

Office of the City Council



September 2, 2020

The Honorable Kirk H. Nakamura  
Presiding Judge  
Orange County Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

**SUBJECT: City of Tustin response to the Orange County Grand Jury 2019-20 Report, dated June 9, 2020, titled "What's Happening with the Historic Tustin Hangars?"**

Dear Judge Nakamura:

In accordance with Section 933.05 of the California Penal Code, the City of Tustin (City) respectfully submits the attached responses to Findings F3 and F4 and Recommendation R2 of the Orange County Grand Jury Report dated June 9, 2020, titled "What's Happening with the Historic Tustin Hangars?"

Should you have any questions, please contact the City Manager, Matthew S. West, at 714-573-3012 or at [mwest@tustinca.org](mailto:mwest@tustinca.org).

Sincerely,

A handwritten signature in blue ink, appearing to read "Allan Bernstein".

Dr. Allan Bernstein  
Mayor

cc: Tustin City Council  
Orange County Grand Jury

## Response to Findings

**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: The City partially disagrees with this finding. A more current economic and structural viability study would need to be conducted on the north hangar to determine if retention of the south hangar may significantly limit the potential economic and public benefits viability of the north hangar. The City has invested a significant amount of time and resources into the publicly available assessment plans and structural reports for the south hangar, and believes that comparable investments of time and resources should be allocated for the north hangar so development plans can be fashioned and accelerated to put the north hangar property to productive use.

**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 EDC and re-plan/redevelop the property in joinder with adjacent property under its ownership.**

Response: The City partially disagrees with this finding. The City may be in a more capable position given its existing EDC to explore alternatives for the property, but there remain many factors that would first need to occur that would impact or limit the City's determination whether to accept the property and pursue any potential redevelopment. Since the County has not withdrawn its PBC application, the City, as the LRA, is not yet able to consider and assess potential alternative future uses for the historic north hangar and associated property, let alone to negotiate with the Navy to determine price and terms of a potential EDC amendment. In addition to any negotiated land costs to the City, any use other than the proposed Regional Park will require community engagement in accordance with the base reuse planning process, CEQA and/or NEPA analysis, Tustin Legacy Specific Plan amendments for alternate land uses, and an assessment of the potential cost impacts of any mitigation measures. Nevertheless, if the County withdraws its PBC Application, the City, as the LRA would be duty bound to undertake the required analysis to determine whether to seek to add the north hangar property to the EDC or to recommend alternative disposal methods to the Navy so the impasse may be broken and the property may be put to productive use for the benefit of the local community.

## Response to Recommendation

**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 EDC to meet the objectives of the Tustin Legacy Specific Plan.**

Response: This recommendation requires further analysis. Unless the County determines to withdraw its PBC application, the City is not in a position to discuss an EDC amendment with the Navy. If the County withdraws its PBC application and waives its rights to the property, the City, as the LRA, would first need to determine appropriate future uses for the property, in accordance with the base reuse planning process. Then, prior to seeking additional property under the EDC, the City would need to undertake additional due diligence, including without limitation: (1) The City would need confirmation from the Navy as to their willingness to discuss a change from a PBC and pursue an EDC amendment; (2) The City must assess the economic costs and opportunities of the newly determined future uses, if not a regional park, (3) The City must understand price and terms of an EDC amendment from the Navy; (4) The City would need to understand the potential costs of assuming responsibility for the structural, maintenance, and redevelopment of the north hangar, the associated buildings and the site; (5) Based on any approvals for a viable land use plan, there may be a need for CEQA and /or NEPA analysis, Tustin Legacy Specific Plan land use amendments, and assessment of the cost impacts of any mitigation measures. An understanding of the aforementioned items will be instrumental in assessing whether or not to incorporate Parcel 18 into the City's EDC.

Additionally, as noted in the Grand Jury report, the City has been forced to respond to various public safety incidents that have occurred on Parcel 18 resulting in the expenditure of City public resources to secure the site and its structures. The County, as the PBC applicant and designated future owner/operator of Parcel 18 should enter into a lease or license agreement with the Navy to maintain, secure and potentially demolish improvements on Parcel 18 and thereby contribute to the health and safety of the surrounding community. This is possible even though the Navy has not completed a FOST for the property; the City has a lease from the Navy for the maintenance and security of the south hangar and additional property at Tustin Legacy that has not yet received a FOST from the Navy, similar to Parcel 18. Should the County step aside, the City as the LRA, would consider entering into a new lease with the Navy for all or portions of Parcel 18, or expanding its existing lease so Parcel 18 comes under local control.