



## Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675 • [www.fora.org](http://www.fora.org)

### ADMINISTRATIVE COMMITTEE MEETING

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

910 2<sup>nd</sup> 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: November 7, 2012 Administrative Committee ACTION
6. DECEMBER 14, 2012 FORA BOARD MEETING – AGENDA REVIEW INFORMATION/ACTION
7. OLD BUSINESS
  - a. Master Resolution/Settlement Agreement Compliance –  
Deed Notifications Update INFORMATION
  - b. Review 2013 Administrative Committee Meeting Schedule ACTION
8. ADJOURNMENT TO JOINT ADMINISTRATIVE/CIP COMMITTEE MEETING  
(Next Scheduled Administrative Committee Meeting: December 19, 2012)

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### JOINT ADMINISTRATIVE/CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

9:00 A.M. WEDNESDAY, DECEMBER 5, 2012

1. CALL TO ORDER AT 9:00 AM (or following the Administrative Committee meeting)
2. PUBLIC COMMENT PERIOD
3. APPROVAL OF MEETING MINUTES: October 31, 2012 Joint Admin/CIP Committee ACTION
4. OLD BUSINESS
  - a. Jurisdiction Development Forecast Updates INFORMATION
  - b. Overview of CIP Elements and Funding INFORMATION
5. ADJOURNMENT

*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 2<sup>nd</sup> 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](http://www.fora.org).*



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## ADMINISTRATIVE COMMITTEE MEETING 8:15 A.M. WEDNESDAY, NOVEMBER 7, 2012 910 2<sup>nd</sup> Avenue, Marina CA 93933 (on the former Fort Ord) MINUTES

# DRAFT

### 1. CALL TO ORDER

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

Dan Dawson, City of Del Rey Oaks\*  
Doug Yount, City of Marina\*  
Elizabeth Caraker, County of Monterey\*  
Diana Ingersoll, City of Seaside\*  
Benny Young, County of Monterey\*  
Tim O'Halloran, City of Seaside  
Heidi Burch, City of Carmel  
Michael Groves, EMC Planning  
Sid Williams, United Veteran's Council

Graham Bice, UC MBEST  
Bob Rench, CSUMB Rob  
Robinson, BRAC  
Mike Zeller, TAMC  
Andy Sterbenz, MCWD  
Bob Schaeffer, MCP  
Vicki Nakamura, MPC  
Patrick Breen, MCWD

FORA Staff:  
Michael Houlemard  
Steve Endsley  
Robert Norris  
Jonathan Garcia  
Darren McBain  
Stan Cook  
Jim Arnold  
Crissy Maras  
Lena Spilman

\* Voting Members

### 2. PLEDGE OF ALLEGIANCE

Diana Ingersoll led the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Michael Houlemard discussed the outcome of the recent local elections.

### 4. PUBLIC COMMENT PERIOD

Andy Sterbenz, MCWD, discussed the budgetary challenges associated with completion of various capital improvement projects.

### 5. APPROVAL OF OCTOBER 17, 2012 MEETING MINUTES

**MOTION:** Doug Yount moved, seconded by Graham Bice, and the motion passed unanimously to approve the October 17, 2012 Administrative Committee meeting minutes as presented.

### 6. NOVEMBER 16, 2012 FORA BOARD MEETING – AGENDA REVIEW

Mr. Houlemard provided an overview of items on the upcoming November 16, 2012 FORA Board meeting agenda.

### 7. OLD BUSINESS

#### a. **Master Resolution/Settlement Agreement Compliance – Deed Notifications Update**

Real Property and Facilities Manager Stan Cook provided a status update regarding outstanding deed notifications required to be completed by the jurisdictions.

#### b. **Base Reuse Plan Reassessment – Update**

Mr. Houlemard provided an update on the current status of the Base Reuse Plan Reassessment.

### 8. ADJOURNMENT

Chair Dawson Adjourned the meeting at 8:55 a.m.

Minutes Prepared by:  
Lena Spilman, Deputy Clerk

Approved by:

\_\_\_\_\_  
Michael A. Houlemard, Jr., Executive Officer



# Fort Ord Reuse Authority

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**BOARD OF DIRECTORS MEETING**  
**Friday, December 14, 2012 at 3:00 p.m.**  
**910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenter's Union Hall)**

## AGENDA

1. **CALL TO ORDER AND ROLL CALL** (Carpenters Union Hall)
2. **CLOSED SESSION** (FORA Conference Room)  
Public Comment – Closed Session Items
  - a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Three Cases
    - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M114961
    - ii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M119217
    - iii. The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566
  - b. Public Employee Performance Evaluation – Authority Counsel, Gov Code 54957
3. **ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION** (Carpenters Union Hall)  
***Open session will begin at 3:30 p.m. or immediately following closed session.***
4. **PLEDGE OF ALLEGIANCE**
5. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE** INFORMATION
6. **CONSENT AGENDA**
  - a. Approval of the November 16, 2012 Board Meeting Minutes ACTION
7. **OLD BUSINESS**
  - a. Preston Park Fiscal Year (“FY”) 2012/13 Capital Expenditure Budget (**2<sup>nd</sup> Vote**) ACTION
  - b. Base Reuse Plan Reassessment – Receive Final Reassessment Document (**2<sup>nd</sup> Vote**) ACTION
  - c. Capital Improvement Program Review – Phase II Study
    - i. Consider Additional Clarifying Language to Resolution 12-5 ACTION
    - ii. Consider Additional Clarifying Language to Amendment #1 to the FORA-Jurisdictions Implementation Agreements ACTION
8. **NEW BUSINESS**
  - a. Review 2013 FORA Meeting Schedule ACTION
9. **PUBLIC COMMENT PERIOD – *will begin at 5:00 p.m.***  
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 under Board consideration of that item.
10. **EXECUTIVE OFFICER’S REPORT**

- a. Outstanding Receivables
- b. Administrative Committee
- c. Public Correspondence to the Board
- d. Habitat Conservation Plan Update
- e. Administrative Consistency Determination For Entitlement: Marina's Veterans Affairs Monterey Health Care Center Project

INFORMATION  
INFORMATION  
INFORMATION  
INFORMATION  
INFORMATION

**11. ITEMS FROM MEMBERS**

**12. ADJOURNMENT**

**NEXT REGULAR MEETING: TBD**

*Persons seeking disability related modifications/accommodations should contact FORA 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 1:00 p.m. on Monterey Channel 25. The video and full Agenda packet are available on FORA's website at [www.fora.org](http://www.fora.org).

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

<b>Subject:</b>	Preston Park Fiscal Year ("FY") 2012/13 Capital Expenditure Budget-Continued (2 <sup>nd</sup> Vote)	
<b>Meeting Date:</b>	December 14, 2012	<b>ACTION</b>
<b>Agenda Number:</b>	7a	

### RECOMMENDATION(S):

Approve FY 2012/13 Preston Park Housing Operating and Capital Expenditure Budgets to include funds for Capital Improvements and a 3% rent increase.

### BACKGROUND/DISCUSSION:

At the November 16, 2012 FORA Board meeting this item received a majority vote and is being resubmitted for a 2<sup>nd</sup> vote. The issues posed by this item are whether to approve 1) the Preston Park Budget in the form recommended by staff, and 2) a three percent rent increase.

At the July 13, 2012 Fort Ord Reuse Authority ("FORA") Board meeting the Preston Park FY 2012/2013 Operating Budget was approved with the instruction to return the consideration of Capital Improvement Program and a rent increase for the August 10, 2012 meeting with responses to tenant claims and reporting issues. At the August 10, 2012 meeting the item was pulled to address a request by a FORA Board member that all Board members be given a complete copy of the Preston Park Marketing Survey and Operating Budget. In prior reports the items were summary pages of the full reports because they are forty and 140 pages in length. At the October 12, 2012 FORA Board meeting Marina Mayor Pro Tem O'Connell requested that the item be pulled because he did not receive a response to his questions raised on September 14 just before the Board meeting that day. It has been determined that there was a misunderstanding and that staff had responded to Marina's questions. This staff report summarizes those responses once again. Staff has also given further answers to Mayor Pro Tem O'Connell and the relevant documents are posted online at [http://fora.org/fora\\_downloads.htm](http://fora.org/fora_downloads.htm).

The staff has reviewed the Preston Park FY 2012/13 Operating Budget and Capital Improvement Program (CIP) Assessment and is prepared to recommend approval of the Capital Expenditure Budget and a rent increase, to restore the Capital Reserve. It is necessary to restore the Reserve Account because it will be almost fully expended performing the necessary Health and Safety capital projects recommended in this report:

To address the need for capital projects, the Board has three options:

#### **Option A**

- **Approve the Operating and Capital Expenditure Program budgets (Attachment A)** reflecting a 3% rent increase and approving capital improvement expenditures replacing roofs, changing out doors and windows, and installing upgraded safety lighting. The rental increase requested assures that revenues keep pace with budgeted expenses and replenishes the Replacement Reserve.

#### **Option B**

- **Approve the Capital Expenditure Program and not approve a rent increase.**

#### **Option C**

- **Continue existing FORA Board budget adoption of no rent increase and no Capital Improvement Program expenditures.**

Staff recommends **Option A** for three reasons;

- 1) An increase in accord with the adopted formula keeps revenues/expenses in balance;
- 2) Capital Improvement Program expenditures will deplete reserves leaving no cushion for future capital needs (The top priority items are consistent with the end of the useful life on the original roofs, fixing the problems of energy use and security with the replacement of doors, windows and safety lighting.); and
- 3) Option A complies with FORA's long standing policy is to keep rents consistent with the market. Failing to adopt this recommendation would hold rents significantly behind market rents (*no rent increases have occurred since 7/1/10*).

The overall budget sustains the formulas for setting annual market rents approved by the Board in June 2010. 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.

#### **Issue raised by Mayor Pro-Tem O'Connell at 11/7/2012 Executive Committee Meeting**

- **City of Marina** contends that it owns a 50% interest in the Preston Park Capital Reserves and therefore should be allowed to approve expenditures made from the Preston Park Capital Reserves.
- **FORA Counsel** disagrees and indicated that FORA is the owner of Preston Park and revenue from the property rents will be shared after deducting this and other required expenses.

#### **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. The complaining parties do not allege that the responsible party is affiliated with FORA, Marina, or Alliance. FORA staff will continue to investigate this complaint.

#### **Follow-up issues from August 10, 2012 Board Meeting**

- **Mayor Pro Tem O'Connell's Concerns received August 9, 2012** re: FORA AGENDA ITEM 7c (Preston Park Fiscal Year 2012/13 CIP 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 managed 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. Sent to Mayor Pro Tem O'Connell on October 2, 2012 by Robert Norris.

- 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 full budget package, which provides detailed information to include the average gain to lease for each new move-in (market rents). When the budget was prepared, market rate unit rents averaged 16% below market rents. Full report sent to Mayor Pro Tem O'Connell on August 16 and 17, 2012.

3. **Inconsistencies between Alliance letters and the budget summary continue.**

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

- a. On May 20, 2012, June 1, and June 20, 2012 Alliance sent letters to the FORA executive officer. In each letter the total amount salary, payroll taxes and payroll burden/benefits equals \$398,736.00 for projected 2012 and \$421,627.00 for proposed 2013.

**Alliance Response:** August 30, 2012 Letter to Mr. Houlemard responds to most recent concerns. **(Attachment B)**

- 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 subcategories with notable variances were listed – and if added together – they did not match the total payroll number found on the main budget sheet used in the FORA board package as not all subcategories were listed. 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%
<b>Total Payroll</b>	<b>\$434,036</b>	<b>\$410,059</b>	<b>(\$23,977)</b>	<b>-5.8%</b>

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 which have a premium end unit location. Amenity premiums can also be assigned for above average unit finishes.*

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 superior to a typical home. As they are not vacant, they are not included in the Market Survey. One of those upgraded apartments is a three bedroom home rented at \$1890 per month. It is included in the memo as the highest rent. To alleviate confusion, we have amended the memo to allow for this top end rent for the three bedroom units.*

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.

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

**Alliance Response:** *Information provided to the board is given in good faith. FORA staff provided 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 requested changes.*

8. An updated letter to the Executive Officer has to be provided with accurate information.



**Alliance Response:** *Note August 30 Letter.*

9. 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.*

10. 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 Mayor Pro-Tem O'Connell and posted on the FORA Website.*

➤ **Mayor Pro Tem O'Connell's Concerns received September 14, 2012 re: FORA AGENDA ITEM 7c (Preston Park Fiscal Year 2012/13 CIP and Rates)**

1. **Attach. A**, first page to Item 7c, under REVENUE states that the "increased rent for in place tenants" cannot exceed the market rate rents charged to move-in tenants.

a. Page 3 of the letter shows a high for move-in rate for 3 bedroom of \$1,890.00. Page 2 shows a rent increase to in place that will be a high of \$1,947.00.

b. Page 3 shows a high for 2 bedroom of \$1,555.00 for in-coming tenants and page 2 shows a high of \$1,602.00 for in place.

IT SEEMS THAT THE RATE INCREASES FOR IN-PLACE IS TOO HIGH BECAUSE IT EXCEEDS THE LIMITATION STATED ABOVE.

**Alliance Response:** *The current move-in rates have increased since the budget was first introduced for approval in August. New move-in rates are at or above the rates reflected for the in-place residents. This is reflected in the most current budget letter of September 28, 2012.*

2. Do any of the comp. apt. complexes in the survey have affordable housing? If so, which ones?

**Alliance Response:** *Yes, Sunbay Suites offers affordable housing. The properties management has stated that they offer between 30 and 35 affordable units.*

3. What is the % of PP that is affordable housing?

**Alliance Response:** *51 units are set aside for affordable housing (BMR units) which represents 14% of the community.*

4. What is the % of PP that is Section 8?

**Alliance Response:** *40 units currently hold Section 8 Vouchers which represents 11% of the community.*

5. Section 8 is market rate units that are subsidized correct?

**Alliance Response:** *Correct, this is a voucher based program.*

6. In calculating the Aver. PSF rate did you include the affordable housing units?

**Alliance Response:** *Affordable units are not included on the market survey. The market survey measures market rate units only.*

a. If YES, what is the average per square foot rate without the affordable housing being included?

b. If NO, why does the summary page reference all 352 units?

**Alliance Response:** *The market survey is used to measure market rents only, however, we do not have the ability to manually adjust the total unit count to allow for bmr units that may exist; therefore the total counts for the various unit types are used so that the properties total unit count is accurate.*

c. How many of the units are occupied by Alliance staff at reduced or no rent per month?  
**Alliance Response:** *Two fully compensated employee units exist at Preston Park.*

1. Were those included in determining any of the amounts stated in the market survey or the letter of 8/30/12 (Attachment A to item 7c)

**Alliance Response:** *They are included in the total unit count, and the value is at the full market rate.*

7. Page 1 of the letter dated 8/30/12 states current market rate in Marina for a two bedroom is \$1,100.00 to \$1,423.00 per month.

a. Are utilities included in these rents? Your letter says no, but I want to confirm this.

**Alliance Response:** *As a point of clarification, the letter says it does not "consider utilities" versus include utilities. Note the area rentals have variant utility coverage. Some multi-family housing communities include trash and water, while none include electricity and gas. The shadow market rentals rarely include any utility services.*

b. Are these 2 bedroom one bath units?

**Alliance Response:** *This statement covers all units with 2 bedrooms and is not specific to the number of bathrooms in the home.*

c. The market survey of 8/2/12 shows Preston Park as follows:

1. 2X1 \$1,455.00

2. 2X1.5 \$1,505-\$1,530

3. And Preston Park rents do NOT include the additional utility/water rates/fees, correct?

**Alliance Response:** *The rents in Preston Park do not include any utility costs.*

**FISCAL IMPACT:**

Reviewed by FORA Controller \_\_\_\_\_

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

**COORDINATION:**

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

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
Robert J. Norris, Jr. D. Steven Endsley

\_\_\_\_\_  
Michael A. Houlemard, Jr.

## Capital Improvement Plan (CIP)

**DRAFT**

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

Updated: **5/10/2012**

<b>1410</b>												
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	\$	358,008									
Building Exterior	*Dryrot Repairs	\$	2,000	\$	2,000	\$	2,000	\$	2,000	\$	2,000	\$
Carbon Monoxide Detectors		\$	33,069									
Exterior Unit Doors and Windows	*Replacement	\$	1,897,000									
Playgrounds	*Replacement			\$	125,000							
Landscape/ Irrigation	*Replacement/ Upgrades	\$	204,854									
Leasing Office / Signage	*Upgrades	\$	107,500									
<b>1415</b>												
New Office Computers	Replace existing old computers	\$	2,600									
<b>1416</b>												
One Maintenance Truck	Needed for hauling etc...	\$	14,000									
<b>1420</b>												
Seal Coat Streets		\$	155,787									
<b>1425</b>												
Dishwasher	replacement (assume 10 year life)	\$	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	\$
Range	replacement (assume 15 year life)	\$	18,524	\$	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	\$
Hot Water Heaters	replacement (assume 15 year life)	\$	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	\$
Vinyl	replacement (assume 10 year life)	\$	66,300	\$	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	\$
<b>1430</b>												
Applicable Construction Management Expenses	Miscellaneous (see * Items)	\$	211,965	\$	18,748	\$	7,500	\$	-	\$	-	\$
<b>Annual Reserve Expenses (uninflated)</b>		\$	4,223,895	\$	535,307	\$	336,595	\$	204,095	\$	219,085	\$
<b>Inflation Factor</b>			0.00%		2.50%		2.50%		2.50%		2.50%	
<b>Annual Reserve Expenses (inflated)</b>		\$	4,223,895	\$	548,890	\$	345,010	\$	209,197	\$	224,572	\$
<b>Reserve Withholdings per Year</b>		\$	734,876	\$	734,876	\$	283,200	\$	283,200	\$	283,200	\$
<b>Reserve Fund BEFORE Expense</b>		\$	4,687,035	\$	1,198,016	\$	932,526	\$	870,717	\$	944,718	\$
<b>Reserve Fund AFTER Expense</b>		\$	463,940	\$	649,326	\$	587,517	\$	661,519	\$	720,147	\$

Attachment A to Item 7a  
FORA Board Meeting, 12/14/2012

WITHOUT INCREASE



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

Description	2013 Total	2012 Projected	Variance	Variance %
Physical Occupancy	98.01 %	98.01 %		
Economic Occupancy	99.77 %	96.70 %		
Gross Market Potential	\$5,312,868	\$5,386,452	(\$73,584)	-1.4%
Market Gain/Loss to Lease	\$156,002	(\$87,610)	\$243,611	278.1%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$61,524)	(\$37,260)	(\$24,264)	-65.1%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$105,654)	(\$52,696)	(\$52,957)	-100.5%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$493	(\$493)	-100.0%
Bad Debt Expense	(\$916)	(\$583)	(\$332)	-57.0%
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%
<b>TOTAL INCOME</b>	<b>\$6,344,653</b>	<b>\$5,251,798</b>	<b>\$92,854</b>	<b>1.8%</b>
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	\$141,616	\$130,924	(\$10,692)	-8.2%
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%
<b>TOTAL OPERATING EXP</b>	<b>\$1,279,865</b>	<b>\$1,227,473</b>	<b>(\$52,392)</b>	<b>-4.3%</b>
<b>NET OPERATING INCOME</b>	<b>\$4,064,788</b>	<b>\$4,024,325</b>	<b>\$40,462</b>	<b>1.0%</b>
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$173,088	\$215,698	\$42,610	19.8%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$8,000	\$6,150	(\$1,850)	-30.1%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$3,883,700</b>	<b>\$3,802,478</b>	<b>\$81,222</b>	<b>2.1%</b>
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 REIMBURSEM	(\$4,223,995)	(\$203,682)	\$4,020,313	1973.8%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,321,812	\$3,295,097	(\$26,715)	-0.8%
DEPRECIATION AND AMORTIZATION	(\$173,088)	(\$215,698)	(\$42,610)	-19.8%
<b>NET CASH FLOW</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>-192.5%</b>

**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.

w/o

WITH 3% RENT INCREASE



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

Descriptor	2013 Total	2012 Properties	Variance	Variance %
Physical Occupancy	98.01 %	99.01 %		
Economic Occupancy	99.03 %	96.70 %		
Gross Market Potential	\$5,376,900	\$5,386,452	(\$9,552)	-0.2%
Market Gain/Loss to Lease	\$118,104	(\$87,610)	\$205,714	234.8%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$62,448)	(\$37,260)	(\$25,188)	-67.6%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$106,927)	(\$52,696)	(\$54,230)	-102.9%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$493	(\$493)	-100.0%
Bad Debt Expense	(\$920)	(\$583)	(\$336)	-57.7%
Other Resident Income	\$36,244	\$36,094	\$150	0.4%
Miscellaneous Income	\$7,632	\$6,989	\$723	10.5%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
<b>TOTAL INCOME</b>	<b>\$5,368,586</b>	<b>\$5,251,798</b>	<b>\$116,787</b>	<b>2.2%</b>
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	\$142,215	\$130,924	(\$11,290)	-8.6%
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%
<b>TOTAL OPERATING EXP</b>	<b>\$1,280,463</b>	<b>\$1,227,473</b>	<b>(\$52,990)</b>	<b>-4.3%</b>
<b>NET OPERATING INCOME</b>	<b>\$4,088,123</b>	<b>\$4,024,326</b>	<b>\$63,797</b>	<b>1.6%</b>
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$173,088	\$215,698	\$42,610	19.8%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$8,000	\$6,150	(\$1,850)	-30.1%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$3,907,035</b>	<b>\$3,802,478</b>	<b>\$104,557</b>	<b>2.7%</b>
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	\$3,345,147	\$3,295,097	(\$50,050)	-1.5%
DEPRECIATION AND AMORTIZATION	(\$173,088)	(\$215,698)	(\$42,610)	-19.8%
<b>NET CASH FLOW</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>-260.7%</b>

**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.

W 3%

November 5, 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 (*FORA website*) 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 \$1.21. 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 \$1.28, which is still no less than \$.01psf less than the lowest rent in the market place and up to \$.33 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
<b>Total</b>	<b>\$98</b>	<b>\$105</b>

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):

<b>In-Place Market Rate Rents</b>			
<b>Unit Size</b>	<b>Current Rent Range FY11/12</b>	<b>Proposed FY12/13 Rent</b>	<b>Change 8/1/12</b>
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 net income will be reduced by \$23,335 for the 2012/2013 fiscal year. This amount is representative of 6 months of impacted revenue, as increases were scheduled for January 1, 2013.

**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:

<b>Unit Size</b>	<b>Current Rent Range for Incoming Market Rate Residents</b>
Two Bedroom	\$1,530 - \$1,605
Three Bedroom	\$1,880 - \$2,000

\*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.

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

Maximum Household Income Limits for 2012.

<u>Income Category</u>	<u>Two Person</u>	<u>Three Person</u>	<u>Four Person</u>	<u>Five Person</u>	<u>Six Person</u>	<u>Seven Person</u>	<u>Eight Person</u>
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 delivered on or before November 30, 2012; the new rental rates will become effective on January 1, 2013. Rents for in-place residents at market or affordable are increased once per fiscal year. New residents will be required to sign lease terms of up to twelve 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
PAYROLL	\$434,036	\$410,059	(\$23,977)	-5.8%	Increase due to annual salary increases as well as the State of California's approval of a Workers' comp increase of 38%.
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	\$142,215	\$130,924	(\$11,290)	-8.6%	Alliance management fee remains 2.5% per contract, but increased rent revenue would result in increase in management fees paid

						to Alliance. Variance
INSURANCE	\$185,020	\$174,426	(\$10,594)	-6.1%		primarily driven by allowance for bi-annual audit.
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.

- Note:** During the July FORA board meeting, the board took initial steps to approve the proposed budget without a rent increase to in place residents. An amended budget is available for the Board to review, which reflects the data under this scenario. Should the board elect not to implement the proposed 2012-2013 rent increase, the Preston Park Gross Market Potential will decrease by \$64,0324 for the year. This decision has the potential to not only eliminate funds to assist in improving the condition of the structure, but may also negatively impact the potential value of the asset during a sale process. The impacted rental revenue (annualized during year 1 would be \$92,866.80) equates to \$1.54 millions dollars in value based on a 6% cap rate (\$92,866 (added NOI / 6% (cap rate) = \$1,547,780 in potential value). Please also note, that should the Board elect not to implement the rent increase, based on the adopted rental rate formula, this income will also not be recaptured or realized in future years. And so the impacted revenue loss will compound year over year.

#### 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. SpEGGtaacular 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	\$5,368,586	\$5,251,798	\$116,787
Total Operating Expense	\$1,280,463	\$1,227,473	(\$52,990)
Net Income	\$3,907,035	\$3,802,478	\$104,557

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 November 30, 2012, in order to implement rental increases by January 1, 2013.

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

Complete 2012/2013 Budget and Market Survey posted on FORA Website

# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

<b>Subject:</b>	Base Reuse Plan Reassessment Report – Receive Final Reassessment Document (2 <sup>nd</sup> vote)	
<b>Meeting Date:</b>	December 14, 2012	<b>ACTION</b>
<b>Agenda Number:</b>	7b	

### RECOMMENDATION

**Second vote:** formally receive the final Base Reuse Plan (BRP) Reassessment Report.

### BACKGROUND

On November 16, 2012, FORA staff and EMC Planning Group presented the Final Reassessment Report. The report's constituent components included those listed in the Board report (draft Reassessment Report, "errata" section, full-text compilation of public comments, Scoping Report, jurisdictional fiscal evaluation) plus a packet of supplemental materials that staff distributed at the meeting. The supplemental materials included comment letters received after November 7, an updated errata section incorporating changes responding to those comments, and a revised Table 18 (water allocations) relating to the Scoping Report phase of the reassessment. Three additional comment letters (**Attachment A**) were received at the FORA offices on the afternoon of the November 16 Board meeting, but were not timely for distribution at the meeting.

Following discussion of the report by the Board and members of the public, a majority of the Board voted to formally receive the report. Because the vote was not unanimous, the item is being returned for a second vote in keeping with the Board's standard procedures. The Board also voted, in this case unanimously, to close the Reassessment Report to additional comments, allowing the report to be finalized before being brought back for a second vote.

### DISCUSSION

The version of the Final Reassessment Report that was presented for Board consideration on November remains the same. Part of the Board direction given in the discussion leading to the approved 1<sup>st</sup> vote was to also:

1. Update the document to incorporate changes in the errata section in response to all written and verbal comments and direction received prior to and during the November 16 Board meeting. The errata includes changes based on the comment letters in Attachment A, as well as Board direction resulting from November 16 agenda item 8d related to the Veterans Cemetery.
2. The document is to be "Republished," i.e., integrated and reformatted, such that the errata changes now appear in the main body of the text rather than as a separate attachment. The republished final report consolidates under one cover all elements described in the Background section, above. The only "new" information in the republished version is the additional errata revisions that address comments received on November 16 (Attachment A and verbal comments made during the meeting). The republished version will be posted on FORA's reassessment web page [www.fora.org/resources.htm](http://www.fora.org/resources.htm) and distributed on discs to Board members during the week of December 3. The updated errata section (see #1, above) will remain available as a free-standing document, for ease of reviewing all changes to the draft in one streamlined document, and will be posted on FORA's web site alongside the republished report.

Building on the information gathered in the Scoping Report phase, the Reassessment Report identifies a "menu" of policy options and potential BRP modifications for the FORA Board's consideration. The topics and potential policy options were derived from public input and a detailed review of the BRP during the scoping phase of the reassessment process. The description of each topic and related options is not intended to be exhaustive but, rather, to provide context for a potential BRP modification issue that has been raised during the reassessment process. Similarly, the discussion of options is intended to present a

preliminary range of possible policy options that have been identified through public comments and review of BRP implementation status, including additional options that were suggested after release of the draft document. The options lists are not necessarily exhaustive of all potential options. The report's list of possible options identified thus far is neither prescriptive nor proscriptive. With the passage of time, additional or modified options, related to any given topic in connection with the reassessment effort, may become apparent to the Board, staff, or the wider community. The Board has, and will always retain, the ability to introduce new policy topics and options into its consideration of "post-reassessment" action items. The open public process will also provide various opportunities for members of the public to suggest additional new or modified policy topics and options, and participate in discussion of the merits of potential post-reassessment courses of action.

As noted in the previous Board report, the Board's action to formally receive the final Reassessment Report constitutes completion of the reassessment process. Future consideration of actions resulting from the reassessment will likely be a multiyear process and will include ongoing opportunities for public comment. Establishing near-term and longer-term programs for prioritizing post-reassessment action items will be a key task in early 2013. As examples, the Board could:

1. Provide early direction to implement or take action on specific potential options for BRP modifications, such as the "Category I" revisions and corrections, that do not appear to require significant staff resources or Board deliberation;
2. Prioritize action items that would be most cost-effective to implement because of a relatively short timeline and/or less need to obtain outside expertise in order to complete the action (*note: FORA staff will develop preliminary cost estimates for a range of potential policy actions for future Board consideration*);
3. Formulate a mix of selected shorter-term and longer-term action item goals; and/or
4. Explore which post-reassessment action items could be efficiently grouped together based on being subject to the same level of California Environmental Quality Act (CEQA) clearance (exemption, negative declaration, etc.).
  - The report itself is an informational summary of the process of assessing the BRP. The reassessment process and report do not result in any changes to the physical environment. Receipt of the report has no binding effect on the Board to commit to any particular "post-reassessment" course of action. The Board's receipt of the report is exempt from CEQA under Section 15262 of the CEQA Guidelines.
  - Various post-reassessment BRP modifications (policy options) that the Board may wish to consider implementing in 2013 and beyond will be subject to the appropriate level of CEQA clearance at such time as they are undertaken. Category I of the report would likely be exempt, as would some of the items in each of Categories II through V. However, within those categories there are also substantive policy considerations—for example, consideration of Capital Improvement Program modifications under Category II—that might require additional CEQA review and clearance.

**FISCAL IMPACT**

Reviewed by FORA Controller \_\_\_\_\_

Staff/consultant time and costs associated with producing the Reassessment Report were included in the FY11-12 and FY12-13 budgets for the Base Reuse Plan reassessment process.

**COORDINATION**

Administrative Committee, Executive Committee.

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
Darren McBain Steve Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

The following comment letters were received at the FORA office on November 16. The final/republished Reassessment Report and the "errata" document have been updated to incorporate corrections, clarifications, and text additions raised in these comments.

Listed in the order discussed at the Nov. 16 Board meeting:

1. Diversity Coalition Land Use Group
2. Community Housing Improvement Systems and Planning Association (CHISPA)
3. Law Offices of Michael W. Stamp

## DIVERSITY COALITION LANDUSE GROUP

### STATEMENT TO FORA Regarding the Final Scoping Report *November 16, 2012*

Dear FORA Board Members:

We are a multi-racial, multi-ethnic coalition of elected officials and civic leaders who represent working families throughout Monterey County.

We urge you to follow the Fort Ord Reuse Plan that was carefully negotiated and crafted when Fort Ord was closed; an environmentally sensitive plan that protects 70% of the Fort Ord lands from any kind of development and maintains them as open space in perpetuity.

Negotiations over FORA and the Fort Ord Reuse Plan were very complicated, serious negotiations that involved a tremendously diverse cross-section of participants from across the entire Central Coast Region. It took much skill, much dedication and tremendous leadership, from people like Leon Panetta and Sam Farr, to conduct the negotiations and to fashion the compromises that created the Fort Ord Reuse Plan.

Thanks to the leadership of the environmental community, and to the goodwill of everyone else, negotiators adopted a Reuse Plan that aggressively protects the environment. Fully 70% of the Fort Ord lands are strictly off limits to any kind of development and must remain as open space. This pro-environment compromise was reached at a time when communities across the region were panicking at the prospect of severe economic recession due to the closure of Fort Ord. Obviously, it took a great deal of comity and trust to get these communities to accede to a reuse plan that prioritized protecting the environment.

The compromise included two other crucial elements as well. First that a significant portion of the lands would be used to establish and strengthen educational institutions from throughout the Central Coast Region. Second that 30% of the lands would be used help create *good* jobs and housing for impacted communities.

So far, the one area of failure in the Reuse Plan is job creation. Unfortunately, some people are using that failure to argue that even more of the Fort Ord lands—more than the 70% already designated—should be kept as open space for recreational users. This is an approach that contradicts the carefully crafted compromise that was reached in the Fort Ord Reuse Plan.

The Reuse plan makes clear that FORA is meant to serve all people and all communities within the Central Coast Region and not just a group of people with a single agenda. This means that FORA must

*For more information contact the coalition at: [dc.landuse@gmail.com](mailto:dc.landuse@gmail.com)*



## DIVERSITY COALITION LANDUSE GROUP

serve people who need *good* jobs as well as people who seek recreational opportunities. FORA cannot sacrifice one for the other. We still need jobs; perhaps even more so than when FORA adopted the Reuse Plan. Whatever change has occurred since then, three things remains constant: the rich are getting richer, the poor are getting poorer and working families still need jobs.

Please continue to support the carefully crafted compromise to use a relatively small portion of Fort Ord to create jobs for working families. FORA must serve all people of the Central Coast Region, including working families.

Respectfully submitted:

### *Elected Officials* [Partial List]:

Fernando Armenta, Supervisor, *District 1 Monterey County Board of Supervisors*

Simon Salinas, Supervisor, *District 3 Monterey County Board of Supervisors*

Fred Ledesma, Mayor, *City of Soledad*

John Huerta, Mayor, *City of Greenfield*

Ralph Rubio, Mayor-Elect, *City of Seaside*

Anna Caballero, Former Mayor, *City of Salinas*

Phil Tabera, Trustee, *Salinas Unified High School District*

& Founding Member, *Tri-County Association of Latino Elected Officials*

### *Civic Leaders* [Partial List]:

Alfred Diaz-Infante, CEO, *CHISPA*

Rev. H.H. Lusk, Chair, *Monterey Peninsula Ministerial Alliance*

Cesar Lara, Director, *Monterey Bay Area Labor Council*

Juan Sanchez, Former Planning Commissioner, *Monterey County Planning Commission*

Aurelio Salazar, President, *Salinas LULAC Council 2055*

Antonio Morales, Vice President, *Monterrey Peninsula LULAC Council 2895*

Nancy Valdez, President, *Salinas Valley LULAC Council 2995*

Jose Mendez, *Labor Leader & Community Member*

Aline Sanchez, *Community Member*

Pam Silkwood, *Attorney At Law & Community Member*

Rev. Kenneth Murray, *Coalition for Jobs, Opportunities and Business in Seaside (c jobs)*

Youth Pastor, Edgar Ogarrio, *Latino Ministers Coalition*

Veronica Morales, Co-Chair, *Latino Water Use Coalition - Monterey Peninsula*

Marcelino Isidro, Vice President, *Latino Seaside Merchants Association*

Antonio Morales, Jr., *Latino Environmental Justice Advocates*

Letica Tapia, *comunidad en accion (Workers Day Committee – Monterey Peninsula)*

*For more information contact the coalition at: [dc.landuse@gmail.com](mailto:dc.landuse@gmail.com)*



Board of Directors November 16, 2012

*Kalah Bumba, Chair  
Steve Holett, Vice Chair  
Nancy Valdez, Secretary  
Tom Huffman, Treasurer  
Don Cline  
James Earhart  
Rodney Evans  
Aurelio Gonzalez  
Carolyn Plummer*

Board of Directors  
Fort Ord Reuse Authority  
920 2nd Ave., Suite A  
Marina, CA 93933

Dear FORA Board Members,

CHISPA urges you to continue implementation of the Fort Ord Base Reuse Plan (BRP), which you adopted in 1997. More specifically, we urge you to affirm your commitment to the community to use 30% of the former Fort Ord land to help create jobs, educational opportunities and housing. We also applaud you for your commitment to preserve 70% of the land for habitat protection and open space. We think this is a very positive thing.

For more than thirty years, CHISPA has provided affordable housing for working families, seniors and people with disabilities of Monterey County. We are grateful for the opportunity you have provided CHISPA to develop affordable rental housing in Phase 2 of the East Garrison Project. We look forward to developing affordable housing in this geographic area within the next couple of years or so.

CHISPA has witnessed first-hand the challenge families experience in keeping up with increasing costs related to the cost of living in our region. In addition to the need for affordable housing, working families need well-paying jobs and educational opportunities that are located within close proximity of the communities in which they live. This one of the reasons CHISPA strongly supports the allocation of 30% of the former Fort Ord for creating jobs, educational opportunities and housing.

CHISPA has aligned its self in this effort through its participation with the Diversity Coalition Land Use Group, which has submitted a statement to you regarding its position in support of the Fort Ord Base Reuse Plan that was carefully negotiated and crafted when the Fort Ord Base was closed.

Sincerely,

Alfred Diaz-Infante, Pres./CEO

*Community Housing Improvement Systems and Planning Association, Inc.*

295 Main Street, Suite 100 • Salinas, CA 93901 • (831) 757-6251 • TDD: (831) 758-9481 • Fax (831) 757-7537 or (831) 757-6268

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LAW OFFICES OF  
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November 16, 2012

Dave Potter, Chair  
Board of Directors  
Fort Ord Reuse Authority  
920 2nd Ave., Suite A  
Marina, CA 93933

Re: Base Reuse Plan Reassessment report, November 16 agenda item 8c

Chair Potter and Members of the FORA Board of Directors:

This Office represents Keep Fort Ord Wild, which makes the following comments at this time with regard to the reassessment report for the Base Reuse Plan.

The report is incomplete, deeply flawed and potentially misleading on many topics.

FORA is acting at its own risk if FORA accepts the report. There is an existing conflict of interest of the FORA report preparer EMC Planning, and there is active litigation with FORA over that same issue. Under the circumstances, there is significant risk to FORA.

Keep Fort Ord Wild objects to the report for many reasons. These reasons include the following:

- The report is not a reassessment. The word "assess" means "to estimate or judge the value, character, etc." An assessment, then, is a document that estimates or judges the value or character of something. An assessment – and, by extension, a reassessment – provides a judgment or evaluation in qualitative terms. An assessment is a qualitative and quantitative analysis. The report presented to you does neither of these things. The report merely restates the existing Base Reuse Plan policies and programs. The report is a poorly presented checklist that states whether those policies have or have not been implemented.
- The report represents another lost opportunity by FORA. The report fails to take a hard look at the job done at Fort Ord and ways to improve it. The only way that FORA's failures can be corrected is to acknowledge the problems and work constructively and openly to address them. The report does none of this.

- The report's presentation of "potential options" serves to chill and artificially limit the options that FORA has, and fails to inform the FORA Board and the public of the range of options available. The report takes this "decision tree" approach, which has a strong tendency to control the outcome.
- The document is permeated by EMC's conflict of interest and EMC's duty to Seaside and Monterey Downs. The document represents an effort to assist in gaining approvals for the Monterey Downs Specific Plan, including the Monterey Downs project and the Veterans' Cemetery project which is joined with Monterey Downs in numerous material aspects.
- The report unfairly presents public comments in a way that does not reveal the scope or intensity or frequency of the public comments on different items. The report mischaracterizes public comment in such a way as to dilute the actual public comment and to avoid important issues. The "synopses" of public comments serve to deflect some issues and focus on others. The report's approach is not transparent and open.
- The report's characterization of the actions by FORA and the individual land use jurisdictions is inaccurate in material ways and potentially misleading.
- The report calls Category I "Modifications and Corrections." The title is inaccurate. The Category I items include substantive and material proposed changes to the Base Reuse Plan that cannot be approved without prior and legally sufficient CEQA review. As just one example, Table 5 has an entry for "map formatting and content inconsistencies (various)." That description is not used in the text. The text calls it "Figure Corrections," which turns out to be many proposed changes with inadequate support and inadequate explanation of what is proposed to be changed and why.
- Category II is called "Prior Board Actions and Regional Plan Consistency." Category II items include substantive and material proposed changes to the Base Reuse Plan that cannot be approved without prior and legally sufficient CEQA review and express specific approvals by the FORA Board in a public process.
- The land use jurisdiction's general plans must be consistent with the Base Reuse Plan. That is the purpose of the FORA consistency analysis. (Gov. Code, § 67675, subd. (f).) The "reassessment" report misdescribes the hierarchy, and incorrectly characterizes the Base Reuse Plan as being

required to be consistent with "County and city plans" (p. 3-24). This is yet another example of the problems caused by the conflict of interest of EMC planning, which prepared the reassessment report and also is working for the City of Seaside on proposed developments promoted by Seaside in the former Fort Ord.

- Table 10 is incorrect and incomplete. As one example, the County's 2010 General Plan Fort Ord Master Plan land use map is not consistent with the adopted BRP land use concept map because the Master Plan includes a veterans' cemetery and the adopted BRP map does not have a cemetery.
- Category III is called "Implementation of Policies and Programs." The Category III discussion discloses that implementation of approximately 172 policies, programs and mitigation measures is incomplete, some 15 years after the Base Reuse Plan was adopted. These policies, programs and measures are material and significant to the plan, and FORA and the major property owners have ignored them. The failure to comply with the plan violates the law. The plan should not be considered for amendment until the plan has been complied with.
- Material parts of the Category III analysis are simply wrong (e.g., Program A-4-2 ["status" analysis does not address the pertinent issue with regard to the habitat corridor, which is unrelated to the Community Park], Program A-4.5 [same]). These issues are particularly egregious in several instances, including the failure by the County, FORA, Seaside and Marina to protect biological resources, such as the failure to adopt oak woodlands protections (e.g., Recreation Policy C-1, Biological Resources Policy B-2, Programs B-2.1 and B-2.2, Biological Resources Policy C-2, Programs C-2.1 and C-2.2), while at the same time those entities have approved projects and are processing new ones.
- The discussion of mitigation measures in Category III reveals that FORA failed to add to the Base Reuse Plan the water quality/water supply mitigations adopted by FORA. The report fails to investigate why the mitigations were not added to the Plan. The "status" explanation is nonsensical, because the mitigations are binding.
- The report's omission from Category III of "ongoing" compliance items is significant and material. The report fails to adequately describe the factors used to determine what was "ongoing." As a result, the public does not know what has been omitted from the report, or how to compare it to the BRP.

- The report calls Category IV "Policy and Program Modifications." The discussion of Category IV items is incomplete and misleading. These are very important items that simply are given short shrift by the report.
  - As one example, the report's discussion of water supply (Background; Description and Key Issues) does not address fundamental issues raised by the public: Is the 6,600 AFY solely paper water or are there actual water rights to that amount of water at Fort Ord? Is the Deep Aquifer sustainable?
  - As another example, the discussion of the Veterans Cemetery is incorrect and misleading in material ways. As one example, the report states that the cemetery site is "indicated on the BRP Land Use Concept (denoted with 'VC')" (p. 3-109; see 3-109). That is not correct. The referenced concept map was not adopted by the FORA board. The adopted map does not have a designated cemetery site, and does not include a "VC." The BRP EIR did not analyze a cemetery site.
- The report calls Category V "FORA Procedures and Operations." The discussion is useless because this report has failed to present a true analysis or assessment. Because there is no quantitative or qualitative analysis either of the Base Reuse Plan or of FORA's procedures and operations, the public and FORA Board cannot critically review the existing FORA procedures and operations. When public has tried to get information from FORA, the public has been blocked. Because FORA has failed to quantify how the BRP has been successful and unsuccessful, all the public has is anecdotal evidence. There is no quantitative analysis of what FORA has spent over the years and what has been achieved.
- There is no summary of FORA achievements and failures, and at what financial cost. No board – either public or private – should proceed in this way. The presentation There is no "before and after" analysis. The Base Reuse Plan was adopted 15 years ago. There has been no effort to review the Base Reuse Plan at five-year increments, which would assist in identifying effectiveness, patterns, and trends. Overall, the report's approach is an effective way to hide failures.
- The report fails to address the many problems with the Base Reuse Plan maps and figures. These are highly stylized maps with swaths of colors and geometric shapes. The maps do not show all existing roads, the locations of the roads that are shown are not accurately depicted, and the

roads that are on the map are not named. All of these problems make the maps not understandable by public. This issue should be addressed.

- The report's dismissive treatment of the new Fort Ord National Monument is grossly inappropriate and does not reflect the facts, the public comments, or the comments of the FORA Board. It also does not adequately address the opportunity presented by the new National Monument status.
- The report identifies issues in such a confusing way that the reader is misled as to the true meaning and import of the topics and items.
  - As one example, the items in the tables are not numbered, the tables describe items differently from the text, and it is difficult to find in the text the items in the table. Even though the late-issued "errata" claims that items will be numbered in the published version, that does not help the public or decision makers who have struggled to make sense of the poorly presented versions to date, and who likely have missed or not understood important issues due to the poor presentations.
  - As another example, for each of the hundreds of items and topics, the report fails to provide page citations in the adopted Base Reuse Plan. That omission makes it impossible for the public to refer to the Base Reuse Plan to provide context, verify language, or any other reason.
  - As another example, the dual column format of the report is very difficult to read and understand. The dual column format is not used by any other public agency in the County, and was not authorized by the FORA Board. The awkward format appears to be an attempt to discourage transparency and accountability.
- The scoping report is fatally flawed. The factual representations and conclusions are incorrect. As one example, Table 18 purports to represent Salinas Valley Groundwater Basin allocations. The version presented to the Board (but not the public) on October 18 had material substantive errors. The version of Table 18 presented as Attachment F to the Board report also contains substantive errors. For example: the Seaside row does not add up; the Sunbay and Brostrom allocations have been reduced dramatically without explanation or basis in fact; and the Main Gate project is shown as 0 AFY even though the EIR relied on the Seaside water allocation from FORA as the water supply, the water supply

Dave Potter, Chair  
Fort Ord Reuse Authority  
November 16, 2012  
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assessment showed the project would use 207 AFY, and the Seaside City Council certified the EIR and approved the project on that basis. As another example: the figures in Table 18 are inconsistent with the public records of allocations from other agencies, including the records of Seaside and Marina Coast Water District.

- The scoping report has been adopted. FORA cannot keep amending and editing it by replacing pages and facts here and there, as FORA is doing. If the scoping report is to be formally amended, it should be done in a transparent and accountable fashion, subject to public review.
- As to water allocations, FORA should make clear the process for making and rescinding water allocations. The process is unclear, and the public has no way of understanding it. Without adequate explanation, FORA has presented various versions of water allocation charts that are not consistent with other versions, or with the records of the cities and county. The FORA process and the current allocations should be transparent and accountable. Some land use jurisdictions, like the City of Monterey, post their water allocations on their website. FORA should do the same.


Keep Fort Ord Wild joins in the position of the Sierra Club that no further consistency determinations may be made until the jurisdiction making the consistency request has implemented all applicable Base Reuse Plan policies and programs. (See October 30, 2012 Sierra Club letter to FORA Board of Directors.) That clearly was the intent of the Sierra Club settlement of the litigation against FORA, and of the Master Resolution.

#### CEQA Review Required

There is no CEQA review of any of the proposed options in the report. Prior CEQA review is required prior to any FORA action on any of the items in the report. The FORA Board should hold a full public hearing prior to considering any actions. Thank you.

Very truly yours,

LAW OFFICES OF MICHAEL W. STAMP

  
Molly Erickson



# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Capital Improvement Program Review – Phase II Study

**Meeting Date:** December 14, 2012

**Agenda Number:** 7c

**ACTION**

### RECOMMENDATION(S):

- i. Consider adopting Resolution 12-XX, which adds clarifying language to previously adopted resolution 12-5 under sections 1.2.1 and 2.1.2 (**Attachment A**).
- ii. Consider authorizing the Executive Officer to execute Amendment #1 to the FORA-jurisdictions Implementation Agreements (Amendment #1 to the IA) with additional clarifying language under sections 1.2.1 and 2.1.2 (**Attachment B**).

### BACKGROUND:

At its August 29, 2012 meeting, under item 8a “Capital Improvement Program Review – Phase II Study,” the FORA Board of Directors adopted resolution 12-5 and authorized the Executive Officer to execute Amendment #1 to the IA. At its October 12, 2012 meeting, Mayor Bachofner withdrew his request for reconsideration of item 8a in lieu of future Board consideration of amendments proposed by Supervisor Parker. The proposed amendments are described in **Attachments A and B**.

### DISCUSSION:

After the August 29, 2012 FORA Board meeting, FORA’s five member jurisdictions (County of Monterey, Cities of Seaside, Marina, Del Rey Oaks, and Monterey) brought Amendment #1 to the IA to their respective decision makers for consideration. If the FORA Board approves the proposed clarifying language, this would mean that FORA’s five member jurisdictions would have to bring the proposed clarifying language to their respective decision makers for consideration also. The intent of the proposed new language is to clarify that the FORA Board can add new projects or obligations to be funded by sources other than the FORA Development Fee and Community Facilities District special tax, and to clarify that FORA may modify its CIP in the future, and has the right to modify the FORA Development Fee and Community Facilities District special tax to fund such changes. FORA staff met with the Supervisor’s staff and concurs in the proposed amendments.

### FISCAL IMPACT:

Reviewed by FORA Controller \_\_\_\_\_

Staff time for this item is included in the approved annual budget.

### COORDINATION:

Administrative Committee, Executive Committee, and Authority Counsel.

Prepared by \_\_\_\_\_ Reviewed by \_\_\_\_\_  
Jonathan Garcia Steve Endsley

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

Resolution 12-\_\_

Resolution of the Fort Ord Reuse )  
 Authority (FORA) Board establishing a )  
 formula to determine FORA’s annual )  
 basewide development fee schedule and )  
 Community Facilities District (CFD) )  
 Special Tax rates )

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A. FORA has adopted a Basewide Community Facilities District (“CFD” or “CFD Special Tax”) to fund, together with other revenues, the FORA CIP. Section 7 (ii) of the Implementation Agreement provides that the FORA development fee and CFD Special Tax to fund CEQA Mitigation Measures (“FORA CIP”) are limited to the difference between the revenues needed for such purposes and the revenues otherwise reasonably available to achieve those purposes; and
- B. FORA and its member Jurisdictions have twelve years of experience with the Basewide Development Fee Policy (“Policy”) and CFD Special Tax; and
- C. FORA and the Army have executed an Environmental Services Cooperation Agreement (“ESCA”) providing for FORA to manage base-wide environmental remediation (including ordnance removal) funded by the Army; and
- D. The Policy and CFD Special Tax provide resources to fund CEQA Mitigation Measures (FORA CIP) identified in the 1997 FORA Base Reuse Plan and CEQA Documents; and
- E. FORA and its member Jurisdictions agree that land sales and lease proceeds, FORA property tax revenues, grant funds and the Policy and CFD Special Tax continue to be the appropriate sources to fund CEQA Mitigation Measures and Board-determined base-wide obligations in FORA’s CIP as identified in Section 1.1; and
- F. FORA recognizes the importance of calibrating the Policy and CFD Special Tax by incorporating all available resources to fund CEQA Mitigation Measures and Board-determined basewide obligations in FORA’s CIP identified in Section 1.1; and
- G. FORA and its member Jurisdictions acknowledge the Policy and CFD Special Tax must be fair and equitable; and
- H. FORA has 1) achieved cost savings; 2) secured grants and other contributions to the base-wide mitigation measures from federal and state sources; and 3) loaned

monies to fund required projects that have reduced or deferred the demand for the original Policy and CFD Special Taxes; and

- I. The Base Reuse Plan emphasized the importance of job-creation and build-out of a balanced mix of community uses including commercial, residential and public facilities to achieve a desired jobs-housing balance; and
- J. FORA and its member Jurisdictions seek refinement to the list of authorized facilities that must be funded by proceeds from land sales and lease proceeds, grants, FORA property tax revenues, the Policy and CFD Special Tax; and
- K. Stakeholders recognize, given inherent uncertainties prevalent in Base Reuse Projects, that appropriate and reasonable cost contingencies are necessary and fiscally responsible; and
- L. FORA and its member Jurisdictions acknowledge the importance of adopting a formula to establish the Policy and CFD Special Tax rates. These revenue sources will fund, or partially fund, the CIP Program. That formula must account for all potential revenue sources and costs; and
- M. FORA and its member Jurisdictions agree that such a formula would reduce uncertainty to developers, increase efficiency in the FORA CIP process, and provide flexibility for FORA’s fee program.

NOW THEREFORE the Board hereby resolves as follows:

1. Adjustment to the Policy and CFD special taxes.

1.1 The list of authorized CIP improvements (subject to escalation of costs through the San Francisco Construction Cost Index reported in the Engineering News Record, unless otherwise noted) to be funded by the Policy and CFD Special Taxes, after first applying all available FORA property tax revenues, grant funds, and land sales and lease proceeds, shall be limited to the following CEQA Mitigation Measures and corresponding base-wide obligations in FORA’s CIP:

1.1.1 Transportation/Transit improvements, including regional improvements, off-site improvements, on-site improvements, and transit capital improvements identified in the Transportation Agency of Monterey County (“TAMC”) FORA Fee Reallocation Study, dated April 8, 2005, or as subsequently updated by TAMC consistent with the FORA Fee Reallocation Study, in an amount not to exceed \$112,698,595 (as escalated) unless the obligation is otherwise reduced by TAMC and FORA.

1.1.2 Water Augmentation, which includes FORA’s CEQA obligation for the approved water augmentation project and FORA’s voluntary contribution to help offset water capacity charge increases. FORA’s CEQA obligation is subject to annual escalation, while the voluntary contribution is not.

1.1.3 Habitat Management endowment requirements anticipated in the future Fort Ord Habitat Conservation Plan excluding costs related to an open space management plan or costs related to a regional trails system program.

1.1.4 Fire Fighting equipment (“Rolling Stock”) lease-purchase of four fire engines and one water tender.

1.1.5 Other Costs and Contingencies shall be evaluated on a periodic basis in the same manner as other CIP costs and revenues. Other Costs and Contingencies are currently limited to the following:

A contingency amount not to exceed 15% of the costs of Transportation/Transit improvements for MEC construction support, soil management plans, right of way acquisition, CEQA/CESA/NEPA mitigations, unknown subsurface conditions, self insurance retention amounts and transportation/transit improvement phasing.

Additional Utility and Storm Drainage Costs which provide for restoration of storm drainage sites in State Parks land and relocation of utilities.

Other Costs for PLL insurance costs.

CFD Administration Expenses (including staff and consultant costs).

1.2 FORA will periodically adopt a formula to monitor and update the Policy and CFD Special Tax, as follows

1.2.1 The Policy and CFD Special Tax were originally designed to fund specific CIP improvements serving the overall base and local jurisdictions based upon mitigation measures required by the California Environmental Quality Act (CEQA). These mitigation measures are described in the Base Reuse Plan Environmental Impact Report (EIR) as well as the 1998 Settlement Agreement with the Ventana Chapter of the Sierra Club. This Resolution does not limit FORA’s right or duty, or that of its member jurisdictions to raise sufficient funds to construct those CEQA Mitigation Measures.

Furthermore, the Base Reuse Plan Reassessment Process may result in changes to FORA’s CIP. This Resolution does not limit FORA’s right to fund such changes through the Policy and CFD Special Taxes.

1.2.2 The FORA Board will consider adjustments to the Policy and CFD Special Tax after a comprehensive review of all potential costs and revenues. The process to consider such adjustments will be defined, predictable and transparent to all stakeholders. Adjustments to the Policy and CFD Special Tax will be approved only if they are demonstrated to be fiscally prudent and do not expose FORA or its member jurisdictions to unreasonable risk.

1.2.3 In accordance with the process set forth in part II of this resolution, commencing with Section 2.1, the FORA Board will update anticipated construction

costs and revenues available to fund the facilities identified in section 1.1 above, which are eligible to be funded by the Policy and CFD Special Taxes, and corresponding adjustments to the Policy and CFD Special Taxes within 90 days of the effective date of FORA and its member Jurisdictions adopting Implementation Agreement Amendment #1, Spring 2014 as the second evaluation period, and thereafter every two years, or when an economic or other event causes a material change to a CIP cost or revenue assumption, in coordination with FORA CIP updates.

1.2.4 Adjustments to the Policy and CFD Special Tax shall be made upon receipt by the FORA Board of satisfactory, factual documentation describing the basis for the adjustment.

1.2.5 To expedite this review procedure, adjustments to the Policy and CFD Special Tax shall maintain the same relationship among land uses as the maximum annual special taxes originally documented in the CFD.

**II. PROCESS**

2.1 FORA shall review and update the CIP periodically to apply the formula described in this Resolution and proposed Implementation Agreement Amendment #1 and any resulting Policy and CFD Special Tax adjustments. That procedure must ensure that FORA’s revenue sources, including the Policy and CFD Special Tax revenues, are adequate to carry out the Base Reuse Plan and complete required CEQA Mitigation Measures and Board-determined base-wide obligations in FORA’s CIP identified in Section 1.1 above. The periodic process will include the following steps:

2.1.1 Determine total remaining CIP costs (including required contingencies) consistent with section 1.1 above.

2.1.2 Determine the source and amount of funds, including, without limitation: a) Fund balances; b) Grant money; c) CSU Mitigation fees; d) Loan proceeds; e) Land sales revenues/proceeds net of a required credit/offset equal to the amount of monies advanced to construct CIP improvements (this amount shall ultimately be reduced to zero once the full credit/offset has been recognized) in excess of remaining building removal program estimated costs, and lease revenues (not required for other obligations); and f) FORA property tax revenue as calculated below. This process shall preserve FORA’s authority to adopt projects or mitigations to meet its statutory or other legal obligations that are paid from these sources of revenue. The following assumptions and formula shall be used to calculate the FORA property tax revenues, if available:

Assumptions:

- a. Current FORA CIP build-out assumptions as shown to estimate CFD special tax revenue
- b. Current market data assumptions to estimate assessed values for each land use type.

Formula:

- a. Calculate the net present value (NPV) of 90% of the FORA property tax revenue stream for all new assessed value after July 1, 2012.
- b. The term on the FORA property tax stream shall be from the date of the current CIP (e.g., upcoming fiscal year) through the anticipated end date of FORA (or the proposed FORA extension end date if applicable).
- c. The NPV calculation shall assume a discount rate equal to the annual average Bond Buyer Revenue Bond Index plus 50 basis points using the prior fiscal year end date (e.g., use 2012 year to date annual average at the end of FY 2011-12 for the FY 2012-13 calculation) as published in The Bond Buyer.
- d. Allocate the NPV as calculated above to reduce/offset costs of CIP.
- e. Allocate 10% of the actual property tax revenues collected by FORA from all new assessed value after July 1, 2012 and generated from parcels in the Fort Ord area of the member jurisdiction to the City or County for economic development to support the reuse of Fort Ord land within the relevant City or County.

2.1.3 Subtract sources of funds available under Section 2.1.2 from CIP costs to determine net cost to be funded by the Policy and CFD Special Tax.

2.1.4 Calculate Policy and CFD Special Tax revenues using the prior year Policy and CFD Special Tax Rates and the same land use assumptions used to estimate FORA property tax revenues shown above in Section 2.1.2.

2.1.5 Compare 2.1.4 with 2.1.3 and determine the amount of adjustment, if any, to the Policy and CFD Special Tax rates. In no event shall the adjusted CFD Special Tax rates exceed the Maximum CFD Special Tax rates (as escalated annually per the special tax formula).

**DRAFT**

**DRAFT**

**DRAFT**

Upon motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed on this 13<sup>th</sup> day of May, 2011, by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

I, Supervisor Dave Potter, Chair of the Board of Directors of the Fort Ord Reuse Authority in the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of the said Board of Directors duly made and entered under Item \_\_\_, Page \_\_\_, of the Board meeting minutes of \_\_\_\_\_, 2012 thereof, which are kept in the Minute Book resident in the offices of the Fort Ord Reuse Authority.

DATED \_\_\_\_\_

BY \_\_\_\_\_  
Dave Potter  
Chair, Board of Directors  
Fort Ord Reuse Authority

# Amendment #1 to the Implementation Agreement between the Fort Ord Reuse Authority and its Member Jurisdictions

## RECITALS

- A. The Fort Ord Reuse Authority (“FORA”) and the *member jurisdiction* have entered into an Implementation Agreement dated as of May 1, 2001 (“Implementation Agreement”) to, among other purposes, identify and provide for distribution of land sale and lease revenues, FORA property tax revenues (formerly tax increment revenues), and basewide assessments or development fees as the primary sources of funding to implement the Basewide Mitigation Measure (as defined) and to pay Basewide Costs (as defined), collectively referred to as the FORA Capital Improvement Program (“CIP”); and
- B. FORA has adopted a Base-wide Community Facilities District (“CFD” or “CFD Special Tax”) to fund, together with other revenues, the FORA CIP. Section 7 (ii) of the Implementation Agreement provides that the FORA development fee and CFD Special Tax to fund CEQA Mitigation Measures (“FORA CIP”) are limited to the difference between the revenues needed for such purposes and the revenues otherwise reasonably available to achieve those purposes; and
- C. FORA and the *member jurisdiction* have twelve years of experience with the Basewide Development Fee Policy (“Policy”) and CFD Special Tax; and
- D. FORA and the Army have executed an Environmental Services Cooperation Agreement (“ESCA”) providing for FORA to manage base-wide environmental remediation (including ordnance removal) funded by the Army; and
- E. The Policy and CFD Special Tax provide resources to fund CEQA Mitigation Measures (FORA CIP) identified in the 1997 FORA Base Reuse Plan and CEQA Documents; and
- F. FORA and the *member jurisdiction* recognize that land sales and lease proceeds, FORA property tax revenues, grant funds and the Policy and CFD Special Tax continue to be the appropriate sources to fund CEQA Mitigation Measures and Board-determined base-wide obligations in FORA’s CIP as identified in Section 1.1; and
- G. FORA and the *member jurisdiction* recognize the importance of calibrating the Policy and CFD Special Tax by incorporating all available resources to fund CEQA Mitigation Measures and Board-determined basewide obligations in FORA’s CIP identified in Section 1.1.; and



- H. FORA and the *member jurisdiction* acknowledge the Policy and CFD Special Tax must be fair and equitable; and
- I. FORA has 1) achieved cost savings; 2) secured grants and other contributions to the base-wide mitigation measures from federal and state sources; and 3) loaned monies to fund required projects that have reduced or deferred the demand for the original Policy and CFD Special Taxes; and
- J. The Base Reuse Plan emphasized the importance of job-creation and build-out of a balanced mix of community uses including commercial, residential and public facilities to achieve a desired jobs-housing balance; and
- K. FORA and the *member jurisdiction* seek refinement to the list of authorized facilities that must be funded by proceeds from land sales and lease proceeds, grants, FORA property tax revenues, the Policy and CFD Special Tax; and
- L. Stakeholders recognize, given inherent uncertainties prevalent in Base Reuse Projects, that appropriate and reasonable cost contingencies are necessary and fiscally responsible; and
- M. FORA and the *member jurisdiction* acknowledge the importance of adopting a formula to establish the Policy and CFD Special Tax rates. These revenue sources will fund, or partially fund, the CIP Program. That formula must account for all potential revenue sources and costs; and
- N. FORA and the *member jurisdiction* agree that such a formula would reduce uncertainty to developers, increase efficiency in the FORA CIP process, and provide flexibility for FORA's fee program.

## AGREEMENTS

Now therefore, FORA and the *member jurisdiction* hereby agree as follows:

### I. ADJUSTMENT TO THE POLICY AND CFD SPECIAL TAXES.

1.1 The list of authorized CIP improvements (subject to escalation of costs through the San Francisco Construction Cost Index reported in the Engineering News Record, unless otherwise noted) to be funded by the Policy and CFD Special Taxes, after first applying all available FORA property tax revenues, grant funds, and land sales and lease proceeds, shall be limited to the following CEQA Mitigation Measures and corresponding base-wide obligations in FORA's CIP:

1.1.1 Transportation/Transit improvements, including regional improvements, off-site improvements, on-site improvements, and transit capital improvements identified in the Transportation Agency of Monterey County ("TAMC") FORA Fee Reallocation Study, dated April 8, 2005, or as subsequently updated by TAMC consistent with the FORA Fee Reallocation Study, in an amount not to

exceed \$112,698,595 (as escalated) unless the obligation is otherwise reduced by TAMC and FORA.

1.1.2 Water Augmentation, which includes FORA's CEQA obligation for the approved water augmentation project and FORA's voluntary contribution to help offset water capacity charge increases. FORA's CEQA obligation is subject to annual escalation, while the voluntary contribution is not.

1.1.3 Habitat Management endowment requirements anticipated in the future Fort Ord Habitat Conservation Plan excluding costs related to an open space management plan or costs related to a regional trails system program.

1.1.4 Fire Fighting equipment ("Rolling Stock") lease-purchase of four fire engines and one water tender.

1.1.5 Other Costs and Contingencies shall be evaluated on a periodic basis in the same manner as other CIP costs and revenues. Other Costs and Contingencies are currently limited to the following:

A contingency amount not to exceed 15% of the costs of Transportation/Transit improvements for MEC construction support, soil management plans, right of way acquisition, CEQA/CESA/NEPA mitigations, unknown subsurface conditions, self insurance retention amounts and transportation/transit improvement phasing.

Additional Utility and Storm Drainage Costs which provide for restoration of storm drainage sites in State Parks land and relocation of utilities.

Other Costs for PLL insurance costs.

CFD Administration Expenses (including staff and consultant costs).

1.2 FORA will periodically adopt a formula to monitor and update the Policy and CFD Special Tax, as follows

1.2.1 The Policy and CFD Special Tax were originally designed to fund specific CIP improvements serving the overall base and local jurisdictions based upon mitigation measures required by the California Environmental Quality Act (CEQA). These mitigation measures are described in the Base Reuse Plan Environmental Impact Report (EIR) as well as the 1998 Settlement Agreement with the Ventana Chapter of the Sierra Club. This agreement does not limit FORA's right or duty, or that of its member jurisdictions to raise sufficient funds to construct those CEQA Mitigation Measures. Furthermore, the Base Reuse Plan Reassessment Process may result in changes to FORA's CIP. This Agreement does not limit FORA's right to fund such changes through the Policy and CFD Special Taxes.

1.2.2 The FORA Board will consider adjustments to the Policy and CFD Special Tax after a comprehensive review of all potential costs and revenues. The process to consider such adjustments will be defined, predictable and transparent to all stakeholders. Adjustments to the Policy and CFD Special Tax will be approved only if they are demonstrated to be fiscally prudent and do not expose FORA or its member jurisdictions to unreasonable risk.

1.2.3 In accordance with the process set forth in part II of this Agreement, commencing with Section 2.1, the FORA Board will update anticipated construction costs and revenues available to fund the facilities identified in Section 1.1, above, which are eligible to be funded by the Policy and CFD Special Taxes, and corresponding adjustments to the Policy and CFD Special Taxes within 90 days of the effective date of this Agreement, Spring 2014 as the second evaluation period, and thereafter every two years, or when an economic or other event causes material change to a CIP cost or revenue assumption, in coordination with FORA CIP updates.

1.2.4 Adjustments to the Policy and CFD Special Tax shall be made upon receipt by the FORA Board of satisfactory, factual documentation describing the basis for the adjustment.

1.2.5 To expedite this review procedure, adjustments to the Policy and CFD Special Tax shall maintain the same relationship among land uses as the maximum annual special taxes originally documented in the CFD.

## II. PROCESS

2.1 FORA shall review and update the CIP periodically to apply the formula described in this Implementation Agreement amendment and any resulting Policy and CFD Special Tax adjustments. That procedure must ensure that FORA's revenue sources, including the Policy and CFD Special Tax revenues, are adequate to carry out the Base Reuse Plan and complete required CEQA Mitigation Measures and Board-determined base-wide obligations in FORA's CIP identified in Section 1.1 above. The periodic process will include the following steps:

2.1.1 Determine total remaining CIP costs (including required contingencies) consistent with Section 1.1 above.

2.1.2 Determine the source and amount of funds, including, without limitation: a) Fund balances; b) Grant money; c) CSU Mitigation fees; d) Loan proceeds; e) Land sales revenues/proceeds net of a required credit/offset equal to the amount of monies advanced to construct CIP improvements (this amount shall ultimately be reduced to zero once the full credit/offset has been recognized) in excess of remaining building removal program estimated costs, and lease revenues (not required for other obligations); and f) FORA property tax revenue as calculated below. This process shall preserve FORA's authority to adopt projects or mitigations

to meet its statutory or other legal obligations that are paid from these sources of revenue. The following assumptions and formula shall be used to calculate the FORA property tax revenues, if available:

Assumptions:

- a. Current FORA CIP build-out assumptions as shown to estimate CFD special tax revenue.
- b. Current market data assumptions to estimate assessed values for each land use type.

Formula:

- a. Calculate the net present value (NPV) of 90% of the FORA property tax revenue stream for all new assessed value after July 1, 2012.
- b. The term on the FORA property tax stream shall be from the date of the current CIP (e.g., upcoming fiscal year) through the anticipated end date of FORA (or the proposed FORA extension end date if applicable).
- c. The NPV calculation shall assume a discount rate equal to the annual average Bond Buyer Revenue Bond Index plus 50 basis points using the prior fiscal year end date (e.g., use 2012 year to date annual average at the end of FY 2011-12 for the FY 2012-13 calculation) as published in The Bond Buyer.
- d. Allocate the NPV as calculated above to reduce/offset costs of CIP.
- e. Allocate 10% of the actual property tax revenues collected by FORA from all new assessed value after July 1, 2012 and generated from parcels in the Fort Ord area of the *member jurisdiction* to the City or County for economic development to support the reuse of Fort Ord land within the relevant City or County.

2.1.3 Subtract sources of funds available under Section 2.1.2 from CIP costs to determine net cost to be funded by the Policy and CFD Special Tax.

2.1.4 Calculate Policy and CFD Special Tax revenues using the prior year Policy and CFD Special Tax Rates and the same land use assumptions used to estimate FORA property tax revenues shown above in Section 2.1.2.

2.1.5 Compare 2.1.4 with 2.1.3 and determine the amount of adjustment, if any, to the Policy and CFD Special Tax rates. In no event shall the adjusted CFD Special Tax rates exceed the Maximum CFD Special Tax rates (as escalated annually per the special tax formula).

### III. ENFORCEMENT

3.1 This agreement is entered into for the benefit of FORA and the *member jurisdiction* subject to the Policy and CFD Special Tax, and may be subject to dispute resolution and enforced by FORA or the *member jurisdiction* subject to the Policy and CFD Special Taxes in the same manner and process set forth for dispute resolution and under Section 17 of the Implementation Agreement.

3.2 The original Implementation Agreement will prevail when this Amendment #1 conflicts with the Implementation Agreement.

[Add signature pages]

[Add acknowledgments for recordation]

DRAFT

# **Placeholder for Item 8a**

**Review 2013 FORA Meeting Schedule  
Board Report**

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The item listed above will be included in the final Board packet



## Fort Ord Reuse Authority

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# 2013 FORA ADMINISTRATIVE COMMITTEE MEETING DATES

(Approved by the FORA Board on \_\_\_\_\_, 2012)

**January 2**  
*January 16*

**July 2**  
*July 17*

**February 6**  
*February 20*

**July 31**  
*August 14*

**March 6**  
*March 20*

**September 4**  
*September 18*

**April 3**  
*April 17*

**October 2**  
*October 16*

**May 1**  
*May 15*

**November 6**  
*November 20*

**June 5**  
*June 19*

**December 4**  
*December 18*

The FORA Administrative Committee meets twice a month, on the Wednesday one week prior to the Board meeting and on the Wednesday following the Board meeting. The dates in bold above are the meetings that occur prior to the Board meeting, at which the Committee will review items for the upcoming Board agenda. Meetings begin at 8:15 a.m. in the FORA Conference Room, unless otherwise posted.

**Meeting dates and times are subject to change.**

Agendas and agenda materials are posted on the FORA website at [www.fora.org](http://www.fora.org), and are also available upon request.



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## JOINT ADMINISTRATIVE AND CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

8:15 A.M. WEDNESDAY, OCTOBER 31, 2012

920 2<sup>nd</sup> Avenue, Marina CA 93933 (FORA Conference Room)

### MINUTES

#### 1. CALL TO ORDER AT 8:15 AM

Confirming a quorum, Executive Officer Michael A. Houlemard, Jr. called the meeting to order at 8:20 AM. The following people, indicated by signatures on the roll sheet, attended:

Tim O'Halloran, City of Seaside  
Benny J. Young, Mo. Co. RMA  
Nourdin Khayata, City of Marina  
Elizabeth Caraker, City of Monterey  
Doug Yount, City of Marina  
Diana Ingersoll, City of Seaside  
Daniel Dawson, City of DRO  
John Dunn, City of Seaside

Kelly Cadiente, MCWD  
Mike Zeller, TAMC  
Todd Muck, TAMC  
Michael Houlemard, FORA  
Steve Endsley, FORA  
Rob Robinson, BRAC  
Graham Bice, UCMBEST

Chuck Lande, Marina Heights  
Jim Arnold, FORA  
Crissy Maras, FORA  
Scott Hilck, MCP  
Vicki Nakamura, MPC  
Beth Palmer, Monterey Downs  
Bob Schaffer, MCP

#### 2. PUBLIC COMMENT PERIOD: None

- 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE:** 1) The Heroes Open III Golf Tournament is scheduled for November 10<sup>th</sup> at the Bayonet/Black Horse Golf Course; golfers and donations are needed. The tournament is a fundraiser for the Central Coast Veterans' Cemetery (CCVC). 2) Several meetings are scheduled, including one with Assembly Member Monning and the State Dept. of Veteran's Affairs, to discuss implementation of the cemetery in the currently planned location. 3) The FORA Legislative Committee approved the 2013 legislative agenda which includes seeking grant funds for the FORA Capital Improvement Program (CIP). 4) The October 30<sup>th</sup> special Board meeting to receive comments on the draft Base Reuse Plan (BRP) reassessment document was well attended. Presentation materials are available on FORA's website. 5) The Sierra Club comment letter was made available to committee members. 6) Inclement weather has caused the Army to delay prescribed burns.

#### 4. NEW BUSINESS

##### a. Development projections and transportation priorities

When the Fort Ord BRP was adopted, it carried a series of transportation projects necessary to mitigate redevelopment of the former Fort Ord. That list included regional, off-site and on-site projects, and assigned a shared percentage of each to FORA. Based on FORA land use jurisdiction requests due to their changing needs, the list was re-visited in the 2005 FORA Fee Reallocation Study, prepared by TAMC and AMBAG. The study resulted in a revised project list/transportation network as well as a reallocation of FORA's financial obligation to fully fund on-site projects. One change in the project list was the removal of the Highway 68 Bypass and Fort Ord Expressway. These were large, four-lane facilities designed to move east-west traffic through the former Fort Ord. These projects were replaced with Eastside Parkway and by four-laning General Jim Moore Boulevard, reducing the footprint of the transportation network while meeting traffic needs more efficiently and preserving more habitat.

Currently, Eastside Parkway is the priority project in the 2012/13 CIP. The design is 90% complete, however, FORA does not have \$22M to fund the construction. The environmental documents will not be prepared until the project can be funded.



FORA Assistant Executive Officer Steve Endsley noted that updating development projections and transportation priorities continues to be an annual exercise. Through this process, FORA attempts to schedule transportation projects to meet jurisdictional and development needs. Remaining on-site projects include South Boundary, Inter Garrison and Gigling Roads and Eastside Parkway. FORA only has a financial obligation to the other on-site, off-site and regional projects, including four which are the subject of a reimbursement agreement with the City of Marina (8<sup>th</sup> Street, Abrams Road, and Salinas and Crescent Avenues). The City of Marina previously requested that FORA consider funding a fifth project (extension of 2<sup>nd</sup> Avenue from Imjin Parkway to Patton Parkway), provided that the overall project funding (approximately \$10.2M) remains the same.

Now that the notice of completion has been filed for the General Jim Moore Boulevard improvement project, the American Recovery and Reinvestment Act grant is being closed out. That allows FORA to pursue additional grant funding through various sources, including the Economic Development Administration (EDA). FORA Senior Project Manager Jim Arnold noted that the South Boundary Road improvement project, from Rancho Saucito Lane to General Jim Moore Boulevard, likely has the best opportunity for grant funding as it is a smaller project (about \$3M) and it links employment centers.

CSUMB representative Justin Wellner stated that improvements to 8<sup>th</sup> Street are an immediate need for the campus, compounded by the County's decision to open Inter Garrison Road to traffic. Executive Officer Houlemard agreed, and noted that with several developments in the 8<sup>th</sup> Street vicinity, including a planned veteran's clinic, there should be various opportunities for grant funding. Mr. Arnold additionally noted that the City of Marina is the lead agency for the 8<sup>th</sup> Street project and would therefore be the proper grant applicant.

City of Marina representative Doug Yount noted the need to seek grant funding for other CIP projects, including building removal. Mr. Yount made a motion to 1) receive the CIP background tables in order to submit updated development projections, 2) FORA staff research grant opportunities, 3) FORA staff report actual fund balances, and 4) Review CIP project feasibility. Additional points added to the motion include 5) Research CEQA requirements for CIP projects, and 6) Add discussion of building removal and land sales revenue to a future meeting. City of Seaside representative John Dunn seconded the motion as expanded. The motion was unanimously approved.

**b. TAMC grants for a Multi-modal Corridor study**

TAMC representative Todd Muck requested this item be postponed to a future meeting no sooner than January.

**5. OLD BUSINESS – none**

**6. ADJOURNMENT**

The meeting was adjourned at 10:00.

Minutes prepared by Crissy Maras, Grants and Contracts Coordinator