

**ACTION MINUTES
OF THE
FORT ORD REUSE AUTHORITY
BOARD OF DIRECTORS' MEETING
August 10, 2007**

1. CALL TO ORDER

Chair Joe Russell called the meeting to order at 3:32 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Russell asked Mayor Rubio to lead the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS

Chair Russell welcomed Suzanne Fox, assistant to John Arriaga, FORA's legislative representative in Sacramento.

ROLL CALL:

The following board members were present:

Chair/Mayor Russell (City of Marina)
Mayor McCloud (City of Carmel-by-the-Sea)
Mayor Della Sala (City of Monterey)
Councilmember Davis (City of Pacific Grove)
Mayor Rubio (City of Seaside)
Councilmember Barnes (City of Salinas)

Mayor Mettee-McCutchon (City of Marina)
Councilmember Wilmot (City of Marina)
Supervisor Calcagno (Monterey County)
Mayor Pendergrass (City of Sand City)
Councilmember Mancini (City of Seaside)

Absent were two representatives from the County of Monterey.

The following ex officio members were present:

Steve Reed (CSUMB)
Debbie Hale (TAMC)
Pamela von Ness (U.S. Army)
Kenneth K. Nishi (MCWD)

Graham Bice (UC MBEST)
Hunter Harvath (Monterey-Salinas Transit)
Gail Youngblood (BRAC)
Vicki Nakamura (Monterey Peninsula College)

Arriving after the roll call were Congressman Farr (17th Congressional District), Dr. Douglas Garrison (Monterey Peninsula College), who replaced Ms. Nakamura at the dais, and Dr. Marilyn Shepherd (Monterey Peninsula Unified School District). Absent were representatives from the 15th State Senate District and the 27th State Assembly District.

4. CONTINUATION OF JULY BOARD WORKSHOP: PRESENTATIONS BY THE TRANSPORTATION AGENCY FOR MONTEREY COUNTY AND MONTEREY-SALINAS TRANSIT REGARDING THEIR REDEVELOPMENT PROJECTS ON FORMER FORT ORD

Chair Russell acknowledged the presence of Hunter Harvath (Monterey-Salinas Transit) and Debbie Hale (Transportation Agency for Monterey County), the two presenters. Each, in turn, proceeded with PowerPoint presentations of their respective agency's projects.

5. PUBLIC COMMENT PERIOD

John Fischer (Pacific Grove) called attention to the recent ads for jobs at the soon-to-be-open Target and Kohl's stores in Marina's new commercial center located at Imjin Parkway and Highway One and questioned where future employees earning from \$8 - \$15/hour would find affordable housing in the residential projects being constructed on former Fort Ord and whether adequate bus service in and out of the area has been planned yet. Chair Russell announced that Congressman Farr had been the recipient of the Association of Defense Communities ("ADC") David Pryor Award at the recent ADC Annual Conference in Miami Beach, Florida. He said this award is for outstanding contributions for implementing base reuse in the United States and has not been awarded for a long time. Mr. Farr followed with several comments, noting that FORA is leading the way and is on the cutting edge of many issues being faced by other closed bases. Chair Russell also announced that FORA Executive Officer Michael Houlemard had been elected president of ADC for a 2-year term.

6. CONSENT AGENDA

There were two items on the Consent Agenda: Item 6a – Action Minutes of the July 13, 2007 Board Meeting and Item 6b – Imjin Office Park: Authorization to Execute Architectural Design Contract with the Paul Davis Partnership: Executive Officer Houlemard asked that additional text be added to his comments regarding the multiple reasons for revisiting the Base Reuse Plan in the Executive Officer's Report. **Motion to approve Item 6a was made by Mayor Mettee-McCutchon, seconded by Mayor Rubio, and carried. Motion to approve Item 6b was made by Mayor Rubio, seconded by Mayor Mettee-McCutchon, and carried.**

7. OLD BUSINESS

Item 7a – Habitat Conservation Plan ("HCP") Approval Process - Update: Director of Planning and Finance Steve Endsley opened the presentation with a PowerPoint focused on a summary of the background events of the HCP approval process, the opportunities and challenges, Jones and Stokes' working relationship with CA Department of Fish & Game ("CDFG"), and the next steps, emphasizing the importance of keeping the momentum moving forward. Mr. Endsley introduced Jeff Thomas (senior project manager from Stokes and Jones, FORA's new environmental consultant), who outlined the next steps in the process, including funding, the cost model, working closely with CDFG, and repackaging things before sit-down discussions on the specifics. He said these details should be finished by year's end. Bill Loudermilk, the Central Coast Regional Manager for CDFG, emphasized the importance of having everything in order before presenting the draft HCP to CDFG and remarked that FORA's recent visit with Resource Secretary Chrisman and CDFG Chief Deputy Director McCamman in Sacramento "hit the mark." He reported that the Secretary had received a commitment from the Governor's office and Director McCamman to complete the HCP and deliver it on time. Mr. Loudermilk remarked that it was a good move to bring in Jones and Stokes to shepherd the HCP through the regulatory process. He added that the Fort Ord HCP is a very complex document but that the CDFG has already been actively engaged and is focusing on timely resolution of the remaining issues. He said that when stalemates occur at the technical level, the matter will be sent to the next level for resolution. He called attention to the importance of all parties communicating. In reference to the take permit application, Mr. Loudermilk said it was very important to work through all the legal elements in a proactive, not reactive, way. He also remarked that it is important for all to acknowledge change, which means that broad coverage for the take

permit is essential. Mayor Russell remarked that the HCP has just received a “breath of fresh air.” There were no public comments.

Item 7b – Early Transfer/ Environmental Services Cooperative Agreement (“ET”/“ESCA”): (i) Status Report on the ET/ESCA Process; (ii) Memorandum of Agreement (“MOA”) with the Jurisdictions/ Entities re FORA’s Holding ESCA Properties during the Cleanup Period; and (iii) Contract Change Order with LFR, Inc. re Phasing of General Jim Moore Boulevard Construction during ESCA Cleanup Activities: Executive Officer Houlemard provided a brief overview of the three items in this report.

- (i) Mr. Houlemard provided an update on the funding status (one slide). A second slide with facts about the joint FORA/LFR/BRAC booth at the upcoming Monterey County Fair followed.
- (ii) Associate Planner Jonathan Garcia described the purpose of this MOA and reported that meetings are ongoing. He said that individual MOA’s would be crafted for each of the participating entities, including the five land recipient jurisdictions that are already covered by the Implementation Agreements (signed in 2001).
- (iii) Special Counsel Barry Steinberg stated that this change order to the existing contract with LFR, Inc. referred to changes in the scope of work and the timing of work with respect to a Right of Way and improvements on a section of General Jim Moore Blvd. These changes are necessary for FORA to have essential infrastructure, e.g., water lines, in place so that timely development can occur. This particular timing was not recognized when the ESCA agreements were negotiated. He said that LFR and the insurance companies must approve the changes and noted that there are implications concerning the regulators that need to be worked out. He stated that the process was complex because there are “many moving parts” that must be modified and approved. In addition, FORA’s contract with LFR is not a guaranteed fixed price contract, which means that FORA is obligated to pick up the extra costs. Questions by board members followed. Executive Officer Houlemard clarified that it is important for FORA to meet its Capital Improvement Program obligations. He said that staff will be working with the Administrative Committee on the change order and he expects a staff recommendation in time for the September board meeting. Councilmember Wilmot requested a financial impact report on the change order.

Item 7c – Monterey Bay Regional Water Solutions Leadership Task Force Memorandum of Understanding (“MOU”) – Approval of Modifications: Executive Officer Houlemard said that additional changes, primarily in terminology, had been submitted. Several board members expressed their opinion to keep the document as broad as possible and to get on with approving it. **Motion to approve the draft MOU in its current form, along with deletion of the word “management” in the 7th Whereas so it reads “. . . alternative regional projects and water programs. . .”, was made by Mayor Mettee-McCutchon and seconded by Mayor Rubio.** There were no more board, or any public, comments, and the motion passed.

8. NEW BUSINESS

Item 8a – Memorandum of Agreement (“MOA”) with Department of Toxic Substances Control (DTSC) on Land Use Covenants: Executive Officer Houlemard explained the purpose of this MOA concerning monitoring and reporting compliance requirements regarding land use covenants and pointed out the current suggested changes. Associate Planner Jonathan Garcia emphasized that the main reason for this document was to simplify the process and save the impacted jurisdictions money by having one agency receive all the reports and associated fees, which would necessitate only one visit by DTSC each year. FORA would assume these responsibilities and the fees (estimated at \$20,000/year) for the first two years

and then pass the responsibility on to the County, which would collect the fees and reports and transmit them all together to DTSC each year. Mr. Houlemard said the staff recommendation is to defer final approval until the next board meeting, which will allow more time for agency/jurisdictional concurrence. Discussion followed. Mayor McCloud asked that FORA counsel sign the MOA as to form.

9. EXECUTIVE OFFICER'S REPORT

There were two items in the Executive Officer's Report: Item 9a (Administrative Committee Report), and Item 9b (Fort Ord Reuse Authority Investments – Quarterly Status Report): There were no board or public comments.

10. ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Houlemard and Mayor Rubio reported on the recent Association of Defense Communities Annual Conference, which they had attended, and the former announced that Monterey had been selected as the host city for the 2008 annual conference. Congressman Sam Farr mentioned the issues being faced by BRAC bases selected for expansion of personnel, e.g., the need for additional schools in places since military families living on base do not contribute to local property taxes, which fund schools. He said that the Naval Postgraduate School will be the site for a special briefing and reception from 5:30 – 7:00 p.m. on Thursday, August 16, to bring together the military and invited civilian members of the community for the purpose of understanding the potential joint benefits to partnering relationships. He said Monterey County receives about \$1 billion in federal revenue each year, which could open opportunities for existing and new businesses here, particularly in research, training and operations.

Chair Russell adjourned the meeting to a short recess before convening the Closed Session.

11. CLOSED SESSION

There were two items in the Closed Session: (a) the Executive Officer's performance evaluation and (b) a conference with legal counsel regarding existing litigation (*Save Our Peninsula v. FORA*).

12. REPORT OUT OF CLOSED SESSION BY AUTHORITY COUNSEL

Authority Counsel Bowden reported that the board members had discussed both items and given direction to counsel and Executive Officer Houlemard.

13. ADJOURNMENT: Chair Russell adjourned the meeting at 5:25 pm.

Minutes prepared by Linda Stiehl, Deputy Clerk

Approved by _____
Michael A. Houlemard, Jr., Executive Officer/Clerk