



Fort Ord Reuse Authority

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

ADMINISTRATIVE COMMITTEE MEETING

8:15 A.M. WEDNESDAY, SEPTEMBER 5, 2012

910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

AGENDA

1. CALL TO ORDER AT 8:15 AM
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE
4. PUBLIC COMMENT PERIOD:
Members of the audience wishing to address the Fort Ord Reuse Authority (FORA) Administrative Committee on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes. Public comments on specific agenda items will be heard at the time the matter is under Committee consideration.
5. APPROVAL OF MEETING MINUTES
a. August 15, 2012 Administrative Committee Minutes ACTION
6. AUGUST 29, 2012 FORA SPECIAL BOARD MEETING FOLLOW-UP INFORMATION/ACTION
a. Development Fee Formulaic Approach Follow-up
b. Base Reuse Plan Reassessment Next Steps
7. SEPTEMBER 14, 2012 FORA BOARD MEETING AGENDA REVIEW INFORMATION/ACTION
8. OLD BUSINESS
a. Veterans Cemetery Parcel Land Use Designations INFORMATION/ACTION
b. Habitat Conservation Plan Update INFORMATION
c. Master Resolution/Settlement Agreement Compliance –
Deed Notifications Update INFORMATION/ACTION
9. NEW BUSINESS
None
10. ADJOURNMENT TO JOINT ADMINISTRATIVE/WATER & WASTEWATER OVERSIGHT COMMITTEE

NEXT SCHEDULED MEETING: SEPTEMBER 19, 2012

*Information about items on this agenda or persons requesting disability related modifications and/or accommodations can contact the Deputy Clerk at: 831-883-3672 * 920 2nd Avenue, Suite A, Marina, CA 93933 by 5:00 p.m. one business day prior to the meeting. Agendas can also be found on the FORA website: www.fora.org.*



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ADMINISTRATIVE COMMITTEE MEETING 8:15 A.M. WEDNESDAY, AUGUST 15, 2012 910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

MINUTES

1. CALL TO ORDER

Chair Dawson called the meeting to order at 8:16 a.m. The following, as indicated by signatures on the roll sheet, were present:

Dan Dawson, City of Del Rey Oaks*
Doug Yount, City of Marina*
Elizabeth Caraker, City of Monterey*
Debby Platt, City of Marina
Heidi Burch, City of Carmel-by-the-Sea
Graham Bice, UC MBEST
Rob Robinson, BRAC
Mike Zeller, TAMC
Bob Rench, CSUMB
Carl Niizawa, MCWD
Vicki Nakamura, MPC
Kathleen Lee, Sup. Potter's Office

Pat Ward, Bestor Engineers, Inc.
Bob Schaffer, MCP
Scott Hilk, MCP
Brian Boudreau, Monterey Downs

Michael Houlemard, FORA
Steve Endsley, FORA
Jonathan Garcia, FORA
Stan Cook, FORA
Jim Arnold, FORA
Crissy Maras, FORA
Lena Spilman, FORA

* Voting Members

2. PLEDGE OF ALLEGIANCE

Brian Boudreau led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Michael Houlemard discussed the Association of Defense Communities' 2012 Annual Conference recently held in Monterey.

Mr. Houlemard also noted that FORA continued to receive comments from the Department of Toxic Substances Control, the U.S. Army, and the Environmental Protection Agency regarding their concerns about trespassing on ESCA properties and that off-duty sheriff's officers would potentially be patrolling FORA/ESCA properties in an effort to prevent further trespassing activities.

4. PUBLIC COMMENT PERIOD

Brian Boudreau stated that contractors performing work on Fort Ord were being harassed in the field by members of the public, making it difficult to get contractors to perform necessary field work.

Bob Schaeffer expressed a desire to see the patrolling officers aggressively enforce land use restrictions.

5. APPROVAL OF AUGUST 1, 2012 MEETING MINUTES

MOTION: Graham Bice moved, seconded by Doug Yount, and the motion passed unanimously to approve the August 1, 2012 Administrative Committee meeting minutes.

6. AUGUST 10, 2012 FORA BOARD MEETING FOLLOW-UP

Mr. Houlemard provided an overview of the August 10, 2012 Board meeting. Staff provided a list of the questions asked by members of the Board regarding the proposed formulaic approach to development

fees (attached). The Committee discussed the Board's concerns and took comments from members of the public regarding the formulaic approach.

MOTION: Graham Bice moved, seconded by Doug Yount, and the motion passed unanimously to direct staff to provide written answers to the presented list of Board member questions prior to and for the August 29, 2012 Board meeting.

7. OLD BUSINESS

a. Master Resolution/Settlement Agreement Compliance – Deed Notification Update

ESCA Project Manager Stan Cook inquired as to the status of the jurisdiction's deed notification filings.

b. Distribution of Draft Base Reuse Plan Reassessment Scoping Report CD

Associate Planner Darren McBain announced that CDs of the draft Scoping Report were now available for distribution. The Report was posted to the FORA website and hard copies were placed in various community libraries. Additional CDs would be available in the FORA Administration building free of charge. He noted that a public workshop would be held on Wednesday, August 29, 2012 to receive public input on the draft Scoping Report. Michael Groves, EMC, stated that all comments received by September 4, 2012 would be incorporated into the final Scoping Report.

8. NEW BUSINESS

None.

9. ADJOURNMENT

Chair Dawson adjourned the meeting at 9:13 a.m.

Minutes Prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr., Executive Officer



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BOARD OF DIRECTORS MEETING
Friday, September 14, 2012 at 3:30 p.m.
910 2nd Avenue, Marina, CA 93933 (Carpenter's Union Hall)

AGENDA

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

4. PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Fort Ord Reuse Authority ("FORA") Board on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes. Public comments on specific agenda items will be heard at the time the matter is under Board consideration.

5. CONSENT AGENDA

- a. August 10, 2012 FORA Board Meeting Minutes ACTION
- b. August 29, 2012 FORA Board Meeting Minutes ACTION

6. NEW BUSINESS

- a. *Ad-Hoc* Committee Report – Selection of Forensic Auditor INFORMATION/ACTION

7. OLD BUSINESS

- a. Ord Community Water and Wastewater Rates, Fees and Charges and Resolution of Outstanding Issues INFORMATION/ACTION
- b. Selection of FORA Annual Auditing Firm ACTION
- c. Preston Park Fiscal Year 2012/13 CIP and Rates (*cont'd from August 10, 2012 Board meeting*) INFORMATION/ACTION
- d. Veterans Cemetery Parcel Land Use Designations INFORMATION/ACTION
- e. Base Reuse Plan Reassessment – Final Scoping Report ACTION

8. CLOSED SESSION

Public Comment – Closed Session Items

- a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Four Cases
 - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M116438
 - ii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M114961
 - iii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M119217
 - iv. The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566
- b. Conference with Legal Counsel – Anticipated Litigation, Gov Code 54956.9(b) – One Case

9. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

10. EXECUTIVE OFFICER'S REPORT

- a. FORA Master Resolution Appeal Fee Amendment
- b. Outstanding Receivables
- c. Administrative Committee
- d. Finance Committee
- e. Water/Wastewater Oversight Committee
- f. Habitat Conservation Plan
- g. Public Correspondence to the Board

INFORMATION
 INFORMATION
 INFORMATION
 INFORMATION
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 INFORMATION

11. ITEMS FROM MEMBERS

12. ADJOURNMENT

DRAFT

NEXT REGULAR MEETING OCTOBER 12, 2012

*Information about items on this agenda or persons requesting disability related modifications and/or accommodations can contact the Deputy Clerk at: 831-883-3672 * 920 2nd Avenue, Ste. A, Marina, CA 93933 a minimum of 24 hours prior to the meeting.*

This meeting is being recorded by Access Monterey Peninsula (AMP) and will be televised Sundays at 9:00 a.m. on Marina/Peninsula Chanel 25 and Mondays at 7:00 p.m. on Monterey Channel 25. The video and full Agenda packet are available on FORA's website at www.fora.org.

Placeholder for Item 6a

Ad-Hoc Committee Report –
Selection of Forensic Auditor

This item will be included in the
final Board packet

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Ord Community Water and Wastewater Rates, Fees and Charges and Resolution of Outstanding Issues

Meeting Date: September 14, 2012

Agenda Number: 7a

ACTION/INFORMATION

RECOMMENDATION:

- Receive a Marina Coast Water District ("MCWD") presentation addressing questions and concerns from prior Fort Ord Reuse Authority ("FORA") Board meetings; *AND*,
- Approve Resolution #'s 12-6 and 12-7 (**Attachment A**) adopting a compensation plan and setting rates, fees and charges for former Fort Ord basewide water and sewer services; *OR*,
- Approve a budget counter-proposal under Article 7.2.1 of the Water/Wastewater Facilities Agreement (**Attachment B**).

BACKGROUND/DISCUSSION:

MCWD presented the FY 2012/13 Ord Community budgets and rates to the FORA Board at their normal and special meetings on July 13th and 26th. The Board did not approve the budgets and rates on a second vote. FORA staff recommends that the FORA Board approve Resolution #'s 12-6 and 12-7 as presented at the July 13th FORA Board meeting with the following conditions:

1. MCWD provides a presentation to the FORA Board outlining the LAFCO annexation process and demonstrating progress toward representation for all customers,
2. MCWD outlines how it will meet the contractual obligation for augmented water resources and how it will recover previous capital costs borne by Ord Community ratepayers,
3. MCWD demonstrates how it will limit future capital and planning expenditures for the former regional desalination project and direct future expenditures to the more specific purpose of an augmented water supply for the former Fort Ord, and
4. MCWD provide responses to additional questions/concerns posed by the FORA Board and members of the public at previous FORA Board meetings including: the effect of past and current rate increases on Ord Community ratepayers; smoothing debt service for capital improvement projects prior to actual development and protecting existing rate payers; MCWD staffing expenses; low-income rate options; and, explanation of the number of votes required to vote down a Proposition 218 noticed rate increase.

If the FORA Board does not approve the budget as presented, FORA staff would then recommend that the Board offer MCWD a counter-proposal. The counter-proposal, pending all provisions listed above, would include the budget as presented but would remove \$42K in listed capital expenditures and require that MCWD justify the \$50K contingency for salary increases. If the Board does not act to approve the budget or offer a counter-proposal, MCWD has indicated they will invoke the terms of Article 7.2.1 of the Facilities Agreement which states that "If FORA does not respond (to the MCWD budget proposal) within three months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted."

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time for this item is included in the approved FY 12-13 budget.

COORDINATION:

MCWD, Executive Committee, Administrative Committee, WWOC

Prepared by _____ Reviewed by _____

Crissy Maras

D. Steven Endsley

Approved by _____

Michael A. Houlemard, Jr.

The attachments referenced in this draft board report were previously attached and to conserve resources, will NOT be attached for Administrative and Executive Committee review.

All attachments WILL be included in the final board packet.

Excerpt from the Facilities Agreement referenced in the board report for item 7a:

7.1.1 FORA shall respond to MCWD within three months after receiving a proposed budget or a written request or a referral for further response pursuant to section 7.1.3. FORA's response shall state whether FORA agrees with the proposed budget or written request. If FORA does not agree, FORA's response shall identify each disputed element, shall state detailed reasons for the dispute, and shall specify a resolution acceptable to FORA. If FORA does not respond within three months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Selection of FORA Annual Auditing Firm

Meeting Date: September 14, 2012

Agenda Number: 7b

ACTION

RECOMMENDATION:

Approve the selection of Moss, Levy & Hartzheim to be the Fort Ord Reuse Authority (FORA) auditor and authorize the Executive Officer to execute a three-year audit services agreement, subject to an annual review by the FORA Finance Committee. The first audit will cover the FY ending June 30, 2012.

BACKGROUND:

At the July 13, 2012 meeting, the FORA Board authorized staff to begin the RFP process to secure a new auditor to conduct annual audits for FORA. The Finance Committee was to oversee the selection process and make a recommendation to the Board on the selection of the new auditor.

DISCUSSION:

On August 17, 2012, FORA received five audit proposals from qualified Certified Public Accounting firms to conduct the FY 11-12, FY 12-13, and FY 13-14 audits. The Finance Committee met on August 27 to review the proposals and select the most qualified firm for the Board's consideration. The Committee, the Assistant Executive Officer and the Controller evaluated the proposals using both mandatory and technical criteria as well as cost.

The Finance Committee concluded that the firm of Moss, Levy & Hartzheim, LLP of Culver City was the overall strongest proposer. The firm has an extensive background in auditing governmental entities and federal grant programs. Mr. Craig A. Hartzheim, who will be the engagement partner assigned to FORA audits, has over 27 years of audit experience.

The Finance Committee recommends that the FORA Board approve the selection of Moss, Levy & Hartzheim.

Please refer to Item 11d on this Agenda (Finance Committee report and minutes) for more detail regarding the selection of FORA auditor.

FISCAL IMPACT:

Total costs for the five FY 11-12 audits ranged from \$16K to \$27K. The recommended firm of Moss, Levy & Hartzheim was the lowest bidder and their overall fee of \$16,000 includes all services for auditing (including two single audits and out-of-pocket expenses). There is sufficient amount included in the approved FY 12-13 budget to cover this audit cost.

COORDINATION:

Finance Committee, Executive Committee.

Prepared by _____
Ivana Bednarik

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Preston Park Fiscal Year ("FY") 2012/13 Budget Items-Continued

Meeting Date: September 14, 2012

Agenda Number: 7c

ACTION

RECOMMENDATION(S):

Approve FY 2012/13 Preston Park Housing Operating and Capital Expenditure Budgets Option A or B.

BACKGROUND/DISCUSSION:

At the July 13, 2012 Fort Ord Reuse Authority ("FORA") Board meeting the Preston Park 2012/2013 Fiscal Year Operating Budget was approved. The approval included direction to return the consideration of Capital Improvement Program / rent increase for the August 10, 2012 meeting and to provide responses to tenant claims and reporting issues. At the August 10, 2012 meeting the item was pulled to address a request by FORA Board member Frank O'Connell that all Board members be given a complete copy of the Preston Park Marketing Survey and Operating Budget and to allow other agenda items more time. In prior reports the items were provided summary pages of the full reports at the request of past boards because they were quite lengthy. These items have been provided to the requesting FORA Board member and are posted online for anyone wanting to review the full documents.

The staff has reviewed the Preston Park FY 2012/13 Operating Budget and Capital Improvement Program (CIP) Assessment and recommends approval of the Capital Expenditure Budget/rent increase as noted herein:

Option A

- Approve the Operating and Capital Expenditure Program budgets (attachments A and B) reflecting a 3% rent increase and approving capital improvement expenditures. The rental increase assures that revenues keep pace with budgeted expenses and sustains the Replacement Reserve.

Option B

- Approve the Operating Budget and defer the rental increase and the proposed Capital Improvement Program.

Staff recommends **Option A** considering; 1) the Board postponed eligible(According to policy) rental increases by 15 months, 2) an increase in accord with the adopted rent formula maintains consistency of revenues with expenses, and 3) making key Capital Improvement Program expenditures will drain reserves.

The overall budget sustains FORA Board June 2010 approved formulas for setting annual market rents. The adopted formulae are: 1) **Move-ins** - establishing market rents on an on-going basis according to a market survey, and 2) **Existing tenants** - increase rent once a year by the lesser of 3% or the Consumer Price Index.

Follow-up Issues from June 8, 2012 Board Meeting

- Resident Complaints- Several Preston Park residents stated that they were threatened, intimidated, and or treated disrespectfully when they expressed concerns about conditions at the Preston Park Apartments. FORA and Alliance staff have contacted the speakers and were informed that the incidents happened after attendance at a Marina City Council meeting and that they were unable to identify the persons involved. FORA staff is continuing to investigate this matter.

Follow-up issues from August 10, 2012 Board Meeting

- Board member Frank O'Connell Concerns received August 9, 2012

ITEM 7c PRESTON PARK FISCAL YEAR 2012/13 and RATES
ALLIANCE Responses- 08/20/2012

1. **Water Heaters:** They have not been strapped in compliance with the law. I have been informed that completion of the double straps will be done no later than **8/17/12**.

Alliance Response: Water heaters have never been double strapped confirming the statement above, this project was completed August 20, 2012.

2. **Market Survey:** The Market Survey is not attached to the staff report and to date has never been submitted to the board for review. **Attachment C** is nothing more than an itemization as to the Preston Park residences. I have personally asked for the market survey and was promised the same. It has not been provided.

*During the Marina City Council session on Abrams Park (also manage by Alliance) the survey was provided and it showed that the monthly rent on several of the comparative apartment complexes had decreased from the previous year.

Alliance Response: A full printable version of the market survey, part of which is Attachment B, had been made available to FORA. The summary page was printed and included in all the FORA Board Reports It is also available as part of the financial operating package submitted to FORA monthly. It has been sent to Mayor Pro Tem O'Connell.

- a. The claim of 16% below market rate for in-place residents at PP is simply not supported by any documents submitted to date to the board.

Alliance Response: FORA has been provided with the budget full budget package, which provides detailed information to include the average gain to lease for each new move-in (market rents). At the time of budget preparation, the average differential between the average in place rent and market rent was 16%. Full report sent to Frank O'Connell.

3. The inconsistencies between the Alliance letters and the budget summary continue.

***FOR A staff is requested to provide the board members with a copy of the 7/20/12 from Alliance to FOR A's executive officer with this attachment.**

a. On May 20, 2012, June 1, and 20, 2012 Alliance sent letters to the FORA payroll burden/benefits equals \$398,736.00 for projected 2012 and \$421,627.00 for proposed 2013.

Alliance Response: See Preston Park Payroll Breakdown by Classification in **b.** below.

b. The budget summary page, **Attachment A, page 1 to this agenda** shows: \$410,059.00 for 2012 and \$434,036.00 for 2013. An unexplained difference of: 2012 more than \$11,000.00 2013 more than \$12,000.00 Alliance has had months to explain the discrepancy and has failed to do so.

Alliance Response: As explained in previous board meetings, prior versions of the budget memo provided variance explanations for subcategories within the payroll line item which had notable variances. There appeared to be confusion for some Board members, as only certain subcategories with notable variances were listed – and since not all subcategories were listed, if added together – they did not match the total payroll number found on the main budget sheet used in the FORA board package. In order to ease the concerns, the primary (rolled up) payroll number was used in the memo, and explanations were also rolled up. The previous methodology of reporting used had been at the request of The City of Marina Asset Management team during subsequent years.

PRESTON PARK PAYROLL BREAKDOWN BY CLASSIFICATION

PAYROLL	Proposed 2013	Projected 2012	Variance	Variance %
Administrative Salaries	\$125,919	\$114,708	(\$11,211)	-9.8%
Maintenance Salaries	\$194,682	\$178,128	(\$16,554)	-9.3%
Bonus	\$11,788	\$10,654	(\$1,134)	-10.6%
Payroll Taxes	\$33,576	\$26,228	(\$7,347)	-28.0%
Payroll Benefits and Burden	\$67,450	\$60,658	(\$6,764)	-11.1%
Non-Staff Labor	\$0	\$18,987	\$18,987	100%
New Hire Expense	\$621	\$667	\$46	7.0%
Total Payroll	\$434,036	\$410,059	(\$23,977)	-5.8%

4. **Bullet point 5** on page 2 of this staff report states an “amenity charge” as the reason for the difference. What is the amenity charge?

Alliance Response: The amenity charge is \$25 for units that are premium end unit locations.

5. Also in that bullet point it states "The actual rent for in-place residents is **\$1,146.00-\$1,555.00**.

- a. This is not a true statement. **Attachment B of this agenda item** shows a low of \$1,455.00 not \$1,146.00

Alliance Response: Attachment B is a Market Survey indicating market rents for New Residents only. The market survey is not a tool or a report to measure in place rents, which is the \$1,146 referenced above.

- b. Also the letter of 6/20/12 shows a range of **\$1,455.00-1,890.00** for in-place 3 bedroom units, but Attachment B shows a range of **\$1,830.00-\$1,855.00**.

Alliance Response: There are three apartment homes in Preston Park which have amenities above and beyond a typical home. As they are not currently available, they are not included in the Market Survey. One of those upgraded apartments is a three bedroom home which is currently occupied a rate of \$1890 per month, and therefore included in the memo as the highest rent for an in place rent.

6. **Alliance's verbal response to these concerns should not be accepted. A written explanation given in advance of the next board meeting is necessary so that the board can make a competent, informed and proper decision.**

Alliance Response: Please see the comments above.

Alliance is playing fast and loose with numbers and has to be held accountable.

Alliance Response: Information provided to the board is done so in good faith. FORA staff made the decision to provide the summary copies as attachments because of the size of the documents (40 and 140 forty pages). Alliance endeavors to provide timely and reliable information, and has been and will continue to be available to answer questions, provide clarification and make changes as necessary or requested.

1. An updated letter to the executive officer has to be provided with accurate information.

Alliance Response: Please see responses above.

2. The actual survey of March 2012 has to be provided to the executive officer.

Alliance Response: As stated above, a market survey has been provided to FORA and is available for review.

3. Each of those documents must be provided to the FORA Board prior to a decision being made by the board.

Alliance Response: All documents as requested have been provided to Board member O'Connell and posted on the FORA Website.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Both options provide FORA adequate revenue to cover the Preston Park loan debt service.

COORDINATION:

FORA Staff, Alliance Staff, Administrative Committee, Executive Committee.

DRAFT

Prepared by _____ Approved by _____
Robert J. Norris, Jr. Michael A. Houlemard, Jr.

June 20, 2012

Mr. Michael Houlemard, Jr.
Fort Ord Reuse Authority
920 Second Avenue Suite A
Marina, California 93933

Re: Preston Park 2012-2013 Proposed Budget

Dear Mr. Houlemard:

Pursuant to the terms outlined in the Management Agreement between the Fort Ord Reuse Authority and Alliance Communities, Inc and in accordance to the management agreement, please find enclosed the proposed Fiscal Year (FY) 2012 - 2013 budget for Preston Park. We will solicit input from Fort Ord Reuse Authority staff and residents. Residents will be notified in writing one week before the draft budget will be available at the management office and that we will be conducting a meeting to review and discuss the budget.

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey and associated charges to residents such as late fees. The proposed budget reflects projected revenues according to the formulas. The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year.

The formula states that the annual increase in market rents for in-place tenants shall be capped at the lesser of three percent (3%) or the Department of Labor's Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) Average percentage for the previous calendar year to be applied to the next fiscal year, provided that the increased rent for in-place tenants does not exceed the market rent charged to move-in tenants. Last year a proposed increase of 1.8% was approved by Board for the 2011/2012 FY, then rescinded. The current budget reflects the maximum rent increase of three percent (3%), which represents the only increase given to in-place residents over the past 24 months.

Current Market Rent Conditions

The average two bedroom apartment in Marina rents for between \$1,100 and \$1,423 per month, which does not consider utilities. Please refer to the explanation below for further detail. Additionally, the comparables as outlined in the market survey of March 2012 (attachment C) are significantly smaller in square footage than units at Preston Park.

As a point of measurement, the competitive set as represented in the market study provided as part of the budget package, reflect an average effective rent per square foot range of \$1.29 - \$1.61 psf. Preston Park's market rent average is \$1.17. If a \$100 per month allowance is added for water, trash and sewer expenses, this increases the rent per square foot average at Preston Park to \$1.24, which is still no less than \$.05 less than the lowest rent in the market place and up to \$.37 psf less than the competitive properties with the highest effective rent per square foot in the market place.

In addition to the two-bedroom floor plans, Preston Park offers unique three bedroom town home floor plans, each with front and back yards, ample storage and garages, unlike comparative apartments in the surrounding area.

Preston Park residents are responsible for paying their own utilities; such as gas, water, electricity, sewer and trash. The market rate rent is adjusted to compensate for the cost of water use, utility costs and garbage not paid by residents at other communities in the area. Therefore, the budget assumes adjustments in rental rates in order to compensate such costs.

Utility costs for 2011 - 2012 as published by the Housing Authority of the County of Monterey (HACM) are as follows:

	<u>Two Bedroom</u>	<u>Three Bedroom</u>
Water	\$19	\$20
Sewer	\$13	\$13
Garbage	\$17	\$19
Heating	\$9	\$10
Wtr Htg Gas	\$15	\$16
Cooking-Gas	\$8	\$9
Electric-other	\$17	\$18
Total	\$98	\$105

These rates are used to measure Preston Park's competitiveness in the market place once utility expenses, typically provided by other competitive properties, are taken into account against the rental rate. Please refer to the measurement above.

Market Rents – In Place Residents

At this time, the proposed 2012/2013 budget assumes a 3% increase for in place residents, which is in line with the approved rent formula, which is the lesser of three percent (3%) or the Department of Labor's Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) Average percentage for the previous calendar year will be applied. This year, the year over year CPI increase described above was 3%. The rents proposed in the budget under the assumption of three percent increase are as follows (Application of rent formula below):

In-Place Market Rate Rents			
Unit Size	Current Rent Range FY11/12	Proposed FY12/13 Rent	Change 8/1/12
Two Bedroom	\$1,146 - \$1,530	\$1,180 - \$1,602	\$34 - \$47
Three Bedroom	\$1,455 - \$1,890	\$1,499 - \$1,947	\$44 - \$57

As shown on the attached Market Survey of March 2012, the proposed in-place market rents are within range of comparable units in the Marina/Seaside rental market.

The rent increases above reflects a 3% increase which translates to between \$34 and \$57 respectively. Where an in place resident falls in that rent increase range will depend on their tenure at the property and move-in date. Please note, as no rent increase was given during the 2011/2012 fiscal year, the 3% increase proposed represents the first increase in rent in the last 24 months.

Should FORA elect to forego the proposed 2012/2013 rent increase which is represented in the budget provided; the potential income will be reduced by \$85,254.00.

Market Rents – Incoming Residents

The market rents for new move-ins are fluid throughout the year and change with the market conditions. Today, market rents for new move-ins are as follows:

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	\$1,505 - \$1,555
Three Bedroom	\$1,830 - \$1,855

*Incoming rates are subject to change on an ongoing basis. The budget assumes 3% increase in market rents for incoming residents, which is not reflected in the table above as these rates represent the current asking rents.

Affordable Rental Rates

Affordable rental rates are derived from median income schedules published by governmental agencies. Rental rates at Preston Park are based upon 50% and 60% of the median income for Monterey County. The U.S. Department of Housing and Urban Development calculates the maximum household income by family size in Monterey County, generally once a year. The rental rates are based upon families at 50% and 60% of the Monterey County median income for 2012 and allowances for the cost of utilities (as published by MCHA) are as noted on page 3 of this letter.

New rates for 2012 were published in January 2012 by HUD.

2011/2012 Rent	Two Bedroom	Three Bedroom
50% (very low)	\$656	\$731
60% (low)	\$807	\$900

Maximum Household Income Limits for 2012.

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50%	\$27,700	\$31,150	\$34,600	\$37,400	\$40,150	\$42,950	\$45,700
60%	\$33,240	\$37,380	\$41,520	\$44,880	\$48,180	\$51,540	\$54,840

Rental Increase Implementation & Lease Signing

Upon Fort Ord Reuse Authority approval of the budget, rental increase notices will be mailed out on or before July 31, 2012; the new rental rates will become effective on September 1, 2012. Rents for in-place residents at market or affordable are increased once per year. New residents will be required to sign lease terms of month to month or six months, but can be converted to a month-to-month lease upon expiration, per the December 28, 2011 Council directive. Current residents are also welcome to sign lease terms beyond their current month-to month agreement.

Occupancy

The budget assumes an average occupancy rate of 97.7% for the fiscal year. The proposed occupancy rate factor allows enough time to prepare units immediately after a resident vacates the community, as well as sufficient time to place qualified applicants. Based on the local and surrounding counties, the occupancy rate is well within the acceptable range. When a unit is vacated, Alliance strives to fill the vacant unit within 5 to 10 business days, working from the waiting list if applicable. The average economic vacancy loss during the 2011/2012 fiscal year was only 1.9%, approximately 1% more than the properties physical vacancy. This indicates that the average unit vacated was turned and reoccupied within one week from the previous resident's date of move-out.

The following highlights those categories of expenses with significant changes from the FY 2011-12 budget.

<u>Expenses</u> Account	Proposed 2013	Projected 2012	Variance	%	Comments
SALARIES	\$320,601	\$311,823	(\$8,778)	-2.8%	Increase due to annual salary increases (2.7%) as well as the State of California's approval of a Workers' comp increase of 38%.
PAYROLL TAXES	\$33,576	\$26,228	(\$7,348)	-28.0%	
PAYROLL BURDEN/BEN	\$67,450	\$60,685	(\$6,764)	-11.1%	
UTILITIES	\$96,660	\$93,075	(\$3,585)	-3.9%	Increase assumes a 3% rate increase obtained by utility companies.
MARKETING	\$13,047	\$7,883	(\$5,164)	-65.5%	Increase due to the addition of Property Solutions, a comprehensive on line system which combines the properties branded webpage with a rich Resident Portal, lead management system, marketing control program, and telephone training portal.
PROFESSIONAL SERVICES	\$143,601	\$130,924	(\$12,676)	-9.7%	Alliance management fee remains 2.5% per contract, but increased rent revenue would result in increase in management fees paid to Alliance. Variance

primarily driven by allowance for bi-annual audit.

INSURANCE	\$185,020	\$174,426	(\$10,594)	-6.1%	Based on renewed insurance contract bound in December 2011.
AD-VALOREM TAXES	\$103,104	\$101,727	(\$1,377)	-1.4%	Increase based on estimated taxes per Accounting assumptions.
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%	Reduced number of anticipated door replacements in 2013 as is presently budgeted as a planned capital replacement item.

Capital Reserves Fund

In accordance with the 2011 reevaluation of the Replacement Reserves Study conducted in April 2008, Alliance recommends a reserve withholding of at least \$2,076 per unit during the 2012/2103 fiscal period. This withholding would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings.

Capital Improvement Program

The 10-Year CIP was updated with the review of the property's as built plans that were transferred from the offices of Mid-Peninsula Housing Coalition in November of 2010.

Forrest White, Director of Asset Engineering and Robert Gochee, Asset Engineering Project Manager at Alliance Residential are the managers of capital improvement projects at Preston Park.

- Please refer to attached Capital Improvement Plan (CIP) budget for details. Recommended expenditures have been listed in priority order with relevant benefits and costs identified.

Accomplishments

It has been a pleasure working with residents and the Fort Ord Reuse Authority over the past year. With the support of residents a number of positive changes have occurred within Preston Park.

Some of Alliance's accomplishments include:

- 1) Common Area Maintenance: Pet Waste Stations were installed at each playground and bus stop
- 2) Communication Tools: A monthly newsletter is personally delivered to every home once a month. Residents are encouraged to contribute to the newsletter. The newsletter provides information on community related events, good housekeeping rules for the community and safety tips.
- 3) Marina Police Department Coordination: Management staff and the Marina Police Department work closely in efforts to clean up the property, including vehicle abatement, parking on the grass, double parking, vehicles with expired tags, and abandoned vehicles.
- 4) Long Term Residents: We continuously strive to upgrade the units of our long term residents by painting, upgrading appliances, and replacing flooring.
- 5) 2011/2012 Capital Improvement Program: We are optimistic that the FORA Board will promptly execute the capital project management agreement approved in February which will enable the following enhancements at the property:
 - i. Roof Repairs
 - ii. Exterior Painting Project
 - iii. Lighting Upgrades
 - iv. Exterior Doors and Windows
- 6) Resident Events: Preston Park Management was pleased to host the following Resident events during the 2011/2012 fiscal year:
 - i. Back to School Supply Giveaway
 - ii. Halloween Trick or Treat Activity
 - iii. December "Wrap It Up" Party
 - iv. Movie and Popcorn Pass Give Aways
 - v. Leap Year Celebration
 - vi. SpEGGtacular Earth day Event
- 7) Service Request Responsiveness: The Preston Park Management Team strives to provide Residents with the best and highest service possible. In 2011/2012 more than 1,790 service requests have been processed to date. The average completion time for standard work order requests has been 2 business days or less.

Summary of Preston Park FY2012/2013 Budget

	<u>2012/13 Budget</u>	<u>2011/12 Projected</u>	<u>Variance</u>
Total Income	\$5,424,026	\$5,251,798	\$172,227
Total Expense	\$1,462,937	\$1,449,320	(\$13,617)
Net Income	\$3,961,089	\$3,802,478	\$158,611

We will continue to look for new ways to improve our services over the coming year and remain committed to meeting the objectives set by the Fort Ord Reuse Authority.

Please feel free to contact me should you have additional questions or concerns at (408) 396-8341. I look forward to receiving approval of the final budget prior to July 31, 2012, in order to implement rental increases by September 1, 2012.

Regards,

Corinne Carmody
Regional Manager

Cc: Jonathan Garcia, FOR A
Ivana Bednarik, FOR A
Robert Norris, FOR A
Jim Krohn, Chief Financial Officer, Alliance Communities, Inc.
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

Attachments: 2012/2013 Budget; Market Survey

DRAFT

Capital Improvement Plan (CIP)

DRAFT

PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (9 Year Look Forward - Alliance Residential Recommendation)

Updated: 5/10/2012

Project	Detail	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
1410										
Resident Business Center	FF&E	\$ 12,000								
Fence Slat Replacement	Replacement	\$ 71,064								
Site Lighting Repair / Replacement /Install	*Exterior site upgrades	\$ 265,849								
Roof	*Replacement	\$ 1,311,893								
Exterior Paint	*Full Paint	\$ 398,008						\$ 283,200		
Building Exterior	*Dryrot Repairs		\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 75,000	\$ 2,000	\$ 2,000
Carbon Monoxide Detectors		\$ 33,060								
Exterior Unit Doors and Windows	*Replacement	\$ 1,557,000					\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Playgrounds	*Replacement			\$ 125,000						
Landscape/ Irrigation	*Replacement / Upgrades		\$ 204,864							
Leasing Office / Signage	*Upgrades		\$ 107,600							
1415										
New Office Computers	Replace existing old computers	\$ 2,600					\$ 2,600			
1416										
One Maintenance Truck	Needed for hauling etc...	\$ 14,000				\$ 15,000				\$ 15,000
1420										
Seal Coat Streets		\$ 155,787					\$ 155,787			
1425										
Dishwasher	replacement (assume 10 year life)	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200
Refrigerators	replacement (assume 15 year life)	\$ 14,400	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650	\$ 12,650
Range	replacement (assume 15 year life)	\$ 16,524	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Garbage Disposal	replacement (assume 10 year life)	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345	\$ 2,345
Hot Water Heaters	replacement (assume 15 year life)	\$ 16,200	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250	\$ 17,250
Carpet	replacement (assume 5 year life)	\$ 38,400	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600	\$ 113,600
Vinyl	replacement (assume 10 year life)	\$ 66,300	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250	\$ 19,250
HVAC Furnace	replacement (assume 20 year life)	\$ 26,400	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300
1430			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 285,700	\$ 2,500
Applicable Construction Management Expenses	Miscellaneous (see * items)	\$ 211,965	\$ 18,748	\$ 7,500	\$ -	\$ -	\$ -	\$ 21,492	\$ 150	\$ 150
Annual Reserve Expenses (uninflated)		\$ 4,223,995	\$ 535,307	\$ 336,595	\$ 204,095	\$ 219,095	\$ 367,482	\$ 869,987	\$ 209,245	\$ 224,245
Inflation Factor		0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Annual Reserve Expenses (Inflated)		\$ 4,223,995	\$ 548,690	\$ 345,010	\$ 209,197	\$ 224,572	\$ 376,669	\$ 891,737	\$ 214,476	\$ 229,851
Reserve Withholdings per Year		\$ 734,976	\$ 734,976	\$ 283,200	\$ 283,200	\$ 283,200	\$ 283,200	\$ 283,200	\$ 283,200	\$ 283,200
Reserve Fund BEFORE Expense		\$ 4,687,035	\$ 1,198,016	\$ 932,526	\$ 870,717	\$ 944,719	\$ 1,003,347	\$ 909,878	\$ 301,341	\$ 370,065
Reserve Fund AFTER Expense		\$ 463,040	\$ 649,326	\$ 587,517	\$ 661,519	\$ 720,147	\$ 626,678	\$ 18,141	\$ 86,865	\$ 140,214

Attachment B to Item 7c
09/14/12 FORA Board meeting

**PRESTON PARK
2013 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF**



Description	2013 Total	2012 Projected	Variance	Variance %
Physical Occupancy	98.01 %	99.01 %		
Economic Occupancy	99.27 %	96.70 %		
Gross Market Potential	\$5,419,588	\$5,388,452	\$33,136	0.6%
Market Gain/Loss to Lease	\$132,334	(\$87,610)	\$219,943	251.0%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$63,064)	(\$37,260)	(\$25,804)	-69.3%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$107,776)	(\$52,696)	(\$55,079)	-104.5%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$493	(\$493)	-100.0%
Bad Debt Expense	(\$932)	(\$583)	(\$349)	-59.8%
Other Resident Income	\$36,244	\$36,094	\$150	0.4%
Miscellaneous Income	\$7,632	\$6,909	\$723	10.5%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$5,424,026	\$5,251,798	\$172,227	3.3%
PAYROLL	\$434,036	\$410,059	(\$23,977)	-5.8%
LANDSCAPING	\$70,700	\$70,865	\$165	0.2%
UTILITIES	\$96,660	\$93,075	(\$3,585)	-3.9%
REDECORATING	\$81,744	\$82,160	\$416	0.5%
MAINTENANCE	\$82,332	\$81,542	(\$790)	-1.0%
MARKETING	\$13,047	\$7,883	(\$5,164)	-65.5%
ADMINISTRATIVE	\$57,606	\$57,189	(\$417)	-0.7%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$143,601	\$130,924	(\$12,676)	-9.7%
INSURANCE	\$185,020	\$174,426	(\$10,594)	-6.1%
AD-VALOREM TAXES	\$103,104	\$101,727	(\$1,377)	-1.4%
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%
TOTAL OPERATING EXP	\$1,281,849	\$1,227,473	(\$54,376)	-4.4%
NET OPERATING INCOME	\$4,142,177	\$4,024,326	\$117,851	2.9%
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$173,088	\$215,698	\$42,610	19.8%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$6,000	\$6,150	(\$1,850)	-30.1%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
NET INCOME	\$3,961,089	\$3,802,478	\$158,611	4.2%
CAPITAL EXPENDITURES	\$4,223,995	\$191,785	(\$4,032,210)	-2102.5%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$734,976	\$734,976	\$0	0.0%
REPLACEMENT RESERVE REIMBURSE	(\$4,223,995)	(\$203,682)	\$4,020,313	1973.8%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,399,201	\$3,295,067	(\$104,104)	-3.2%
DEPRECIATION AND AMORTIZATION	(\$173,088)	(\$215,698)	(\$42,610)	-19.8%
NET CASH FLOW	(\$0)	\$0	(\$1)	-413.5%

Approvals

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Veterans Cemetery Parcel Land Use Designations

Meeting Date: September 14, 2012

Agenda Number: 7d

INFORMATION/ACTION

RECOMMENDATION(S):

1. Receive a report on the Veterans Cemetery Parcel land use designations.
2. Direct staff to implement option #1, #2, or #3 (described below and in **Attachment A**) concerning the Veterans Cemetery Parcel Land Use Designations.

BACKGROUND/ DISCUSSION:

At the August 10, 2012 FORA Board meeting, Director Ian Oglesby made a request concerning the Veterans Cemetery Parcel, asking staff to bring back a report on implementing the FORA Board's past direction or intent concerning land use designations.

Staff analyzed this request in an August 31st, 2012 memorandum (**Attachment A**) to the FORA Administrative Committee and presented three options for the Committee's review. These options included:

- 1) Provide no new direction to staff or EMC Planning Group on this item and await legislative land use decision and development entitlement submitted from Monterey County and/or City of Seaside. Appropriate CEQA review would be paid for by the jurisdiction.
- 2) Direct EMC Planning Group to include BRP Land Use Concept Map and text amendments affecting the Veterans Cemetery Parcel as a consideration in the BRP Reassessment Report (draft report scheduled to be completed in October 2012) as a potential action item for consideration in January 2013.
- 3) Begin process to complete Base Reuse Plan ("BRP") Land Use Concept Map and text amendment along with the appropriate level of California Environmental Quality Act ("CEQA") review to change land use designations within the City of Seaside and County of Monterey for the Veterans Cemetery Parcel to be consistent with the 2008 CCCVC Draft Development Master Plan, the April 3, 2009 Veterans Cemetery MOU, October 9, 2009 and January 7, 2010 correspondence between FORA and City of Seaside staff, the May 2011 OEA grant deliverables, and the March 2, 2012 Veterans Cemetery MOU. The first step to implement this option would involve a contract amendment with EMC Planning Group for the additional work, which would likely require a significant allocation of additional funds above the current budget adopted in July 2010. There is currently no budget allocated for this activity. City of Seaside would be expected to enter into an agreement whereby they reimburse FORA for the

CEQA work related to the milestone for review of Endowment Fund Opportunity Parcel already required.

At its September 5, 2012 meeting, the Administrative Committee recommended option #__ for consideration by the FORA Board.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time related to this item is included in the FY12-13 budget. The additional cost for CEQA review under option #3 is not included in the FY12-13 budget.

COORDINATION:

Executive and Administrative Committees.

DRAFT

Prepared by _____ Reviewed by _____
Jonathan Garcia Steve Endsley

Approved by _____
Michael A. Houlemard, Jr.



Fort Ord Reuse Authority

100 12th Street, Building 2880, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

Attachment A to Item 7d
FORA Board Meeting, 9/14/2012

MEMORANDUM

Date: August 31, 2012

To: Fort Ord Reuse Authority ("FORA") Administrative Committee

CC: Michael A. Houlemard, Jr., Executive Officer
Steve Endsley, Assistant Executive Officer
Robert Norris, Principal Analyst

From: Jonathan Garcia, Senior Planner

Re: Veterans Cemetery Parcel Land Use Designations

Background:

At the August 10, 2012 FORA Board meeting, during "Item 11 - Items from Members," Director Ian Oglesby made the following request:

"that staff clarify, correct, and if necessary prepare amendments for, the land use designations of certain parcels of land in the Fort Ord Reuse Plan commonly referred to as the Veterans Cemetery Parcel, the Development Area with Habitat Restoration Opportunity Parcel, the Endowment Fund Opportunity Parcel, and the Ancillary Parcels and any other parcels related to development of a veterans cemetery in the Parker Flats Area of former Fort Ord ("Veterans Cemetery Parcels") by undertaking the following actions:

1. Identify and review all past FORA Board directions, approvals, agreements, documents, reports and any other actions that may have resulted in revisions or changes to the text, maps, charts and other graphic depictions of the Fort Ord Reuse Plan with respect to the Veterans Cemetery Parcels and immediately perform and complete any clerical corrections to the Fort Ord Reuse Plan text, maps, charts and other graphic depictions necessary to ensure that the Fort Ord Reuse Plan documents accurately reflect past FORA Board actions with respect to the Veterans Cemetery Parcels;
2. Identify and review all past FORA Board directions, approvals, agreements, documents, reports and any other actions that demonstrate or confirm the board's intent regarding future actions affecting the Fort Ord Reuse Plan designation of the Veterans Cemetery Parcels and initiate an amendment or amendments to the Fort Ord Reuse Plan to fully implement the board's intent regarding the Fort Ord Reuse Plan designations and uses for the Veterans Cemetery Parcels; and

3. That any clerical corrections be completed as soon as possible and any amendments be brought to this board for action at its September 2012 meeting.”

In response to this request, staff reviewed past FORA Board actions. Before 2007, the Board's actions pertaining to the Veterans Cemetery land uses consisted of:

- FORA Board Adopted the 1997 Base Reuse Plan (BRP) on June 13, 1997. Land use designations in the land use concept maps [Fig. 3.3-1 and 3.3-2] included Military Enclave within the City of Seaside portion and Single Family Dwellings (SFD) Low Density Residential within the County of Monterey portion of the Veterans Cemetery Parcel [Army Corps of Engineers (COE) Parcels E18.1.1 (approximately 100 acres within Seaside) and E18.1.2 (approximately 78 acres within the County)]. The Veterans Cemetery (VC) land use symbol in the land use concept maps was included in the republished 1997 BRP (2001). Attached is **Exhibit A** (http://www.basereuse.org/reuseplan/Maps/RUPlan/3_3_1/3_3_1.htm) showing specific land use designations for this area depicted in Fig. 3.3-1.
- FORA Board determination that the City of Seaside's August 12, 1998 General Plan amendment was consistent with the 1997 BRP, which sustained the 1997 BRP underlying land use designations (December 11, 1998).
- FORA Board determination that Monterey County's November 20, 2001 General Plan amendment was consistent with the 1997 BRP, which sustaining the 1997 BRP underlying land use designations (January 18, 2002).
- FORA Board determination that the City of Seaside's August 5, 2004 General Plan was consistent with the 1997 BRP, altering the City of Seaside Veterans Cemetery Parcel designations to Park and Open Space (December 10, 2004). Attached is **Exhibit B** (<http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=591>) to show the specific land use designations for this area depicted in the 2004 Seaside General Plan Land Use Policy Map.

Below is a summary of recent FORA Board actions (2007 to present) affecting the Veterans Cemetery:

- November 9, 2007 - FORA Board authorized the Executive Officer to enter into a reimbursement agreement with Monterey County for preparation of a Veterans Cemetery Development Master Plan [Figure 5.01 on page 31 of the September 2008 Draft Veterans Cemetery Development Master Plan (attached as **Exhibit C**) (http://www.co.monterey.ca.us/va/downloads/09-11-2008_Vet_Cem_Fort_Ord_DevMP_Final.pdf)].
- February 13, 2009 - FORA Board took an action to invest a portion of FORA's share of land sales revenue to help in creating the state enacted endowment fund.
- April 3, 2009 - FORA Board authorized the FORA Executive Officer to enter into an MOU regarding Central Coast Veterans Cemetery endowment funding (signed on April 28, 2009) (<http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=1913>).
- June 12, 2009 - FORA Board authorized the FORA Executive Officer to submit a grant application to the Office of Economic Adjustment (OEA) for grant funds to support infrastructure analysis and design in the Central Coast Veterans Cemetery planning area.
- May 13, 2011 - FORA Board accepted OEA grant deliverables completed by Whitson Engineers and their sub-consultants (Central Coast Veterans Cemetery-Conceptual Master Plan – Figure 4 is available at the following website: <http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=5121>).

- August 12, 2011 - FORA Board authorized the Executive Officer to execute the Veterans Cemetery Memorandum of Understanding (signed on March 2, 2012) (**Exhibit D**).

Below is correspondence related to the Veterans Cemetery Parcel land uses between the FORA and City of Seaside staff:

- October 9, 2009 – Letter from Stan Cook to Diana Ingersoll concerning confirmation of future Land Uses in Parker Flats (**Exhibit E**).
- January 7, 2010 – Letter from Diana Ingersoll to Stan Cook concerning confirmation of Planned Land Uses in the Parker Flats Area (**Exhibit F**).

The current and proposed land use designations are described in Table 1 below (italicized land use designations demonstrate proposed changes from current land use designations). Proposed land use designations are derived from the FORA, City of Seaside, and County of Monterey's intent to change Veterans Cemetery Land Use designations (see discussion below).

Table 1 – Current and Proposed Land Use Designations for the Veterans Cemetery Parcel			
Parcel Name (jurisdiction)	Approx. Acreage	Current Land Use Designation(s)	Proposed Land Use Designation(s)*
Endowment Fund Opportunity Parcel (Seaside)	28.7	Open Space/Recreation	<i>SFD Low Density Residential</i>
Endowment Fund Opportunity Parcel (County)	1.7	SFD Low Density Residential	SFD Low Density Residential
Ancillary Parcels (Seaside)	1.5	Open Space/Recreation	<i>Office</i>
Ancillary Parcels (County)	2	SFD Low Density Residential	<i>Office/Visitor Serving</i>
Development Area with Habitat Restoration Opportunity (Seaside)	30.40	Open Space/Recreation	Open Space/Recreation
Development Area with Habitat Restoration Opportunity (County)	15.5	SFD Low Density Residential	<i>Open Space/Recreation</i>
CCCVC (Seaside)	32.2	Open Space/Recreation	Open Space/Recreation
CCCVC (County)	52.2	SFD Low Density Residential	<i>Open Space/Recreation</i>

Discussion:

The request involved reviewing “past FORA Board directions, approvals, agreements, documents, reports and any other actions that may have resulted in revisions or changes to the text, maps, charts and other graphic depictions of the Fort Ord Reuse Plan with respect to the Veterans Cemetery Parcel and immediately perform and complete any clerical corrections to the Fort Ord Reuse Plan.” It is important to note that the 1997 BRP does not discuss the Veterans Cemetery in the text of the document and, before this request was submitted, no formal request has been made

to change the 1997 BRP to include the Veterans Cemetery in the text of the document. However, after reviewing the background material, it is apparent that the FORA Board and local community have a track record of supporting the California Central Coast Veterans Cemetery (CCCVC). Future changes to the BRP could include discussion of the Veterans Cemetery in the document text and a different set of land use designations for the Veterans Cemetery Parcel to facilitate its development.

In addition to developing a site plan for the CCCVC (Fig. 5.01), the September 2008 CCCVC Draft Development Master Plan determined that a private cemetery or residential use would provide both the highest and best use for the Endowment Fund Opportunity Parcel, the ancillary development parcels (chapel, museum, veterans hall, and amphitheater) would complement the Veterans Cemetery, and the southern one-third of the site could provide development or habitat mitigation opportunities. However, environmental review has not yet been completed on the CCCVC Draft Development Master Plan and, as a result, the Plan has not been formally adopted by a public agency. Correspondence between FORA and Seaside staff confirms that it is Seaside's intent that the Endowment Fund Opportunity Parcel land use be residential. The City of Seaside has not yet completed land use designation changes within the Veterans Cemetery Parcel. However, the March 2, 2012 Memorandum of Understanding provides a list of milestones that the Parties will endeavor to follow. One of those milestones is for the City of Seaside to conduct Environmental Review of Endowment Parcel use(s) by March 1, 2013.

Conclusion:

The FORA Board has not formally adopted land use designation changes to the Veterans Cemetery Parcel since it found the County of Monterey 2001 General Plan amendment and Seaside 2004 General Plan consistent with the 1997 Base Reuse Plan. However, FORA, the City of Seaside, and County of Monterey have shown an intent that the Veterans Cemetery Parcel land use designations be modified in the future to be consistent with the 2008 CCCVC Draft Development Master Plan, the April 3, 2009 Veterans Cemetery MOU, October 9, 2009 and January 7, 2010 correspondence between FORA and City of Seaside staff, the May 2011 OEA grant deliverables, and the March 2, 2012 Veterans Cemetery MOU (reflected in Table 1 proposed land use designations). Such changes to the Land Use Concept map and text to the BRP would need an appropriate level of environmental review to accompany them. Staff recommends consideration of the following three options before proceeding.

Options:

- 1) Provide no new direction to staff or EMC Planning Group on this item and await legislative land use decision and development entitlement submitted from Monterey County and/or City of Seaside. Appropriate CEQA review would be paid for by the jurisdiction.
- 2) Direct EMC Planning Group to include BRP Land Use Concept Map and text amendments affecting the Veterans Cemetery Parcel as a consideration in the BRP Reassessment Report (draft report scheduled to be completed in October 2012) as a potential action item for consideration in January 2013.
- 3) Begin process to complete Base Reuse Plan ("BRP") Land Use Concept Map and text amendment along with the appropriate level of California Environmental Quality Act ("CEQA") review to change land use designations within the City of Seaside and County of Monterey for the Veterans Cemetery Parcel to be consistent with the 2008 CCCVC Draft Development Master Plan, the April 3, 2009 Veterans Cemetery MOU, October 9, 2009 and

January 7, 2010 correspondence between FORA and City of Seaside staff, the May 2011 OEA grant deliverables, and the March 2, 2012 Veterans Cemetery MOU. The first step to implement this option would involve a contract amendment with EMC Planning Group for the additional work, which would likely require a significant allocation of additional funds above the current budget adopted in July 2010. There is currently no budget allocated for this activity. City of Seaside would be expected to enter into an agreement whereby they reimburse FORA for the CEQA work related to the milestone for review of Endowment Fund Opportunity Parcel already required.

Option #3 is more responsive to the request because it is the most direct means of bringing BRP land use designation and text changes to the FORA Board for action. Option #2 would take more time to implement since the BRP changes would be packaged with other changes the FORA Board may decide to include, but it is likely to be more cost effective overall since it would combine BRP changes. Option #1 is the least responsive to the request. Under this option, the City of Seaside would complete its environmental review of the Endowment Fund Opportunity Parcel and other Veterans Cemetery Parcel areas, which is currently underway, and submit any General Plan and zoning amendments to the FORA Board for a Consistency Determination Review, likely sometime in 2013 or 2014. All three of the options have the potential to accomplish the same end, but have different timeframe and cost implications.






















Staff does not know for certain what the rationale is for needing to move faster on this request. Speculatively, the current Veterans Cemetery land use designations might be perceived as potentially impeding development of the proposed uses within the Veterans Cemetery Parcel. The City of Seaside is already paying to complete this milestone through its planning process. Since the City of Seaside is now asking FORA to accomplish this milestone through FORA's planning process also, it would seem reasonable that the City of Seaside should reimburse FORA for these costs. The costs involved in implementing option #3 are unknown at this time, but may prove to be substantial.

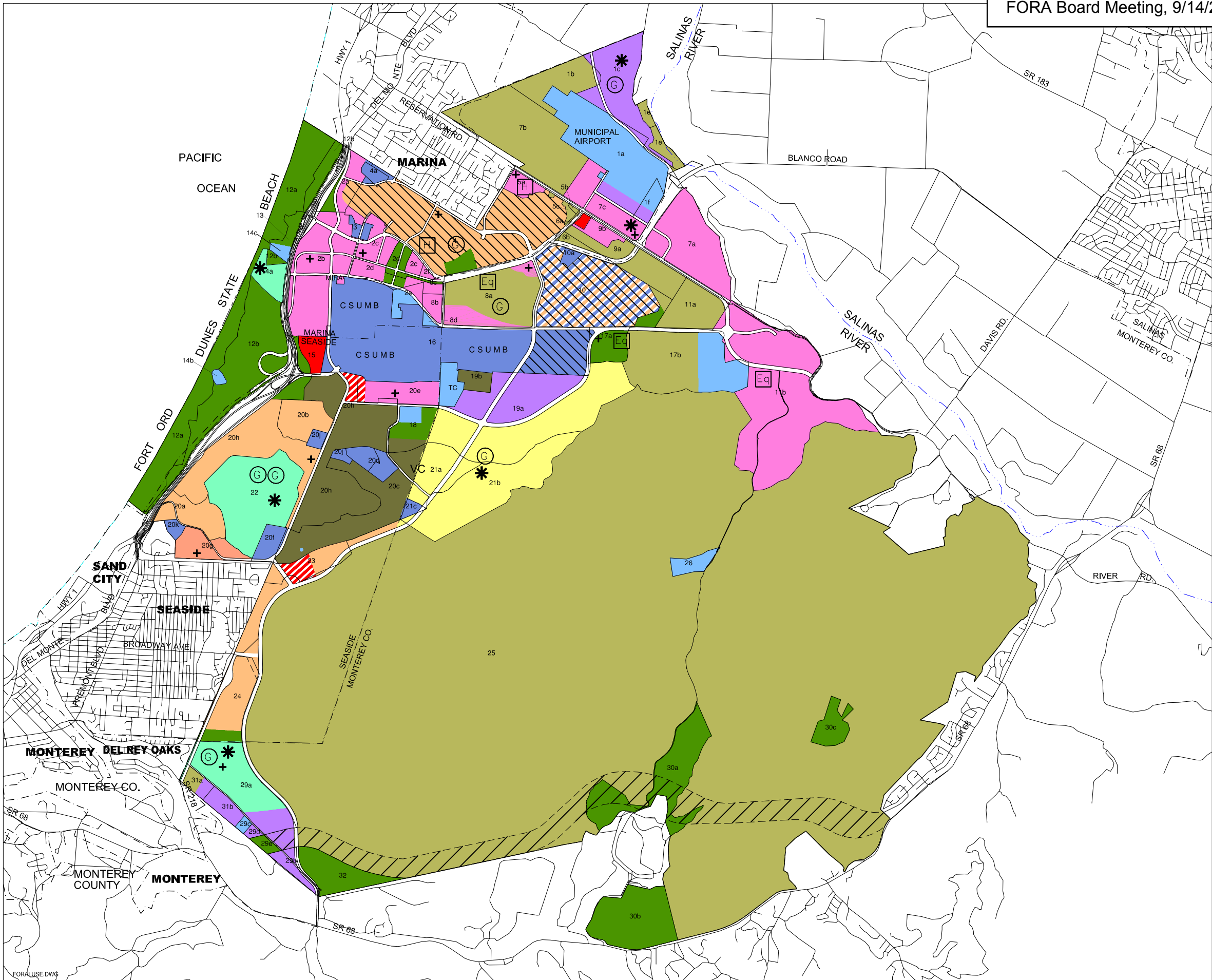
This action would essentially move residential land use designations from County portions of the Veterans Cemetery Parcel [CCCVC (County) and Development Area with Habitat Restoration Opportunity (County)] to the City of Seaside portion of the Veterans Cemetery Parcel (Endowment Fund Opportunity Parcel)] and create 3.5 acres of office/visitors serving uses. In sum, it would be a net gain to the Open Space/Recreation land use designation. The FORA Environmental Services Cooperative Agreement Remediation Program has planned to clean the Endowment Fund Opportunity Parcel to a residential standard per the October 9, 2009 and January 7, 2010 correspondence between FORA and City of Seaside staff.

FORT ORD REUSE PLAN



Fort Ord Reuse Authority (FORA)

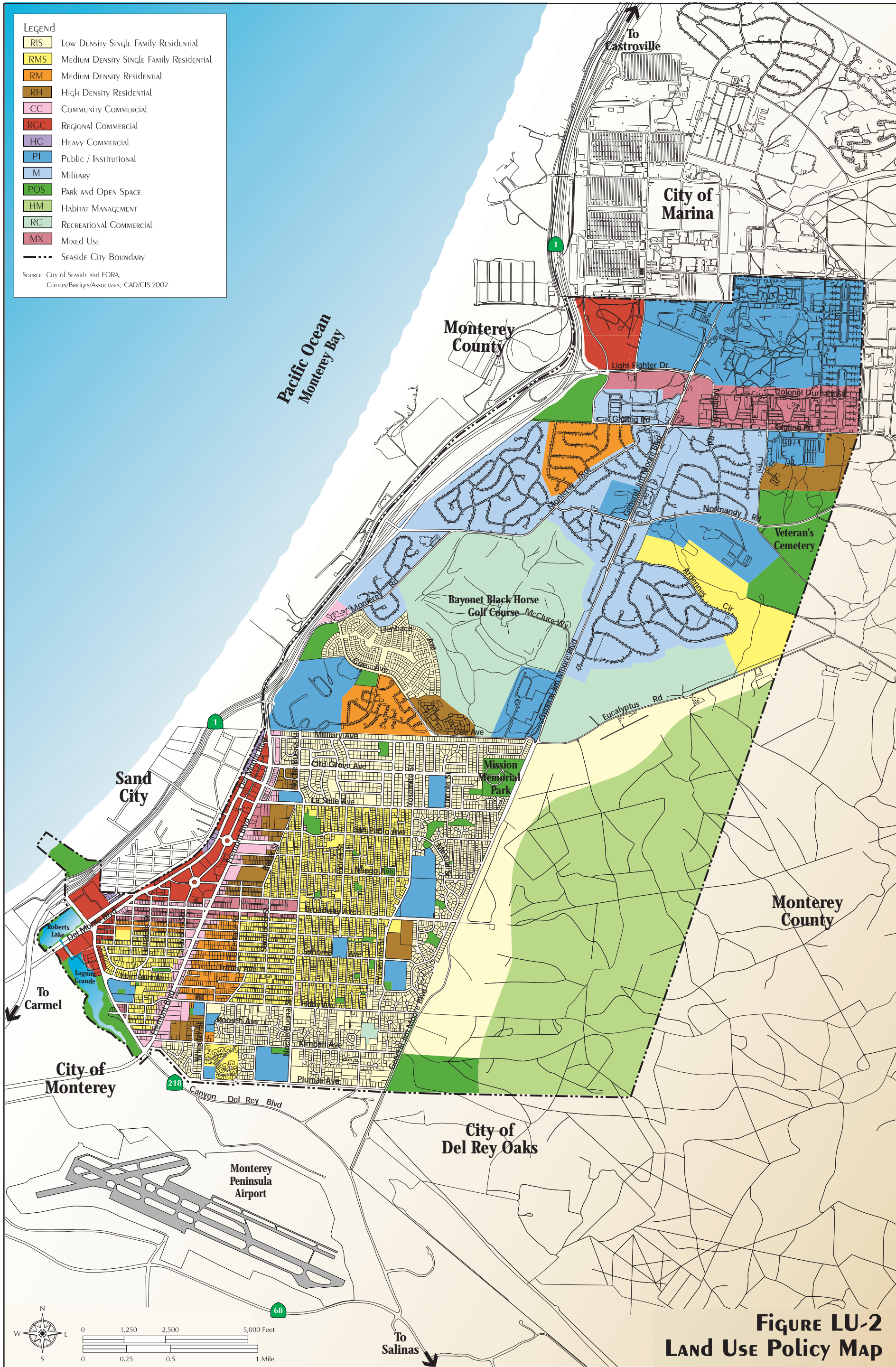
Land Planning	EDAW, Inc.
Market Analysis	EMC Planning Group, Inc.
Transportation Engineering	Sedway Kotin Mouchly Group
Civil Engineering	JHK and Associates
Fiscal Analysis	Reimer Associates
Habitat Planning	Angus McDonald Associates
Public Communications	Zander Associates
Community Development	The Ingram Group
	Resource Corps International

- LEGEND:**
-  SFD Low Density Residential
 -  SFD Medium Density Residential
 -  MFD High Density Residential
 -  Residential Infill Opportunities
 -  Hwy 68 Bypass ROW; Development with Restrictions
 -  Planned Development Mixed Use District
 -  Business Park/Light Industrial Office/R & D
 -  Convenience Retail
 -  Neighborhood Retail
 -  Regional Retail
 -  Visitor Serving
 -  Golf Course Opportunity Site
 -  Hotel Opportunity Site
 -  Equestrian Center Opportunity Site
 -  Open Space/Recreation
 -  Habitat Management
 -  School/University
 -  University Medium Density Residential
 -  Alternative High School Sites
 -  Public Facility/Institutional
 -  Military Enclave
 - VC Veterans Cemetary



SHEET TITLE:
**LAND USE CONCEPT
ULTIMATE DEVELOPMENT**

 0 750 1500 3000 4500  NORTH	SOURCE: Jones & Stokes, 1995 Reimer Associates, (Re-Projected), 1995 Monterey County, 1995 EDAW, Inc., 1996	FIGURE: 3.3-1
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MEMORANDUM OF UNDERSTANDING BY AND AMONG COUNTY OF MONTEREY, CITY OF SEASIDE, CENTRAL COAST VETERANS CEMETERY FOUNDATION, AND FORT ORD REUSE AUTHORITY REGARDING CALIFORNIA CENTRAL COAST VETERANS CEMETERY PLANNING

This MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") regarding the development of the California Central Coast Veterans Cemetery (hereinafter "Cemetery") is entered into by and among COUNTY OF MONTEREY, a political subdivision of the state of California (hereinafter "County"), CITY OF SEASIDE, a municipal corporation, (hereinafter "Seaside"), the CENTRAL COAST VETERANS CEMETERY FOUNDATION, a non-profit corporation (hereinafter "Foundation"), and the FORT ORD REUSE AUTHORITY, a public corporation of the State of California (hereinafter "FORA") (each individually referred to hereinafter as a "Party," and collectively referred to hereinafter as "Parties." This MOU is dated for reference on _____, 2011.

RECITALS

1. On April 28, 2009 the County, Seaside, and FORA entered into a Memorandum of Understanding to cooperate in processing the Cemetery Plan (hereinafter "Plan") and to establish an Endowment Fund (hereinafter "Endowment") for the Cemetery's continued operation as required by the California Department of Veterans Affairs (hereinafter "CDVA").
2. Since the enactment of that planning agreement, the Plan has evolved and the Foundation has desired to become a Party.
3. The Parties have all agreed and/or adopted planning documents that confirm the Cemetery will be located on the former Fort Ord. The Cemetery site is identified in Exhibit 1. The Cemetery Parcel is both within the jurisdiction of Seaside and the County.
4. The Proposed Project. The Plan envisions development of a 178 gross acre site (hereinafter "Project") into six planned land use areas. These areas include: 1) the approximately 78.7-acre Cemetery, 2) three separate parcels for ancillary use, 3) habitat mitigation areas, and 4) two development parcels referred to as the Northern Endowment Opportunity Parcel and the Southern Development Area along with related rights-of-way and 5) other public improvement areas. The Project's areas are defined on the attached Exhibit 2 and are described as follows:
 - a. Cemetery Burial Grounds including Ancillary Uses:
 - i. Approximately 31.1 acres with Seaside
 - ii. Approximately 47.6 acres within County
 - b. Ancillary Uses Adjacent to Burial Grounds:
 - i. Approximately 1.8 acres in the northwestern border of the Cemetery
 - ii. Approximately 1.1 and .9 acres on the south border of the Cemetery
 - c. Northern Endowment Fund Opportunity Parcel:
 - i. Approximately 28.7 acres within Seaside.
 - ii. Approximately 1.7 acres within County
 - d. Southern Development Area with Habitat Restoration Opportunity Area:
 - i. Approximately 30.4 acres within Seaside.
 - ii. Approximately 15.5 acres within County
5. State Cemetery Grant. Construction of the Cemetery is anticipated to be funded through a grant from the State Cemetery Grant Program offered by the U.S. Department of Veterans Affairs under its National

Cemetery Administration. The grant can finance administration and design costs, cemetery features, and related equipment. The State Cemetery Grant Program requires that assurance of on-going operational funding for the cemetery be in place prior to grant submission.

6. The Parties agree to work toward State of California legislation that would create a mechanism for the CDVA to reimburse local private and public contributions to the Endowment when the operations and maintenance purpose of the endowment is fulfilled.
7. In addition to establishing an endowment fund for the operation of the Cemetery, this MOU establishes a mechanism to facilitate the design, construction and operation of the Cemetery.
8. The Parties concur that near-term cemetery endowment funding strategy be established.
9. Upon consensus, additional parties may be added to this Agreement to facilitate the Project as described in this Agreement.

This MOU should be interpreted to carry out these goals.

AGREEMENT

1. Use of Proceeds from sale of Development Parcels. The Parties collectively commit up to \$1.9 million required to a) submit an application for the design and construction grant and b) to fund an endowment for the long term operation and maintenance of the Cemetery, through the sale of either the Northern Endowment Fund Opportunity Parcel by the Parties or portions of the Southern Development Area with Habitat Restoration Opportunity Area within Seaside.
 - a. The County and Seaside agree to work collaboratively to designate the Northern Endowment Fund Opportunity Parcel for future development.
 - b. Seaside endeavors to comply with the development milestones outlined in Section 11 of this MOU. Those milestones pertain to the Northern Endowment Fund Opportunity Parcel.
 - c. Seaside may transfer, sell, or otherwise encumber portions of the Southern Development Area with Habitat Restoration Opportunity Area within Seaside's jurisdiction upon the Endowment funding requirements and the off-set of habitat impacts of the Project and other adjacent Fort Ord projects, being met, as mutually agreed upon. Seaside may control the use of this portion of the Southern Development Area.
 - d. Additional parties may be added to this Agreement to facilitate the Project by mutual agreement of the parties.
2. Principles for near-term funding strategy. The Parties agree to the following principles in pursuing a near-term funding strategy for the Cemetery Endowment:
 - a. That all Parties be included, and that the Northern Endowment Fund Opportunity Parcel will continue to be a primary mechanism to provide Cemetery Endowment funding.
 - b. That the Cemetery Parcel be surveyed for transfer.
 - c. That the funding strategy be accomplished by October 1, 2011.
 - d. That the funding strategy may include other entities upon consensus agreement.
 - e. That the asset value of the Northern Endowment Fund Opportunity Parcel be the source of repayment if other collateral is used to secure Cemetery Endowment funding.
 - f. To the extent possible, the Parties will work toward State of California legislation that would create a reimbursement mechanism, so that local contributions to the Cemetery Endowment, in excess of required operations and maintenance funding would be reimbursed to the contributors.

- g. The Parties agree to cooperate in the processing, planning, and other promotional activities to accommodate and advance Cemetery development as designated in the Fort Ord Base Reuse Plan ("BRP") and other planning documents.
3. Annexation. It is the intent of the Parties to cooperate fully to accomplish annexation of those portions of the Project site currently located within County territory and outside Seaside as defined on the attached Exhibit 2 in order to facilitate the development of the Cemetery. It is also the intent of the Parties to cooperate fully to accomplish the conveyance of the portions of the Project site currently owned by the County to Seaside as defined on the attached Exhibit 2 in order to facilitate the development of the Cemetery. Seaside and County agree that the Southern Development Area with Habitat Restoration Opportunity Area shall be used for habitat mitigation to offset impacts of the Project and other adjacent Fort Ord projects, as mutually agreed upon.
4. Land Conveyance. At the direction of Seaside and with the cooperation of the Parties, FORA agrees to convey title to the land described in Exhibit 1 in multiple conveyance events as regulatory agencies have confirmed site closure for the removal of remnant hazards. The land will likely be conveyed with applicable conveyance documentation, land use controls and deed restrictions. These include, but are not restricted to Finding of Suitability for Early Transfer 5 ("FOSET 5"), Monterey County Ordinance Ordinance (Chapter 16.10 of the County Code), Seaside Ordinance Ordinance (Chapter 15.34 of the Seaside Municipal Code), and the Remedial Design/Remedial Action, Land Use Controls Implementation, and Operation and Maintenance Plan - Parker Flats Munitions Response Area Phase I. To reduce costs associated with land conveyance of the Cemetery to CDVA, County and Seaside may elect to direct FORA to transfer the approximately 78.7-acre Veterans cemetery parcel (31.1 acres within Seaside and 47.6 acres within the County) directly to CDVA or to the Foundation for Cemetery construction. The Foundation agrees to secure or pay for a property survey needed to complete the transfer. Such conveyance is not intended to include the Cemetery's ancillary use parcels.
5. Design and Construction of Cemetery. The CDVA will be the lead agency for the proposed Cemetery and may designate FORA to act on its behalf. The Parties support the transfer of responsibility for the design and construction of the Cemetery to FORA.
6. Water Allocation. The Parties agree that FORA will take the lead to request that the U.S. Army and Department of the Defense convey, transfer, or otherwise re-allocate water rights and allocation in an amount determined sufficient [currently estimated to be up to 105 acre-feet per year ("AFY") of potable water] by the Marina Coast Water District to develop the Cemetery, ancillary uses adjacent to the Cemetery, and the Northern and Southern Development Areas. The use of the Northern Endowment Parcel as the funding mechanism for the Endowment is conditioned upon Seaside receiving a minimum of 100 AFY of potable water to support future development. Water demand has been estimated to be 2.2 AFY for the Cemetery burial grounds. If necessary, the County agrees to allocate up to this amount of water (2.2 AFY) for the Cemetery burial grounds. Further, the Parties will work with the Marina Coast Water District and the Army to secure sufficient interim water necessary to establish Cemetery landscaping.
7. Environmental Disclosures. The Agency for Toxic Substances and Disease Registry ("ATSDR") was established under the mandate of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") of 1980. CERCLA, also known as the "Superfund" law, authorized the U.S. Environmental Protection Agency ("EPA") to conduct clean-up activities at hazardous waste sites. EPA was directed to compile a list of sites considered hazardous to public health. This

list is termed the National Priorities List (“NPL”). The 1986 Superfund Amendments and Reauthorization Act (“SARA”) directed ATSDR to perform a public health assessment for each NPL site. In 1990, federal facilities were included as sites to be proposed for or listed on the NPL. EPA placed Fort Ord on the NPL on February 21, 1990. The US Army, in consultation with EPA, is implementing groundwater and munitions and explosives of concern (“MEC”) remediation on former Fort Ord. FORA has entered into an Environmental Services Cooperative Agreement (“ESCA”) to complete a portion of the US Army’s MEC remediation work on certain portions of former Fort Ord, which includes the Cemetery parcel, to be transferred from the US Army to FORA under the FOSET 5. As FORA completes former Fort Ord ESCA MEC remediation work and transfers property, groundwater and soil Land Use Covenants (“LUC”) restricting certain property uses will be recorded.

8. Munitions Response Sites. Based on the 1997 BRP designations, FORA is required under an Administrative Order on Consent with State and Federal regulators to achieve regulatory site closure before transferring any of the properties described herein to Seaside, the County, or others as may be directed. FORA anticipates the portion of the Veterans Cemetery site that was remediated by the US Army and has an approved Record of Decision will be transferred during calendar year 2012 - once appropriate surveys are completed and after the regulatory agencies have confirmed that site closure is complete. In addition, the Army must grant the CERCLA covenant..
9. Ongoing Remediation. The FORA ESCA will continue remediation adjacent to the Cemetery, which may require munitions removals or on-site detonation. This may impact Cemetery construction and/or operations. If intrusive activity is to occur in an area where MEC is expected, and for all MEC demolition operations, an exclusion zone will be established to ensure public safety. During any intrusive activity (e.g., excavations) in areas where MEC is likely to be present, only authorized personnel essential to the operation are permitted to be inside the exclusion zone. When an exclusion zone includes public roads, businesses, residences, or ongoing construction projects, the affected entities or individuals will be notified and asked to temporarily relocate outside the exclusion zone.
10. Environmental Review. Parties shall cooperate with Seaside as lead agency relating to the disposition of property to generate funds for the Endowment, including environmental review pursuant to a separate agreement.
11. Milestones. The Parties endeavor to comply with the following schedule and acknowledge the CDVA’s overall project schedule as currently described in **Exhibit 3**.

Task	Lead Agency	Completion Date
Approve Exclusive Negotiating Agreement (“ENA”) for Northern Endowment Fund Opportunity Parcel	Seaside	September 18, 2010
Conduct Environmental Review of Endowment Parcel use(s)	Seaside	November 1, 2011 to March 1, 2013
Complete Habitat Conservation Plan (HCP)	FORA	August 1, 2012
Complete Disposition and Development Agreement or other agreements for Northern Endowment Fund Opportunity Parcel	Seaside	April 1, 2013
Complete Annexation to Seaside	Seaside	April 1, 2013
Receive Regulator & U.S. Army approval	FORA	December 2014

to transfer property from FORA to Seaside		
Convey land FORA to Seaside or designee	FORA	March 1, 2015
Convey land/assets	Seaside	Late 2015

12. County Approvals. The County Director of Redevelopment and Housing, or his or her designee, is authorized to act on behalf of the County as to matters of administration and interpretation of this MOU, except for matters expressly required in this MOU to be acted upon by the County's Board of Supervisors. The Director of Redevelopment and Housing of the County of Monterey, or designee, at his or her sole discretion, may refer any matter under this MOU to the County Board of Supervisors for action in a timely manner under this MOU.
13. Seaside Approvals. Seaside City Manager, or his or her designee, is authorized to act on behalf of Seaside as to matters of administration and interpretation of Seaside's roles and responsibilities under this MOU, except for matters expressly required in this MOU to be acted upon by Seaside.
14. Additional Governmental Parties. The Parties acknowledge that additional governmental parties may be required to be added to this Agreement upon mutual agreement of the Parties in order for the Parties to fulfill their roles and responsibilities as outlined in this Agreement.
15. Termination. The purpose of this MOU is to facilitate the June 2012, funding of an endowment for the operation of the California Central Coast Veterans Cemetery. The endowment needs to be funded by this date in order to formally request funds for the construction of the cemetery under the State Cemetery Grant Program. If this purpose is frustrated by the failure to fund the endowment by the time stated, then this MOU may be terminated on thirty (30) days' notice by action of one or more of the legislative bodies of the County, Seaside or FORA.
16. Amendment by Written Recorded Instrument. This MOU may be amended or modified in whole or in part, only by a written instrument executed by all of the parties.
17. Governing Law. This MOU shall be governed by and interpreted by and in accordance with the laws of the State of California.
18. Entire MOU. This MOU, along with any exhibits and attachments hereto, constitutes the entire MOU between the parties hereto concerning the subject matter hereof.
19. Interpretation. It is agreed and understood by the parties hereto that this MOU has been arrived at through negotiation and that no party is to be deemed the party which prepared this MOU within the meaning of Civil Code Section 1654.

IN WITNESS WHEREOF, the Parties have executed this MOU on the day and year set out opposite their respective signatures.

By:

Date: 1-28-12

[Signature]
CITY OF SEASIDE,
a municipal corporation

[Signature]
As to Form

By:

Date: _____

[Signature] 1-10-12
COUNTY OF MONTEREY,
a political subdivision of the State of California

[Signature]
As to Form Deputy County Counsel

By:

Date: 2-14-12

[Signature]
FORT ORD REUSE AUTHORITY
a public corporation of the State of California

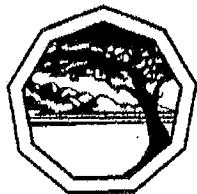
As to Form [Signature] 2-14-12

By:

Date: 3/2/12

[Signature]
CENTRAL COAST VETERANS CEMETERY
FOUNDATION
a non-profit corporation

As to Form



October 9, 2009

Ms. Diana Ingersoll
City of Seaside
440 Harcourt Avenue
Seaside, CA 93955

RE: The City of Seaside Confirmation of Future Land Uses in Parker Flats.

Dear Diana;

Thank you for your leadership and the efforts that City of Seaside staff members have spent with the ESCA Remediation Program (RP) Team. The purpose of this letter is to confirm the City of Seaside's proposed land uses in the Parker Flats area. (See the attached maps **Figures SEA- 1, 2 & 3**) The ESCA remedial actions to address potential residual munitions and explosives of concern (MEC) are dependent on future land use. The ESCA RP field crews will be moving into Seaside's portion of Parker Flats and are finalizing area-specific remedial field activities which are dependent on land use. Your assistance in confirming the Seaside's planned uses parcels found in the Parker Flats MRA is requested via signatory approval of this letter.

The Army has completed remedial activities and approved a Record of Decision on Phase I of the Parker Flats MRA as identified in the attached **Figure SEA-1**. The Final Remedial Design/Remedial Action, Land Use Controls Implementation, and Operation and Maintenance Plan, Parker Flats Munitions Response Area Phase I (August 2009) document the land use controls for Phase I properties. FORA is in the process of transferring the Phase 1 properties (except endowment portion, see **Table 1**). Phase II properties in Parker Flats will require remedial investigation and documentation by the ESCA RP and are expected to be completed and ready for transfer in the year 2013.

The City of Seaside's Parker Flats ESCA parcels total approximately 176 acres with 62 acres in Phase I and 114 acres in Phase II and are detailed in **Table 1** below which is organized by US Army Corps of Engineer's parcel number. **Table 1** presents our understanding of Seaside's proposed land uses and acreages which are illustrated in **Figure SEA-2**.

FORA requests confirmation of the City of Seaside land uses described in this letter by signing in the space provided below.

_____ Date: _____
City of Seaside

Your response is needed by October 30, 2009. If you have any questions, please don't hesitate to call me at 831/883-3672.

Sincerely,



Stan Cook
ESCA Program Manager

CC: Tim O'Halloran, City of Seaside
Richard Glen, City of Seaside
Kristie Reimer, ESCA RP Program Manager (LFR)
file

TABLE 1

Parker Flats MRA - Land Use by Parcel

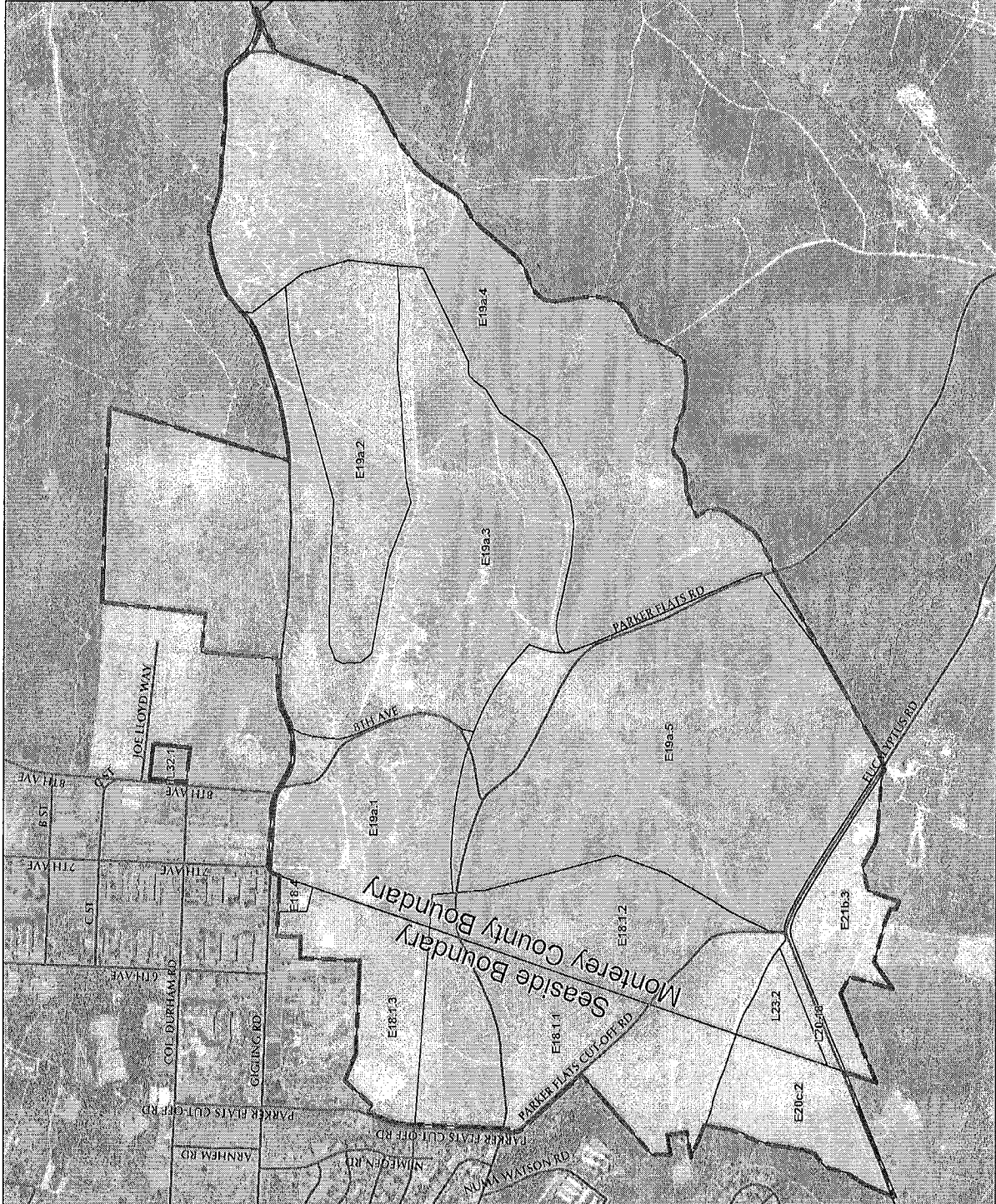
US Army Corps of Engineers Parcel Number

Map Area ID	Land Use Description/Phase information	Acreage
E18.1.1		
A	Development - Cemetery <i>Phase I</i>	39.1
B	Residential - Cemetery (Endowment Parcel) <i>Phase I - This parcel will not transfer until 2013</i>	22.4
C	Development - Cemetery <i>PF Phase II - Proposed for Open Space Use</i>	30.1
D	Residential - Cemetery (Endowment Parcel) <i>PF Phase II</i>	8.5
E18.1.3		
E*	Development - Corporation Yard and Buffer <i>PF Phase II</i>	24.7
F	Residential <i>PF Phase II</i>	15.3
E18.4		
G	Development - Water Tank Site <i>PF Phase II</i>	2.1
E20c.2		
H	Residential <i>PF Phase II</i>	33.7







*Additional details are provided below:

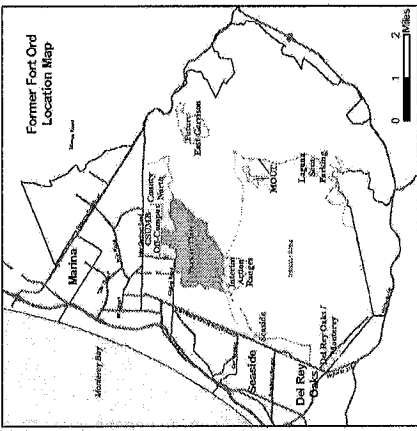
E18.1.3

Area "E:" will be used for a Seaside Corporation Yard (per City of Seaside General Plan) and Buffer (as identified by the City of Seaside), and will be cleaned to a Development - Non-Residential standard. (See **Figure SEA-3**)



Legend

-  Parker Flats MRA
-  Major Road
-  USACE Parcel
-  Phase I Remedial Investigation Area
-  Phase II Remedial Investigation Area
-  E23.1

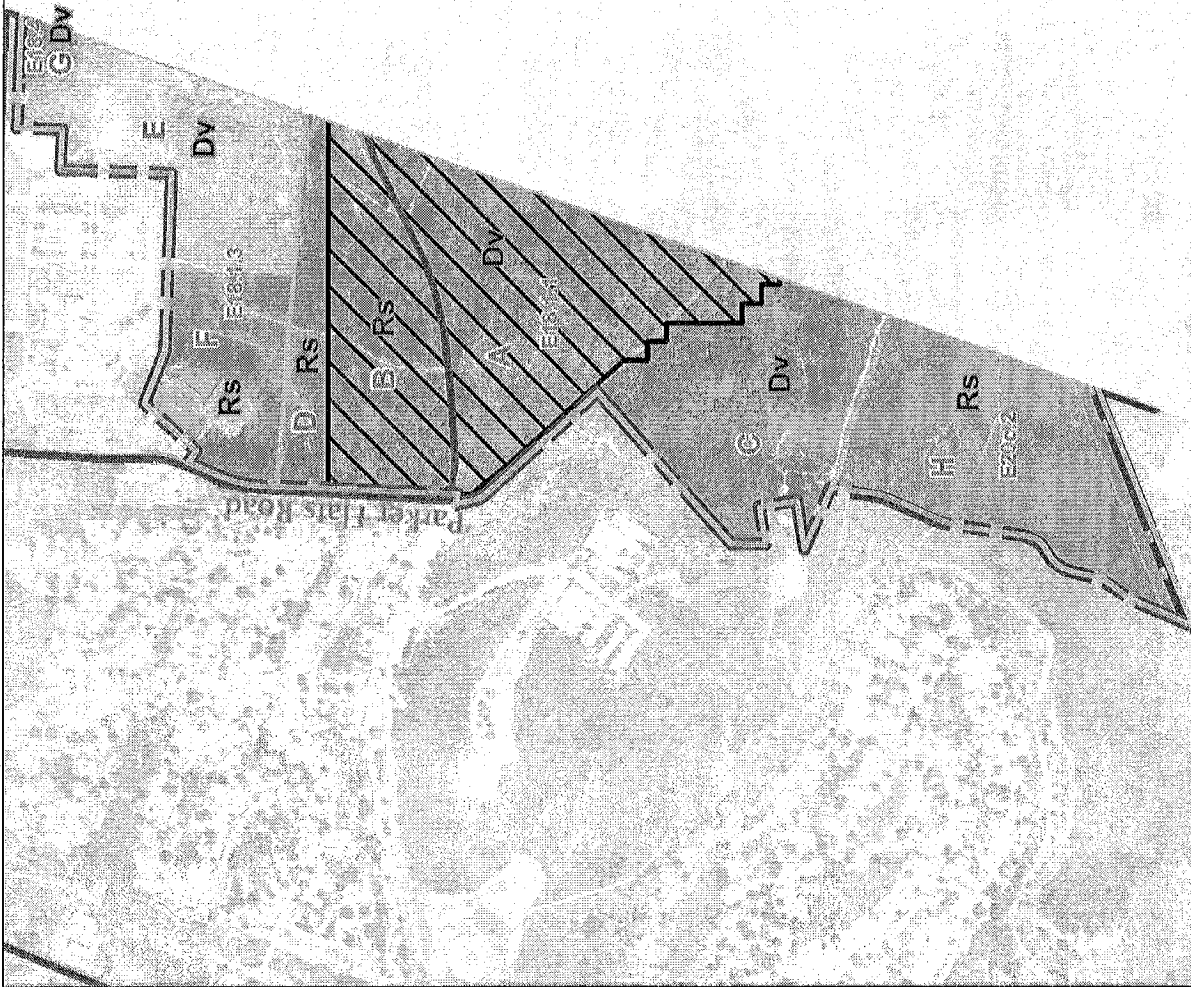


DLFR
WESTON

Parker Flats MRA
Phase I and Phase II Areas

FORA ESCA RP
 Monterey County, California

DRAFT **Figure SEA-1**



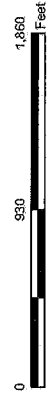
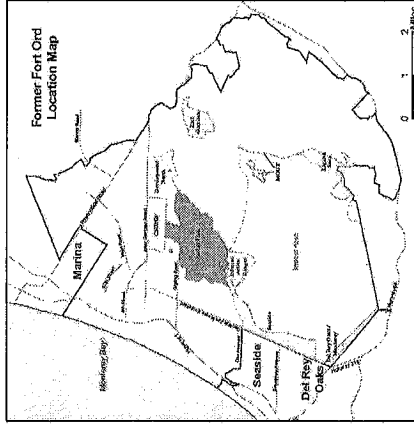
Legend

- Munitions Response Area
- Major Road
- Phase I Parker Flats RI/FS
- USACE Parcel

A Table 1 - Map Area ID

Clean Up Level

- DV** Development
- Rs** Residential



Parker Flats MRA
Seaside Parcel Reuse
and MRS Boundaries
FORA ESCA RP
Monterey County, California

DRAFT Figure SEA-2

- Legend**
- Parker Flats MRA
 - Major Road
 - USACE Parcel
 - Phase I Remedial Investigation Area
 - Phase II Remedial Investigation Area
- Clean Up Level**
- DV** Development
 - RS** Residential

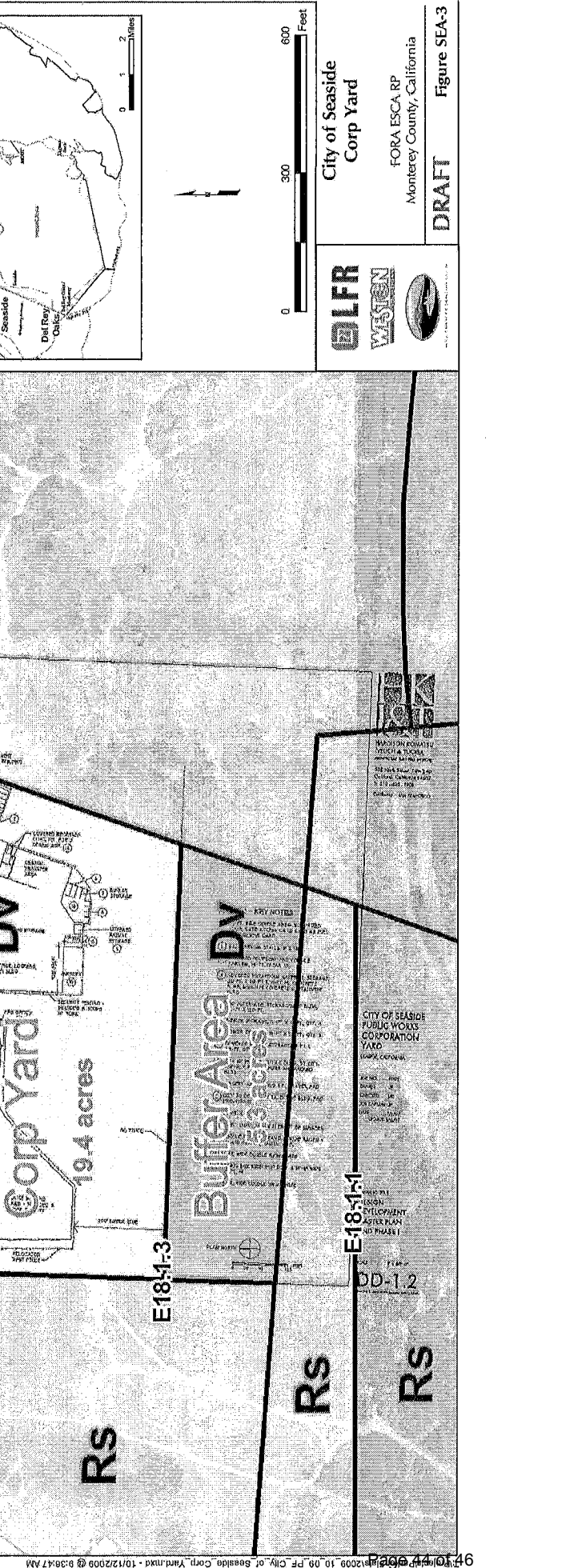


City of Seaside Corp Yard

FORA ESCA RP
Monterey County, California

DRAFT

Figure SEA-3





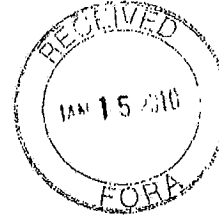
RESOURCE MANAGEMENT SERVICES

440 Harcourt Avenue
Seaside, CA 93955

Telephone (831) 899-6725
FAX (831) 899-6211

UB

January 7, 2010



Stan Cook
ESCA Program Manager
Fort Ord Reuse Authority
100 12th Street, Building 2800
Marina, California 93933

Re: Confirmation of Planned Land Uses in the Parker Flats Area.

Dear Stan:

Thank you for your letter of October 9, 2009 with respect to ESCA remediation of parcels within the Parker Flats area of the former Fort Ord portion of Seaside. In reviewing the maps and table you provided, we wish to make the following corrections.

The two areas shown on Figure SEA-3 as the 19.4-acre corporation yard site and the adjacent 5.3-acre buffer area of Parcel E18.1.3 should be shown as being remediated according to the "Rs," residential clean-up level. Correspondingly, Table 1, "Parker Flats MRA - Land Use by Parcel," should be amended to state that Map Area ID E18.1.3, E (the entire 24.7-acre area) be changed from "Development" to "Residential."

The Seaside General Plan shows this area as "High Density Residential." The City has been considering the location of a municipal corporation yard in the area, but high density residential land is at a high premium in the region. Our current view is that the retention of this 24.7-acre parcel for residential development may result in the highest and best use of the property in the context of other likely development projects in the vicinity.

The remaining clean-up designations as shown on the maps and in Table 1 are correct.

If you have further questions, please contact me.

Sincerely

Diana Ingersoll, PE
Deputy City Manager

cc: Michael Houlemard, FORA, Exec. Director
Ray Corpuz, City Manager

S

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject: Base Reuse Plan Reassessment – Final Scoping Report	
Meeting Date: September 14, 2012	ACTION
Agenda Number: 7e	

RECOMMENDATION:

Receive the final scoping report, as adjusted to reflect comments of the August 15, 2012 draft, circulated as part of the Base Reuse Plan reassessment process.

BACKGROUND/DISCUSSION:

The scoping report represents the culmination of the information-gathering phase of the reassessment process. The document includes three main components:

- A discussion of public input obtained in the community workshops and through written correspondence (the full text of comments received is attached as an appendix);
- A market/economic report analyzing regional trends, forecasts, opportunities, and constraints; and
- A detailed status report describing progress of implementation of the Base Reuse Plan.

The draft scoping report was briefed to the FORA Board in a presentation at the August 10, 2012 meeting and made available for public review and comment beginning on Wednesday, August 15 on FORA's web site, at local libraries, and on discs for public distribution. On August 29, the FORA Board conducted a public workshop dedicated to the draft scoping report. Forty-five members of the public spoke at the workshop, expressing a diverse range of views and suggestions on former Fort Ord reuse. The workshop was video-recorded (posted on FORA's web site, <http://www.fora.org/Board/bdagendas.htm> the week of September 3) and professionally transcribed. The full transcript of the workshop will be appended to the final scoping report. The scoping report is foundational to analyzing and providing policy options to be included in the final Reassessment Document this fall. Opportunities to make and/or submit comments on the Reassessment Document will occur mid-October to mid-November 2012.

Written comments received through September 4 are incorporated into the final scoping report, which is circulated as part of this Board packet (Friday, September 7) for review at the Friday, September 14 FORA Board meeting. Comments received after September 4 will not be incorporated into the scoping report document but will be included in the reassessment administrative record. As noted, additional opportunities for reassessment public comments will occur with the Reassessment Document publication this fall.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff/consultant time and costs associated with producing the scoping report were included in the FY11-12 and 12-13 budgets for the reassessment.

COORDINATION:

Administrative Committee, Executive Committee.

Prepared by _____ Reviewed by _____
Darren McBain Steve Endsley

Approved by _____
Michael A. Houlemard, Jr.