to close of escrow – and deeds will reflect the agreement
- If no agreement, Navy would have deeded specified property to providers



Public Sale Disposal Overview

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- **Invitation for Bid:** November 8, 2004
- **Internet Auction:** January 5 – February 16, 2005 (22 bids received)
- **Close of Escrow:** July 12, 2005
- **Winning Bidder:** Lennar Communities
- **Total Proceeds:** \$649,500,000



Property Recipients

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- Federal Aviation Administration (via Fed-to-Fed transfer) - ~898 acres
 - An additional 74 acres planned to convey to FAA in 2006
- Lennar Communities (via Public Sale) - ~3,719 acres
 - Lennar assigned ~1,316 acres to the City of Irvine for the development of the Great Park
 - Lennar gave the City \$401 million dollars for exclusive development rights of the remainder of the property
 - ~921 acres were purchased that remain in federal ownership until environmental cleanup is complete
 - Redevelopment permitted with restrictions under a lease in furtherance of conveyance



MCAS El Toro Public Sale Summary

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- Public Sale helps move the property into redevelopment more quickly
- Returns the entities to their respective roles
- Establishes new partnerships with local stakeholders
- Opens a new door for marketing Federal property with assistance from private brokerage firms