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Potential uses of Palos Colorados - Fund 100

By Vera Kochan

The Palos Colorados project had been in development for over 30 years. It involved a 1986 original plan submittal for 146 homes and a golf course in Moraga, bordering Lafayette. After several years of litigation, Moraga, Lafayette and Richfield Real Estate Corporation agreed to a settlement surrounding the original Palos Colorados project, reducing the number of homes to 123 and no golf course.

The town created Fund 100 - One Time Developer Fees (Palos Colorados), which are unrestricted and can be used for any purpose that the town council sees fit. At this point, the Fund has approximately \$2.8 million available which may increase by an additional \$11 million in the future if the Palos Colorados 123-unit residential development moves forward and the outstanding loans are repaid.

During the council's June 22 meeting, staff presented potential uses for the funds. One suggestion was to have an emergency reserve fund to protect against any future financial or physical emergencies. Staff was directed to bring back a future agenda item regarding a possible establishment of such a fund.

According to the staff report by Town Manager Cynthia Battenberg and Parks and Recreation Director Breyana Brandt, recreation and open space enhancements should be included for consideration "to improve the nearby trail system and construct projects and improvements identified in the Parks and Recreation Master Plan and the Moraga Commons Park Site Specific Master Plan." The council decided that this issue should be discussed at a future meeting after the engagement of the Park and Recreation Commission and stakeholders with regards to potential uses and priorities related to that department's infrastructure.

Another use for the funds would be to address Moraga's unfunded pension liability. A 2019 study showed that costs will peak between 2026 and 2035. Staff recommended that the town set aside \$1 million to \$1.5 million now, in a side fund, to assist in making the liability payments during the peak years. Council members agreed on a creation of some type of supplemental pension trust.

Additionally, as directed by the town council during its June 8 meeting, a \$250,000 contribution to the John Muir Land Trust from Fund 100 for the purchase of Harvey Ranch has been added to the proposed Fiscal Year 2022-23 budget. The decision passed with a 4-1 vote. Mayor Steve Woehleke, who voted no, said the town council, representing the citizens of Moraga, "lacks adequate information on this late budget addition to review and approve a discretionary \$250,000 contribution from the Palos Colorados Fund. Deficiencies include inadequately defined required uses of the Palos Colorados one-time developer fees, and lack of input from the Moraga Park and Recreation Commission." The town received 29 public comment letters from residents in favor of the \$250,000 decision in JMLT's favor, and 3 against.

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