



# Fort Ord Reuse Authority

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

## BOARD OF DIRECTORS MEETING

Friday, June 10, 2011

3:00 p.m. (JOINT MEETING) ~ 3:30 p.m. (REGULAR BOARD MEETING)  
910 2<sup>nd</sup> Ave, Marina (on the former Fort Ord)

### AGENDA

**1. CALL TO ORDER AND ROLL CALL**

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

**3. CONSENT AGENDA**

ACTION

- a. May 13, 2011 FORA Board meeting minutes
- b. Authorization to award construction contract: General Jim Moore Boulevard and Eucalyptus Road Completion Project
- c. Confirm Renewable Energy-Powering America’s Land Initiative Project Application to the Environmental Protection Agency
- d. Authorization to apply for and accept additional grant funds from the Office of Economic Adjustment to complete additional reuse planning.
- e. Preston Park
  - i. FY 2011-12 budget
  - ii. Management Agreement Amendment No. 4

**4. OLD BUSINESS**

- a. Environmental Services Cooperative Agreement - special access, 2<sup>nd</sup> vote
- b. Habitat Conservation Plan – status report
- c. Eastside Parkway – Memorandum of Agreement
- d. FORA FY 2011-2012 Preliminary Budget

ACTION  
INFORMATION  
ACTION  
ACTION

**5. NEW BUSINESS - none**

**6. EXECUTIVE OFFICER’S REPORT**

- a. Outstanding Receivables
- b. Administrative Committee – report
- c. Finance Committee – report
- d. Legislative Committee – report
- e. Travel Report

INFORMATION  
INFORMATION  
INFORMATION  
INFORMATION  
INFORMATION

**7. ITEMS FROM MEMBERS**

INFORMATION

**8. CLOSED SESSION**

**Public Employee Performance Evaluation (Gov. Code §54957)  
Position: Executive Officer**

**9. REPORT OUT OF CLOSED SESSION**

**10. ADJOURNMENT**



# Fort Ord Reuse Authority

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

[Return to Agenda](#)

## BOARD OF DIRECTORS MEETING

Friday, May 13, 2011

3:00 p.m. Carpenters Union Hall  
910 2<sup>nd</sup> Ave, Marina (on the former Fort Ord)

# DRAFT

### MINUTES

#### 1. CALL TO ORDER AND ROLL CALL

Chair Potter called the May 13, 2011 Board of Directors meeting to order at 3:00 p.m.

#### Voting members present (Quorum present at call to order)

Chair/Supervisor Potter (County of Monterey)

1<sup>st</sup> Vice Chair/Mayor Edelen (City of Del Rey Oaks)

Mayor Pendergrass (City of Sand City)

Mayor ProTem Kampe (City of Pacific Grove)

Councilmember Brown (City of Marina)

Supervisor Parker (County of Monterey)

Mayor Bachofner (City of Seaside)

2<sup>nd</sup> Vice Chair/Mayor Pro-Tem O'Connell  
(City of Marina)

Absent: Mayor McCloud (City of Carmel-by-the-Sea). Arriving after the roll call were the following members: Councilmember Selfridge (City of Monterey), Jim Cook (County of Monterey), Councilmember Barrera (City of Salinas), Councilmember Oglesby (City of Seaside).

#### Ex-Officio members present:

Dr. Margon (University of California Santa Cruz ("UCSC")), Kevin Saunders (California State University Monterey Bay ("CSUMB")), Vicki Nakamura (Monterey Peninsula College ("MPC")), Dan Albert, Jr., (Monterey Peninsula Unified School District), Bill Collins (Base Realignment and Closure ("BRAC")), Debbie Hale (Transportation Agency for Monterey County ("TAMC")), Nicole Charles (27<sup>th</sup> State Assembly District), and Pamela Von Ness (United States Army).

Absent: Hunter Harvath (Monterey Salinas Transit) and representation from the 15<sup>th</sup> State Senate District. Arriving after the roll call were: Alec Arago (17<sup>th</sup> Congressional District) and Ken Nishi (Marina Coast Water District ("MCWD")).

2. **PLEDGE OF ALLEGIANCE** - Chair Potter led the Pledge of Allegiance.

3. **ACKNOWLEDGEMENTS** – Mr. Houlemard acknowledged FORA staff member Sharon Strickland. Ms. Strickland, who has been a dedicated employee with more than 15 years of service is moving to Texas and this was her last meeting.

4. **LEGISLATIVE SESSION** - Congressman Sam Farr (17<sup>th</sup> Congressional District) – Executive Officer Houlemard reported that Congressman Farr continues to be helpful regarding the UCMBEST Center. After arrival, 17<sup>th</sup> Congressional District staff member Alex Arago provided a handout summarizing federal issues related to FORA. Mr. Arago reported that, in general, the federal budget is very lean and may impact the clean-up efforts on the former Fort Ord. He said that the recently passed Continuing Resolution cut \$38 billion from the previous year, bringing the overall budget down to 2008 levels. He said that Mr. Farr realizes the importance of providing as much support as possible for the Fort Ord and BRAC (Base Reuse Alignment Closure) clean-up and that the House and Senate will have to weigh in on spending levels. However, Mr. Arago noted that Mr. Farr expects about \$373M (increased by \$50M for the account) to be available for cleanup purposes nationwide. Mr. Arago also said that the Defense Communities Caucus, was created to assist communities in developing positive collaborations to discuss funding issues, share expertise and best practices models and that MR. Farr serves as c-chair. Mr. Arago noted that City of Monterey City Manager Fred Meurer, Mr. Farr, and Executive Officer Houlemard, all

participated in a recent effort in Washington DC to discuss the intergovernmental services agreements such as the one between the City of Monterey and POM/DLI (Presidio of Monterey/Defense Language Institute). He said that arrangements such as these could save the Federal government money. Mr. Arago also reported on the joint Active Duty Military – Veterans Administration (“VA”) Clinic effort. The City of Seaside and the VA are working on a location and the perfect spot might be at General Jim Moore Boulevard and Gigling across from the Commissary. He said that Mr. Farr is hopeful that new construction will not be cut. Mr. Arago extended his appreciation to the FORA Board Directors and Mr. Monning and his staff for their work on the future California Central Coast Veterans Cemetery. Chair Potter opened the floor for questions. There being no questions, Chair Potter noted no representation from the 15<sup>th</sup> State Senate District and introduced Nicole Charles, representative from the 27<sup>th</sup> State Assembly District.

Assemblymember Bill Monning (27<sup>th</sup> State Assembly District) – Staff member Nicole Charles read a memo from Assemblymember Monning thanking FORA Board and staff for their coordination with his office. In the memo read by Ms. Charles, Assemblymember Monning acknowledged FORA’s scheduled sunset and encouraged members to review the best options for the Monterey Community. He also thanked FORA’s work on Assembly Bill 629, which would bring a veterans cemetery to the former Fort Ord base and that the legislation proposes the California Department of Veterans Affairs to contract with FORA for construction of the project. Ms. Charles also noted the town hall meeting Mr. Monning at Seaside’s Oldemeyer Center on Saturday, May 21<sup>st</sup> beginning at 10:00 a.m. and thanked Mr. Houlemard for agreeing to moderate that event.

5. **ANNOUNCEMENTS AND CORRESPONDENCE** - Chair Potter asked the directors to please be sure to turn on their microphone while speaking and turn it off when finished so that the Deputy Clerk could be assured of a proper recording for the Board minutes. Mr. Houlemard announced that a letter was received from Matt Huerta, Director of Housing Development South County Housing regarding the FORA Impact Fee Program for Affordable and Reduced Size Housing.
6. **PUBLIC COMMENT PERIOD** – John Hutchenson, resident of the City of Monterey commented that he was a part-owner of the former Fort Ord. He said that he walks the former Fort Ord seven days a week and enjoys the trails. He said that the serpentine roadways of Eastside Road and access to BLM land is of concern and will cut the access of thousands of people to use the Gigling and 8<sup>th</sup> street entrance. He urged a new base reuse plan be considered. Ken Cristman, resident of Carmel Valley thanked FORA staff for their work and for the access to the ESCA lands during the cleanup period. He asked the Board to consider an alternative to another automobile transit artery and further development at the cost of habitat. He said that maybe the plan needs to be updated.
7. **CONSENT AGENDA - Motion to approve the April 8, 2011 FORA Board meeting minutes was made by Supervisor Parker, seconded by Councilmember Oglesby and carried.**
8. **OLD BUSINESS** - Item 8a - Board packet distribution, staff member Sharon Strickland presented an overview of the new Board packet distribution process including a link on the FORA website main page. She said that, during the month of May, Board members received both paper copies and an email which included the link. Ms. Strickland said that this month’s board packet was extremely large and previous packets were much smaller, noting that, in the future, downloading the document should be swifter. Ms. Strickland said that the Board will be notified by email the Friday prior to the Board meeting that the board packet has been posted. She said that, if Board members wanted a paper copy, please notify the Deputy Clerk, Daylene Alliman. Debbie Hale asked if staff could ensure landscape documents be posted horizontally instead of vertically. Ms. Strickland agreed to research the issue and make the adjustment if possible. Item 8b - Environmental Services Cooperative Agreement (“ESCA”), Program Manager Stan Cook presented a report on the ESCA program and summarized meetings and outreach events held throughout the year. He discussed the future of East Garrison and gave an update on the Munitions Response Area, Habitat Program, 2011 Document Schedule and the Community Involvement for 2011. Mr. Cook reviewed the ACCORD principles of the Community Involvement and Outreach program. He reviewed the findings of munitions and explosives of concern (“MEC”)

and community resources available to the public and reported on planned events for the year. Item 8c - FORA/Agency Reimbursement Agreements, ESCA property work, Mr. Cook reported that outside agencies had requested ESCA team escorts for access to ESCA property owned by FORA. He said that this assistance cannot be provided utilizing ESCA remediation funds. He said the recommendation is for FORA to enter into reimbursement agreements with Monterey Peninsula College ("MPC"), Monterey Horse Park ("MHP"), and others so that these entities can pay FORA for the ESCA team escorts and additional staff time. Mr. Cook asked the Board to authorize the FORA Executive Officer to execute individual reimbursement agreements with these outside agencies. **Motion to approve was made by Mayor ProTem O'Connell and seconded by Mayor Bachofner. The vote failed as a consequence of a no vote and a second vote on this item will occur at the June meeting where a majority prevails as defined in 2.02.040 of the Master Resolution.**

Item 8d - Capital Improvement Program Review

- i. Adopt resolution to implement fee adjustment
- ii. Review and adopt policy changes necessary to implement the fee adjustment
- iii. Authorize Executive officer to enter into contract for Phase II
- iv. Draft Capital Improvement Program FY 11-12

Director of Planning and Finance Steve Endsley presented the item to the Board. He summarized that FORA staff contacted Community Facilities District ("CFD")/Assessment District Counsel Paul Thimmig after the Board's April 8<sup>th</sup> action. Mr. Thimmig determined that the CFD special tax and development fee could be amended, as directed by the Board, through a resolution. Executive Officer Houlemard and Authority Counsel Jerry Bowden drafted the attached resolution 11-02, which was subsequently reviewed and edited by Mr. Thimmig. Staff recommends that the Board adopt resolution 11-02 to implement the across the Board CFD Special Tax and Development Fee adjustment. Mr. Endsley also described recommended policy changes for the Board to adopt for implementation of the fee adjustment. Mr. Endsley outlined the proposed Phase II Capital Improvement Program (CIP) consultant scope and recommended Board approval. Finally, Mr. Endsley provided a brief PowerPoint presentation regarding the draft Capital Improvement Program FY 11-12. Chair Potter opened the floor to public comment. Mike Weaver identified himself and expressed concerns about the recommended Board action of a fee adjustment. He commented that a CEQA study should be performed. Richard Rosenthal representing Save Our Peninsula commented on the fee adjustment. He said that a CEQA study or a reference to a CEQA exemption should be made. **Motion to approve was made by Mayor Edelen, seconded by Councilmember Oglesby and carried.**

Item 8e- Office of Economic Adjustment grant – Senior Planner Jonathan Garcia reported that there were two items recommended to the Board for this item. The first item was to receive a presentation from Whitson engineers and Royston, Hanamoto, Alley, & Abey (RHAA) regarding the work they've performed under the grant. The second item was to accept Office of Economic Adjustment (OEA) grant deliverables completed by Whitson Engineers and their sub-consultants. Andrew Hunter from Whitson Engineers and Cordy Hill from RHAA reported on the California Central Coast Veterans Cemetery work they've completed. **Motion to approve was made by Councilmember Barrera, seconded by Councilmember Oglesby and carried.**

Item 8f - Habitat Conservation Plan, Director of Planning and Finance, Steve Endsley reported that relationships are good with both the California Department of Fish and Game (CDFG) and U.S. Fish and Wildlife Service (USFWS). He explained that much of the additional contract costs stem from comments received from USFWS requesting a complete reorganization of several sections. Mr. Arago offered support from Congressman Sam Farr's office. Mayor Bachofner expressed dismay regarding the contract costs for reorganizing Habitat Conservation Plan (HCP) sections. Mr. Endsley clarified that the contract would cover completion of a 3<sup>rd</sup> Administrative Draft HCP, a screen-check draft HCP for USFWS and CDFG attorneys to review, and completion of a public draft HCP. **Motion to approve was made by Councilmember Barrera, seconded by Councilmember Oglesby and carried unanimously.**

Item 8g - General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II – Senior Engineer Jim Arnold gave an update stating the board report was succinct regarding the final change orders and FORA was working with the EDA to award the project which is expected by the June 10, 2011 board meeting.

9. **NEW BUSINESS - Item 9a - FORA FY 11-12 Preliminary Budget**, Controller Ivana Bednarik stated that the Finance Committee held its first meeting and expected to meet again on May 23, 2011 to review the fiscal year 2011-12 budget and present to the Executive Committee for Board approval at the June meeting. Mr. Houlemard stated there was a slight increase made in reserves to cover six months of operating expenses noting that the last one made was nine years ago. Item 9b - Land Use Covenants fiscal year 09-10 report, Mr. Houlemard presented the item to the Board, stating the report is included for informational purposes only and FORA jurisdictions are responsible for completing individual annual reports and for reimbursing the California Department of Toxic Substances Control (DTSC) for their annual oversight costs.
10. **EXECUTIVE OFFICER'S REPORT** - Executive Officer Houlemard stated that Item 10b - Administrative Committee report, stood as an information item and Item 10c - Finance Committee report, had been reported under New Business Item 9a. Item 10a. - Outstanding Receivables, Mr. Houlemard reported that the City of Del Rey Oaks reported to the Executive Committee its ability to pay however the City of Marina is disputing the collection of the CFD fee tax increment. **Motion to accept was made by Mayor Bachofner, seconded by Mayor Pro Tem Kampe and carried.** Item 10d - Travel Report, Mr. Houlemard gave a brief overview of the travel for his and Senior Planner Jonathan Garcia's trip to Sacramento in support for the hearing regarding AB 629 and issues regarding the HCP; Assistant Executive Officer Feeney's trip to Seattle to meet with the Economic Development Administration ("EDA"); and travel for Stan Cook to participate in the ESCA team meeting in San Francisco. Additionally, Mr. Houlemard requested an increase in the travel budget authority to cover any other legislative coordination issues that may surface. **Motion to approve a \$2000.00 increase was made by Supervisor Parker, seconded by Mayor Edelen and carried unanimously.** Item 10e - Legislative Committee report, Mr. Houlemard gave an overview of the legislation reviewed by the Legislative Committee and noted the support positions are for bills 629 and 343. Mr. Houlemard asked for concurrence with the state legislation positions recommended. **Motion to approve was made by Supervisor Parker, seconded by Councilmember Barrera and carried.**
11. **ITEMS FROM MEMBERS** - none
12. **REPORT OUT OF CLOSED SESSION** - Mr. Houlemard gave a status report of the Preston Park sale negotiations and parties have agreed to schedule mediation. The Board gave the Chair authorization to send a letter to the City of Marina regarding Neeson Road.
13. **ADJOURNMENT** - Chair Potter adjourned the meeting at 5:45 p.m.

Minutes prepared by Daylene Alliman, Deputy Clerk

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

**FORT ORD REUSE AUTHORITY BOARD REPORT****CONSENT AGENDA**

<b>Subject:</b>	Authorization to award construction contract: General Jim Moore Boulevard and Eucalyptus Road Completion Project	
<b>Meeting Date:</b>	June 10, 2011	<b>ACTION</b>
<b>Agenda Number:</b>	3b	

**RECOMMENDATION:**

Authorize Fort Ord Reuse Authority ("FORA") staff to award a construction contract to Top Grade Construction ("TGC") in the amount of \$4,310,323 (including a 10% construction contingency reserve), for the General Jim Moore Boulevard ("GJMB") and Eucalyptus Road ("EUC") Completion Project ("the Completion Project").

**BACKGROUND/DISCUSSION:**

Applying remaining Economic Development Administration ("EDA") American Reinvestment and Recovery Act ("ARRA") grant funds and FORA matching funds (after Board concurrence), staff has packaged and competitively bid infrastructure components not included in the first stage of construction. The "Basis of Award" was the lowest bidder on Schedule A. A possible total of seven Additive Alternative Schedules were also bid - to be awarded to the limits of available funding. Bid results were competitive, allowing the award of all Schedules (Schedule A through Schedule H). The resulting project conforms to past Capital Improvement Program projects. May 10, 2011 bid opening results follow:

<b>Contractor Name</b>	<b>Basis of Award (Schedule A) Bid</b>
Top Grade Construction ( <i>Livermore, CA</i> )	\$2,344,475
Pavex Construction ( <i>San Jose, CA</i> )	\$2,394,473
Monterey Peninsula Engineering ( <i>Marina, CA</i> )	\$2,448,420
Granite Construction ( <i>Watsonville, CA</i> )	\$2,593,593
Don Chapin Company ( <i>Salinas, CA</i> )	\$2,705,234
DeSilva Gates Construction ( <i>Dublin, CA</i> )	\$2,712,458
Raminha Construction ( <i>Atascadero, CA</i> )	\$2,857,266
<i>Engineer's Opinion of Probable Cost</i>	\$3,401,500

<b>Contractor Name</b>	<b>Total Bid (Schedules A-H)</b>
Top Grade Construction ( <i>Livermore, CA</i> )	\$3,918,475
Pavex Construction ( <i>San Jose, CA</i> )	\$4,007,603
Monterey Peninsula Engineering ( <i>Marina, CA</i> )	\$3,756,420
Granite Construction ( <i>Watsonville, CA</i> )	\$3,947,589
Don Chapin Company ( <i>Salinas, CA</i> )	\$4,141,234
DeSilva Gates Construction ( <i>Dublin, CA</i> )	\$4,002,458
Raminha Construction ( <i>Atascadero, CA</i> )	\$4,362,266
<i>Engineer's Opinion of Probable Cost</i>	\$4,559,978

Under the Basis of Award terms, TGC was the lowest bidder. However, TGC was not the lowest bidder for the A-H Schedule total. EDA guidelines require that FORA fund any difference between the lowest total bid and the award of the contract. The difference is \$162,055. The funding of this difference is addressed in the Fiscal Impact section, below.

**FISCAL IMPACT:**

Reviewed by FORA Controller M.F. Jan 13.

On May 23, 2011, FORA received EDA's approval of the final GJMB V and EUC II cost and available budget for the follow-on Completion Project.


**GJMB V and EUC II final cost:**


Top Grade	\$7,713,073	(total cost \$9,015,566; \$1,302,592 paid by MCWD)
Creegan & D'Angelo	\$651,604	(total cost \$706,631; \$55,027 paid by MCWD)
Arcadis	\$52,290	
FORA project management	<u>\$225,000</u>	
Total cost charged to EDA grant	\$8,641,968	
EDA original award amount	\$12,853,508	(\$6,426,754 EDA and \$6,426,754 local match)
Less GJMB V/EUC II final cost	(\$8,641,968)	
Available for Project Completion	<b>\$4,211,540</b>	(\$2,105,770 EDA and \$2,105,770 local match)

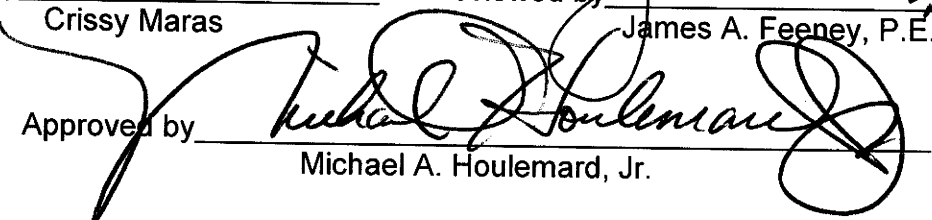
As previously stated, FORA awards the contract to the lowest bidder for Schedule A (TGC, at \$3,918,475) but the EDA administered ARRA funds will pay up to the lowest bid for *all* Schedules, A through H inclusive (\$3,756,419). Any amount awarded/paid over that limit for all eight Schedules is FORA's responsibility. The difference between TGC and MPE of \$162,055 will be covered by CFD revenues and/or Preston Park loan proceeds. EDA approved Construction Change Orders, not exceeding the grant, are EDA reimbursable.

**COORDINATION:**

EDA, City of Seaside, Monterey County, Administrative Committee, Executive Committee

Prepared by   
Crissy Maras

Reviewed by   
James A. Feeney, P.E.

Approved by   
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY BOARD REPORT****CONSENT AGENDA**

<b>Subject:</b>	Fort Ord Reuse Authority Renewable Energy - Powering America's Land Initiative Project Application to the Environmental Protection Agency	
<b>Meeting Date:</b>	June 10, 2011	<b>ACTION</b>
<b>Agenda Number:</b>	3c	

**RECOMMENDATION(S):**

- i. Confirm the Fort Ord Reuse Authority (FORA) Executive Officer's submittal of an application to the US Environmental Protection Agency (EPA) for technical assistance in a renewable energy feasibility study (**Attachment A**), and
- ii. Authorize FORA staff to accept the award upon an offer from the EPA to complete a renewable energy feasibility study.

**BACKGROUND/DISCUSSION:**

Through its *RE-Powering America's Land: Siting Renewable Energy on Potentially Contaminated Land and Mine Sites* initiative, the EPA is seeking applications to evaluate potential renewable energy development using formerly contaminated properties. The purpose of the technical assistance is to reuse sites, improve communities, create jobs, develop partnerships, and increase the amount of renewable energy generated.

The 1997 Fort Ord Base Reuse Plan anticipated three "E's" (Economic and Education opportunities as well as Environmental protection) as being the key to successful redevelopment. Completing a community-scale renewable energy system would be an important achievement in meeting the region's effort to realize environmentally sensitive reuse while creating jobs for residents of Marina, Seaside, and other regions impacted by the Fort Ord closure in the 1990s. If EPA selects FORA's feasibility study application, it would be a critical first step. Once completed, regional entities could use the feasibility study in future planning efforts. The feasibility study could be used to prepare a plan whereby key stakeholders may consider different options to achieve carbon-neutral electricity generation and meet state goals to reduce its carbon footprint.

Staff is requesting affirmation of the formal application submitted to EPA for the feasibility study. Also, staff is requesting Board authorization to accept the award, should it be offered by the EPA.

**FISCAL IMPACT:**

Reviewed by FORA Controller M.F. for I.B.

The award is not a "grant" and therefore will have no direct fiscal impact. The feasibility study has the potential to greatly benefit former Fort Ord property owners by identifying opportunities for renewable energy generation. Staff time for this item is included in the approved FY 10-11 budget.

**COORDINATION:**

EPA, FORA member agencies, State Parks, Bureau of Land Management, Marina in Motion, and Citizens for Sustainable Monterey County.

Prepared by

  
 Hallie Bare

Reviewed by

  
 Jonathan Garcia

Approved by

  
 Michael A. Houlemard, Jr.



## **I. Summary Page**

**Title:** “Capturing Monterey Bay Sunlight: A Carbon-Neutral Future for former Fort Ord”

**Applicant:** Fort Ord Reuse Authority (FORA)

**Program Manager:** Jonathan Garcia, Senior Planner  
Jonathan@fora.org  
(831) – 883-3672

### **Type of renewable energy feasibility request:**

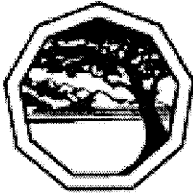
The primary source of renewable energy for the proposed project is community-scale Solar Photovoltaic (PV). The National Renewable Energy Laboratory (NREL) energy potential analysis of 12,000 acres of Fort Ord contributed to the identification of this as a significant energy resource.

### **Brief description of the proposed project:**

Since the early 1900s, the land that makes up the former Fort Ord Army Base was used for military purposes. It was a major training area for World War II, Korea, Vietnam, and Desert Storm military campaigns. Due to the intensive military use of the land, groundwater and MEC (Munitions and Explosives of Concern) contamination have been identified, leading to the designation of the former army base as a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund) site. In 1991, the base closed and base reuse planning began. Then, in September 1994, 13,619 military and 2,835 civilian jobs were eliminated or relocated, leaving the area largely vacant. In 1997, the Fort Ord Base Reuse Plan was adopted.

The main goal of the proposed project is to increase the use of renewable energy technology, primarily PV, as part of the base reuse plan of the former Fort Ord Army Base. The proposed project is to implement solar PV technology as an energy source for the Fort Ord community. There is a great deal of support from landowners and the surrounding community to reduce the current and future carbon footprint of the base with the eventual goal to be a carbon-neutral community. This project will focus on supplying electricity to residential, commercial, and light industrial development on the designated development land of the base. The first stage of the project will focus on the light industrial parcels due to the economic feasibility of implementation and the high energy intensity associated with this type of development.

To make this project a reality, a renewable energy feasibility assessment of the technical and economic aspects of renewable energy must be carried out. While there have been general energy potential studies completed by the Environmental Protection Agency (EPA) for the Fort Ord site, thus far, there has been no assessment of solar resource potential on the microclimate level. There have also been very few resources dedicated to determining the economic and technical feasibility of solar PV implementation in the area. A RE-Powering Feasibility Study through EPA/NREL would be invaluable in providing the type of technical assistance necessary to move forward with renewable energy at the former Fort Ord Army Base.



## FORT ORD REUSE AUTHORITY

100 12TH STREET, BUILDING 2880, MARINA, CALIFORNIA 93933  
PHONE (831) 883-3672 - FAX (831) 883-3675  
WEBSITE: [www.fora.org](http://www.fora.org)

---

May 18, 2011

Lura Matthews  
Center for Program Analysis  
U.S. Environmental Protection Agency  
Mail Code 5101T  
1200 Pennsylvania Ave. NW  
Washington, DC 20460

Subject: Letter of support for FORA's RE-Powering America's Land Initiative Project

To: EPA RE-Powering America's Land Initiative Selection Committee

From: Dave Potter, Chair, Fort Ord Reuse Authority

The Fort Ord Reuse Authority (FORA) supports the renewable energy project and the technical assistance opportunity from the EPA and National Renewable Energy Laboratory (NREL) through the RE-Powering America's Land Initiative. We also submit herewith FORA's application for this project.

As the Chair of FORA, I support this proposed project, knowing that renewable energy would be a great resource for the Monterey Bay Region and would align specifically with our sustainability goals. The former Fort Ord is comprised of approximately 28,000 acres and FORA is charged with completing the planning, financing, and implementation of reuse as described in the 1997 adopted Fort Ord Base Reuse Plan (BRP). Part of the BRP's Community Design Vision is a responsible and positive attitude toward the environment. We see great economic and environmental benefits in this type of project and feel that a feasibility study by NREL would provide invaluable information for former Fort Ord as well as the region as a whole. I look forward to partnering closely with the local community and EPA throughout the process and supporting the project in any way possible. Please find an attached list of stakeholders who also support the project.

Sincerely,

  
Dave Potter  
FORA Chair

Enclosure

List of Stakeholders supporting the proposed project:

Bureau of Land Management

California Department of Parks and Recreation

Association of Monterey Bay Area Governments

County of Monterey

City of Marina

City of Seaside

City of Del Rey Oaks

City of Monterey

University of California Santa Cruz

California State University Monterey Bay

Monterey Peninsula College

Monterey Peninsula Unified School District

Marina in Motion, a local community group

Citizens for Sustainable Monterey County, a local community group

### **III. Project Description**

#### **Background**

The former Fort Ord Army Base spans approximately 27,800 acres on the California Central Coast. In 1917, the U.S. Army established the Fort Ord site as a maneuver area and field artillery target range. It was a major training area for World War II, Korea, Vietnam, and Desert Storm military campaigns. The Environmental Protection Agency (EPA) placed the site on the National Priorities List in 1990. Since the late 1980s, groundwater plumes, contaminated soil sites, the Fort Ord Landfill, and MEC (Munitions and Explosives of Concern) contamination have been identified, leading to the designation of the former Fort Ord Army Base as a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund) site.

Through site investigations, officials discovered that the facility contained underground storage tanks leaking petroleum, containers of waste oil and various automotive chemicals, chemical storage areas, oil-waste separators, target ranges, and landfills. One on-site area is a 150-acre landfill that was primarily used to dispose of residential waste, as well as small amounts of commercial waste generated by the base. Other areas include a former fire drill area, motor pool maintenance areas, small dump sites, and small arms target ranges. An 8,000-acre firing range, and other limited areas on-site, poses threats from unexploded ordnance. Approximately 40,000 people obtain drinking water from wells located within 3 miles of the site. The Salinas River alluvial basin, El Toro Creek, and Monterey Bay border the site.

In 1991, the base closed and base reuse planning began. Then, in September 1994, 13,619 military and 2,835 civilian jobs were relocated or eliminated, resulting in a Fort Ord population loss of approximately 30,000 residents, leaving the area largely vacant. The 1997 Fort Ord Base Reuse Plan was prepared by the Fort Ord Reuse Authority (FORA) (<http://www.fora.org>) pursuant to the provisions of Senate Bill 899 to guide the development of the Former Military Reservation. The California State Senate Bill 899 and Assembly Bill 1600 created FORA in 1994. As a regional governmental organization, granted specific powers through the State of California, FORA is responsible for completing the planning, financing, and implementation of reuse as described in the adopted 1997 FORA Base Reuse Plan.

FORA is governed by a board of 13 members composed of the following voting members: one member each appointed by the Cities of Carmel, Del Rey Oaks, Monterey, Sand City, Pacific Grove, and Salinas; two members each appointed by the Cities of Seaside and Marina; and three members appointed by Monterey County. The following are the 11 ex-officio members of the FORA Board: the 17<sup>th</sup> Congressional District, the 15<sup>th</sup> State Senate District, the 27<sup>th</sup> State Assembly District, the Transportation Agency for Monterey County, Monterey Peninsula Unified School District, University of California Santa Cruz, California State University Monterey Bay, United States Army & Base Realignment and Closure Office, Monterey Peninsula College, Monterey-Salinas Transit, and Marina Coast Water District.

Since FORA's base reuse planning began in 1994, clean-up of contaminated property on former Fort Ord has been a critical part of the legal process for transferring ownership of military property. Under federal law, a title may not be transferred until the toxic or hazardous situation is remedied, or the remediation process is in place and operating correctly. Successful reuse of the former Fort Ord requires the Army to clean up each parcel on the base to the level required for its intended use as designated by the 1997 Fort Ord Base Reuse Plan. The duration and nature of clean-up activities will affect interim and long term reuse implementation of the Base Reuse Plan. The majority of this site is being addressed by the U.S. Army, with EPA oversight. A Federal Facility Agreement was signed by the Army, EPA and the State of California in 1990.

In addition, approximately 3,484 acres of Fort Ord is undergoing a "privatized" cleanup. FORA received this land through early transfer and is responsible for the cleanup of this portion of Fort Ord. FORA voluntarily entered into an Administrative Order on Consent with the EPA and California Department of Toxic Substances Control (DTSC) for the cleanup of these parcels in May 2007. The Administrative Order on Consent requires FORA to clean up the parcels to an extent that protects human health and the environment.

Major land recipients of the former Fort Ord properties include:

<b>Recipient/Jurisdiction</b>	<b>Acres</b>
BLM	14,658
Monterey County	3,442
Marina	2,290
Seaside	1,883
CSUMB	1,351
UC MBEST	1,086
State Parks	979
Army retained	774
MPC	560
Del Rey Oaks	362
CalTrans	307
Monterey	135
<b>Total</b>	<b>27,828</b>

Most of the former Fort Ord lands have been transferred to the end recipients. However, nearly half of the Bureau of Land Management's (BLM) designated acreage has yet to be transferred pending completion of the U.S. Army's soil and MEC cleanup in this area.

Another challenge to base reuse has been building removal. The U.S. Army left between 2,000 and 3,000 buildings when the base closed, mostly from the World War II era. Many of these structures have lead-based paint and asbestos contamination. California State University, Monterey Bay has rehabilitated a number of former military buildings for its East Campus housing area, administrative offices, dormitories, and classrooms. FORA rehabilitated approximately 442 townhouse-style former military units and currently owns and manages 354 of these units. It has assumed a large building removal

obligation (approximately 1,200 buildings) on the former base, committing more than \$60 million in its land sales revenues and federal and private grants to safely dispose of contaminated building components and perform heavy recycling of clean building materials.

### **Threshold Criteria**

FORA is a regional governmental entity created by the State of California. The statutes governing FORA are found in California Government Code section 67650, *et seq.*

The former Fort Ord site is currently contaminated with active remediation efforts occurring. The entire 27,800 acres of the former Fort Ord was designated as a Superfund site in 1990.

FORA's cover letter from Supervisor Dave Potter is included in this application as the letter from the site owner. As the table of land recipients shows (above), multiple land owners are involved in base reuse of the former Fort Ord. As the Chair of the FORA Board, Supervisor Dave Potter is the key elected official in the area and the list of stakeholders attached to his letter support this application.

### **Evaluation Criteria**

#### **Need for EPA/NREL assistance.**

FORA's proposed project is a community-scale solar photovoltaic (PV) system on the former Fort Ord Army Base. The main goal of the proposed project is to increase the use of renewable energy technology, primarily PV, as part of the base reuse/redevelopment efforts, starting with commercial/light industrial development and with the long-term goal of achieving a carbon-neutral electricity grid on the former base. The National Renewable Energy Laboratory (NREL) energy potential analysis of 12,000 acres of Fort Ord contributed to the identification of solar PV as the significant energy resource for this project. Currently, redevelopment projects on the base have adopted renewable energy technologies on a limited project-by-project basis. Educational institutions have taken the lead with Chartwell School (a private middle school and high school) and California State University Monterey Bay (CSUMB) implementing initial PV energy generation and Monterey Peninsula College developing a horizontal axis wind generator under construction at its Marina Satellite campus.

To make this project a reality, a renewable energy feasibility assessment of the technical and economic aspects of renewable energy potential must be carried out. While there have been general energy potential studies completed by the EPA for the Fort Ord site, thus far, there has been no assessment of solar resource potential on the microclimate level. Besides the renewable energy projects at Chartwell School, CSUMB, and MPC, FORA is not aware of any other renewable energy feasibility studies on the former base. There have been very few resources dedicated to determining the economic and technical feasibility of solar PV implementation in the area. This project would not likely succeed without the support from the EPA/NREL. The landowners do not at this time have the

resources or technical skills necessary to evaluate the site for renewable energy. A RE-Powering Feasibility Study through EPA/NREL would be invaluable in providing the type of technical assistance necessary to move forward with renewable energy at the former Fort Ord Army Base. Without this support, it is likely that renewable energy generation on the former Fort Ord will continue to be conducted on a limited project-by-project basis instead of a regional effort with the over-arching goal of establishing a carbon-neutral electricity grid.

**Description of site history and explanation characteristics of the site that may make it suitable for the renewable energy type proposed**

FORA's offices are located at the Northwestern end of the former Fort Ord. Our address is: 100 12<sup>th</sup> Street, Bldg. 2880  
Marina, CA 93933.

The Monterey Bay region is characterized by numerous microclimates. A few locations may be found as suitable for development of wind energy. However, the NREL energy potential analysis of 12,000 acres of Fort Ord identified the wind resource potential as poor, the Wind Power Density ( $W/m^2$ ), at 50 Meters being 0-200. The same analysis determined that the utility solar potential was very good with a Utility Solar Power Resource ( $kWh/m^2/day$ ) being 5.30. This is the reason for choosing solar PV as the project's primary energy source.

Approximately 16,000 acres of former Fort Ord will be preserved in perpetuity as habitat lands. Large scale solar and wind farms would not be allowed on these biologically sensitive sites due to their potential negative effects on these natural communities. However, the remaining 11,800 acres of the former Fort Ord would be the area targeted for community-scale PV (see attached map differentiating between development lands and habitat lands).

A cleanup plan is currently in place on the former Fort Ord. The U.S. Army's cleanup efforts are concentrated on future BLM property, which is designated as a habitat reserve. FORA's privatized cleanup on approximately 3,300 acres includes habitat and development lands. FORA's cleanup process would not affect the feasibility study, except that there would be limited access to a few active MEC remediation sites and implementation of renewable energy projects on development lands would likely await completion of the site cleanup (currently anticipated in 2015).

**Interest from the local utility**

Pacific Gas and Electric Company (PG&E) is the local utility company for the former Fort Ord. FORA was unable to ascertain whether or not they would be providing support for this project. However, the State of California has passed a net-metering law, which requires PG&E to accept on-site renewable energy generation from its customers and reduce the customer's bill by the amount of electricity generated on-site. PG&E's direct participation in the project is not an impediment, but is being explored.

Current electricity consumption on former Fort Ord is estimated to be:

<b>Current Electricity Consumption Estimate for former Fort Ord (2011)</b>					
<b>Factor</b>	<b>Units/SF of building</b>	<b>Consumption</b>	<b>Annual use</b>	<b>PG&amp;E cost per kwh</b>	<b>Total Annual Cost</b>
Residential units	4,411	8,492 kwh/year	37,458,212	\$.126/kwh	\$ 4,719,734.71
Commercial buildings	762,900	13.4 kwh/SF/year	10,222,860	\$.151/kwh	\$ 1,543,651.86
<b>Total</b>			47,681,072		\$ 6,263,386.57

If development on former Fort Ord proceeds under the current Base Reuse Plan and jurisdiction's forecast, electricity consumption in 2022 is estimated to be:

<b>Future Electricity Consumption Estimate for former Fort Ord (2022)</b>					
<b>Factor</b>	<b>Units/SF of building</b>	<b>Consumption</b>	<b>Annual use</b>	<b>PG&amp;E cost per kwh</b>	<b>Total Annual Cost</b>
Residential units	10,816	8,492 kwh/year	91,849,472	\$.126/kwh	\$ 11,573,033.47
Commercial buildings	7,359,403	13.4 kwh/SF/year	98,616,000	\$.151/kwh	\$ 14,891,016.03
<b>Total</b>			190,465,472		\$ 26,464,049.50

### **Explanation of how this project relates to a broader plan for the area**

The 1997 Base Reuse Plan anticipated three "E's" as being the key to successful redevelopment at the former Fort Ord: Economic Redevelopment, Educational Institutions, and Environmentally Sensitive Reuse. Completing a community-scale PV system at former Fort Ord will meet the region's effort to realize environmentally sensitive reuse.

Once completed, FORA will use the feasibility study in its reassessment of the 1997 Base Reuse Plan in 2012-13 and will prepare a plan whereby the local communities may consider different options to achieve a carbon-neutral electricity grid on former Fort Ord, likely through public or private ownership of the general facilities.

A community-scale solar PV system at Fort Ord will have many benefits. Along with reducing reliance on fossil fuels and associated greenhouse gas emissions, it also has the potential to increase energy efficiency by reducing energy loss through transmission lines. Through community ownership, the overall cost of the system, once implemented, would be much less expensive than individual solar PV units.

The fact that all landowners at the former Fort Ord, as well as a large number of community members from the surrounding area, are in support of a renewable energy project will ensure that a feasibility study on renewable energy potential will not go unused. There is a great deal of interest in seeing the implementation of renewable



energy in order to provide electricity to existing infrastructure and development on the site, as well as to if possible exceed the site's energy consumption and provide electricity to development in surrounding areas. After the feasibility study is complete, the Fort Ord Reuse Authority along with its partners will seek funding for implementation through federal, state, and private grants, as well as presenting the option of a privatized or public renewable energy facilities agreement.

### **How the project is transferable and useful to other geographic locations**

There are numerous base closure communities around the United States that could look to FORA's efforts to achieve a carbon neutral electricity grid and replicate or adapt the model established at Fort Ord.

### **Local support and community partnerships**

There is a great deal of support from landowners and the surrounding community to reduce the current and future carbon footprint of the base with the eventual goal to be a carbon-neutral community (see attached list of project supporters). If selected for this grant, FORA will set up a working group with key stakeholders, including landowners and local community groups. Two prominent local community groups have expressed an interest in partnering with FORA on this project: Marina in Motion and Citizens for Sustainable Monterey County.

Through FORA's privatized cleanup program (the Environmental Services Cooperative Agreement), FORA has a proven track record of performing community outreach through public workshops, informal working groups, and one-on-one interactions.

Our plan for targeted community engagement for this project is to set a monthly informal working group with quarterly public workshops for additional public outreach. We will also engage the public and stakeholders upfront so that we can identify opportunities and constraints while the feasibility study is underway. The public will be involved throughout the process (from feasibility study to renewable energy facilities construction) so that concerns are heard and addressed as the project evolves.

## Jonathan Garcia

---

**From:** marinademocrats@gmail.com on behalf of Sustainable Marina [c4smarina@gmail.com]  
**Sent:** Friday, May 20, 2011 11:31 AM  
**To:** Jonathan Garcia  
**Cc:** Robert or Denyse Frischmuth  
**Subject:** Re: Inclusion of Citizens for Sustainable Marina on a list of stakeholders for an EPA grant

Hi Jonathan,

Citizens for Sustainable Marina (C4SM) would find it more appropriate, and perhaps more beneficial for your purposes, to list our umbrella group, Citizens for Sustainable Monterey County (CSMC) as a signatory for your grant application, as this would then include all the local community action groups.

My understanding is that CSMC will be included in community outreach activities throughout the grant study period and be included in future discussions of any plans to be developed as a result of this study. I am copying Denyse Frischmuth, who would be your contact for CSMC, and please do keep C4SM on your mailing list as well.

We always appreciate inclusion in Fort Ord reuse issues.

Thanks,

Luana Conley  
Citizens for Sustainable Marina  
Facilitator, Community Outreach & Communications  
Board Member, Citizens for Sustainable Monterey County  
<http://sustainablemontereycounty.org/>  
h. 884-9662  
cl. 915-0237

*Due to a known issue with Gmail, this message may appear as being sent "On Behalf of" another group. This is an unavoidable glitch, and has no connection to any message from any other group whatsoever.*

--  
We cannot perpetuate old ways that don't work because what we are has destroyed what we had. We need a new way to treat the Earth's web of life and one another.

On Thu, May 19, 2011 at 4:36 PM, Jonathan Garcia <[jonathan@fora.org](mailto:jonathan@fora.org)> wrote:

Hi Luana,

A few days ago FORA learned of a feasibility study opportunity through EPA. Essentially, if we are selected, EPA would send their National Renewable Energy Laboratory staff to the former Fort Ord to perform a renewable energy feasibility study. As part of the application, FORA would like to include Citizens for Sustainable Marina as one of the stakeholders supporting this proposed feasibility study project. I've attached a copy of our Chair's letter of support, the summary page part of our application, and a draft list of supporting stakeholders. Also, below is a link to EPA's website. Please let me know by noon Friday if you have any concerns with FORA including Citizens for Sustainable Marina on the list of supporting stakeholders. The application also asks us to include documentation of community outreach and partnerships. Would Citizens for Sustainable Marina be willing to be a community partner if our project is selected?

Jonathan Garcia

Thank you,

Jonathan

---

*Jonathan Garcia*  
*Senior Planner*  
*Fort Ord Reuse Authority*  
*831-883-3672 (3675 FAX)*

## Jonathan Garcia

---

**From:** nancy amadeo [nancyamadeo@gmail.com]  
**Sent:** Friday, May 20, 2011 10:34 AM  
**To:** Jonathan Garcia  
**Subject:** Re: Inclusion of Marina in Motion on a list of stakeholders for an EPA grant

Jonathan,  
Marina in Motion is happy to participate as a stakeholder for this granting opportunity. We would be willing to partner as a means of getting information out through our email to community groups we are in contact with via our TA Grant. We believe many of these groups would also be interested in the renewable energy study.  
Nancy Amadeo  
President, Marina in Motion.

On Thu, May 19, 2011 at 4:22 PM, Jonathan Garcia <[jonathan@fora.org](mailto:jonathan@fora.org)> wrote:

Hi Dan and Nancy,

A few days ago FORA learned of a feasibility study opportunity through EPA. Essentially, if we are selected, EPA would send their National Renewable Energy Laboratory staff to the former Fort Ord to perform a renewable energy feasibility study. As part of the application, FORA would like to include Marina in Motion as one of the stakeholders supporting this proposed feasibility study project. I've attached a copy of our Chair's letter of support, the summary page part of our application, and a draft list of supporting stakeholders. Also, below is a link to EPA's website. Please let me know by noon Friday if you have any concerns with FORA including Marina in Motion on the list of supporting stakeholders. The application also asks us to include documentation of community outreach and partnerships. Would Marina in Motion be willing to be a community partner if our project is selected?

<http://www.epa.gov/oswer/cpa/index.htm>

Thank you,

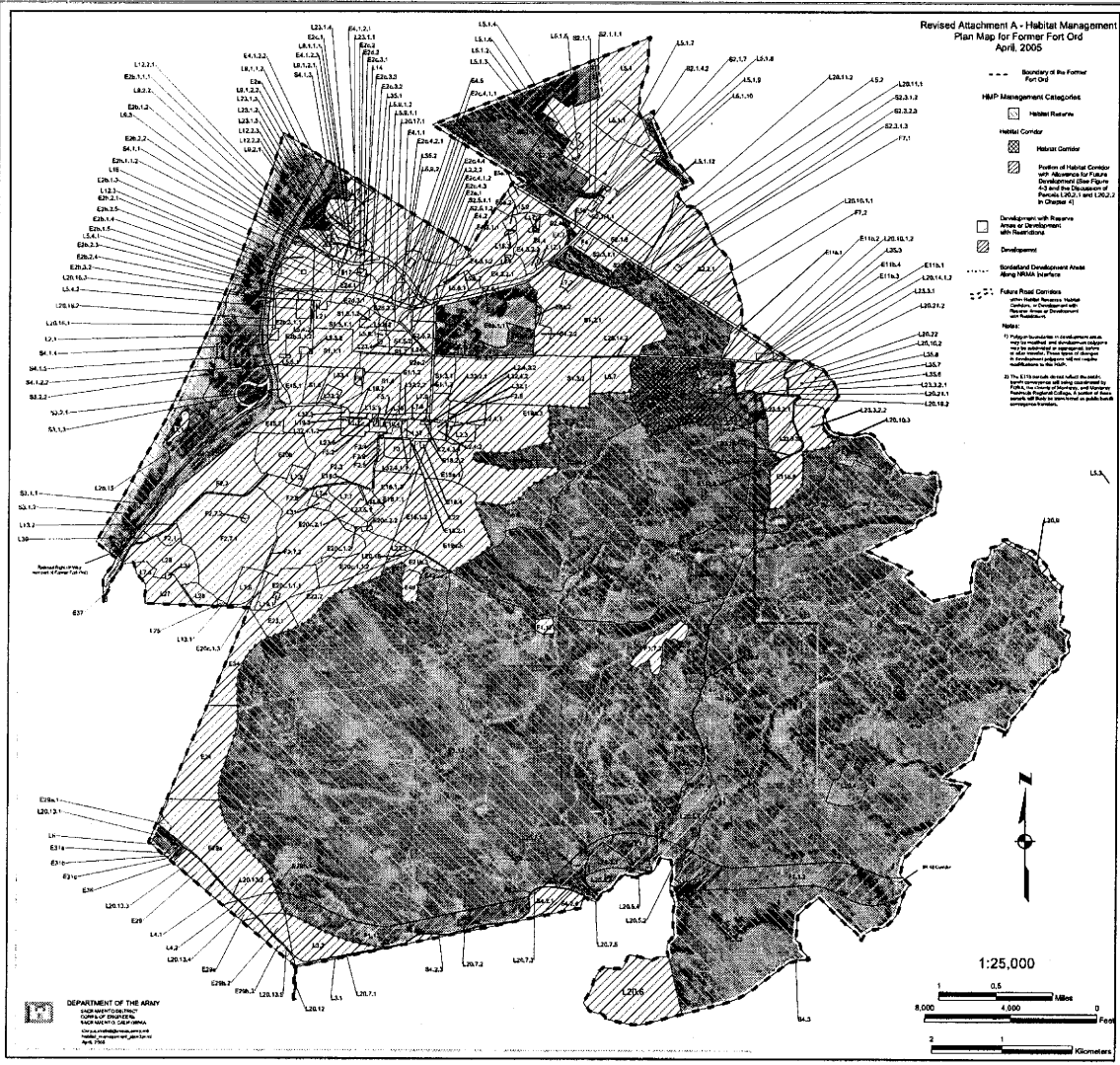
Jonathan

---

*Jonathan Garcia*  
*Senior Planner*  
*Fort Ord Reuse Authority*  
*831-883-3672 (3675 FAX)*

Revised Attachment A - Habitat Management  
Plan Map for Former Fort Ord  
April 2005

- Boundary of the Former Fort Ord
- HMP Management Categories**
- Habitat Reserve
  - Habitat Corridor
  - Portion of Habitat Corridor not Allocated for Future Development (See Figure 2.3 and the Discussion of Points L20.2.1 and L20.2.2 in Chapter 2)
  - Development with Reserve Areas or Designation with Features
  - Development
  - National Development Areas along FEMA Inundation
  - Future Road Corridor
- Notes**
- 1) Future Development in development areas will be limited and development limited to the extent of an approved zoning or development plan that meets the requirements in this map.
  - 2) The FEMA inundation map is based on the 100-year flood plain and does not include the 500-year flood plain. Future development in these areas will be limited by the requirements of the FEMA Flood Insurance Rate Map.



DEPARTMENT OF THE ARMY  
ENGINEERING CENTER  
CORPS OF ENGINEERS  
WATERWAYS DIVISION  
3165 RIVERSIDE AVENUE  
FORT BELLEVILLE, ILLINOIS 62205-4399  
APR 2005

**FORT ORD REUSE AUTHORITY BOARD REPORT****CONSENT AGENDA**

**Subject:** Authorization to apply for and accept additional grant funds from the Office of Economic Adjustment to complete additional reuse planning

**Meeting Date:** June 10, 2011

**Agenda Number:** 3d

**ACTION****RECOMMENDATION(S):**

- i. Authorize the Fort Ord Reuse Authority ("FORA") Executive Officer to submit a grant application to the Office of Economic Adjustment ("OEA") for funds to support FORA and California State University Monterey Bay's ("CSUMB") building removal planning.
- ii. Authorize staff to accept an OEA grant award (upon offer) to fund the planning effort.

**BACKGROUND/DISCUSSION:**

FORA has obtained grants from the OEA in the past to support base reuse planning efforts. Most recently, FORA received a grant award in January 2010 in the amount of \$460,000 to conduct studies in the California Central Coast Veterans Cemetery Planning Area. This grant closed out last month. However, an additional grant opportunity through OEA may be available in FY 11-12. Since FORA has an existing building removal obligation in Seaside's Surplus II area and CSUMB has similar building removal needs adjacent to this area, a coordinated grant proposal (with FORA as the official applicant due to its Local Reuse Authority ["LRA"] status) would best serve base reuse efforts and protect public health from these blighted areas.

**FISCAL IMPACT:**

Reviewed by FORA Controller M.F. for I.B.

The actual amount of the award will be predicated on the approved Scope of Work and will be included in the FORA Fiscal Year 11-12 mid-year budget if awarded.

**COORDINATION:**

OEA, City of Seaside, CSUMB, Administrative Committee, and Executive Committee.

Prepared by Jonathan Garcia  
Jonathan Garcia

Reviewed by Steve Endsley  
Steve Endsley

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

**FORT ORD REUSE AUTHORITY BOARD REPORT****CONSENT AGENDA**

<b>Subject:</b>	Preston Park	
<b>Meeting Date:</b>	June 10, 2011	<b>ACTION</b>
<b>Agenda Number:</b>	3e	

**RECOMMENDATION(S):**

- i. Approve Fiscal Year ("FY") 2011/12 Preston Park Housing Area Budget (**Attachment A**).
- ii. Authorize the Executive Officer to execute amendment No. 4 to the Preston Park Management Agreement (**Attachment B**).

**BACKGROUND/DISCUSSION:**

The Fort Ord Reuse Authority ("FORA") staff has reviewed and coordinated the budget with the City of Marina ("Marina"), and recommends FORA Board approval. The Marina City Council is scheduled to consider the budget on June 7, 2011. According to the existing Preston Park management contract, if FORA does not act on the budget by July 1, the budget is deemed approved. The Preston Park budget includes significant capital expenses. However, Alliance (the management company) and Marina staff have agreed to defer capital expenses for six months or until disposition of the Preston Park asset is completed with the exception of a lighting project (a potential safety issue). FORA and Marina have been negotiating sale of Preston Park from FORA to Marina for nearly two years. An appraisal in August 2010 established a value for Preston Park and significant capital improvements on the property would affect appraisal results. To avoid valuation issues, FORA staff will not sign off on significant Preston Park capital improvement expenditures until the future sale of Preston Park is resolved.

Amendment No. 4 to the Management Agreement would allow budget line items to cover expenses related to Alliance's Regional Manager's time and City of Marina's staff time for work as FORA's Agent. Both of these items are included in the FY 2011/12 budget.

**FISCAL IMPACT:**

Reviewed by FORA Controller *M.F. for I.B.*

The net rental income is anticipated to be held constant compared to FY 2010/11, providing FORA adequate revenue to fully cover the Preston Park loan debt service.

**COORDINATION:**

Marina Staff, Alliance Staff, Administrative Committee, Executive Committee.

Prepared by *Jonathan Garcia* Jonathan Garcia  
 Reviewed by *D. Steven Endsley* Steve Endsley  
 Approved by *Michael A. Houlemard, Jr.* Michael A. Houlemard, Jr.

May 13, 2011

Mr. Anthony S. Altfeld  
City Manager  
City of Marina  
211 Hillcrest Avenue  
Marina, California 93933

Re: Preston Park 2011-2012 Proposed Budget

Dear Mr. Altfeld:

Pursuant to the terms outlined in the Management Agreement between the City of Marina, Preston Park and Alliance Communities, Inc and in accordance with the management agreement, please find enclosed the proposed Fiscal Year (FY) 2011 - 2012 budget for Abrams Park. We submitted a draft budget on January 13, 2011. We solicited input from City staff and residents. Residents were notified in writing in March that the draft budget was available at the management office and we conducted two meetings to review and discuss the budget on March 13<sup>th</sup> and April 13, 2011.

Revenues

The primary source of revenue is rents, Section 8 voucher payments and associated charges to residents. The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year. 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. These formulas were adopted by the City Council of the City of Marina and the Corporation Board of the Abrams B Non-Profit Corporation at a regular meeting duly held on the 2<sup>nd</sup> of June 2010.

Current Market Rent Conditions

The average two bedroom apartment in Marina rents for between \$1,135 and \$1,650 per month, which does not include utilities. Additionally, the comparables as outlined in the attached market survey of April 20, 2011 are significantly smaller in square footage than units at Preston Park.

In addition, 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 Monterey County Housing Authority (MCHA) are as follows, with average actual charges from the Marina Coast Water District and the Waste Management District:

	<u>Two Bedroom</u>	<u>Three Bedroom</u>
*Water	\$34	\$42
*Sewer	\$23	\$23
Garbage	\$17	\$19
Heating	\$9	\$12
Wtr Htg Gas	\$18	\$25
Cooking-Gas	\$9	\$13
Electric-other	\$16	\$23
<b>Total</b>	<b>\$126</b>	<b>\$157</b>

\*Subject to change pending MCWD confirmation of use and 2011 proposed rate revision

Market Rents - In Place Residents

Per the approved rent formula a rent increase of 1.7%, the 2010 annual average, February to February Consumer Price Index increase for All Items, All Urban Consumers [San Francisco-Oakland-San Jose] is proposed as follows:

Unit Size	Starting Rent Range FY10/11	Proposed FY11/12 Rent	Change 8/1/11
Two Bedroom	\$1,146 - \$1,355	\$1,165 - \$1,378	\$19 - \$23
Three Bedroom	\$1,455 - \$1,700	\$1,479 - \$1,729	\$24 - \$29

As shown on the attached Market Survey of April 20, 2011, the proposed in-place market rents are within range, somewhat below, market rents of comparable units in the Marina/Seaside rental market. With the approved rent formula in 2010, the market rents for new move-ins are fluid throughout the year and change with the market conditions.

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 2011 and allowances for the cost of utilities (as published by MCHA) are as noted on page 2 of this letter. HUD publishes rates between April and June each year and the rates can vary.

New rates for 2011 have not been published by HUD; therefore the enclosed budget assumes no increase for 2011, in some years there is no increase.

<u>2010/11 Rent</u>	<u>Two Bedroom</u>	<u>Three Bedroom</u>
50% (very low)	\$656	\$731
60% (low)	\$807	\$900

**2010 Maximum Household Income Limits**

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50%	\$26,450	\$29,750	\$33,050	\$35,700	\$38,350	\$41,000	\$43,650
60%	\$31,740	\$35,700	\$39,660	\$42,840	\$46,020	\$49,200	\$52,380

**Rental Increase Implementation & Lease Signing**

Upon City Council approval of the budget, rental increase notices will be mailed out on or before June 30, 2011; the new rental rates will become effective on August 1, 2011. Rents for in-place residents at market or affordable are increased once per year. New residents will be required to sign lease terms between 6 and 12 months, in-place residents will also be welcome to sign lease terms beyond their current month-to-month agreement.

**Vacancy**

The budget assumes a vacancy rate of 2.34%. The proposed vacancy 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 vacancy rate is well within the acceptable range. When a unit is vacated, Alliance strives to fill the vacant unit within 7 to 10 business days, working from the waiting list if applicable.

**Expenses**

Account	Proposed 2012	Projected 2011	Variance	%	Comments
PAYROLL	\$477,863	\$517,838	\$40,201	.7.8%	Decrease due to the elimination of the painter position
LANDSCAPING	\$70,996	\$75,669	-4,673	-6.2%	Substantial reduction negotiated with new contractor
UTILITIES	\$98,514	\$94,406	\$4,108	4.4%	Based on amounts obtained by utility companies
REDECORATING	\$107,394	\$86,166	-\$21,228	-24.6%	Year over year increase due to the addition of contract painting and increased monies for fixtures and

					baseboards on turns
MAINTENANCE	\$73,708	\$75,767	\$2,095	2.7%	Decrease due to garage door repairs from resident accident in 2010 reimbursed/offset by insurance in Misc. income.
MARKETING	\$11,828	\$6,563	-\$5,265	-80.2%	Increase due to resident functions and outreach marketing
ADMINISTRATIVE	\$51,841	\$50,509	-\$1,333	-2.6%	Increase due to 2010 actual - increase in eviction cost
PROFESSIONAL SERVICES	\$161,794	\$146,415	-\$15,379	-10.5%	Increase in Alliance management fees based on total revenue growth and the addition of Capital Project Management fees
INSURANCE	\$170,593	\$170,592	-\$1	0%	Based on 2010 actual
AD-VALOREM TAXES	\$103,104	\$99,619	-\$3,485	-3.5%	Based on 2010 actual
NON ROUTINE MAINTENANCE	\$97,336	\$49,760	-\$47,576	-95.6%	Gutter cleaning, sidewalk grinding, tree trimming, and addition of extraordinary maintenance expense

Capital Reserves Fund

In accordance with the 2010 reevaluation of the Replacement Reserves Study conducted in April 2008, the budget includes \$2,088 per unit per year for long-term replacement reserves needs.

### 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. The capital improvements will require the engagement of a capital contract/contractor to prepare for and manage the work. This process is best started and completed with the same management group, or dedicated personnel as otherwise progress can be delayed and communication lost.

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 which may include:

- 1) Exterior painting
- 2) Roof replacement
- 3) Fence slat replacement
- 4) Signage
- 5) Maintenance truck replacement
- 6) Landscape and irrigation upgrades, repairs and turf replacement
- 7) Pavement Seal coat
- 8) Lighting improvements, subject to revisions with additional lighting costs under review by CPTED
- 9) Moisture sensing controls
- 10) Bulletin board upgrades
- 11) Pet stations with scoop bags
- 12) Tree replacement
- 13) Turf Replacement
- 14) Irrigation Replacement
- 15) A&E permit fees for landscape
- 16) Resident Business Center
- 17) Clubhouse upgrades
- 18) Playground refurbishing and removal

### Accomplishments

It has been a pleasure working with residents and the City of Marina over the past year. With the support of residents a number of positive changes have occurred within both Abrams Park and Preston Park. Some of Alliance's accomplishments include:

- 1) Common Area Maintenance: In 2010 the basketball courts were refurbished, and lights on pathways and playgrounds were upgraded and repaired.
- 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 continuously meet frequently and have worked 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) Mary Jo Zenk Maintenance Audit: An internal audit and quality control inspection was conducted. The findings reported work orders, maintenance items, and annual inspections were completed in a timely basis with the work well done.
  - 6) Grievance Procedure Revisions: Mary Jo Zenk worked with the PAPTA on revisions which were approved by the City Council and FORA on April 8, 2011 and will be available to residents shortly.

**Summary of Preston Park FY11/12 Budget**

	<u>2011/12 Budget</u>	<u>2010/11 Projected</u>	<u>2010/11 Budget</u>
Total Income	\$5,205,768	\$5,063,904	\$5,108,226
Total Operating Expense	\$1,424,971	\$1,373,303	\$1,342,260
Net Operating Income	\$3,780,797	\$3,690,600	\$3,765,965
Net Income	\$3,607,517	\$3,517,321	\$3,765,965

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 City of Marina.

Please feel free to contact me should you have additional questions or concerns at (925) 640-3333. I look forward to receiving approval of the final budget prior to June 21, 2011, in order to implement rental increases by August 1, 2011.

Regards,

Jill Hammond  
Regional Manager

Cc: Jennifer Coile, City of Marina  
Douglas Yount, Director of Development Services  
Jim Krohn, Chief Financial Officer, Alliance Communities, Inc.  
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

**Attachments:**

- 2011/2012 Budget
- Market Survey

**PRESTON PARK  
2012 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**



Description	FY 2011/12 Proposed	FY 2012/13 Estimate	Variance	Variance %
Physical Occupancy	97.66 %	96.98 %		
Economic Occupancy	96.85 %	96.64 %		
Gross Market Potential	\$5,388,432	\$5,263,862	\$124,570	2.4%
Market Gain/Loss to Lease	(\$63,121)	(\$71,744)	\$8,623	12.0%
Non-Revenue Apartments	(\$40,244)	(\$62,954)	\$22,710	36.1%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$128,271)	(\$111,208)	(\$15,064)	-13.5%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$728	(\$728)	-100.0%
Bad Debt Expense	(\$1,065)	(\$1,369)	\$304	22.2%
Other Resident Income	\$38,425	\$38,984	\$1,441	3.9%
Miscellaneous Income	\$9,612	\$9,607	\$5	0.1%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
<b>TOTAL INCOME</b>	<b>\$6,205,768</b>	<b>\$6,063,904</b>	<b>\$141,865</b>	<b>2.8%</b>
PAYROLL	\$477,883	\$517,838	\$39,976	7.7%
LANDSCAPING	\$70,996	\$75,669	\$4,673	6.2%
UTILITIES	\$98,514	\$94,408	(\$4,108)	-4.4%
REDECORATING	\$107,394	\$86,166	(\$21,228)	-24.6%
MAINTENANCE	\$73,708	\$75,767	\$2,059	2.7%
MARKETING	\$11,828	\$6,563	(\$5,265)	-90.2%
ADMINISTRATIVE	\$51,841	\$50,509	(\$1,333)	-2.6%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$181,794	\$146,415	(\$15,379)	-10.5%
INSURANCE	\$170,593	\$170,592	(\$1)	0.0%
AD-VALOREM TAXES	\$103,104	\$99,619	(\$3,485)	-3.5%
NON ROUTINE MAINTENANCE	\$97,336	\$49,760	(\$47,576)	-95.6%
<b>TOTAL OPERATING EXP</b>	<b>\$1,424,871</b>	<b>\$1,373,303</b>	<b>(\$51,668)</b>	<b>-3.8%</b>
<b>NET OPERATING INCOME</b>	<b>\$3,780,797</b>	<b>\$3,690,600</b>	<b>\$90,197</b>	<b>2.4%</b>
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$173,280	\$173,279	(\$1)	0.0%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	0.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
<b>NET INCOME</b>	<b>\$3,607,517</b>	<b>\$3,517,321</b>	<b>\$90,196</b>	<b>2.6%</b>
CAPITAL EXPENDITURES	\$3,019,826	\$260,508	(\$2,759,318)	-1059.2%
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	\$734,978	\$735,093	\$117	0.0%
REPLACEMENT RESERVE REIMBURSEM	(\$3,014,005)	(\$347,578)	\$2,666,429	787.1%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,040,000	\$3,040,000	\$0	0.0%
DEPRECIATION AND AMORTIZATION	(\$173,280)	(\$170,703)	\$2,577	1.5%
<b>NET CASH FLOW</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>\$0</b>	<b>40.3%</b>

**Approvals**

Owner - FORA \_\_\_\_\_ Date \_\_\_\_\_

Asset Manager - City of Marina \_\_\_\_\_ 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.*

**PRESTON PARK  
2012 STANDARD BUDGET  
DETAIL BUDGET COMPARATIVES**



Account	Description	2012 Total	2011 Projected	Variance	Variance %
<b>INCOME</b>					
<b>RENTAL INCOME</b>					
5102	Gross Market Potential	\$5,388,432	\$5,263,862	\$124,570	2.4%
5103	Market Gain/Loss to Lease	(\$83,121)	(\$71,744)	\$8,623	12.0%
<b>ACTUAL POTENTIAL RENT</b>		<b>\$5,325,311</b>	<b>\$5,192,118</b>	<b>\$133,194</b>	<b>2.6%</b>

5115	Non-Revenue Apartments	(\$40,244)	(\$62,854)	\$22,710	36.1%
5120	Rental Concessions	\$0	\$0	\$0	0.0%
5125	Delinquent Rent	\$0	\$0	\$0	0.0%
5130	Vacancy Loss	(\$126,271)	(\$111,208)	(\$15,064)	-13.5%
5135	Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
5140	Other Months' Rent/Delinquency Recovery	\$0	\$726	(\$726)	-100.0%
5145	Bad Debt Expense	(\$1,065)	(\$1,369)	\$304	22.2%
<b>TOTAL RENTAL INCOME</b>		<b>\$5,157,731</b>	<b>\$5,017,313</b>	<b>\$140,418</b>	<b>2.8%</b>

Physical Occupancy	97.66 %	96.98 %
Economic Occupancy	96.85 %	96.64 %

<b>OTHER RESIDENT INCOME</b>					
5205	Laundry	\$0	\$0	\$0	0.0%
5210	Washer/Dryer Income	\$0	\$0	\$0	0.0%
5211	Washer/Dryer Expense	\$0	\$0	\$0	0.0%
5215	Resident Fees	\$564	\$564	\$0	0.0%
5220	Carport Income	\$0	\$0	\$0	0.0%
5221	Garage Income	\$0	\$0	\$0	0.0%
5225	Damages/Cleaning Fees	\$17,850	\$16,986	\$864	5.1%
5230	Phone System Income	\$0	\$0	\$0	0.0%
5233	Phone System Expense	\$0	\$0	\$0	0.0%
5235	Storage Income	\$0	\$0	\$0	0.0%
5240	Termination Fees	\$1,000	\$1,000	\$0	0.0%
5245	MTM Premium	\$0	\$0	\$0	0.0%
5250	Application Fees	\$7,011	\$6,659	\$452	6.9%
5255	Pet Fees	\$0	\$0	\$0	0.0%
5260	NSF/Late Fees	\$12,000	\$11,875	\$125	1.1%
5265	Resident Utility Bill Back Income	\$0	\$0	\$0	0.0%
5270	Alarm Income	\$0	\$0	\$0	0.0%
5275	SMART Income	\$0	\$0	\$0	0.0%
5280	Transfer Fees	\$0	\$0	\$0	0.0%
5285	Maid Service	\$0	\$0	\$0	0.0%
5290	Renovation Income	\$0	\$0	\$0	0.0%
5295	Police Fee Reimbursement	\$0	\$0	\$0	0.0%
<b>TOTAL OTHER RESIDENT INCOME</b>		<b>\$36,425</b>	<b>\$36,984</b>	<b>\$1,441</b>	<b>3.9%</b>

Account	Description	2012 Total	2011 Projected	Variance	Variance %
<b>MISCELLANEOUS INCOME</b>					
5305	Miscellaneous Income	\$0	\$0	\$0	0.0%
5310	Clubhouse Income	\$0	\$0	\$0	0.0%
5315	Vending Income	\$0	\$0	\$0	0.0%
5325	Interest Income	\$8,612	\$9,807	\$5	0.1%
5330	Cable Income	\$0	\$0	\$0	0.0%
5331	Cable Expense	\$0	\$0	\$0	0.0%
5335	Collection Income	\$0	\$0	\$0	0.0%
5340	Bad Debt Income	\$0	\$0	\$0	0.0%
<b>TOTAL MISCELLANEOUS INCOME</b>		<b>\$8,612</b>	<b>\$9,807</b>	<b>\$5</b>	<b>0.1%</b>

<b>CORPORATE APT INCOME</b>					
5405	Corp Apartment Income	\$0	\$0	\$0	0.0%
5406	Corp Apartment Expense	\$0	\$0	\$0	0.0%
<b>TOTAL CORPORATE APT INCOME</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>

<b>RETAIL INCOME</b>					
5505	Retail Income	\$0	\$0	\$0	0.0%
5550	Retail Income CAM	\$0	\$0	\$0	0.0%
5555	Retail Income Tax	\$0	\$0	\$0	0.0%
5560	Retail Income Insurance	\$0	\$0	\$0	0.0%
<b>TOTAL RETAIL INCOME</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>

<b>TOTAL INCOME</b>		<b>\$5,205,768</b>	<b>\$5,083,904</b>	<b>\$141,866</b>	<b>2.8%</b>
---------------------	--	--------------------	--------------------	------------------	-------------

**PRESTON PARK  
2012 STANDARD BUDGET  
DETAIL BUDGET COMPARATIVES**



Acct. #	Description	2012 Total	2011 Projected	Variance	Variance %
<b>OPERATING EXPENSES</b>					
<b>PAYROLL</b>					
	Administrative Salaries	\$136,122	\$140,418	\$4,296	3.1%
	Maintenance Salaries	\$204,362	\$191,594	(\$12,668)	-6.6%
6405	Bonus	\$35,819	\$27,202	(\$8,117)	-29.6%
6410	Payroll Taxes	\$38,312	\$27,628	(\$10,684)	-38.7%
6430	Payroll Benefits and Burden	\$63,128	\$58,402	(\$4,726)	-8.1%
6440	Non-Staff Labor	\$0	\$68,144	\$68,144	100.0%
6445	New Hire Expense	\$620	\$3,350	\$2,730	81.5%
<b>TOTAL PAYROLL</b>		<b>\$477,863</b>	<b>\$517,838</b>	<b>\$39,976</b>	<b>7.7%</b>

<b>LANDSCAPING</b>					
7105	Landscaping Monthly Service	\$62,400	\$68,950	\$4,550	6.8%
7110	Landscaping Other	\$5,150	\$5,168	\$18	0.3%
7115	Irrigation/Sprinkler Repairs	\$3,446	\$3,551	\$105	3.0%
<b>TOTAL LANDSCAPING</b>		<b>\$70,996</b>	<b>\$77,669</b>	<b>\$4,673</b>	<b>6.2%</b>

<b>UTILITIES</b>					
7205	Electric - Common Area	\$15,804	\$15,354	(\$450)	-2.9%
7207	Electric - Vacant	\$6,528	\$6,343	(\$185)	-2.9%
7210	Gas - Common Area	\$1,308	\$1,277	(\$31)	-2.4%
7212	Gas - Vacant	\$1,080	\$1,048	(\$32)	-3.0%
7215	Water	\$13,650	\$13,004	(\$646)	-4.5%
7218	Irrigation	\$0	\$0	\$0	0.0%
7220	Sewer	\$57,000	\$54,558	(\$2,442)	-4.5%
7225	Trash Removal	\$3,144	\$2,763	(\$381)	-13.8%
7230	Cable Expense	\$0	\$0	\$0	0.0%
7235	Utility Reimbursement	\$0	\$0	\$0	100.0%
<b>TOTAL UTILITIES</b>		<b>\$98,514</b>	<b>\$94,408</b>	<b>(\$4,108)</b>	<b>-4.4%</b>

<b>REDECORATING</b>					
7305	Redecorating - General Cleaning	\$2,685	\$5,104	\$2,219	43.5%
7310	Redecorating - Carpet/Tie	\$2,651	\$5,485	\$2,834	49.0%
7315	Redecorating - Painting Supplies	\$19,027	\$17,015	(\$2,012)	-11.8%
7320	Redecorating - Painting Contract	\$56,230	\$28,881	(\$27,349)	-94.7%
7325	Redecorating - Rehab	\$23,400	\$25,358	\$1,958	7.7%
7330	Redecorating - Drapes/Blinds	\$3,000	\$4,143	\$1,143	27.6%
7335	Redecorating - Appliance Repair	\$0	\$180	\$180	100.0%
7340	Redecorating - Carpet Repair	\$0	\$0	\$0	0.0%
<b>TOTAL REDECORATING</b>		<b>\$107,394</b>	<b>\$86,166</b>	<b>(\$21,228)</b>	<b>-24.6%</b>

Acct. #	Description	2012 Total	2011 Projected	Variance	Variance %
<b>MAINTENANCE</b>					
7420	Building & Structure	\$2,940	\$4,590	\$1,650	35.9%
7422	Elevator Maintenance	\$0	\$0	\$0	0.0%
7425	Electrical	\$14,400	\$14,551	\$151	1.0%
7430	Plumbing	\$13,140	\$13,895	\$765	5.4%
7435	HVAC	\$3,160	\$3,161	\$1	0.0%
7440	Supplies	\$4,320	\$4,358	\$48	1.1%
7442	Housekeeping	\$1,140	\$1,149	\$9	0.8%
7445	Small Equipment	\$3,800	\$3,677	\$123	3.1%
7450	Pest Control	\$6,540	\$6,727	\$187	2.8%
7455	Swimming Pool	\$0	\$0	\$0	0.0%
7460	Maintenance Guarantee	\$0	\$35	\$35	100.0%
7465	Snow Removal	\$0	\$0	\$0	0.0%
7470	Windows/Doors	\$7,020	\$7,077	\$57	0.8%
7475	Keys & Locks	\$4,388	\$4,493	\$125	2.8%
7480	Fire Extinguish, 1st Aid	\$3,700	\$3,709	\$9	0.2%
7481	Alarm Expense	\$1,580	\$1,545	(\$35)	-2.2%
7485	Maintenance Other	\$4,920	\$3,845	(\$1,075)	-28.0%
7488	Maintenance Uniforms	\$2,900	\$2,845	\$55	1.5%
7490	Maintenance - Rehab	\$0	\$0	\$0	100.0%
7493	Appliance Repair	\$0	\$0	\$0	0.0%
7495	Carpet Repair	\$0	\$0	\$0	0.0%
<b>TOTAL MAINTENANCE</b>		<b>\$73,708</b>	<b>\$75,767</b>	<b>\$2,059</b>	<b>2.7%</b>

<b>MARKETING</b>					
7505	Advertising-Print	\$2,160	\$2,208	\$48	2.2%
7510	Advertising-Product Exp.	\$0	\$0	\$0	0.0%
7515	Apartment Magazines/Guides	\$198	\$198	\$0	0.0%
7520	Advertising Internet, Radio & TV	\$1,880	\$835	(\$1,045)	-125.1%
7525	Collaterals	\$480	\$0	(\$480)	-100.0%
7530	Advertising Other	\$0	\$0	\$0	0.0%
7535	Dues, Memberships & Subscriptions	\$570	\$570	(\$0)	0.0%
7540	Resident Functions	\$5,700	\$1,899	(\$3,801)	-200.1%
7545	Signage	\$0	\$0	\$0	0.0%
7550	Marketing Promotion	\$300	\$312	\$12	3.8%
7555	Locator/Broker Fees	\$0	\$0	\$0	0.0%
7560	Resident Referrals	\$0	\$0	\$0	0.0%
7565	Resident Retention	\$0	\$0	\$0	0.0%
7570	Model Maintenance	\$0	\$0	\$0	0.0%
7575	Other Marketing - Non Advertisement	\$0	\$0	\$0	0.0%
7580	Shopper Reports	\$540	\$540	\$0	0.0%
<b>TOTAL MARKETING</b>		<b>\$11,828</b>	<b>\$6,563</b>	<b>(\$5,265)</b>	<b>-80.2%</b>



**PRESTON PARK  
2012 STANDARD BUDGET  
DETAIL BUDGET COMPARATIVES**



Acct #	Description	2012 Total	2011 Projected	Variance	Variance %
<b>ADMINISTRATIVE</b>					
7620	Telephone	\$9,540	\$9,570	\$30	0.3%
7621	Pagers	\$0	\$0	\$0	0.0%
7622	Answering Service	\$900	\$900	\$0	0.0%
7625	Office Supplies	\$4,420	\$4,444	\$24	0.5%
7630	Office Equip/Furniture Rental	\$2,700	\$2,748	\$48	1.7%
7635	Postage/Express Mail	\$3,408	\$3,418	\$10	0.2%
7636	Printing	\$255	\$253	(\$2)	-0.9%
7640	Licenses & Subscriptions	\$3,912	\$3,983	\$71	1.8%
7645	Courtesy Patrol	\$0	\$0	\$0	0.0%
7650	Training & Education	\$782	\$782	\$0	0.1%
7655	Eviction/Legal Fees	\$7,500	\$7,611	\$111	1.5%
7660	Credit Bureau Fees	\$3,173	\$3,271	\$98	3.0%
7685	Bank Charges/Credit Card Fees	\$2,790	\$1,934	(\$856)	-44.3%
7670	Travel & Entertainment	\$3,220	\$2,859	(\$361)	-12.8%
7675	Administrative Other	\$0	\$0	\$0	0.0%
7680	Charitable Contribution Exp.	\$0	\$0	\$0	0.0%
7686	Administrative Uniforms	\$5,851	\$5,439	(\$411)	-7.0%
7690	Computer Expense	\$3,390	\$3,300	(\$90)	-2.7%
7695	Renter's Insurance	\$0	\$0	\$0	0.0%
7696	Bad Debt Expense	\$0	\$0	\$0	0.0%
<b>TOTAL ADMINISTRATIVE</b>		<b>\$51,841</b>	<b>\$50,809</b>	<b>(\$1,032)</b>	<b>-2.0%</b>
<b>RETAIL EXPENSE</b>					
7705	Retail Administrative Expense	\$0	\$0	\$0	0.0%
7710	Retail Electricity	\$0	\$0	\$0	0.0%
7711	Retail Gas	\$0	\$0	\$0	0.0%
7712	Retail Water	\$0	\$0	\$0	0.0%
7713	Retail Sewer	\$0	\$0	\$0	0.0%
7714	Retail Telephone	\$0	\$0	\$0	0.0%
7715	Retail Trash Removal	\$0	\$0	\$0	0.0%
7720	Retail Cleaning	\$0	\$0	\$0	0.0%
7725	Retail Landscape	\$0	\$0	\$0	0.0%
7730	Retail Window Cleaning	\$0	\$0	\$0	0.0%
7735	Retail Security	\$0	\$0	\$0	0.0%
7740	Retail Repairs & Maintenance	\$0	\$0	\$0	0.0%
7741	Retail Parking Lot Maintenance	\$0	\$0	\$0	0.0%
7742	Retail Parking Lot Lighting	\$0	\$0	\$0	0.0%
7743	Retail HVAC	\$0	\$0	\$0	0.0%
7744	Retail Elevator Maintenance	\$0	\$0	\$0	0.0%
7750	Retail Marketing	\$0	\$0	\$0	0.0%
7755	Retail Signage	\$0	\$0	\$0	0.0%
7760	Retail Snow Removal	\$0	\$0	\$0	0.0%
7765	Retail Roof Repair	\$0	\$0	\$0	0.0%
7770	Retail Painting	\$0	\$0	\$0	0.0%
7775	Retail Fire Protection System	\$0	\$0	\$0	0.0%
7780	Retail Machinery & Equipment	\$0	\$0	\$0	0.0%
7785	Retail Management Fee	\$0	\$0	\$0	0.0%
7790	Retail Real Estate Tax Expense	\$0	\$0	\$0	0.0%
7795	Retail Insurance Expense	\$0	\$0	\$0	0.0%
<b>TOTAL RETAIL EXPENSE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>TOTAL CONTROLLABLE EXPENSES</b>		<b>\$892,144</b>	<b>\$906,918</b>	<b>\$14,774</b>	<b>1.6%</b>

Acct #	Description	2012 Total	2011 Projected	Variance	Variance %
<b>NON CONTROLLABLE EXPENSES</b>					
<b>PROFESSIONAL SERVICES</b>					
8105	Management Fees	\$130,144	\$129,698	(\$446)	-0.3%
8107	Incentive Fees	\$0	\$0	\$0	0.0%
8108	Asset Mgt Fees	\$23,400	\$12,831	(\$10,569)	-45.6%
8110	Accounting/Audit Fees	\$8,250	\$0	(\$8,250)	-100.0%
8115	Partnership Legal Fees	\$0	\$0	\$0	0.0%
8120	Tax Consulting Fees	\$0	\$0	\$0	0.0%
8125	Professional Services - Other	\$0	\$3,886	\$3,886	100.0%
8130	Apt. Assoc. Dues & Fees	\$0	\$0	\$0	0.0%
<b>TOTAL PROFESSIONAL SERVICES</b>		<b>\$161,794</b>	<b>\$145,415</b>	<b>(\$16,379)</b>	<b>-10.5%</b>
<b>INSURANCE</b>					
8205	Property & Liability Insurance	\$165,289	\$165,289	(\$0)	0.0%
8210	Casualty Loss	\$0	\$0	\$0	0.0%
8215	Other Insurance	\$5,304	\$5,303	(\$1)	0.0%
<b>TOTAL INSURANCE</b>		<b>\$170,593</b>	<b>\$170,592</b>	<b>(\$1)</b>	<b>0.0%</b>
<b>AD-VALOREM TAXES</b>					
8305	Real Estate Taxes	\$103,104	\$99,619	(\$3,485)	-3.5%
8310	Personal Property Taxes	\$0	\$0	\$0	0.0%
8315	Taxes Other	\$0	\$0	\$0	0.0%
8320	Local/City Tax	\$0	\$0	\$0	0.0%
8325	Police Fee	\$0	\$0	\$0	0.0%
<b>TOTAL AD-VALOREM TAXES</b>		<b>\$103,104</b>	<b>\$99,619</b>	<b>(\$3,485)</b>	<b>-3.5%</b>
<b>NON ROUTINE MAINTENANCE</b>					
8410	Buildings and Structures	\$91,300	\$19,360	(\$11,940)	-13.1%
8415	Furniture & Fixtures	\$0	\$2,400	\$2,400	100.0%
8420	Paving & Landscaping	\$12,152	\$28,900	\$15,048	56.6%
8425	Apartment Interiors	\$25,000	\$0	(\$25,000)	-100.0%
8426	Flooring - Carpet	\$0	\$0	\$0	0.0%
8427	Flooring - Other	\$0	\$0	\$0	0.0%
8430	Other Non-Routine	\$28,884	\$0	(\$28,884)	-100.0%
<b>TOTAL NON ROUTINE MAINTENANCE</b>		<b>\$97,336</b>	<b>\$49,760</b>	<b>(\$47,576)</b>	<b>-48.8%</b>
<b>TOTAL NON CONTROL EXPENSES</b>		<b>\$532,827</b>	<b>\$466,386</b>	<b>(\$66,441)</b>	<b>-12.5%</b>
<b>TOTAL OPERATING EXP</b>		<b>\$1,424,971</b>	<b>\$1,373,303</b>	<b>(\$51,668)</b>	<b>-3.6%</b>
<b>NET OPERATING INCOME</b>		<b>\$3,780,797</b>	<b>\$3,690,606</b>	<b>\$90,191</b>	<b>2.4%</b>

**PRESTON PARK  
2012 STANDARD BUDGET  
DETAIL BUDGET COMPARATIVES**



Acct #	Description	2012 Total	2011 Projected	Variance	Variance %
<b>DEBT SERVICE</b>					
9005	Debt Service	\$0	\$0	\$0	0.0%
9010	Debt Service-2nd Mortgage	\$0	\$0	\$0	0.0%
9011	Debt Service - Development	\$0	\$0	\$0	0.0%
9015	Other Lease Payments	\$0	\$0	\$0	0.0%
9020	Other Lease Payments-Ins.Escrow	\$0	\$0	\$0	0.0%
9025	Other Lease Payments-Tax Escrow	\$0	\$0	\$0	0.0%
<b>TOTAL DEBT SERVICE</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>DEPRECIATION</b>					
9109	Deprec - Land Lease	\$0	\$0	\$0	0.0%
9110	Deprec - Building	\$0	\$0	\$0	0.0%
9115	Deprec - Furniture & Fixtures	\$3,884	\$3,883	(\$1)	0.0%
9120	Deprec - Paving & Landscape	\$0	\$0	\$0	0.0%
9125	Deprec - Apartment Interiors	\$0	\$0	\$0	0.0%
9130	Deprec - Other Capital	\$169,418	\$169,417	\$1	0.0%
<b>TOTAL DEPRECIATION</b>		<b>\$173,280</b>	<b>\$173,279</b>	<b>(\$1)</b>	<b>0.0%</b>
<b>AMORTIZATION</b>					
9210	Amortization Expense	\$0	\$0	\$0	0.0%
9220	Amortization - Loan Cost	\$0	\$0	\$0	0.0%
<b>TOTAL AMORTIZATION</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>PARTNERSHIP</b>					
9405	Legal	\$0	\$0	\$0	0.0%
9410	Audit and Tax Preparation	\$0	\$0	\$0	0.0%
9415	Asset Management Fee	\$0	\$0	\$0	0.0%
9416	Supervisory Fee	\$0	\$0	\$0	0.0%
9417	Admin Expense	\$0	\$0	\$0	0.0%
9418	Interest Expense	\$0	\$0	\$0	0.0%
9420	Travel Partnership	\$0	\$0	\$0	0.0%
9430	Interest Income - Development	\$0	\$0	\$0	0.0%
<b>TOTAL PARTNERSHIP</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>EXTRAORDINARY COST</b>					
9510	Extraordinary Cost	\$0	\$0	\$0	0.0%
<b>TOTAL EXTRAORDINARY COST</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>NET INCOME</b>		<b>\$3,607,917</b>	<b>\$3,517,321</b>	<b>\$90,196</b>	<b>2.6%</b>

Acct #	Description	2012 Total	2011 Projected	Variance	Variance %
<b>CAPITAL EXPENDITURES</b>					
1410	Building and Structures	\$2,177,824	\$0	(\$2,177,824)	-100.0%
1415	Furniture & Fixtures	\$0	\$0	\$0	0.0%
1416	Autos/Trucks	\$12,000	\$407	(\$11,593)	-2845.4%
1420	Paving & Landscaping	\$494,532	\$0	(\$494,532)	-100.0%
1425	Apartment Interiors	\$211,570	\$260,100	\$48,530	18.7%
1426	Carpet/Plank - Rehab	\$0	\$0	\$0	0.0%
1427	Appliance - Rehab	\$0	\$0	\$0	0.0%
1430	Other Capital	\$123,900	\$0	(\$123,900)	-100.0%
<b>TOTAL CAPITAL EXPENDITURES</b>		<b>\$3,019,826</b>	<b>\$260,508</b>	<b>(\$2,759,319)</b>	<b>-1059.2%</b>
<b>MORTGAGE PRINCIPAL</b>					
2205	Mortgage Principal	\$0	\$0	\$0	0.0%
<b>TOTAL MORTGAGE PRINCIPAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>TAX ESCROW</b>					
1335	Tax Escrow	\$0	\$0	\$0	0.0%
<b>TOTAL TAX ESCROW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>INSURANCE ESCROW</b>					
1340	Insurance Escrow	\$0	\$0	\$0	0.0%
<b>TOTAL INSURANCE ESCROW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>INTEREST ESCROW</b>					
1341	Interest Escrow	\$0	\$0	\$0	0.0%
<b>TOTAL INTEREST ESCROW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>REPLACEMENT RESERVE</b>					
1345	Replacement Reserve Impound	\$734,976	\$735,093	\$117	0.0%
<b>TOTAL REPLACEMENT RESERVE</b>		<b>\$734,976</b>	<b>\$735,093</b>	<b>\$117</b>	<b>0.0%</b>
<b>REPLACEMENT RESERVE REIMBURSEMENT</b>					
Replacement Reserve Reimbursement		(\$3,014,005)	(\$347,576)	\$2,666,429	767.1%
<b>TOTAL REPLACEMENT RESERVE REIMBURSEMENT</b>		<b>(\$3,014,005)</b>	<b>(\$347,576)</b>	<b>\$2,666,429</b>	<b>767.1%</b>
<b>WIP</b>					
1501	WIP	\$0	\$0	\$0	0.0%
1502	WIP - Contra Operating	\$0	\$0	\$0	0.0%
<b>TOTAL WIP</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>OWNER DISTRIBUTIONS</b>					
3010	Owner Distributions	\$3,040,000	\$3,040,000	\$0	0.0%
<b>TOTAL OWNER DISTRIBUTIONS</b>		<b>\$3,040,000</b>	<b>\$3,040,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>DEPRECIATION AND AMORTIZATION</b>					
Depreciation and Amortization		(\$173,280)	(\$170,703)	\$2,577	1.5%
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>		<b>(\$173,280)</b>	<b>(\$170,703)</b>	<b>\$2,577</b>	<b>1.5%</b>
<b>NET CASH FLOW</b>		<b>(\$0)</b>	<b>(\$0)</b>	<b>\$0</b>	<b>40.3%</b>

**PRESTON PARK 2011/2012 SUMMARY COMPARATIVES REVERSE ACCTNG**

Description	FY 2010/2011 Budget	FY 2010/2011 Estimate	FY 2011/2012 Proposed	2011/2012 Proposed vs. 2010/2011 Estimate		2011/2012 Proposed vs. 2010/2011 Budget	
				Variance	Variance %	Variance	Variance %
<b>INCOME</b>							
GROSS MARKET POTENTIAL	\$5,294,145	\$5,263,862	\$5,388,432	\$124,570	2.4%	\$94,287	1.8%
MARKET GAIN/LOSS TO LEASE	(\$526,706)	(\$71,744)	(\$63,121)	(\$8,623)	-12.0%	(\$463,586)	-88.0%
NON-REVENUE APARTMENTS	(\$33,581)	(\$62,954)	(\$40,244)	(\$22,710)	-36.1%	\$6,663	19.8%
RENTAL CONCESSIONS	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
DELINQUENT RENT	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
VACANCY LOSS	(\$125,969)	(\$111,208)	(\$126,271)	\$15,064	13.5%	\$302	0.2%
PREPAID/PREVIOUS PAID RENT	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
OTHER MONTHS' RENT/DELINQUEN	\$0	\$726	\$0	(\$726)	-100.0%	\$0	0.0%
BAD DEBT EXPENSE	\$0	(\$1,369)	(\$1,065)	(\$304)	-22.2%	\$1,065	100.0%
OTHER RESIDENT INCOME	\$34,729	\$36,984	\$38,425	\$1,441	3.9%	\$3,696	10.6%
MISCELLANEOUS INCOME	\$465,608	\$9,607	\$9,612	\$5	0.1%	(\$455,996)	-97.9%
CORPORATE APT INCOME	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
RETAIL INCOME	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
<b>TOTAL INCOME</b>	<b>\$5,108,226</b>	<b>\$5,063,904</b>	<b>\$5,205,768</b>	<b>\$141,865</b>	<b>2.8%</b>	<b>\$97,543</b>	<b>1.9%</b>
<b>OPERATING EXPENSES</b>							
PAYROLL	\$504,582	\$517,838	\$477,863	(\$39,976)	-7.7%	(\$26,719)	-5.3%
LANDSCAPING	\$104,700	\$75,669	\$70,996	(\$4,673)	-6.2%	(\$33,704)	-32.2%
UTILITIES	\$100,944	\$94,406	\$98,514	\$4,108	4.4%	(\$2,430)	-2.4%
REDECORATING	\$51,416	\$86,166	\$107,394	\$21,228	24.6%	\$55,978	108.9%
MAINTENANCE	\$68,803	\$75,767	\$73,708	(\$2,059)	-2.7%	\$4,905	7.1%
MARKETING	\$6,939	\$6,563	\$11,828	\$5,265	80.2%	\$4,889	70.5%
ADMINISTRATIVE	\$45,839	\$50,509	\$51,191	\$683	1.4%	\$5,353	11.7%
RETAIL EXPENSE	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
<b>TOTAL CONTROLLABLE EXPENSES</b>	<b>\$883,223</b>	<b>\$90,918</b>	<b>\$892,144</b>	<b>(\$21,658)</b>	<b>-1.8%</b>	<b>\$8,921</b>	<b>1.0%</b>
<b>NON CONTROLLABLE EXPENSES</b>							
PROFESSIONAL SERVICES	\$139,352	\$146,415	\$161,794	\$15,379	10.5%	\$22,443	16.1%
INSURANCE	\$167,022	\$170,592	\$170,593	\$1	0.0%	\$3,571	2.1%
AD-VALOREM TAXES	\$103,104	\$99,619	\$103,104	\$3,485	3.5%	\$0	0.0%
NON ROUTINE MAINTENANCE	\$49,560	\$49,760	\$97,336	\$47,576	95.6%	\$47,776	96.4%
<b>TOTAL NON CONTROL EXPENSES</b>	<b>\$459,038</b>	<b>\$466,386</b>	<b>\$532,827</b>	<b>\$66,441</b>	<b>14.2%</b>	<b>\$73,790</b>	<b>16.1%</b>
<b>TOTAL OPERATING EXP</b>	<b>\$1,342,260</b>	<b>\$1,373,303</b>	<b>\$1,424,971</b>	<b>\$51,668</b>	<b>3.8%</b>	<b>\$82,711</b>	<b>6.2%</b>
<b>NET OPERATING INCOME</b>	<b>\$3,765,965</b>	<b>\$3,690,600</b>	<b>\$3,780,797</b>	<b>\$90,197</b>	<b>2.4%</b>	<b>\$14,831</b>	<b>0.4%</b>
<b>DEBT SERVICE</b>							
DEBT SERVICE	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
DEPRECIATION	\$0	\$173,279	\$173,280	(\$1)	0.0%	\$173,280	100.0%
AMORTIZATION	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXTRAORDINARY COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<b>NET INCOME</b>	<b>\$3,765,965</b>	<b>\$3,517,321</b>	<b>\$3,607,517</b>	<b>\$90,196</b>	<b>2.8%</b>	<b>(\$158,448)</b>	<b>-4.2%</b>
<b>CAPITAL EXPENDITURES</b>	<b>\$1,616,564</b>	<b>\$1,419,379</b>	<b>\$2,688,048</b>	<b>\$1,268,670</b>	<b>89.4%</b>	<b>\$1,121,741</b>	<b>69.4%</b>
<b>MORTGAGE PRINCIPAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>TAX ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>INSURANCE ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>INTEREST ESCROW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>REPLACEMENT RESERVE</b>	<b>\$725,965</b>	<b>\$735,093</b>	<b>\$734,976</b>	<b>\$117</b>	<b>0.0%</b>	<b>(\$9,011)</b>	<b>-1.2%</b>
<b>REPLACEMENT RESERVE REIMBURS</b>	<b>(\$1,616,564)</b>	<b>(\$347,576)</b>	<b>(\$3,014,005)</b>	<b>\$2,666,429</b>	<b>797.1%</b>	<b>\$1,397,441</b>	<b>86.4%</b>
<b>WIP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>OWNER DISTRIBUTIONS</b>	<b>\$3,040,000</b>	<b>\$3,040,000</b>	<b>\$3,040,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>DEPRECIATION AND AMORTIZATIO</b>	<b>\$0</b>	<b>(\$170,703)</b>	<b>(\$173,280)</b>	<b>\$2,577</b>	<b>1.5%</b>	<b>\$173,280</b>	<b>100.0%</b>
<b>NET CASH FLOW</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$0</b>	<b>40.3%</b>	<b>(\$0)</b>	<b>-148.6%</b>

COMMUNITY DESCRIPTION	
Street address	682 Wahl Court
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-0119
Construction type	Mixed use
Year built	1987
Owner	FORA and City of Marina
Management	Alliance Residential Company
Total units	352
Physical occupancy	98%

COMMUNITY RATINGS	
Location	B
Visibility	C
Curb appeal	B
Condition	C
Interiors	C
Amenities	D

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Res/Meter
Sewer	Resident
Trash	Resident
Cable TV	N A*
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$42
Lease terms	MTM, 6-12 months
Short term premium	N/A
Refundable security deposit	Equal to one month's rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	\$250 covers up to 2 pets
Pet rent	N/A

CONCESSIONS
No concessions. Community is partially Below Market Rent and Section 8 Housing

COMMENTS
Every home has an attached garage, spacious backyard, and pets are permitted. \$25 fee for end unit. Access to a full size sports park.

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	Yes
Air conditioning	No	Patio/Balcony	Yes
Appliance color	White	Refrigerator	Frost-Free
Cable TV	No	Roman tubs	No
Ceiling	9-foot	Security system	No
Ceiling fans	No	Self cleaning oven	Yes
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	Plush Cpt
Icemaker	No	Upgraded lighting	No
Kitchen pantry	Yes	Vaulted ceiling	No
Linen closets	Yes	Washer/Dryer	No
Microwave	No	W/D connection	Full size
Outside storage	No	Window coverings	Vertical

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	Yes	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	No
Club house	Yes	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	No	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		10	3%	1,150	\$1,305	\$1,305	\$1,305	\$1.13	0.00	0.00	\$1,305	\$1.13
2X1.5		76	22%	1,278	\$1,405	\$1,430	\$1,417	\$1.11	0.00	0.00	\$1,417	\$1.11
2X1.5		141	40%	1,323	\$1,430	\$1,455	\$1,442	\$1.09	0.00	0.00	\$1,442	\$1.09
3X2.5		125	36%	1,572	\$1,725	\$1,750	\$1,737	\$1.10	0.00	0.00	\$1,737	\$1.10
<b>Total / Weighted Average</b>		<b>352</b>	<b>100%</b>	<b>1,397</b>	<b>\$1,526</b>	<b>\$1,550</b>	<b>\$1,537</b>	<b>\$1.10</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,537</b>	<b>\$1.10</b>

COMMUNITY DESCRIPTION	
Street address	Various
City, State, Zip Code	
Telephone	
Construction type	Garden
Year built	
Owner	Variable
Management	Variable
Total units	4
Physical occupancy	100%

COMMUNITY RATINGS	
Location	
Visibility	
Curb appeal	
Condition	
Interiors	
Amenities	

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Community
Sewer	Community
Trash	Community
Cable TV	Resident
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$0
Lease terms	Variable
Short term premium	\$0
Refundable security deposit	Variable
Administrative fee	\$0
Non refundable pet deposit	\$0
Pet deposit	Variable
Pet rent	\$0

CONCESSIONS
\$400 off a 12 month lease, \$200 off a 6 month lease

COMMENTS

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	No
Appliance color	No	Refrigerator	No
Cable TV	No	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	No
Icemaker	No	Upgraded lighting	No
Kitchen pantry	No	Vaulted ceiling	No
Linen closets	No	Washer/Dryer	No
Microwave	No	W/D connection	No
Outside storage	No	Window coverings	No

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Add rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	No	Pet park	No
Billiard	No	Playground	No
Business center	No	Pools	No
Club house	No	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	Yes	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOOR PLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		1	25%	1,000	\$1,225	\$1,250	\$1,238	\$1.24	0.00	0.00	\$1,238	\$1.24
2X1.5		1	25%	1,100	\$1,375	\$1,400	\$1,388	\$1.26	0.00	0.00	\$1,388	\$1.26
3X2		1	25%	1,100	\$1,695	\$1,800	\$1,748	\$1.59	0.00	0.00	\$1,748	\$1.59
3X2		1	25%	1,600	\$1,850	\$2,200	\$2,025	\$1.27	0.00	0.00	\$2,025	\$1.27
<b>Total / Weighted Average</b>		<b>4</b>	<b>100%</b>	<b>1,200</b>	<b>\$1,536</b>	<b>\$1,663</b>	<b>\$1,599</b>	<b>\$1.33</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,599</b>	<b>\$1.33</b>

COMMUNITY DESCRIPTION	
Street address	682 Wahl Court
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-0119
Construction type	Mixed use
Year built	1978
Owner	City of Marina
Management	Alliance Residential Company
Total units	192
Physical occupancy	99%

COMMUNITY RATINGS	
Location	B
Visibility	B
Curb appeal	C
Condition	C
Interiors	C
Amenities	D

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Res/Meter
Sewer	Resident
Trash	Resident
Cable TV	Resident
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$42
Lease terms	MTM, 6-12 months
Short term premium	N/A
Refundable security deposit	Equal to one months' rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	\$250 covers up to 2 pets
Pet rent	N/A

CONCESSIONS
Community is partially Below Market Rent and Section 8 Housing

COMMENTS
All units come with an attached garage and large patio or balcony. Extra \$50 fee for downstairs 2BR. Extra \$25 fee for 4BR end unit.

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	No	Refrigerator	FrostFree
Cable TV	Yes	Roman tubs	No
Ceiling	9-foot	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	Plush Cpt
Icemaker	No	Upgraded lighting	No
Kitchen pantry	No	Vaulted ceiling	Yes
Linen closets	Yes	Washer/Dryer	No
Microwave	No	W/D connection	Full size
Outside storage	No	Window coverings	1" mini

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	Yes	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	No
Club house	Yes	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	No	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		94	49%	1,000	\$1,250	\$1,300	\$1,275	\$1.28	0.00	0.00	\$1,275	\$1.28
4X2		43	22%	1,700	\$1,795	\$1,820	\$1,808	\$1.06	0.00	0.00	\$1,808	\$1.06
4X2		35	18%	1,800	\$1,795	\$1,820	\$1,808	\$1.00	0.00	0.00	\$1,808	\$1.00
4X2		20	10%	1,800	\$1,795	\$1,820	\$1,808	\$1.00	0.00	0.00	\$1,808	\$1.00
<b>Total / Weighted Average</b>		<b>192</b>	<b>100%</b>	<b>1,386</b>	<b>\$1,528</b>	<b>\$1,565</b>	<b>\$1,547</b>	<b>\$1.12</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,547</b>	<b>\$1.12</b>

COMMUNITY DESCRIPTION	
Street address	5200 Coe Avenue
City, State, Zip Code	Seaside, CA 93955
Telephone	(831) 394-2515
Construction type	High-rise
Year built	1989
Owner	Sunbay Resort Associates
Management	Sunbay Suites
Total units	266
Physical occupancy	99%

COMMUNITY RATINGS	
Location	A
Visibility	B
Curb appeal	A
Condition	B
Interiors	B
Amenities	C

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Community
Sewer	Community
Trash	Community
Cable TV	Resident
Internet	Resident
Pest control	Resident
Valet trash	Resident

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$30
Lease terms	Month to Month & 6 Month Lease
Short term premium	\$225
Refundable security deposit	\$500
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	N/A
Pet rent	N/A

CONCESSIONS

COMMENTS
WWW.SUNBAYSUITES.COM

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	No	Refrigerator	FrostFree
Cable TV	No	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	Yes	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	Laminate
Fireplace	Gas	Upgraded flooring	Plush Cpt
Icemaker	No	Upgraded lighting	No
Kitchen pantry	Yes	Vaulted ceiling	No
Linen closets	Yes	Washer/Dryer	No
Microwave	Yes	W/D connection	No
Outside storage	No	Window coverings	Vertical

COMMUNITY AMENITIES			
Access gates	Yes/2	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	Yes
Attached garages	No	Movie theater	No
Barbecue grills	Yes	Parking structure	No
Basketball court	No	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	Yes/5
Club house	Yes	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	Yes
Covered parking	Yes	Tennis court	Yes
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	Yes	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
Studio		32	12%	345	\$825	\$835	\$830	\$2.41	0.00	0.00	\$830	\$2.41
1X1		64	24%	500	\$905	\$1,030	\$968	\$1.94	0.00	0.00	\$968	\$1.94
2X1		85	32%	650	\$1,100	\$1,170	\$1,135	\$1.75	0.00	0.00	\$1,135	\$1.75
2X2		85	32%	700	\$1,210	\$1,285	\$1,248	\$1.78	0.00	0.00	\$1,248	\$1.78
<b>Total / Weighted Average</b>		<b>266</b>	<b>100%</b>	<b>593</b>	<b>\$1,055</b>	<b>\$1,133</b>	<b>\$1,094</b>	<b>\$1.84</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,094</b>	<b>\$1.84</b>



COMMUNITY DESCRIPTION	
Street address	269 Reservation Road
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-9725
Construction type	Garden
Year built	1978
Owner	DYI Properties
Management	DYI Properties
Total units	48
Physical occupancy	97%

COMMUNITY RATINGS	
Location	C
Visibility	C
Curb appeal	C
Condition	C
Interiors	C
Amenities	C

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Community
Sewer	Community
Trash	Community
Cable TV	Resident
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$25
Lease terms	MTM
Short term premium	N/A
Refundable security deposit	1 months rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	N/A
Pet rent	N/A

CONCESSIONS
\$150 off first months rent for Year Lease

COMMENTS
No Pets allowed, upgraded units include new kitchen counter tops and cabinets

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	White	Refrigerator	No
Cable TV	Yes	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	Yes
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	Other
Fireplace	No	Upgraded flooring	No
Icemaker	No	Upgraded lighting	No
Kitchen pantry	No	Vaulted ceiling	No
Linen closets	No	Washer/Dryer	No
Microwave	No	W/D connection	No
Outside storage	Yes	Window coverings	Vertical

COMMUNITY AMENITIES			
Access gates	Yes/2	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	Yes
Attached garages	No	Movie theater	No
Barbecue grills	Yes	Parking structure	No
Basketball court	No	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	No
Club house	No	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	Yes	Tennis court	No
Detached garages	Yes	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		48	100%	1,000	\$1,225	\$1,300	\$1,263	\$1.26	0.00	0.00	\$1,263	\$1.26
Total / Weighted Average		48	100%	1,000	\$1,225	\$1,300	\$1,263	\$1.26	0.00	0.00	\$1,263	\$1.26

COMMUNITY DESCRIPTION	
Street address	187 Palm Avenue
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-5619
Construction type	Garden
Year built	
Owner	Pioneer Properties
Management	Pioneer Properties
Total units	108
Physical occupancy	99%

COMMUNITY RATINGS	
Location	C
Visibility	C
Curb appeal	C
Condition	C
Interiors	C
Amenities	C

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Community
Sewer	Community
Trash	Community
Cable TV	Resident
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$15
Lease terms	MTM
Short term premium	N/A
Refundable security deposit	1 months rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	\$500
Pet rent	\$0

CONCESSIONS	
None	

COMMENTS	
1 parking spot per unit, additional spots \$5 each	

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	No
Appliance color	No	Refrigerator	No
Cable TV	Yes	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	No
Icemaker	No	Upgraded lighting	No
Kitchen pantry	No	Vaulted ceiling	No
Linen closets	No	Washer/Dryer	No
Microwave	No	W/D connection	No
Outside storage	No	Window coverings	No

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	Yes
Attached garages	No	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	No	Pet park	No
Billiard	No	Playground	No
Business center	No	Pools	No
Club house	No	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	Yes	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
1X1		54	50%	618	\$900	\$950	\$925	\$1.50	0.00	0.00	\$925	\$1.50
2X1		54	50%	736	\$1,000	\$1,150	\$1,075	\$1.46	0.00	0.00	\$1,075	\$1.46
<b>Total / Weighted Average</b>		<b>108</b>	<b>100%</b>	<b>677</b>	<b>\$950</b>	<b>\$1,050</b>	<b>\$1,000</b>	<b>\$1.48</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,000</b>	<b>\$1.48</b>

## Preston Park Resident Charges

Preston Park				
Payer of Utilities		Parking Summary		
Gas	Resident	Attached garages	Yes	Application fee
Electric	Resident	Concierge services	No	\$42
Water	Res/Meter	Conference room	No	Lease terms
Sewer	Resident	Movie theater	No	MTM, 6-12 months
Trash	Resident	Pools	No	Short term premium
Cable TV	N A			N/A
Internet	Resident			Refundable security deposit
Pest control	Community			Equal to one month's rent
Valet trash	N A			Administrative fee
				\$0
				Non refundable pet deposit
				N/A
				Pet deposit
				\$250 covers up to 2 pets
				Pet rent
				N/A

Shadow Market Competition				
Payer of Utilities		Parking Summary		
Gas	Resident	Attached garages	Yes	Application fee
Electric	Resident	Concierge services	No	\$0
Water	Community	Conference room	No	Lease terms
Sewer	Community	Movie theater	No	Variable
Trash	Community	Pools	No	Short term premium
Cable TV	Resident			\$0
Internet	Resident			Refundable security deposit
Pest control	Community			Variable
Valet trash	N A			Administrative fee
				\$0
				Non refundable pet deposit
				\$0
				Pet deposit
				Variable
				Pet rent
				\$0

Abrams Park				
Payer of Utilities		Parking Summary		
Gas	Resident	Attached garages	Yes	Application fee
Electric	Resident	Concierge services	No	\$42
Water	Res/Meter	Conference room	No	Lease terms
Sewer	Resident	Movie theater	No	MTM, 6-12 months
Trash	Resident	Pools	No	Short term premium
Cable TV	Resident			N/A
Internet	Resident			Refundable security deposit
Pest control	Community			Equal to one month's rent
Valet trash	N A			Administrative fee
				\$0
				Non refundable pet deposit
				N/A
				Pet deposit
				\$250 covers up to 2 pets
				Pet rent
				N/A

Sunbay Suites				
Payer of Utilities		Parking Summary		
Gas	Resident	Attached garages	No	Application fee
Electric	Resident	Concierge services	No	\$30
Water	Community	Conference room	No	Lease terms
Sewer	Community	Movie theater	No	Month to Month & 6 Month Lease
Trash	Community	Pools	Yes/5	Short term premium
Cable TV	Resident			\$225
Internet	Resident			Refundable security deposit
Pest control	Resident			\$500
Valet trash	Resident			Administrative fee
				\$0
				Non refundable pet deposit
				N/A
				Pet deposit
				N/A
				Pet rent
				N/A

Marina Square Apartments				
Payer of Utilities		Parking Summary		
Gas	Resident	Attached garages	No	Application fee
Electric	Resident	Concierge services	No	\$25
Water	Community	Conference room	No	Lease terms
Sewer	Community	Movie theater	No	MTM
Trash	Community	Pools	No	Short term premium
Cable TV	Resident			N/A
Internet	Resident			Refundable security deposit
Pest control	Community			1 months rent
Valet trash	N A			Administrative fee
				\$0
				Non refundable pet deposit
				N/A
				Pet deposit
				N/A
				Pet rent
				N/A

Marina del Sol				
Payer of Utilities		Parking Summary		
Gas	Resident	Attached garages	No	Application fee
Electric	Resident	Concierge services	No	\$15
Water	Community	Conference room	No	Lease terms
Sewer	Community	Movie theater	No	MTM
Trash	Community	Pools	No	Short term premium
Cable TV	Resident			N/A
Internet	Resident			Refundable security deposit
Pest control	Community			1 months rent
Valet trash	N A			Administrative fee
				\$0
				Non refundable pet deposit
				N/A
				Pet deposit
				\$500
				Pet rent
				\$0

## Preston Park Amenities Comparison

Description	Preston Park	Shadow Market Competition	Abrams Park	Sunbay Suites	Marina Square Apartments	Marina del Sol
Total units	352	4	192	266	48	108
Year built	1987	0	1978	1989	1978	0
Location	B	0	B	A	C	C
Visibility	C	0	B	B	C	C
Curb appeal	B	0	C	A	C	C
Condition	C	0	C	B	C	C
Interiors	C	0	C	B	C	C
Amenities	D	0	D	C	C	C

Apartment Amenities						
Accent color walls	No	No	No	No	No	No
Air conditioning	No	No	No	No	No	No
Appliance color	White	No	No	No	White	No
Cable TV	No	No	Yes	No	Yes	Yes
Ceiling	9-foot	No	9-foot	No	No	No
Ceiling fans	No	No	No	Yes	No	No
Computer desk	No	No	No	No	No	No
Crown molding	No	No	No	No	No	No
Fireplace	No	No	No	Gas	No	No
Icemaker	No	No	No	No	No	No
Kitchen pantry	Yes	No	No	Yes	No	No
Linen closets	Yes	No	Yes	Yes	No	No
Microwave	No	No	No	Yes	No	No
Outside storage	No	No	No	No	Yes	No
Paneled doors	Yes	No	No	No	No	No
Patio/Balcony	Yes	No	Yes	Yes	Yes	No
Refrigerator	Frost-Free	No	FrostFree	FrostFree	No	No
Roman tubs	No	No	No	No	No	No
Security system	No	No	No	No	No	No
Self cleaning oven	Yes	No	No	No	Yes	No
Separate shower	No	No	No	No	No	No
Upgraded counters	No	No	No	Laminate	Other	No
Upgraded flooring	Plush Cpt	No	Plush Cpt	Plush Cpt	No	No
Upgraded lighting	No	No	No	No	No	No
Vaulted ceiling	No	No	Yes	No	No	No
Washer/Dryer	No	No	No	No	No	No
W/D connection	Full size	No	Full size	No	No	No
Window coverings	Vertical	No	1 mini	Vertical	Vertical	No

Community Amenities						
Access gates	No	No	No	Yes/2	Yes/2	No
Addl rentable storage	No	No	No	No	No	No
Attached garages	Yes	Yes	Yes	No	No	No
Barbecue grills	No	No	No	Yes	Yes	No
Basketball court	Yes	No	Yes	No	No	No
Billiard	No	No	No	No	No	No
Business center	No	No	No	No	No	No
Club house	Yes	No	Yes	Yes	No	No
Concierge services	No	No	No	No	No	No
Conference room	No	No	No	No	No	No
Covered parking	No	Yes	No	Yes	Yes	Yes
Detached garages	No	No	No	No	Yes	No
Elevators	No	No	No	No	No	No
Fitness center	No	No	No	Yes	No	No
Free DVD/movie library	No	No	No	No	No	No
Laundry room	No	No	No	Yes	Yes	Yes
Movie theater	No	No	No	No	No	No
Parking structure	No	No	No	No	No	No
Pet park	No	No	No	No	No	No
Playground	Yes	No	Yes	Yes	Yes	No
Pools	No	No	No	Yes/5	No	No
Racquetball	No	No	No	No	No	No
Reserved parking	No	No	No	No	No	No
Sauna/Jacuzzi	No	No	No	Yes	No	No
Tennis court	No	No	No	Yes	No	No
Volleyball	No	No	No	No	No	No
Water features	No	No	No	No	No	No
WiFi	No	No	No	No	No	No

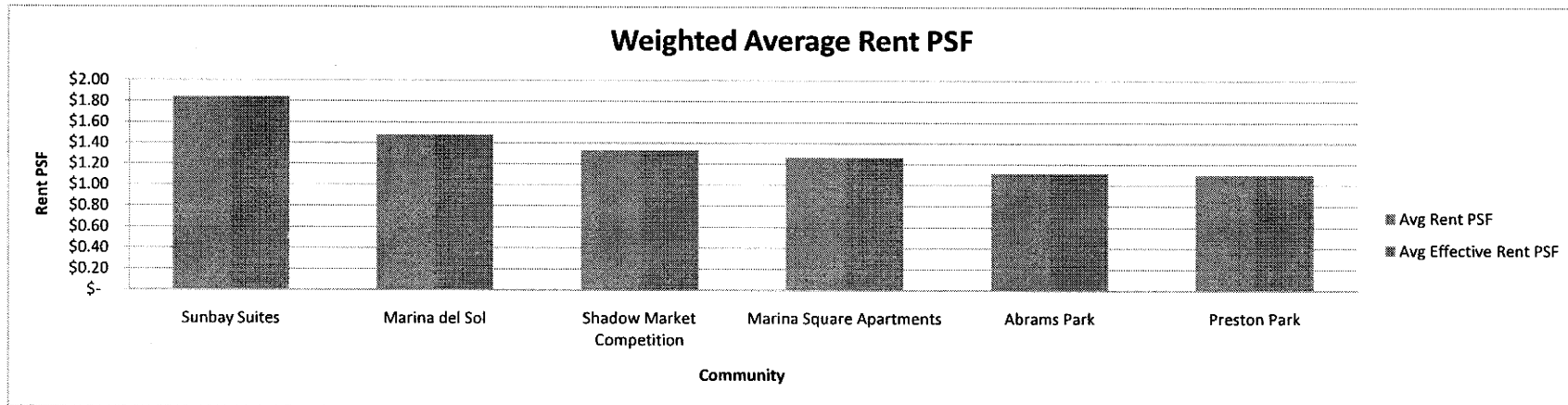
## Preston Park Concessions and General Comments Comparison

<b>Preston Park</b>	
<b>Concessions</b> No concessions. Community is partially Below Market Rent and Section 8 Housing	<b>General Comments</b> Every home has an attached garage, spacious backyard, and pets are permitted. \$25 fee for end unit. Access to a full size sports park.
<b>Shadow Market Competition</b>	
<b>Concessions</b> \$400 off a 12 month lease, \$200 off a 6 month lease	<b>General Comments</b>
<b>Abrams Park</b>	
<b>Concessions</b> Community is partially Below Market Rent and Section 8 Housing	<b>General Comments</b> All units come with an attached garage and large patio or balcony. Extra \$50 fee for downstairs 2BR. Extra \$25 fee for 4BR end unit.
<b>Sunbay Suites</b>	
<b>Concessions</b>	<b>General Comments</b> <a href="http://WWW.SUNBAYSUITES.COM">WWW.SUNBAYSUITES.COM</a>
<b>Marina Square Apartments</b>	
<b>Concessions</b> \$150 off first months rent for Year Lease	<b>General Comments</b> No Pets allowed, upgraded units include new kitchen counter tops and cabinets
<b>Marina del Sol</b>	
<b>Concessions</b> None	<b>General Comments</b> 1 parking spot per unit, additional spots \$5 each

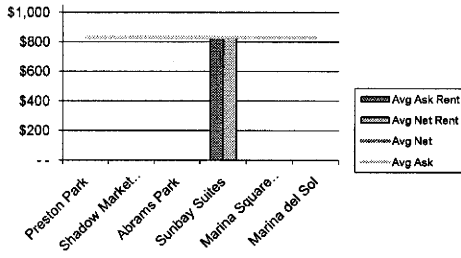
## Preston Park Market Survey Summary

Comp	Community Name	# of Units	Square Feet	Percent Occupied	Percent Leased	Rent per Unit				Concessions		Effective Net Rents		Year Built	Rehab	Management Company
						Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF			
Comp 3	Sunbay Suites	266	593	99%	99%	\$1,055.15	\$1,132.76	\$1,093.96	\$ 1.84	0	0	\$1,093.96	\$ 1.84	1989	No	Sunbay Suites
Comp 5	Marina del Sol	108	677	99%	99%	\$ 950.00	\$1,050.00	\$1,000.00	\$ 1.48	0	0	\$1,000.00	\$ 1.48		No	Pioneer Properties
Comp 1	Shadow Market Competition	4	1,200	100%	0%	\$1,536.25	\$1,662.50	\$1,599.38	\$ 1.33	0	0	\$1,599.38	\$ 1.33		No	Variable
Comp 4	Marina Square Apartments	48	1,000	97%	97%	\$1,225.00	\$1,300.00	\$1,262.50	\$ 1.26	0	0	\$1,262.50	\$ 1.26	1978	No	DYI Properties
Comp 2	Abrams Park	192	1,386	99%	100%	\$1,528.18	\$1,565.42	\$1,546.80	\$ 1.12	0	0	\$1,546.80	\$ 1.12	1978	Yes	Alliance Residential Company
Subject	Preston Park	352	1,397	98%	100%	\$1,525.81	\$1,550.10	\$1,537.47	\$ 1.10	0	0	\$1,537.47	\$ 1.10	1987	No	Alliance Residential Company

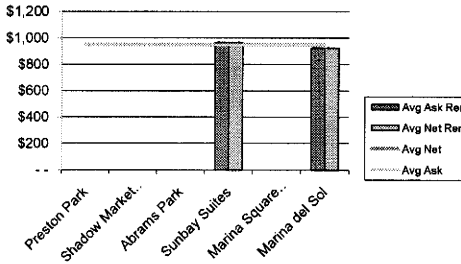
Comp	Community Name	Concessions
Subject	Preston Park	No concessions. Community is partially Below Market Rent and Section 8 Housing
Comp 1	Shadow Market Competition	\$400 off a 12 month lease, \$200 off a 6 month lease
Comp 2	Abrams Park	Community is partially Below Market Rent and Section 8 Housing
Comp 3	Sunbay Suites	
Comp 4	Marina Square Apartments	\$150 off first months rent for Year Lease
Comp 5	Marina del Sol	None



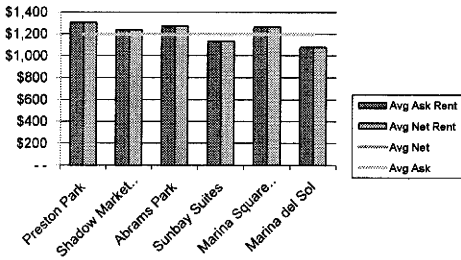
## Preston Park Unit Comparison



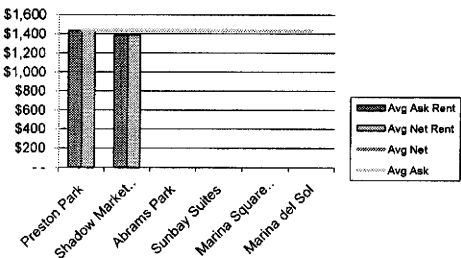
Community	Units	Sq Ft	Avg Ask	PSF	Months Free	Term	Avg Net	PSF
Preston Park	--	--	--	--	--	--	--	--
Shadow Market Competition	--	--	--	--	--	--	--	--
Abrams Park	--	--	--	--	--	--	--	--
Sunbay Suites	32	345	\$830	\$2.41	--	--	\$830	\$2.41
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	--	--	--	--	--	--	--	--
<b>Total/ Weighted Average</b>	<b>32</b>	<b>345</b>	<b>\$830</b>	<b>\$2.41</b>	--	--	<b>\$830</b>	<b>\$2.41</b>



Community	Units	Sq Ft	Avg Ask	PSF	Months Free	Term	Avg Net	PSF
Preston Park	--	--	--	--	--	--	--	--
Shadow Market Competition	--	--	--	--	--	--	--	--
Abrams Park	--	--	--	--	--	--	--	--
Sunbay Suites	64	500	\$968	\$1.94	--	--	\$968	\$1.94
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	54	618	\$925	\$1.50	--	--	\$925	\$1.50
<b>Total/ Weighted Average</b>	<b>118</b>	<b>554</b>	<b>\$948</b>	<b>\$1.73</b>	--	--	<b>\$948</b>	<b>\$1.73</b>

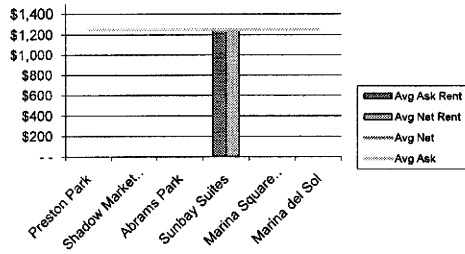


Community	Units	Sq Ft	Avg Ask	PSF	Months Free	Term	Avg Net	PSF
Preston Park	10	1,150	\$1,305	\$1.13	--	--	\$1,305	\$1.13
Shadow Market Competition	1	1,000	\$1,238	\$1.24	--	--	\$1,238	\$1.24
Abrams Park	94	1,000	\$1,275	\$1.28	--	--	\$1,275	\$1.28
Sunbay Suites	85	650	\$1,135	\$1.75	--	--	\$1,135	\$1.75
Marina Square Apartments	48	1,000	\$1,263	\$1.26	--	--	\$1,263	\$1.26
Marina del Sol	54	736	\$1,075	\$1.46	--	--	\$1,075	\$1.46
<b>Total/ Weighted Average</b>	<b>292</b>	<b>854</b>	<b>\$1,196</b>	<b>\$1.44</b>	--	--	<b>\$1,196</b>	<b>\$1.44</b>



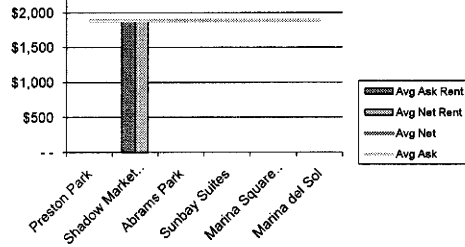
Community	Units	Sq Ft	Avg Ask	PSF	Months Free	Term	Avg Net	PSF
Preston Park	217	1,307	\$1,433	\$1.10	--	--	\$1,433	\$1.10
Shadow Market Competition	1	1,100	\$1,388	\$1.26	--	--	\$1,388	\$1.26
Abrams Park	--	--	--	--	--	--	--	--
Sunbay Suites	--	--	--	--	--	--	--	--
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	--	--	--	--	--	--	--	--
<b>Total/ Weighted Average</b>	<b>218</b>	<b>1,306</b>	<b>\$1,433</b>	<b>\$1.10</b>	--	--	<b>\$1,433</b>	<b>\$1.10</b>

## Preston Park Unit Comparison



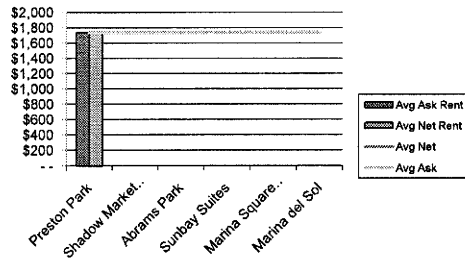
**2X2**

Community	Units	Sq Ft	Avg		Months		Avg	
			Ask	PSF	Free	Term	Net	PSF
Preston Park	--	--	--	--	--	--	--	--
Shadow Market Competition	--	--	--	--	--	--	--	--
Abrams Park	--	--	--	--	--	--	--	--
Sunbay Suites	85	700	\$1,248	\$1.78	--	--	\$1,248	\$1.78
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	--	--	--	--	--	--	--	--
<b>Total/ Weighted Average</b>	<b>85</b>	<b>700</b>	<b>\$1,248</b>	<b>\$1.78</b>	<b>--</b>	<b>--</b>	<b>\$1,248</b>	<b>\$1.78</b>



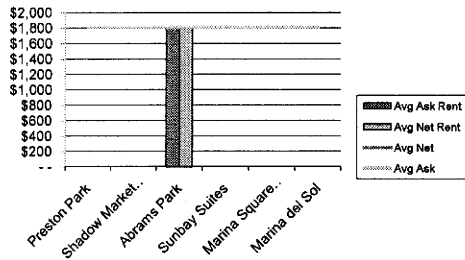
**3X2**

Community	Units	Sq Ft	Avg		Months		Avg	
			Ask	PSF	Free	Term	Net	PSF
Preston Park	--	--	--	--	--	--	--	--
Shadow Market Competition	2	1,350	\$1,886	\$1.43	--	--	\$1,886	\$1.43
Abrams Park	--	--	--	--	--	--	--	--
Sunbay Suites	--	--	--	--	--	--	--	--
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	--	--	--	--	--	--	--	--
<b>Total/ Weighted Average</b>	<b>2</b>	<b>1,350</b>	<b>\$1,886</b>	<b>\$1.43</b>	<b>--</b>	<b>--</b>	<b>\$1,886</b>	<b>\$1.43</b>



**3X2.5**

Community	Units	Sq Ft	Avg		Months		Avg	
			Ask	PSF	Free	Term	Net	PSF
Preston Park	125	1,572	\$1,737	\$1.10	--	--	\$1,737	\$1.10
Shadow Market Competition	--	--	--	--	--	--	--	--
Abrams Park	--	--	--	--	--	--	--	--
Sunbay Suites	--	--	--	--	--	--	--	--
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	--	--	--	--	--	--	--	--
<b>Total/ Weighted Average</b>	<b>125</b>	<b>1,572</b>	<b>\$1,737</b>	<b>\$1.10</b>	<b>--</b>	<b>--</b>	<b>\$1,737</b>	<b>\$1.10</b>



**4X2**

Community	Units	Sq Ft	Avg		Months		Avg	
			Ask	PSF	Free	Term	Net	PSF
Preston Park	--	--	--	--	--	--	--	--
Shadow Market Competition	--	--	--	--	--	--	--	--
Abrams Park	98	1,756	\$1,808	\$1.03	--	--	\$1,808	\$1.03
Sunbay Suites	--	--	--	--	--	--	--	--
Marina Square Apartments	--	--	--	--	--	--	--	--
Marina del Sol	--	--	--	--	--	--	--	--
<b>Total/ Weighted Average</b>	<b>98</b>	<b>1,756</b>	<b>\$1,808</b>	<b>\$1.03</b>	<b>--</b>	<b>--</b>	<b>\$1,808</b>	<b>\$1.03</b>



# Preston Park Rankings by Type

Sorted by Average Ask Rent

Sorted by Average Net Rent

## Studio

Community	# of Units	Square Feet	Unit Description	Average ask rent
Sunbay Suites	32	345		\$830
<b>AVERAGE</b>		<b>345</b>		<b>\$830</b>

## Studio

Community	# of Units	Square Feet	Unit Description	Average net rent
Sunbay Suites	32	345		\$830
<b>AVERAGE</b>		<b>345</b>		<b>\$830</b>

## 1 1

Community	# of Units	Square Feet	Unit Description	Average ask rent
Sunbay Suites	64	500		\$968
<b>AVERAGE</b>		<b>554</b>		<b>\$948</b>
Marina del Sol	54	618		\$925

## 1 1

Community	# of Units	Square Feet	Unit Description	Average net rent
Sunbay Suites	64	500		\$968
<b>AVERAGE</b>		<b>554</b>		<b>\$948</b>
Marina del Sol	54	618		\$925

## 2 1

Community	# of Units	Square Feet	Unit Description	Average ask rent
Preston Park	10	1,150		\$1,05
Abrams Park	94	1,000		\$1,275
Marina Square Apartments	48	1,000		\$1,263
Shadow Market Competition	1	1,000		\$1,238
<b>AVERAGE</b>		<b>854</b>		<b>\$1,196</b>
Sunbay Suites	85	650		\$1,135
Marina del Sol	54	736		\$1,075

## 2 1

Community	# of Units	Square Feet	Unit Description	Average net rent
Preston Park	10	1,150		\$1,05
Abrams Park	94	1,000		\$1,275
Marina Square Apartments	48	1,000		\$1,263
Shadow Market Competition	1	1,000		\$1,238
<b>AVERAGE</b>		<b>854</b>		<b>\$1,196</b>
Sunbay Suites	85	650		\$1,135
Marina del Sol	54	736		\$1,075

## 2 1.5

Community	# of Units	Square Feet	Unit Description	Average ask rent
Preston Park	141	1, 2		\$1,442
<b>AVERAGE</b>		<b>1,306</b>		<b>\$1,433</b>
Preston Park	6	1,28		\$1,41
Shadow Market Competition	1	1,100		\$1,388

## 2 1.5

Community	# of Units	Square Feet	Unit Description	Average net rent
Preston Park	141	1, 2		\$1,442
<b>AVERAGE</b>		<b>1,306</b>		<b>\$1,433</b>
Preston Park	6	1,28		\$1,41
Shadow Market Competition	1	1,100		\$1,388

## Preston Park Rankings by Type

Sorted by Average Ask Rent

Sorted by Average Net Rent

2 2

Community	# of Units	Square Feet	Unit Description	Average ask rent
Sunbay Suites	85	700		\$1,248
<b>AVERAGE</b>		<b>700</b>		<b>\$1,248</b>

2 2

Community	# of Units	Square Feet	Unit Description	Average net rent
Sunbay Suites	85	700		\$1,248
<b>AVERAGE</b>		<b>700</b>		<b>\$1,248</b>

2

Community	# of Units	Square Feet	Unit Description	Average ask rent
Shadow Market Competition	1	1,600		\$2,025
<b>AVERAGE</b>		<b>1,350</b>		<b>\$1,886</b>
Shadow Market Competition	1	1,100		\$1,748

2

Community	# of Units	Square Feet	Unit Description	Average net rent
Shadow Market Competition	1	1,600		\$2,025
<b>AVERAGE</b>		<b>1,350</b>		<b>\$1,886</b>
Shadow Market Competition	1	1,100		\$1,748

2.5

Community	# of Units	Square Feet	Unit Description	Average ask rent
Preston Park	125	1,52		\$1,
<b>AVERAGE</b>		<b>1,572</b>		<b>\$1,737</b>

2.5

Community	# of Units	Square Feet	Unit Description	Average net rent
Preston Park	125	1,52		\$1,
<b>AVERAGE</b>		<b>1,572</b>		<b>\$1,737</b>

4 2

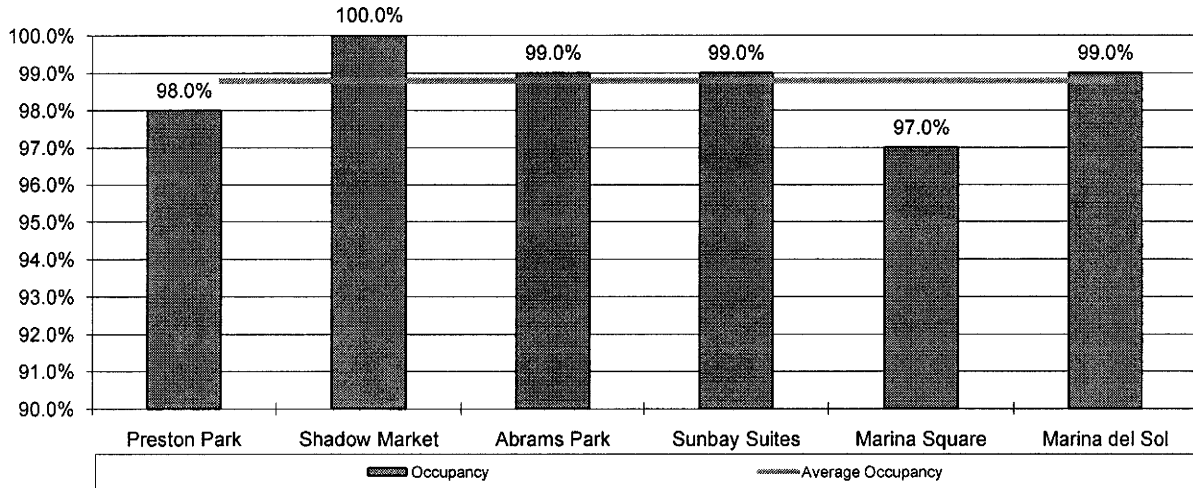
Community	# of Units	Square Feet	Unit Description	Average ask rent
Abrams Park	43	1,700		\$1,808
Abrams Park	35	1,800		\$1,808
Abrams Park	20	1,800		\$1,808
<b>AVERAGE</b>		<b>1,756</b>		<b>\$1,808</b>

4 2

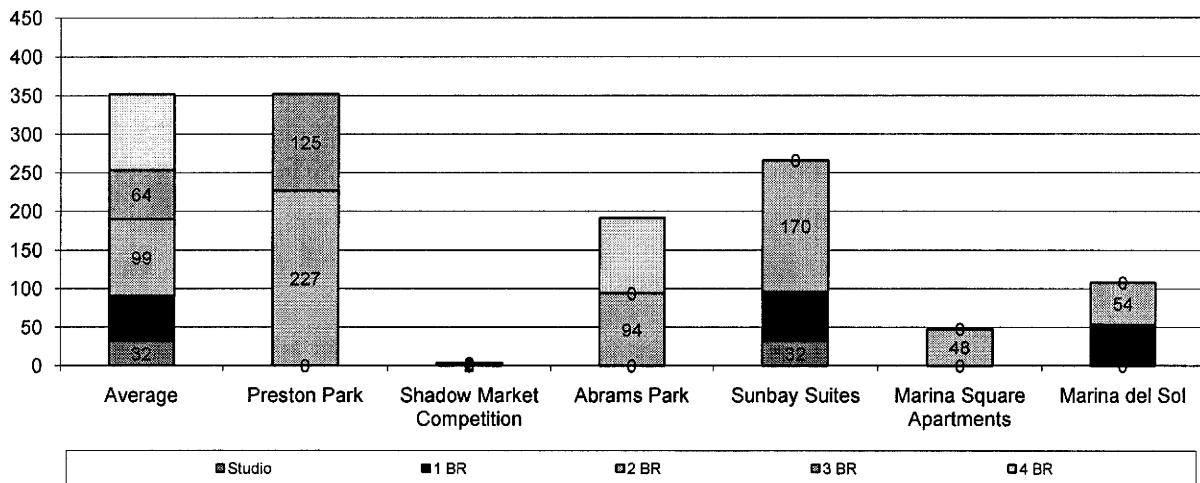
Community	# of Units	Square Feet	Unit Description	Average net rent
Abrams Park	43	1,700		\$1,808
Abrams Park	35	1,800		\$1,808
Abrams Park	20	1,800		\$1,808
<b>AVERAGE</b>		<b>1,756</b>		<b>\$1,808</b>

# Preston Park Historical and Current Market Occupancy

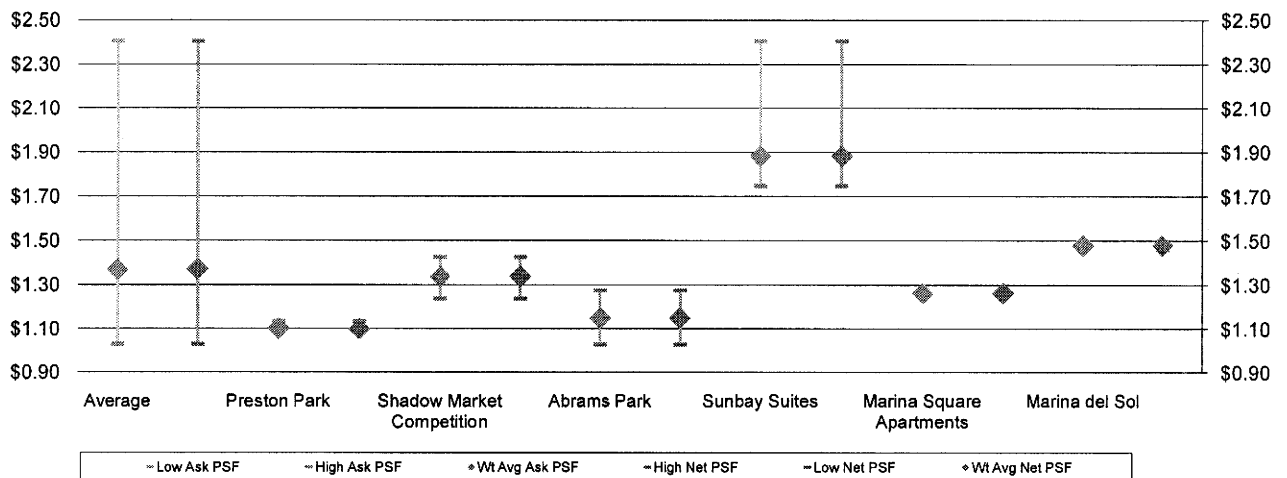
### Preston Park Current Occupancy vs Comparison Communities



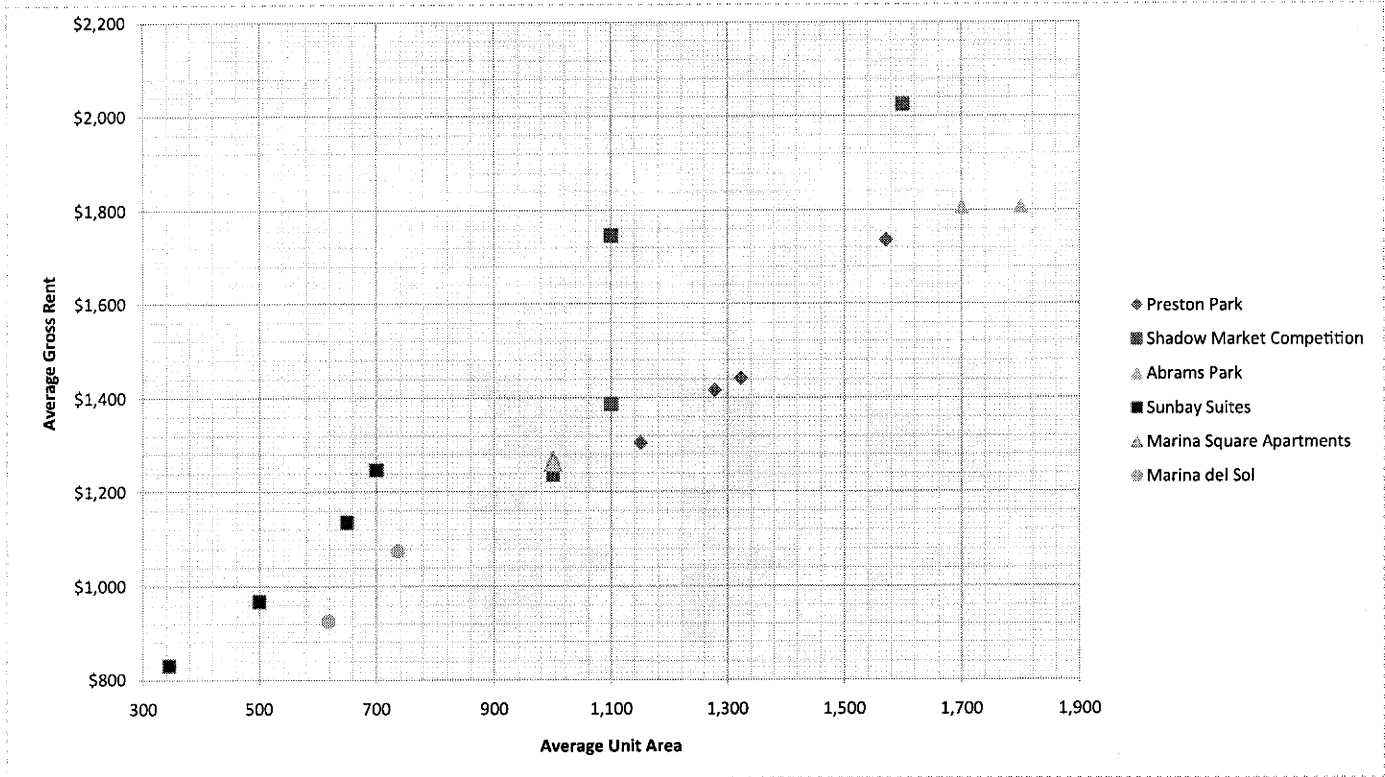
### Unit Type Mix Across Communities



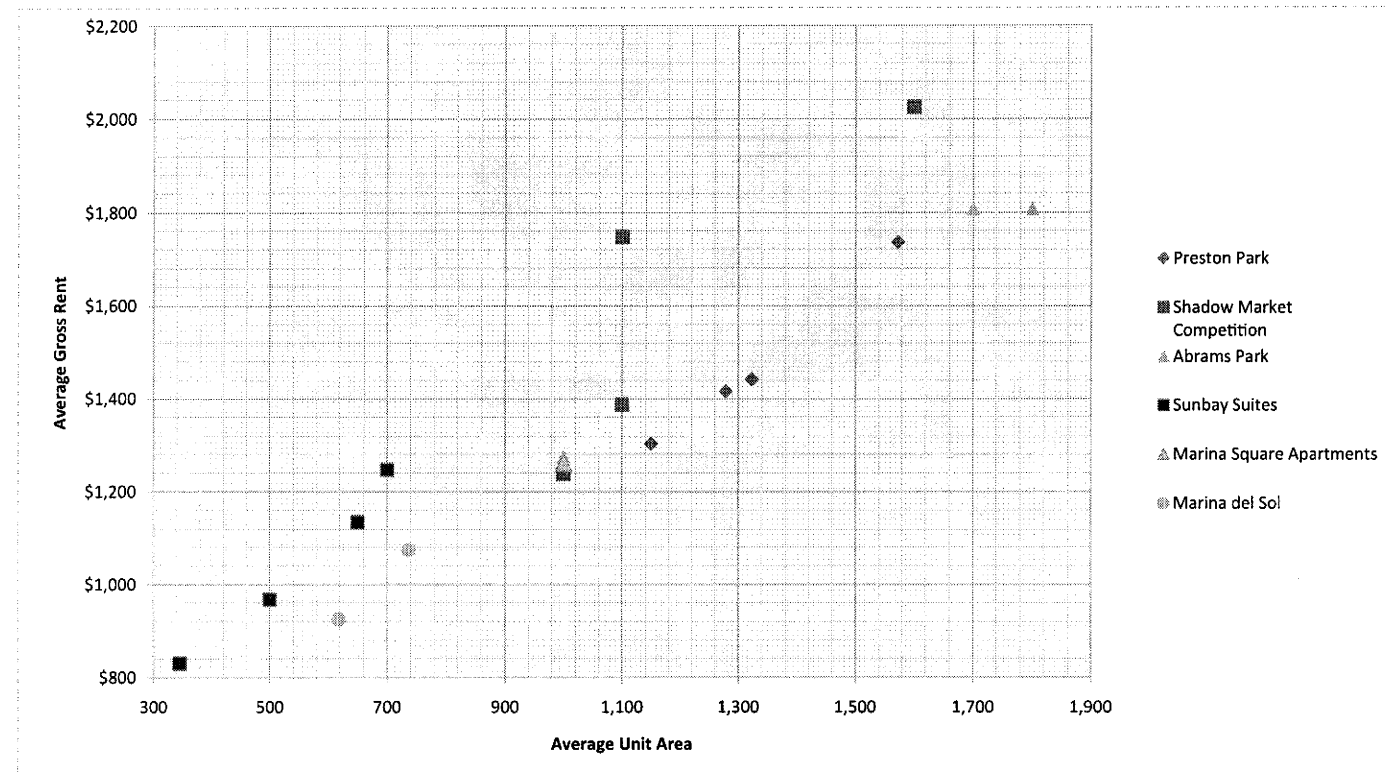
### Preston Park Ask Rent vs. Net Rent PSF



## Comps Gross



## Comps Effective



# Competitor Information

4/21/2011

## Preston Park

<b>Preston Park</b>	Phone #	(831) 384-0119
	Mgmt Co:	Alliance Residential Company
% Occupied	98.0%	
% Leased	100.0%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	98.0%	
Prior week leased	100.0%	
Rent changes		
Specials	No concessions. Community is partially Below Market Rent and Section 8 Housing	
Locators		

<b>Shadow Market Competition</b>	Phone #	Variable
	Mgmt Co:	
% Occupied	100.0%	
% Leased	0.0%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	100.0%	
Prior week leased	0.0%	
Rent changes		
Specials	\$400 off a 12 month lease, \$200 off a 6 month lease	
Locators		

## Abrams Park

<b>Abrams Park</b>	Phone #	(831) 384-0119
	Mgmt Co:	Alliance Residential Company
% Occupied	99%	
% Leased	100%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	99%	
Prior week leased	100%	
Rent changes		
Specials	Community is partially Below Market Rent and Section 8 Housing	
Locators		

<b>Sunbay Suites</b>	Phone #	(831) 394-2515
	Mgmt Co:	Sunbay Suites
% Occupied	99%	
% Leased	99%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	99%	
Prior week leased	99%	
Rent changes		
Specials		
Locators		

## Marina Square Apartments

<b>Marina Square Apartments</b>	Phone #	(831) 384-9725
	Mgmt Co:	DYI Properties
% Occupied	97%	
% Leased	97%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	98%	
Prior week leased	98%	
Rent changes		
Specials	\$150 off first months rent for Year Lease	
Locators		

<b>Marina del Sol</b>	Phone #	(831) 384-5619
	Mgmt Co:	Pioneer Properties
% Occupied	99%	
% Leased	99%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	98%	
Prior week leased	98%	
Rent changes		
Specials	None	
Locators		

	Phone #	
	Mgmt Co:	
% Occupied	0.0%	
% Leased	0.0%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	0.0%	
Prior week leased	0.0%	
Rent changes		
Specials		
Locators		

	Phone #	
	Mgmt Co:	
% Occupied	0%	
% Leased	0%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	0%	
Prior week leased	0%	
Rent changes		
Specials		
Locators		

	Phone #	
	Mgmt Co:	
% Occupied	0.0%	
% Leased	0.0%	
# of Traffic for the week	0	Closing Ratio
# of Gross Leases for the week	0	0%
# of Net Leases for the week	0	
Prior week occupied	0.0%	
Prior week leased	0.0%	
Rent changes		
Specials		
Locators		

<b>Average Occupancy:</b>	74.0%
<b>Average Traffic:</b>	0
<b>Average Closing Ratio:</b>	0.0%
<b>Average # of Leases/wk:</b>	0

**CITY OF MARINA**

**AMENDMENT NO. 4 TO MANAGEMENT AGREEMENT  
FOR PRESTON PARK**

This Amendment No. 4 ("Amendment") to the Management Agreement by and between the Fort Ord Reuse Authority (FORA), a California public entity, hereinafter referred to as "Owner," Alliance Communities Inc, a Delaware corporation, hereinafter referred to as "Operator," and the City of Marina, a California charter city, hereinafter referred to as "Agent," is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_ 2011. Only the numbered paragraphs of said Agreement which are being amended or deleted are set forth in this Amendment.

**Recitals**

A. On December 7, 2007, the Owner and Agent entered into an Agreement ("Agreement") with Operator for services related to management of the property commonly known as Preston Park consisting of 354 units ("Units") [2 are used for management purposes] located at 682 Wahl Court, Marina, CA 93933 (the "Property").

B. Subsequent to execution of the Agreement on December 7, 2007, the Agent has taken certain actions to approve policies that result in inconsistencies in the Agreement.

C. On July 7, 2010, the Agent and Owner approved Amendment No. 1 to the Management Agreement.

D. On December 14, 2010, the Agent and Owner approved Amendment No. 2 to the Management Agreement.

E. On January 25, 2011, the Agent and on April 8, 2011 the Owner approved Amendment No. 3 to the Management Agreement.

**Terms and Conditions**

In consideration of the mutual promises contained herein, Owner, Agent and Operator agree that the terms and conditions set forth herein are incorporated into the Agreement.

1. Section 4.2.k.(ii), Employment of Personnel, is amended to read as follows (new language shown by underline):

"4.4.k (ii)

The salaries, wages, other compensation, benefits (including without limitation social security, taxes, worker's compensation insurance, and the like), travel, training and other Property-related expenses of all on-site, field or maintenance employees of Operator working on or with respect to the Property shall be expense of the Property and included in the approved budget for the Property. The expenses of Executive personnel of Operator who are assigned to on-site Property management for twenty percent (20%) of their time or more may also be included in the approved budget. Operator shall provide to Owner, at Owner's request, payroll and time sheets for all such employees. Notwithstanding the foregoing, wages and other compensation of employees performing services for Operator at properties other than the Property, shall be

reimbursed to Operator pro rata based on the portion of working hours involved in services to the Property and such other properties; provided that Operator shall be reimbursed for any roving maintenance supervisor providing services to the Property at the rate of \$50 per hour for such services (or such amount as may be reflected in the approved Budget). Operator shall solicit and receive approval from Owner to utilize the services of a roving maintenance supervisor prior to services being rendered.”

2. Section 5.2. Expenses of Owner, is amended to add a new sub-section (t) in the list of reimbursable expenses to read as follows:

“5.2 Owner may pay the following expenses directly from the Trust Agreement subject to the conditions and limitations set forth elsewhere in this Agreement: .....

“(t) Administrative expenses of the City-Agent’s staff devoted to oversight of the Management Agreement and Capital Project Manager Agreement(s) and liaison with residents. These expenses are limited to the amount included in the Preston Park budget as approved by the Owner and Agent and may not exceed 1/2% (one half of a percent) of the gross revenues.”

No changes to sub-sections a) through s) or the last paragraph of Section 5.2

All other provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

OWNER:  
FORT ORD REUSE AUTHORITY

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

Date: \_\_, 2011

AGENT:  
CITY OF MARINA

By: \_\_\_\_\_  
Anthony J. Altfeld, City Manager

Date: \_\_, 2011

Attest: (Pursuant to Resolution: 2011-

By:  
Anita Shepherd-Sharp, Acting Deputy City Clerk

Approved as to Form

\_\_\_\_\_  
City Attorney Risk Manager

OPERATOR:

ALLIANCE COMMUNITIES INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2011



# FORT ORD REUSE AUTHORITY BOARD REPORT

## OLD BUSINESS

**Subject:** Environmental Services Cooperative Agreement - special access, 2<sup>nd</sup> vote

**Meeting Date:** June 10, 2011

**Agenda Number:** 4a

**ACTION**

**RECOMMENDATION(S):**

This is a second vote on this item.

Authorize the FORA Executive Officer to execute individual reimbursement agreements with outside agencies according to Item 8c, May 13, 2011.

**BACKGROUND/DISCUSSION:**

A second vote is required where a majority prevails as defined in section 2.02.040 of the Master Resolution. This item failed unanimous consent by one vote at the May meeting.

**FISCAL IMPACT:** See original item (attached)

**COORDINATION:** See original item (attached)

Prepared by   
Daylene Alliman

Approved by   
Michael A. Houlemard, Jr.

## FORT ORD REUSE AUTHORITY BOARD REPORT

### OLD BUSINESS

<b>Subject:</b>	FORA/Agency Reimbursement Agreements, ESCA property work – report	
<b>Meeting Date:</b>	May 13, 2011	<b>ACTION</b>
<b>Agenda Number:</b>	8c	

#### RECOMMENDATION:

Receive a report on the Fort Ord Reuse Authority ("FORA")/Agency Reimbursement Agreements and authorize the FORA Executive Officer to execute individual reimbursement agreements with outside agencies and Contract Change Order Number Five ("CCO #5") to the ARCADIS Environmental Services Cooperative Agreement ("ESCA") Remedial Services Agreement ("RSA").

#### BACKGROUND:

In spring 2005, the U.S. Army ("Army") and FORA entered negotiations to execute an Army-funded Environmental Services Cooperative Agreement ("ESCA") defining the Munitions and Explosives of Concern ("MEC") remediation of 3,340 acres the former Fort Ord acres. In early 2007, the Army awarded FORA approximately \$98 million to perform MEC cleanup and subsequently, upon concurrence of the California Governor at that time, transferred the impacted property to FORA. FORA also entered into an Administrative Order on Consent ("AOC") with the U.S. Environmental Protection Agency ("EPA") and California Department of Toxic Substance Control ("DTSC"), defining conditions under which FORA undertakes the Army remediation responsibility for ESCA parcels.

In January 2011, staff brought a number of agencies' special requests to the Board for access or construction of improvements on FORA-owned ESCA properties. FORA staff, FORA Authority Counsel and ARCADIS have been meeting with these agencies to determine project scope and timing and to provide ESCA background materials and property access limitations as outlined in the existing Finding of Suitability for Early Transfer, Army/FORA deeds, Land Use Covenants, AOC, ESCA Grant documents, FORA/ARCADIS RSA and the jurisdictions' Ordinance Ordinance.

#### DISCUSSION:

Under the existing FORA/ARCADIS RSA, ARCADIS has been given site control of ESCA properties. An RSA CCO is required for ARCADIS to provide services on FORA ESCA properties that FORA will pass on to the requesting agencies. FORA and ARCADIS have created **Attachment A, RSA CCO #5, Master Services Agreement**, to serve as a guideline for services the outside agencies are requesting on ESCA property.

The FORA/ARCADIS RSA CCO #5 defines the services that the ESCA team will provide to support the request of outside agencies. Five percent (5%) will be added to each ESCA team service for FORA administrative costs, and pass ARCADIS' cost for services on to the agencies for services performed at their request. CCO #5 is structured so that it may be modified as FORA enters into individual reimbursement agreements with each outside agency for FORA and ARCADIS' services. CCO #5 may be modified by adding agency project specifics and not-to-exceed limits that are specific to individual FORA/agency reimbursement agreement.

After discussions with various agencies, FORA was requested to provide ESCA team assistance for projects within ESCA property owned by FORA. Reimbursement agreements (two Reimbursement Agreements, Monterey Peninsula College ["MPC"] - \$12,000, and Monterey Horse Park ["MHP"] \$24,000 are attached for information; Attachment B, Agreements for Professional Services) have been executed to support the agency's requests for access to FORA Counsel, EPA and DTSC's Counsel, ARCADIS' Counsel, support by FORA, EPA, DTSC and the ESCA team. These activities are not funded by the ESCA grant and the FORA/ESCA team must be reimbursed. The agencies must receive permission from ARCADIS and CHARTIS to access the proposed sites so that ESCA insurance policies are not jeopardized. A FORA Right of Entry is also required to access the site. The agencies are working with the jurisdictions to meet their requirements where applicable.

The FORA Executive Officer has authorized CCO #5 within his authority to support time-critical biological surveys by MPC and the MHP with ARCADIS. He has executed these based upon:

1. The timing of the spring plant bloom;
2. The ESCA Contract limits this type of work on ESCA properties to ARCADIS; and
3. The amount of CCO #5 is within the FORA Executive Officer's authority.

CCO #5 is presented to the FORA Board for confirmation since the total amount of ARCADIS work may exceed the FORA Executive Officer's authority.

**FISCAL IMPACT:**

Reviewed by FORA Controller 

There should be no cost to FORA or the ESCA because ARCADIS services, FORA ESCA Program Manager, FORA Counsel, FORA and the Regulator's staff time, as required, will be reimbursed to FORA by the agencies through individual reimbursement agreements. FORA will add 5% to all Regulator and ARCADIS services costs to cover FORA administrative costs and pass them on to the outside agencies.

**COORDINATION:**

Administrative Committee; Executive Committee; FORA Counsel; ARCADIS; Monterey Peninsula Water Management District; EPA; and DTSC.

Prepared by   
Stan Cook


Approved by   
Michael A. Houlemard, Jr.

# PROFESSIONAL SERVICES AGREEMENT

**CCO # 5**

Attachment A to Item 8c  
FORA Board Meeting 5/13/11

This PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is entered into and made effective as of this 25th day of April, 2011 (the "Effective Date").

PARTIES	
<p style="text-align: center;"><b>FORA</b></p> <p>Name: <u>Fort Ord Reuse Authority ("FORA")</u>                      Address 1: <u>100 12<sup>th</sup> Street, Building 2880</u>                      Address 2: _____                      City: <u>Marina</u> State: <u>CA</u> Zip: <u>93933</u></p>	<p style="text-align: center;"><b>ARCADIS</b></p> <p>Name: <u>ARCADIS U.S., Inc. ("ARCADIS")</u>                      Address 1: <u>100 12<sup>th</sup> Street, Building 2902</u>                      Address 2: _____                      City: <u>Marina</u> State: <u>CA</u> Zip: <u>93933</u></p> <p>The parties hereto acknowledge and agree that when individual work authorizations are necessary hereunder, all such work authorizations will be issued and executed by the appropriate ARCADIS entity authorized and licensed to perform work in the respective state, country or province where the work is being performed.</p>
PARTY REPRESENTATIVES	
<p style="text-align: center;"><b>FORA REPRESENTATIVE</b></p> <p>Mail Originals:  <u>Fort Ord Reuse Authority</u>  <u>100 12<sup>th</sup> Street, Building 2880</u>  <u>Marina, CA 93933</u>                      Attention: <u>Mr. Michael A. Houleward, Jr.</u>                      Telephone: <u>831-883-3672</u>                      Fax: <u>831 883 3676</u></p> <p>With Copies To:  <u>Fort Ord Reuse Authority</u>  <u>100 12<sup>th</sup> Street, Building 2880</u>  <u>Marina, CA 93933</u>                      Attention: <u>Ivana Bednarik</u>                      Telephone No.: <u>831 883 3672</u>                      Facsimile No.: <u>831 883 3676</u></p>	<p style="text-align: center;"><b>ARCADIS REPRESENTATIVE</b></p> <p>Mail Originals:  <u>ARCADIS U.S. Inc.</u>  <u>100 12<sup>th</sup> Street, Building 2902</u>  <u>Marina, CA 93933</u>                      Attention: <u>Kristle Reimer</u>                      Telephone: <u>831-384-3221</u>                      Fax: <u>831-384-3222</u></p> <p>With Copies To:  <u>ARCADIS U.S. Inc.</u>  <u>1900 Powell Street, 12<sup>th</sup> Floor</u>  <u>Emeryville, CA 94308</u>                      Attention: <u>Ms. Dori Baker</u>                      Telephone No.: <u>510-596-9513</u>                      Facsimile No.: <u>510-652-4906</u></p>
GENERAL TYPES OF SERVICES TO BE PERFORMED	
<p>Check each appropriate box:</p> <p><input checked="" type="checkbox"/> Environmental    <input type="checkbox"/> Infrastructure    <input type="checkbox"/> Other: _____</p> <p>Services performed under this Agreement are detailed in the Scope of Services and may also be detailed in Work Authorization(s) approved by FORA and ARCADIS in the form attached hereto as Exhibit E.</p>	<p>Check each appropriate box:</p> <p><input checked="" type="checkbox"/> Field    <input type="checkbox"/> Phase I ESA  <input type="checkbox"/> Asbestos &amp; Other Hazardous Materials  <input type="checkbox"/> PM / CM  <input type="checkbox"/> Other or Not Applicable</p>
S. AGREEMENT	
<p>The following documents, as applicable, are attached and are incorporated into this Agreement:</p> <ul style="list-style-type: none"> <li>• Exhibit A: General Scope of Services</li> <li>• Exhibit B: Payment Terms</li> <li>• Exhibit C: General Terms and Conditions for Professional Services</li> <li>• Exhibit D: Special Terms and Conditions for Professional Services</li> <li>• Exhibit E: Work Authorization</li> </ul>	
SIGNATURES	
<p style="text-align: center;"><b>FORA</b></p> <p>By:                       Name: <u>MICHAEL A. HOULEWARD, JR.</u>                      Title: <u>EXEC. OFFICER</u></p>	<p style="text-align: center;"><b>ARCADIS</b></p> <p>By: _____                      Name: _____                      Title: _____</p>

**EXHIBIT A  
GENERAL SCOPE OF SERVICES**

ARCADIS shall perform the professional Consulting Services required under this Agreement in accordance with a standard of care, skill, training, diligence and judgment normally provided by competent professionals who perform work of a similar nature, in the same geographical regions as the work described in this Agreement and any Work Authorization. No other warranty or guarantee is expressed or implied, and no other provision of this Agreement will impose any liability upon ARCADIS in excess of this standard of care.

Services performed under this Agreement may be more fully described in specific detail in Individual Work Authorizations approved by FORA and ARCADIS in the form attached hereto as Exhibit E, which shall constitute a part of this Agreement.

ARCADIS shall have no obligation to commence the Services as stipulated in this Agreement and/or any associated Work Authorization until both this Agreement and the applicable Work Authorization are fully executed and delivered to ARCADIS. Any schedule requirements applicable to ARCADIS Services will be set forth in this Exhibit or Work Authorization.

ARCADIS agrees to correct, at its own expense, any Service provided under this Agreement that does not conform to the standard of care herein for a period of one (1) year following the completion of that Service.

**Task 2011 - On-Call Services as Requested by FORA**

Provision of on-call services as requested by FORA in support of projects proposed on the ESCA Remediation Project footprints. Services can include but are not limited to:

- i. **Site Documentation** – preparation of site documentation in support of early site access in accordance with the AOC. These documents include preparation of:
  - a. **Technical Memorandum:** document site conditions, previous investigation and remediation activities to support proposed site construction activities.
  - b. **Soil Management Plan** – identify project activities and define soil management requirements, constraints and reporting.
  - c. **UXO Work Plan:** Identify UXO support requirements and procedures for construction-related activities with respect to possible munitions and explosives of concern (MEC) finds under the existing roadway or within the limits of grading.
  - d. **Administrative Order on Consent (AOC) Partial Approval/Concurrence Letter** in advance of Regulatory Site Closure: Request for Environmental Protection Agency (EPA) Region 9 with concurrence from State of California Department of Toxic Substances Control (DTSC) to make a preliminary finding that the project area has been adequately investigated and remediated, and is protective of human health and the environment. As outlined in the AOC between the

regulators and FORA, the Former Fort Ord Army Base is a National Priorities List (NPL) site, and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requirements and obligations apply to the proposed project area.

- ii. **Construction Support – UXO Technician onsite or on-call construction support during project implementation as approved by FORA in accordance with the Administrative Order on Consent (AOC). Site Escorts may be provided to monitor site activities such as soil management. Summary of daily reporting will be prepared and submitted to FORA. Activity will be billed on a daily rate basis.**
- iii. **Site Escorts – UXO or Site Escort to support field reconnaissance such as biological surveys, land surveying, and other non-intrusive activities. Summary of daily reporting will be prepared and submitted to FORA. Activity will be billed on a daily rate basis.**
- iv. **Field activities and costs associated with additional investigation that may be required as requested by FORA as result of construction related activities.**
- v. **Technical services in support of project definition and review as requested by FORA.**
- vi. **Meeting preparation, attendance and follow-up as requested by FORA.**
- vii. **Project administration, coordination, billing and reporting as needed.**

**EXHIBIT B  
PAYMENT TERMS**

FORA agrees to pay for the Services performed by ARCADIS in accordance with this Agreement and any approved Work Authorization. Payment for Services is set forth and shall be subject to the ARCADIS standard invoicing practices, which are incorporated herein. Payment Terms shall specify any required Mobilization Fee or other Retainer, Lump Sum Fees, Hourly Billing Rates, and Reimbursable Expenses, and provide for interest on payments not timely made, and for the suspension of work and attorneys' fees in the event that payments are not made by FORA.

ARCADIS shall invoice FORA for Services in accordance with ARCADIS standard invoicing practices. ARCADIS reserves the right, in its sole discretion, to invoice FORA in advance and/or bi-weekly. Invoices are due and payable on receipt and should be remitted by check or wire transfer of immediately available funds as follows:

**WELLS FARGO BANK NA**

Lockbox: ARCADIS U.S., Inc., Dept 547,  
Denver, Colorado 80291-0547.

By Wire: ABA 121000248, Account No.  
1018184751, ARCADIS U.S., Inc. Lockbox.

By ACH: ABA 102000076, Account No.  
1018184751, ARCADIS U.S., Inc. Lockbox.

If FORA fails to make any payment due ARCADIS for services and expenses within thirty (30) days after receipt of invoice, the amounts due ARCADIS will be increased at the rate of 1.5% per month, or the maximum rate of interest permitted by law for accounts not paid within thirty (30) days.

If FORA reasonably objects to any portion of an invoice, FORA shall provide written notification to ARCADIS of FORA's objection and the basis for such objection within fifteen (15) days of the date of receipt of the invoice, and the Parties immediately shall make every effort to settle the *disputed* portion of the invoice. FORA shall waive any objections to ARCADIS invoice if it fails to timely provide such written notice to ARCADIS. The *undisputed* portion shall be paid immediately and FORA shall not offset amounts due ARCADIS under a Work Authorization for any credit or disputes arising under a different Work Authorization. If payment of *undisputed* invoices by FORA is not maintained on a current basis, ARCADIS may, after giving seven (7) days' written notice to FORA, suspend further performance until such payment is restored to a current basis. All suspensions shall extend the time for performance by a length of time equal to the duration of the suspension, and ARCADIS shall be paid for Services performed and charges incurred prior to the suspension date, plus suspension charges. Suspension charges shall include, without limitation, putting of documents and analyses in order, personnel and equipment rescheduling or reassignment adjustments, additional insurance/bonding coverage, extended overhead and costs, and all other related costs and charges incurred and attributable to suspension.

In the event of litigation or other proceeding to enforce performance of this Agreement or any payment obligation under this Agreement, the prevailing Party shall be entitled to recover from the other Party attorneys' fees and costs as may be reasonably incurred by reason of the litigation.

**EXHIBIT C  
GENERAL TERMS AND CONDITIONS  
FOR ENVIRONMENTAL PROFESSIONAL SERVICES**

1.1 This Agreement shall remain in full force and effect until terminated in accordance with specifications noted in Section 3, herein.

2.1 At any time after execution of this Agreement, FORA may order changes in ARCADIS Services consisting of additions, deletions, and revisions within the general scope of services being performed by ARCADIS under this Agreement and/or any applicable Work Authorizations. Whenever a change in the scope and/or time for performance of services occurs, or if FORA has notified ARCADIS of a change, ARCADIS shall submit to FORA within a reasonable time an estimate of the changes in cost and/or schedule, with supporting calculations and pricing. Pricing shall be in accordance with the pricing structure of this Agreement.

2.2 Notwithstanding the above, FORA may direct ARCADIS in writing to perform the change prior to approval of price and schedule adjustments by FORA. If so directed, ARCADIS shall not suspend performance of this Agreement during the review and negotiation of such change, as long as the change is a reasonably foreseeable alteration of the Services originally contemplated. In the event FORA and ARCADIS are unable to reach agreement regarding changes in price and/or time associated with a change order, the matter shall be submitted to mediation as provided in Paragraph 13 of this Agreement.

3.1 **Termination for Convenience** - Either Party may terminate this Agreement and any associated Work Authorization for its convenience and without cause after giving five (5) days written notice to the

other Party. However, ARCADIS shall not have the right to terminate this Agreement, without cause, prior to completion by ARCADIS of all Services required under the Agreement or any outstanding Work Authorizations. In the event FORA terminates ARCADIS services without cause and for FORA's convenience, FORA shall be liable to promptly pay ARCADIS for all work performed through the date of termination, all of ARCADIS expenses directly attributable to the termination, including fair and reasonable sums for overhead and profit for work performed, and all costs incurred by ARCADIS in terminating any contracts entered into in connection with the performance of its Services.

3.2 **Termination for Cause** - Either Party may terminate this Agreement for Cause. Termination for any cause shall be by written "Termination Notice" from the terminating Party, delivered to the defaulting Party. The defaulting Party shall have thirty (30) days from receipt of the Termination Notice to cure the alleged default, or if the cure requires a period of time in excess of thirty (30) days the cure period shall be extended by mutual agreement so long as the defaulting Party has undertaken reasonable efforts to cure such default. Any termination for cause shall be without prejudice to any claims that either Party may have against the other Party, its agents or subcontractors.

4.1 ARCADIS shall not perform, or enter into any agreement for, services for any other person, corporation or entity, except with prior written consent of FORA, if, in the sole discretion of ARCADIS, the performance of the services could result in a conflict with ARCADIS obligations under this Agreement. ARCADIS represents that it has reasonably evaluated potential



conflicts and has disclosed to FORA in writing any prior or existing relationships which present, or could appear to present, a conflict with the Services to be performed.

5.1 All documents provided by ARCADIS pursuant to this Agreement are instruments of service of ARCADIS, and ARCADIS shall retain an ownership and property interest therein (including the right of reuse) until FORA has made full payment to ARCADIS for such documents pursuant to this Agreement. All documents generated by ARCADIS pursuant to this Agreement are not intended or represented to be suitable for reuse by FORA or others for any other project or purposes than that for which the same were created. FORA agrees not to reuse said reports or materials on any other project, or for any other purpose other than that for which they were created, without the prior written consent of ARCADIS. Reuse of said reports or other material by FORA for any other purpose or on other projects without written permission or adaptation by ARCADIS for the specific purpose then intended shall be at FORA's and user's sole risk, without any liability whatsoever to ARCADIS, and FORA agrees to indemnify and hold harmless ARCADIS from all claims, damages and expenses, including attorneys' fees, arising out of such unauthorized reuse by FORA.

5.2 The Parties agree that reports prepared by or on behalf of ARCADIS pertaining to site conditions, including but not limited to geotechnical engineering or geologic reports (hereinafter collectively "Site Condition Reports"), are prepared for the exclusive use of FORA and its authorized agents, and that no other party may rely on Site Condition Reports unless ARCADIS agrees in advance to such reliance in writing. Site Condition Reports are not intended for use by others, and the information contained therein is not applicable to other sites, projects or for any purpose except the one originally contemplated in the Services. FORA acknowledges that the Site Condition Reports are based on conditions that exist at the time a study is performed and that the findings and conclusions of the Site

Condition Reports may be affected by the passage of time, by manmade events such as construction on or adjacent to the site, or by natural events such as floods, earthquakes, slope instability or groundwater fluctuations, among others. The Parties agree that interpretations of subsurface conditions by ARCADIS or its subcontractors may be based on limited field observations including, without limitation, from widely spaced sampling locations at the Site. FORA acknowledges that site exploration by ARCADIS or its subcontractors will only identify subsurface conditions at those points where subsurface tests are conducted or samples are taken. The Parties agree that ARCADIS or its subcontractors may review field and laboratory data and then apply professional judgment to render an opinion about subsurface conditions at the Site and that the actual subsurface conditions may differ, sometimes significantly, from those indicated by ARCADIS or its subcontractors. FORA agrees that any report, conclusions or interpretations will not be construed as a warranty of the subsurface conditions by ARCADIS or its subcontractors. The Parties further agree that no warranty or representation, express or implied, is included or intended in any reports, conclusions, or interpretations prepared by or on behalf of ARCADIS pertaining to site conditions.

6.1 All records, reports and other information or work product generated in connection with ARCADIS Services shall be retained for a period of ten (10) years from the completion of Services. Thereafter, if FORA decides to retain said records, it must notify ARCADIS no later than thirty (30) days prior to the expiration of the retention period. Any additional expense of retaining documents or transfer of documents to FORA at the end of such ten (10) year period will be at FORA's expense. This provision shall not apply to drafts of plans, specifications, drawings or reports that shall be destroyed immediately upon being superseded in the project.

**7.1 FORA acknowledges that ARCADIS has developed proprietary systems, processes, apparatus, analytical tools and methods which ARCADIS uses in its business. Such systems, processes, apparatus, analytical tools and methods, including software, patents, copyrights and other intellectual property, and all derivations, enhancements or modifications thereof made by ARCADIS, including those made as a result of work performed by ARCADIS for FORA hereunder ("Intellectual Property"), shall be and shall remain the property of ARCADIS. This Agreement does not confer any grant of a license to any such ARCADIS Intellectual Property, nor any right of use by FORA independently or by other FORA contractors.**

**8.1 ARCADIS shall indemnify, defend and hold harmless FORA, its directors, officers, employees, shareholders and affiliates from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and court costs) which FORA and its directors, officers, employees and agents hereafter may suffer as the result of any claim, demand, action or right of action (whether at law or in equity) brought or asserted by any third party because of any personal injury (including death) or property damage to the extent caused as a result of negligent acts, errors, omissions, or willful misconduct on the part of ARCADIS. ARCADIS shall not be liable to the extent that any liability, loss, damage, costs, and expense results from an act or omission, negligence or willful misconduct by FORA or its directors, officers, employees or agents, or by any other person or entity not acting on ARCADIS' behalf or under ARCADIS' right of direction or control.**

**8.2 The Parties shall at all times remain entirely responsible for the results and consequences of their own negligence and agree to indemnify and hold harmless the other Party from and against any and all claims, losses, damages, costs and expenses, including attorneys' fees, which may arise or result from such Party's negligence.**

**9.1 The Parties recognize the risks associated with the Services, that ARCADIS has not and cannot reasonably calculate the cost of unlimited liability in its cost proposal, and in consideration of the mutual benefits received by both parties, have agreed to the limitations noted herein. Therefore, to the fullest extent permitted by law, the total liability in aggregate of ARCADIS and its directors, officers, employees, agents, associates or subcontractors, and any of them, to FORA or anyone claiming by, under or through FORA, for any and all injuries, claims, losses, expenses, including attorneys' fees, expert fees, or court costs and damages whatsoever arising out of or in any way related to ARCADIS Services under this Agreement, from any cause or causes whatsoever, including but not limited to, negligent acts or omissions, professional negligence, breach of contract, strict liability, errors or omissions of ARCADIS, or the employees, directors, officers, agents, associates of subcontractors of ARCADIS, or any of them, will be limited to the total amount of fees paid to ARCADIS under this Agreement. In no event, however, shall any such liability exceed the amount of applicable insurance that ARCADIS has agreed to procure and maintain under this Agreement.**

**9.2 The Parties agree to waive all incidental, indirect, or consequential damages, lost revenue or profits from claims, disputes or other matters in question arising out of or relating to this Agreement, whether such claims arise from negligence, breach of contract, or strict liability. This mutual waiver is applicable, without limitation, to all consequential damages due to either Party's termination.**

**10.1 ARCADIS shall maintain for the term of this Agreement insurance policies covering:**

- **Worker's Compensation and Employer's Liability insurance, statutory limits.**
- **Comprehensive General Liability insurance, a total of \$1,000,000 each occurrence and \$2,000,000 in aggregate.**
- **Comprehensive Automobile Liability insurance, a total of \$1,000,000 each occurrence and \$2,000,000 in aggregate.**

- Professional errors and omissions insurance with a per claim limit of not less than \$3,000,000

11.1 In order to protect FORA's confidential and propriety commercial and financial information, any documents records, data or communications provided by FORA or produced by ARCADIS for FORA shall be treated as confidential. Such information shall not be disclosed to any third party, unless necessary to perform the Services. Information will not be considered confidential, if: (i) the information is required to be disclosed as a part of the Services, hereunder; (ii) information is in the public domain through no action of ARCADIS in breach of the Agreement; (iii) information is independently developed by ARCADIS; (iv) the information is acquired by ARCADIS from a third party not in breach of any known confidentiality agreements; or (v) disclosure is required by law, court order or subpoena. In the event ARCADIS believes that it is required by law to reveal or disclose any information, prior to disclosure or production ARCADIS shall first notify FORA in writing.

12.1 All notices shall be either: (i) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. Mail; (ii) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one business day after deposit with such courier; or (iii) sent by personal delivery. Addresses may be changed by written notice to the other Party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

13.1 If any dispute arises out of or relates to this Agreement, or the breach thereof, and the dispute cannot be settled through direct discussions by the representatives of the Parties, the Parties agree then to submit the matter to mediation before having recourse to a

judicial forum. No written or oral representation made during the course of any settlement negotiations or mediation shall be deemed a party admission.

14.1 FORA shall advise ARCADIS in writing before design commencement of any budgetary limitations for the overall cost of construction. ARCADIS will endeavor to work within such limitations and will, if requested and included within the scope of services, submit to FORA an opinion of probable construction cost. Opinions of probable construction cost will represent ARCADIS' reasonable judgment as a design professional familiar with the construction industry, but does not represent that bids or negotiated prices will not vary from budgets or opinions of probable cost. FORA acknowledges that neither ARCADIS nor FORA has control over the cost of labor, materials or methods by which contractors determine prices for construction.

15.1 If the scope of services provide for the preparation of plans or drawings by ARCADIS, ARCADIS makes no representations that all existing utilities are shown or that any utilities shown thereon are accurately depicted.

16.1 Entire Agreement - This Agreement constitutes the entire agreement between the Parties with respect to the Services, and supersedes all prior negotiations, representations or agreements relating thereto, written or oral, except to the extent they are expressly incorporated herein. Unless otherwise provided for herein, no amendments, changes, alterations or modifications of this Agreement shall be effective unless in writing, executed by FORA and ARCADIS.

16.2 No Third Party Beneficiaries - The enforcement of the terms and conditions of this Agreement and all rights of action

relating to such enforcement, shall be strictly reserved to FORA and ARCADIS, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreement. It is the express intention of FORA and ARCADIS that sub consultants and any other person other than FORA or ARCADIS receiving any benefits from this Agreement shall be deemed to be incidental beneficiaries only.

- 16.3 **Force Majeure** – Neither Party shall be liable to the other for failure to perform its obligations hereunder if and to the extent that such failure to perform is caused by forces beyond its reasonable control, including without limitation, strikes, lockouts, or other industrial disturbances, acts or omissions of subcontractors, compliance with any regulations, civil disturbances, fires, floods, earthquakes, acts of God, acts of a public enemy or terrorism, epidemics or pandemics.
- 16.4 **Severability and Waiver** – If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible, the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either Party to enforce against the other Party any term or provision of this Agreement shall be deemed not to be a waiver of such Party's right to enforce against the other party the same or any other such term or provision.
- 16.5 **Governing Law** – The laws of the State in which the Services are provided shall govern this Agreement and the legal relations of the Parties.
- 16.6 **Compliance with Law** – ARCADIS and FORA will use reasonable care to comply with applicable laws in effect at the time the Services are performed hereunder, which to the best of their knowledge, information and belief, apply to their respective obligations under this Agreement. FORA shall cooperate with ARCADIS in obtaining any permits or

licenses required for the performance of the Services.

- 16.7 **Delegation and Assignment** – A Party may at any time delegate and assign, orally or in writing, this Agreement, or any portion thereof, with the prior written consent of the other Party. No such delegation shall operate to relieve the Party of its responsibilities hereunder.
- 16.8 **Headings** – Headings of particular paragraphs are inserted only for convenience and are in no way to be construed as a part of this Agreement or as a limitation of the scope of the paragraphs to which they refer.
- 16.9 **Representations, Warranties and Limitations** – ARCADIS represents that it is knowledgeable and experienced in providing professional consulting services comparable to services provided by firms of the same or similar national reputation. ARCADIS represents to FORA that the Services shall be performed in a manner consistent with the generally accepted standard of care as of the time when, and in the locale where, the services are performed, and pursuant to the scope of services. **ARCADIS MAKES NO WARRANTIES OF ANY OTHER KIND, WHETHER EXPRESSED OR IMPLIED.**

During the term of this Agreement, FORA shall grant to or cause to be made available to ARCADIS reasonable and necessary nonexclusive access to the Site and other Sites, as necessary, for purpose of allowing ARCADIS to perform the Services and fulfill its obligations under this Agreement. ARCADIS shall comply with generally accepted safety procedures and all other safety procedures that have been communicated to ARCADIS or its Personnel by FORA. If the Site is sold or otherwise conveyed to a third party, FORA shall immediately notify ARCADIS if FORA is unable to obtain necessary access within a timely manner. Should ARCADIS be obstructed or delayed in the

commencement, performance or completion of the Work, without fault on its part, by reason of not having full access to the Site, and then ARCADIS will be entitled to an adjustment in compensation and/or an extension in the completion time requirements.

materially from those ordinarily encountered and generally recognized as inherent in work of the character provided under this Agreement; then the amount of this Agreement and/or time for performance shall be equitably adjusted by change order upon claim by either Party made within twenty (20) days after the first observance of the conditions

**18.1** ARCADIS shall not be liable for:  
(i) damage or injury to any subterranean structures (including, but not limited to, utilities, mains, pipes, tanks, and telephone cables) or any existing subterranean conditions; or the consequences of such damage or injury, if (with respect to this clause) (i) such structures or conditions were unknown and were not identified or shown, or were incorrectly shown, in information or on plans furnished to or obtained by ARCADIS in connection with the Services; (ii) concealed conditions encountered in the performance of the Services; (iii) concealed or unknown conditions in an existing structure at variance with the conditions indicated by the Scope of Services or Work Authorization; or (iv) unknown physical conditions below the surface of the ground that differ materially from those ordinarily encountered and are generally recognized as inherent in work of the character provided under this Agreement.

**18.2** FORA shall provide to ARCADIS all plans, maps, drawing and other documents identifying the location of any subterranean structures on the Site. Prior to location of any drilling or excavation below the ground surface, ARCADIS shall obtain the concurrence of FORA as to the location for such drilling or excavation.

**18.3** Should: (i) concealed conditions be encountered in the performance of the Services; (ii) concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the Scope of Services or Work Authorization; or (iii) unknown physical conditions below the ground differ

**EXHIBIT D**  
**SPECIAL TERMS AND CONDITIONS**  
**ASBESTOS CONTAINING MATERIALS AND OTHER HAZARDOUS MATERIALS**

In the event the services provided hereunder by ARCADIS call for the disposal of wastes (hazardous, non-hazardous or solid under applicable laws and regulations), the work shall be performed in conformity with all applicable laws and regulations. FORA shall execute all manifests for the transportation, storage and disposal of any wastes removed from the Site or Property. If directed by FORA, ARCADIS may sign such manifests solely on behalf of and for FORA, and ARCADIS assumes no liability therefore and FORA releases and waives any claim against ARCADIS and shall indemnify ARCADIS from any claims or liability arising from or related thereto, in accordance with paragraph 1.4 below. FORA shall provide to ARCADIS all plan, maps, drawing and other documents identifying the location of any hazardous materials on or suspected on the Site.

At no time will ARCADIS take title to any solid and/or hazardous wastes located on or removed from the Site or Property. ARCADIS shall provide to FORA with at least two independent bids for transportation and disposal sites and any such wastes shall be transported and disposed of as directed by FORA and in conformity with all applicable laws and regulations.

Nothing in this Agreement shall be construed or interpreted as requiring ARCADIS to assume the status of, and FORA acknowledges that ARCADIS does not act in the capacity nor assume responsibilities of others as a 'generator,' 'operator,' 'transporter' or 'arranger' in the treatment, storage, disposal or transportation of any hazardous substance or waste as those terms are understood within the meaning of the Comprehensive

Environmental Responses, Compensation and Liability Act (CERCLA), or any other similar federal, state or local law, regulation or ordinance. FORA acknowledges further that ARCADIS has played no part in and assumes no responsibility for generation or creation of any hazardous waste, pollution condition, nuisance, or chemical or industrial disposal problem, if any, which may exist at any site that may be the subject matter of this Agreement. ARCADIS, after commencement of Services, to the extent of its actual knowledge shall notify FORA upon discovery of any hazardous or toxic hazardous substance or conditions which may require handling, treatment, removal or disposal, or which pose or may pose a danger or risk to the work.

FORA shall defend and indemnify ARCADIS from and against any and all demands, claims, liabilities (including strict liabilities), losses, costs, expenses (including attorneys' fees), fines, penalties, forfeitures, liens, and damages on account of ARCADIS's having contracted with FORA in connection with investigation, cleanup, handling, removal, treatment, storage, transportation or disposal of any regulated substances or hazardous or toxic wastes at any Site or Sites, or arising from or related to any existing contamination or conditions of the Site or property; or that result from ARCADIS having arranged for the disposal or transportation of hazardous or non-hazardous wastes that were located on, removed from, or generated by FORA from the Site. FORA shall not be liable to the extent that any such liability, loss, damage, cost, or expense results from an act of negligence or willful misconduct by ARCADIS or its subcontractors.

ARCADIS shall not be liable for: (i) damage or injury to any subterranean structures (including, but not limited to, utilities, mains, pipes, tanks, and telephone cables) or any existing subterranean conditions; or the consequences of such damage or injury, if (with respect to this clause (i)) such structures or conditions were unknown and were not identified or shown, or were incorrectly shown, in information or on plans furnished to or obtained by ARCADIS in connection with the Services; (ii) concealed conditions encountered in the performance of the Services; (iii) concealed or unknown conditions in an existing structure at variance with the conditions indicated by the Scope of Services or Work Authorization; or (iv) unknown physical conditions below the surface of the ground that differ materially from those ordinarily encountered and are generally recognized as inherent in work of the character provided under this Agreement.

FORA shall provide to ARCADIS all plans, maps, drawing and other documents identifying the location of any subterranean structures on the Site. Prior to location of any drilling or excavation below the ground surface, ARCADIS shall obtain the concurrence of FORA as to the location for such drilling or excavation.

Should: (i) concealed conditions be encountered in the performance of the Services; (ii) concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the Scope of Services or Work Authorization; or (iii) unknown physical conditions below the ground differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided under this Agreement; then the amount of this Agreement and/or time for performance shall be equitably adjusted by change order upon claim by either Party made within twenty (20)

days after the first observance of the conditions.

**EXHIBIT E – RA - 040511  
WORK AUTHORIZATION  
NO. AUS-FORA-2011- RA-040511**

This Work Authorization is entered into by and between ARCADIS U.S. Inc. ("ARCADIS") and Fort Ord Reuse Authority ("FORA"). This Work Authorization incorporates by reference the Professional Service Agreement entered into by the Parties dated April 25, 2011 (the "Services Agreement"). The Services Agreement is hereby amended and supplemented as follows:

**Task RA - 040511 On-Call Services as Requested by FORA**

Provision of on-call services as requested by FORA in support of projects proposed on the ESCA Remediation Project footprints. Initial services are expected to include:  
can include but are not limited to:

- i. Construction Support – UXO Technician onsite or on-call construction support during project implementation as approved by FORA in accordance with the Administrative Order on Consent (AOC). Site Escorts may be provided to monitor site activities such as soil management. Summary of daily reporting will be prepared and submitted to FORA. Activity will be billed on a daily rate basis.
- ii. Site Escorts – UXO or Site Escort to support field reconnaissance such as biological surveys, land surveying, and other non-intrusive activities. Summary of daily reporting will be prepared and submitted to FORA. Activity will be billed on a daily rate basis.
- iii. Field activities and costs associated with additional investigation that may be required as requested by FORA as result of construction related activities.
- iv. Technical services in support of project definition and review as requested by FORA.
- v. Meeting preparation, attendance and follow-up as requested by FORA.
- vi. Project administration, coordination, billing and reporting as needed.

Additional services to be authorized through subsequent work authorization(s) can include but are not limited to:

- vii. Site Documentation – preparation of site documentation in support of early site access in accordance with the AOC. These documents include preparation of:
  - a. Technical Memorandum: document site conditions, previous investigation and remediation activities to support proposed site construction activities.
  - b. Soil Management Plan – identify project activities and define soil management requirements, constraints and reporting.



- c. UXO Work Plan: Identify UXO support requirements and procedures for construction-related activities with respect to possible munitions and explosives of concern (MEC) finds under the existing roadway or within the limits of grading.
- d. Administrative Order on Consent (AOC) Partial Approval/Concurrence Letter in advance of Regulatory Site Closure: Request for Environmental Protection Agency (EPA) Region 9 with concurrence from State of California Department of Toxic Substances Control (DTSC) to make a preliminary finding that the project area has been adequately investigated and remediated, and is protective of human health and the environment. As outlined in the AOC between the regulators and FORA, the Former Fort Ord Army Base is a National Priorities List (NPL) site, and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requirements and obligations apply to the proposed project area.

FORA has entered into a Reimbursement Agreements with Monterey Downs Horse Park for ESCA Team Services to support a request to access ESCA properties. ARCADIS is to invoice FORA per FORA and Horse Park Reimbursement Agreement Number RA - 040511. FORA authorizes ARCADIS to perform the service(s) as outlined above or a portion thereof as direct by FORA, for a not-to-exceed amount of \$14,000.00.

<b>By:</b>	<b>By:</b>
<b>Title:</b>	<b>Title:</b>
<b>Date:</b>	<b>Date:</b>

**EXHIBIT E – RA - 042011  
WORK AUTHORIZATION  
NO. AUS-FORA-2011-042011**

This Work Authorization is entered into by and between ARCADIS U.S. Inc. ("ARCADIS") and Fort Ord Reuse Authority ("FORA"). This Work Authorization incorporates by reference the Professional Service Agreement entered into by the Parties dated April 25, 2011 (the "Services Agreement"). The Services Agreement is hereby amended and supplemented as follows:

**Task RA - 042011 On-Call Services as Requested by FORA**

Provision of on-call services as requested by FORA in support of projects proposed on the ESCA Remediation Project footprints. Initial services are expected to include: can include but are not limited to:

- i. **Construction Support – UXO Technician onsite or on-call construction support during project implementation as approved by FORA in accordance with the Administrative Order on Consent (AOC). Site Escorts may be provided to monitor site activities such as soil management. Summary of daily reporting will be prepared and submitted to FORA. Activity will be billed on a daily rate basis.**
- ii. **Site Escorts – UXO or Site Escort to support field reconnaissance such as biological surveys, land surveying, and other non-intrusive activities. Summary of daily reporting will be prepared and submitted to FORA. Activity will be billed on a daily rate basis.**
- iii. **Field activities and costs associated with additional investigation that may be required as requested by FORA as result of construction related activities.**
- iv. **Technical services in support of project definition and review as requested by FORA.**
- v. **Meeting preparation, attendance and follow-up as requested by FORA.**
- vi. **Project administration, coordination, billing and reporting as needed.**

Additional services to be authorized through subsequent work authorization(s) can include but are not limited to:

- vii. **Site Documentation – preparation of site documentation in support of early site access in accordance with the AOC. These documents include preparation of:**
  - a. **Technical Memorandum: document site conditions, previous investigation and remediation activities to support proposed site construction activities.**
  - b. **Soil Management Plan – identify project activities and define soil management requirements, constraints and reporting.**

- c. **UXO Work Plan: Identify UXO support requirements and procedures for construction-related activities with respect to possible munitions and explosives of concern (MEC) finds under the existing roadway or within the limits of grading.**
- d. **Administrative Order on Consent (AOC) Partial Approval/Concurrence Letter in advance of Regulatory Site Closure: Request for Environmental Protection Agency (EPA) Region 9 with concurrence from State of California Department of Toxic Substances Control (DTSC) to make a preliminary finding that the project area has been adequately investigated and remediated, and is protective of human health and the environment. As outlined in the AOC between the regulators and FORA, the Former Fort Ord Army Base is a National Priorities List (NPL) site, and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requirements and obligations apply to the proposed project area.**

**FORA has entered into a Reimbursement Agreements with Monterey Peninsula College (MPC) for ESCA Team Services to support a request to access ESCA properties. ARCADIS is to invoice FORA per FORA and Horse Park Reimbursement Agreement Number RA - 042011. FORA authorizes ARCADIS to perform the service(s) as outlined above or a portion thereof as direct by FORA, for a not-to-exceed amount of \$10,000.00.**

<b>By:</b>	<b>By:</b>
<b>Title:</b>	<b>Title:</b>
<b>Date:</b>	<b>Date:</b>

Contract No. RA-042011

**Agreement for Professional Services**

This Agreement for Professional Services (hereinafter referred to as "Agreement") is by and between Monterey Peninsula College (hereinafter referred to as "MPC") and the Fort Ord Reuse Authority, a political subdivision of the State of California (hereinafter referred to as "FORA").

The parties agree as follows:

1. **SERVICES.** Subject to the terms and conditions set forth in this Agreement, FORA shall provide MPC with services associated with Unexploded Ordnance (UXO) escorts as described in ATTACHMENT "A." Such services will be at the direction of MPC or their designee.

2. **TERM.** FORA shall commence work under this Agreement effective on April 20, 2011 and will diligently perform the work under this Agreement until April 20, 2012 or until the maximum amount of the compensation as noted below is reached. The term of the Agreement may be extended upon mutual concurrence and amendment to this Agreement.

3. **COMPENSATION AND OUT-OF-POCKET EXPENSES.** The overall maximum amount of compensation to FORA over the full term of this Agreement is not-to-exceed **\$12,000.00 Dollars (Twelve Thousand Dollars)** including out-of-pocket expenses without written consent of both parties. MPC shall pay FORA for services rendered pursuant to this Agreement at the times and in the manner set forth in ATTACHMENT "A."

MPC will reimburse FORA for all costs associated with the preparation review and approval of MPC UXO escort documents. FORA will coordinate the following services and billing at their contract rate plus 5% overhead to handle FORA accounting costs for UXO escorts.

4. **FACILITIES AND EQUIPMENT.** MPC facilities and service requirements are limited to the areas shown on the attached site map known as ATTACHMENT "C."

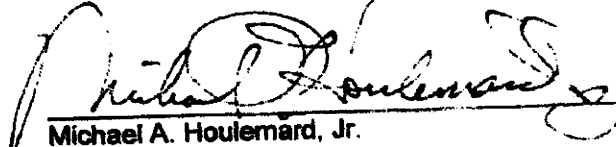
5. **GENERAL PROVISIONS.** The general provisions set forth in ATTACHMENT "B" are incorporated into this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control only insofar as it is inconsistent with the General Provisions.

6. **ATTACHMENTS.** All Attachments referred to herein are attached hereto and are by this reference incorporated herein.

- ATTACHMENT "A" – Scope of Services
- ATTACHMENT "B" – General Provisions
- ATTACHMENT "C" – Site Map

IN WITNESS WHEREOF, FORA and MPC execute this Agreement as follows:

For Fort Ord Reuse Authority

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

Date: 4/25/11

For Monterey Peninsula College

  
\_\_\_\_\_  
Stephen Ma  
Vice President for Administrative Services

Date: 4/27/2011

**ATTACHMENT "A"**

**SCOPE OF SERVICES**

This Scope of Services provides for FORA to assist MPC by providing the services and time of the FORA Real Property and Facilities Manager to accomplish the following:

- Provide MPC with UXO escorts on ESCA property for MPC's biological surveys; and
- Review of UXO escorts requirements to insure conformity with the FORA ESCA Program requirements.

FORA billings for the U.S. EPA and the ESCA Third-Party Quality Assurance professional services and the FORA Real Property and Facilities Manager's time shall be submitted monthly, at the first of the month for any work performed in the previous month.

FORA will provide the following services of the FORA Real Property and Facilities Manager at the rate of \$75.00 per hour.

- Participating in MPC UXO escorts meetings as required;
- Reviewing MPC UXO escorts documents and plans as required; and
- Reviewing MPC and their contractor's request to enter the FORA ESCA property as required.

FORA will coordinate the following services and billing at their contract rate plus 5% overhead to handle FORA accounting costs for UXO escorts.

**GENERAL PROVISIONS**

---

1. **INDEPENDENT Contractor.** At all times during the term of this Agreement, FORA shall be an independent Contractor and shall not be an employee of MPC. MPC's rights are limited to those specified in this Agreement.

2. **TIME.** FORA shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of FORA'S obligations pursuant to this Agreement. FORA shall adhere to the Schedule of Activities shown in ATTACHMENT "A."

3. **FORA NO AGENT.** Except as MPC may specify in writing, FORA shall have no authority, express or implied to act on behalf of MPC in any capacity whatsoever as an agent. FORA shall have no authority, express or implied, pursuant to this Agreement, to bind MPC to any obligation whatsoever.

4. **PERSONNEL.** FORA shall assign only competent personnel to perform services pursuant to this Agreement. In the event that MPC, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by FORA. FORA shall remove any such person immediately upon receiving notice from MPC of the desire of MPC for the removal of such person or person.

5. **STANDARD OF PERFORMANCE.** FORA shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which FORA is engaged in the geographical area in which FORA practices his profession. All products and services of whatsoever nature, which FORA delivers to MPC pursuant to this Agreement, shall be prepared in a substantial, first-class, and workmanlike manner, and conform to the standards of quality normally observed by a person practicing in FORA's profession.

6. **CANCELLATION OF AGREEMENT.** Either party may cancel this Agreement at any time for its convenience, upon written notification. FORA shall be entitled to receive full payment for all services performed and all costs incurred to the date of receipt entitled to no further compensation for work performed after the date of receipt of written notice to cease work shall become the property of MPC.

7. **PRODUCTS OF CONTRACTING.** All completed work products of FORA, once accepted, shall be the property of MPC. MPC shall have the right to use the data and products for research and academic purposes.

8. **INDEMNIFY AND HOLD HARMLESS.** MPC is to indemnify, defend, and hold harmless FORA, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by FORA or any person directly or indirectly employed by or acting as agent for MPC in the performance of this Agreement, including the concurrent or successive passive negligence of FORA, its officers, agents, employees or volunteers.

It is understood that the duty of FORA to indemnify and hold harmless includes the duty to defend as set forth in *Section 2778* of the *California Civil Code*. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve FORA from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies have been determined to be applicable to any of such damages or claims for damages.

FORA is to indemnify, defend, and hold harmless MPC, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by FORA or any person directly or indirectly employed by or acting as agent for FORA in the performance of this Agreement, including the concurrent or successive passive negligence of FORA, its officers, agents, employees or volunteers.

9. **PROHIBITED INTERESTS.** No employee of FORA shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of MPC if this provision is violated.



Page 6 of 7  
MPC / FORA agreement  
Contract No. RA-042011

**ATTACHMENT "C"**

**Monterey Peninsula College Biological Survey Site Map**



**Agreement for Professional Services**

This Professional Services Agreement (hereinafter referred to as "Agreement") is by and between Monterey Downs, LLC (hereinafter referred to as "Monterey Downs") and the Fort Ord Reuse Authority, a political subdivision of the State of California (hereinafter referred to as "FORA").

The parties agree as follows:

1. **SERVICES.** Subject to the terms and conditions set forth in this Agreement, FORA shall provide Monterey Downs with Unexploded Ordnance ("UXO") services escort as described in ATTACHMENT "A." Such services will be at the direction of Monterey Downs or their designee.

2. **TERM.** FORA shall commence work under this Agreement effective on April 18, 2011 and will diligently perform the work under this Agreement until April 20, 2011 or until the maximum amount of the compensation as noted below is reached. The term of the Agreement may be extended upon mutual concurrence and amendment to this Agreement.

3. **COMPENSATION AND OUT OF POCKET EXPENSES.** The overall maximum amount of compensation to FORA over the full term of this Agreement is not-to-exceed \$24,000 (Twenty Four Thousand Dollars) including out-of-pocket expenses without written consent of both parties. Monterey Downs shall pay FORA for services rendered pursuant to this Agreement at the times and in the manner set forth in ATTACHMENT "A."

Monterey Downs will reimburse FORA for costs related to the preparation, review and approval of Monterey Downs Unexploded Ordnance (hereinafter referred to as "UXO") escort documents. FORA will coordinate the following services and billing at their contract rate plus 5% overhead to handle FORA accounting costs for UXO escorts.

4. **FACILITIES AND EQUIPMENT.** Monterey Downs facilities and service requirements are limited to the areas shown on the attached site map known as ATTACHMENT "C."

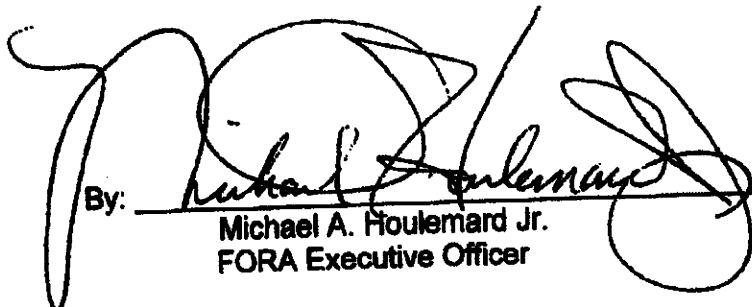
5. **GENERAL PROVISIONS.** The general provisions set forth in ATTACHMENT "B" are incorporated into this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control only insofar as it is inconsistent with the General Provisions.

6. ATTACHMENTS. All Attachments referred to herein are attached hereto and are by this reference incorporated herein.

- ATTACHMENT A – Scope of Services
- ATTACHMENT B – General Provisions
- ATTACHMENT C – Site Map

IN WITNESS WHEREOF, FORA and Monterey Downs execute this Agreement as follows:

By:  Date: 4-13-11  
Beth Palmer, Monterey Downs, LLC

By:  Date: 4-15-11  
Michael A. Houlehard Jr.  
FORA Executive Officer

**SCOPE OF SERVICES**

This Scope of Services provides for FORA to provide Monterey Downs with the services of the FORA Real Property and Facilities Manager's time to assist Monterey Downs to:

- Review UXO escorts requirements to insure conformity with the FORA ESCA Program requirements; and
- Provide Monterey Downs with UXO escorts on ESCA property for Monterey Downs' biological surveys.

FORA billings for the United State Environmental Protection Agency (hereinafter referred to as "U.S. EPA") and the FORA Third-Party Quality Assurance Professional Services and the FORA Real Property and Facilities Manager's time shall be submitted monthly at the first of the month for any work performed in the previous month.

FORA will provide the following services of the FORA Real Property and Facilities Manager at the rate of \$75 per hour.

- Participating in Monterey Downs UXO escorts meetings as required;
- Reviewing Monterey Downs UXO escort documents and plans as required; and
- Reviewing Monterey Downs and their contractors' request to enter the FORA ESCA property as required.

**GENERAL PROVISIONS**

---

1. **INDEPENDENT Contractor.** At all times during the term of this Agreement, FORA shall be an independent Contractor and shall not be an employee of Monterey Downs. Monterey Downs' rights are limited to those specified in this Agreement.
2. **TIME.** FORA shall devote such services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of FORA'S obligations pursuant to this Agreement. FORA shall adhere to the Schedule of Activities shown in ATTACHMENT "A".
3. **FORA NO AGENT.** Except as Monterey Downs may specify in writing, FORA shall have no authority, express or implied to act on behalf of Monterey Downs in any capacity whatsoever as an agent. FORA shall have no authority, express or implied, pursuant to this Agreement, to bind Monterey Downs to any obligation whatsoever.
4. **PERSONNEL.** FORA shall assign only competent personnel to perform services pursuant to this Agreement. In the event that Monterey Downs Water, in its sole discretion, at anytime during the term of this Agreement, desires the removal of any person or persons assigned by FORA. FORA shall remove any such person immediately upon receiving notice from Monterey Downs of the desire of Monterey Downs for the removal of such person or person.
5. **STANDARD OF PERFORMANCE.** FORA shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which FORA is engaged in the geographical area in which FORA practices his profession. All products and services of whatsoever nature, which FORA delivers to Monterey Downs pursuant to this Agreement, shall be prepared in a substantial, first-class, and workmanlike manner, and conform to the standards of quality normally observed by a person practicing in FORA'S profession.
6. **CANCELLATION OF AGREEMENT.** Either party may cancel this Agreement at any time for its convenience, upon written notification. FORA shall be entitled to receive full payment for all services performed and all costs incurred to the date of receipt entitled to no further compensation for work performed after the date of receipt of written notice to cease work shall become the property of Monterey Downs.
7. **PRODUCTS OF CONTRACTING.** All completed work products of FORA, once accepted, shall be the property of Monterey Downs. Monterey Downs shall have the right to use the data and products for research and academic purposes.

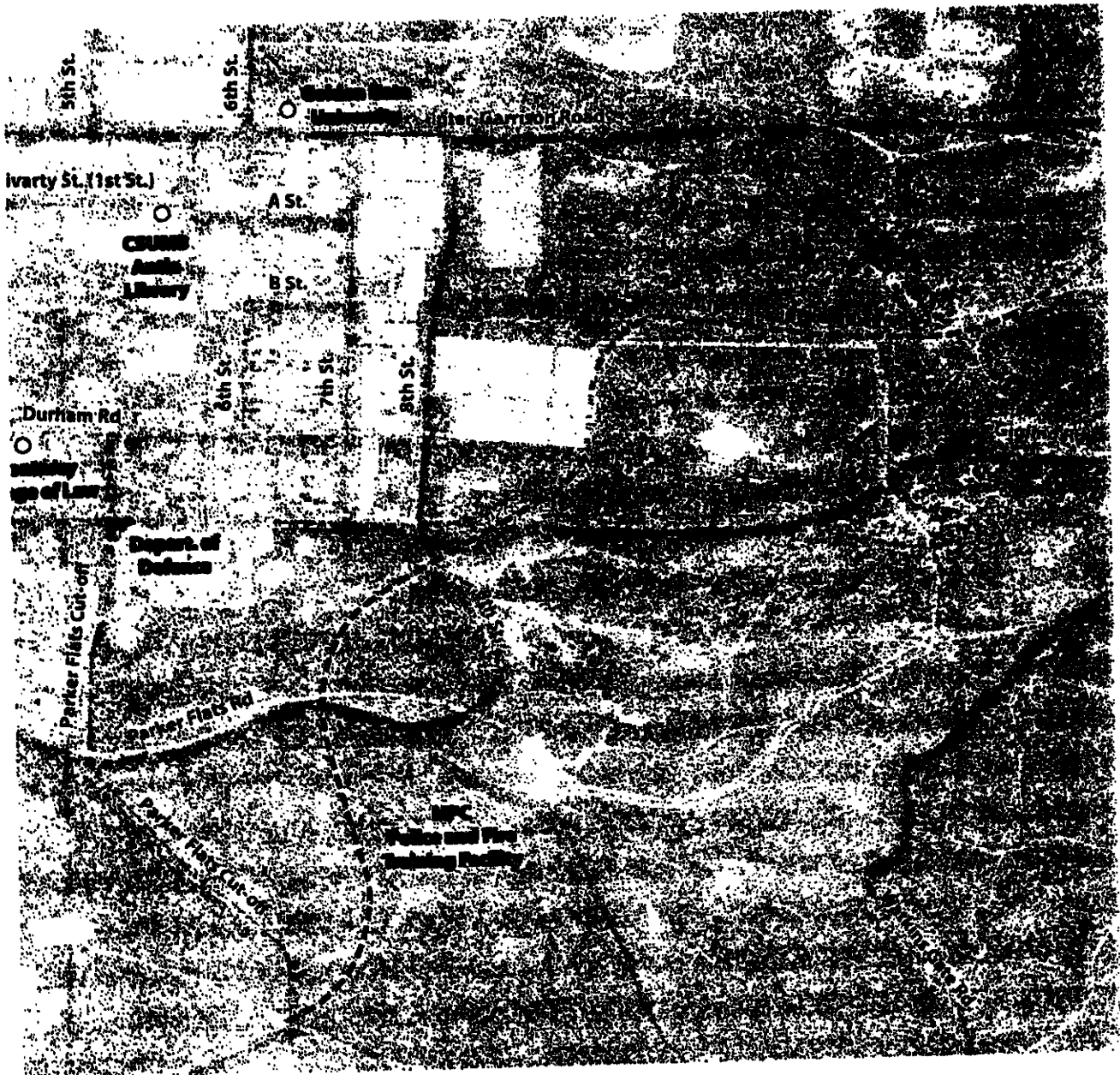
8. INDEMNIFY AND HOLD HARMLESS. Monterey Downs is to indemnify, defend, and hold harmless FORA, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by FORA or any person directly or indirectly employed by or acting as agent for Monterey Downs in the performance of this Agreement, including the concurrent or successive passive negligence of FORA, its officers, agents, employees or volunteers.

It is understood that the duty of FORA to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve FORA from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies have been determined to be applicable to any of such damages or claims for damages.

FORA is to indemnify, defend, and hold harmless Monterey Downs, its officers, agents, employees and volunteers from all claims, suits, or actions of every name, kind and description, brought forth on account of injuries to or death of any person or damage to property arising from or connected with the willful misconduct, negligent acts, errors or omissions, ultra-hazardous activities, activities giving rise to strict liability, or defects in design by FORA or any person directly or indirectly employed by or acting as agent for FORA in the performance of this Agreement, including the concurrent or successive passive negligence of FORA, its officers, agents, employees or volunteers.

9. PROHIBITED INTERESTS. No employee of FORA shall have any direct financial interest in this agreement. This agreement shall be voidable at the option of Monterey Downs if this provision is violated.

Monterey Downs Biological Survey Site Map



Biological survey access area outline in yellow



**FORT ORD REUSE AUTHORITY BOARD REPORT****OLD BUSINESS****Subject:** Habitat Conservation Plan – status report**Meeting Date:** June 10, 2011**Agenda Number:** 4b**INFORMATION****RECOMMENDATION(S):**

Receive a status report regarding the Habitat Conservation Plan (“HCP”) and State of California 2081 Incidental Take Permit (“2081 permit”) preparation process.

**BACKGROUND/DISCUSSION:**

The Fort Ord Reuse Authority (“FORA”), with the support of its member jurisdictions and consultant team, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2013, concluding with the US Fish and Wildlife Service (“USFWS”) and California Department of Fish and Game (“CDFG”) issuing crucial federal and state permits.

ICF International (formerly Jones & Stokes), FORA’s HCP consultant, completed a pre-public administrative draft HCP on December 4, 2009. FORA member jurisdictions completed a comment and review period, which ended February 26, 2010. At this time, USFWS has commented on all draft HCP sections, while CDFG has only submitted comments on the new outline for section five Conservation Strategy.

On January 24, 2011, Chair/Supervisor Dave Potter, Executive Officer Michael A. Houlemard, Jr., Acting Assistant Executive Officer Steve Endsley, and Authority Counsel Jerry Bowden met with John Laird, the Natural Resources Secretary, in Sacramento. During the meeting, FORA legislative representatives described the year-long delay in CDFG’s review of the draft HCP and requested immediate feedback and a commitment to meeting HCP approval schedule milestones. CDFG has been more engaged in the process since this time. However, CDFG staff recently communicated they would not be able to meet a deadline to submit comments by the end of April. Executive Officer Houlemard and Senior Planner Jonathan Garcia met with Secretary Laird, Deputy Secretary Todd Ferrara, and Chief Deputy Director of CDFG Kevin Hunting to discuss the schedule. The result was that CDFG admitted that they would be delayed in meeting this schedule milestone, but reaffirmed their commitments.

In addition to holding parties to the HCP schedule, FORA staff and consultants are working on: 1) Allowing Permittees to include the Monterey Ornate Shrew as a covered species, 2) Identifying and certifying an endowment holder that can guarantee an acceptable earnings rate for the HCP endowment, and 3) holding regular conference call meetings with ICF International, Denise Duffy & Associates, USFWS, and CDFG. FORA has made significant headway in addressing USFWS comments to reorganize/rewrite section five Conservation Strategy, section nine Funding, and appendix M Cost Model.

**FISCAL IMPACT:**

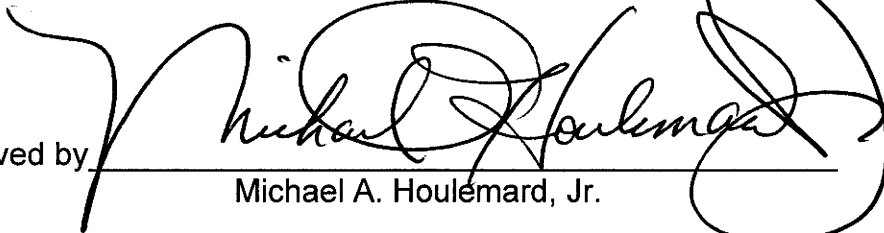
Reviewed by FORA Controller *M.F. for I.B.*

ICF International and Denise Duffy and Associates' (FORA's NEPA/CEQA consultant) contracts have been funded through FORA's annual budgets to accomplish HCP preparation.

**COORDINATION:**

Executive Committee, Administrative Committee, Legislative Committee, HCP working group, HCP Permit Completion working group, FORA Jurisdictions, USFWS and CDFG personnel, ICF International, Denise Duffy and Associates, and various development teams.

Prepared by  Reviewed by   
Jonathan Garcia Steve Endsley

Approved by   
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY BOARD REPORT****OLD BUSINESS****Subject:** Eastside Parkway – Memorandum of Agreement**Meeting Date:** June 10, 2011**Agenda Number:** 4c**ACTION****RECOMMENDATION:**

Authorize the Executive Officer to execute the Memorandum of Agreement concerning Eastside Parkway alignment ("MOA") (**Attachment A**), as to form.

**BACKGROUND:**

In January 2010, the Fort Ord Reuse Authority ("FORA") received a \$460,000 grant award from the Office of Economic Adjustment ("OEA") to conduct California Central Coast Veterans Cemetery ("CCCVC") Infrastructure Planning. FORA distributed a request for proposals to qualify consultants to compete for this work. A selection panel reviewed six proposals and unanimously selected Whitson to complete this work. The FORA Board authorized the Agreement with Whitson on May 14, 2010. As a portion of their scope of services, Whitson refined the preliminary road design work and developed a conceptual alignment for Eastside Parkway as a part of the CCCVC planning.

Whitson presented information regarding their CCCVC planning work at the October 8, 2010 FORA Board meeting. Some specific deliverables included a draft conceptual roadway centerline alignment study map with a final map to be completed once Monterey Peninsula College ("MPC") and California State University Monterey ("CSUMB") confirm the proposed alignment or provide feedback. To formalize agreement on the roadway alignment, FORA drafted the MOA, which, once approved, would allow FORA to transfer future Eastside Parkway Rights of Way to the County of Monterey and allow construction of the road to proceed.

**DISCUSSION:**

In July 2010, the FORA Board discussed moving the Eastside Parkway project forward in the event there was an opportunity for State or Federal grants that could support the roadway. Also, at the request of the County of Monterey, FORA staff worked with the Veteran's Cemetery, Monterey Horse Park, CSUMB, and MPC to secure a roadway alignment that sets boundaries and parameters for each of these important projects to move ahead. The formal design process will aid all these projects. The FORA Board adopted the FY 2010/2011 CIP in July 2010 which placed Eastside Parkway in a priority position for funding. FORA staff met with Monterey County Redevelopment Agency ("MCRA") staff, who secured the initial plan line for Eastside Parkway, to commence planning discussions. MCRA staff will work closely with FORA staff and Whitson during the design/engineering to ensure the final plans and specifications integrate appropriate appurtenances. Execution of the MOA is a necessary first step before detailed design of Eastside Parkway can begin in earnest. MPC sent recent correspondence regarding their review of the proposed roadway alignment (**Attachment B**).

**FISCAL IMPACT:**

Reviewed by FORA Controller *M.F. for I.B.*

Staff time related to this item is included in the FY 10-11 budget.

**COORDINATION:**

Administrative Committee, Executive Committee, MCRA, CSUMB, MPC, CCCVC

Prepared by *Jonathan Garcia*  
Jonathan Garcia

Reviewed by *Steve Endsley*  
Steve Endsley

Approved by *Michael A. Houlemard, Jr.*  
Michael A. Houlemard, Jr.

**MEMORANDUM OF AGREEMENT  
AMONG AND BETWEEN  
THE FORT ORD REUSE AUTHORITY, CALIFORNIA STATE UNIVERSITY  
MONTEREY BAY, THE REDEVELOPMENT AGENCY OF THE COUNTY OF  
MONTEREY, THE COUNTY OF MONTEREY, AND MONTEREY PENINSULA  
COLLEGE CONCERNING THE ALIGNMENT OF EASTSIDE PARKWAY ON THE  
FORMER FORT ORD**

THIS AGREEMENT is made and signed on this \_\_\_\_ day of \_\_\_\_\_, 2011, by and among the FORT ORD REUSE AUTHORITY (hereinafter referred to as “FORA”), CALIFORNIA STATE UNIVERSITY MONTEREY BAY (hereinafter referred to as “CSUMB”), THE REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY (hereinafter referred to as “AGENCY”), the COUNTY OF MONTEREY (hereinafter referred to as “COUNTY”), AND MONTEREY PENINSULA COLLEGE (hereinafter referred to as “MPC”) (with FORA, CSUMB, AGENCY, COUNTY, and MPC each being from time to time hereinafter referred to as “Party”, and together being from time to time collectively hereinafter referred to as “Parties”).

**RECITALS**

A. In June 1997, the FORA Board of Directors adopted a Final Environmental Impact Report (hereinafter referred to as “FEIR”) and a Fort Ord Base Reuse Plan (hereinafter referred to as “BRP”). The BRP included the designation of a roadway corridor called “Eastside Road”, as shown on Figures 4.2-2, 4.2-3 and 4.2-5 of the BRP Reuse Plan Element, from Gigling Road to Imjin Road.

B. The Eastside Road is a “base-wide mitigation” for implementation of the entire development program in the Ft Ord Base Reuse Plan. The road is required in order to mitigate transportation impacts of developments which have already occurred, which have been approved and not yet constructed, and which may be approved in the future in accordance with the approved Base Reuse Plan.

Formatted: Indent: Left: 0", First line: 0",  
Tab stops: 0.25", List tab + Not at 0.75"

Formatted: Bullets and Numbering

C. The objective of the road is to create a north south connection through the former Fort Ord.

D. Approximately one third of property on the former Fort Ord is designated for development under the Base Reuse Plan and mitigated for by the Habitat Conservation Plan. This limited quantity of developable acreage has an associated value.

E. The road alignment design criteria attempted to place the road equally on each jurisdiction’s property since the development land has value and the right of way for the road will be an encumbrance on each jurisdiction’s property.

Draft FORA Admin Committee 4/13/11 County Counsel Comments May 20, 2011 – Received  
June 2, 2011

B-F. The 2005 FORA Fee Reallocation Study prepared by the Transportation Agency for Monterey County created a new general alignment for the Eastside Road project from Eucalyptus Road to Intergarrison Road.

Formatted: Bullets and Numbering

C-G. After 2005, the project name for “Eastside Road” changed to “Eastside Parkway”.

Formatted: Bullets and Numbering

~~The Eastside Parkway is a key circulation element to the BRP and provides important mitigation to alleviate increased traffic between the Monterey Peninsula and the Salinas Valley.~~  
**EXPAND**

Formatted: Bullets and Numbering

D-H. In January 2010, FORA received a grant from the Department of Defense’s Office of Economic Adjustment (“OEA”) to perform infrastructure studies in the vicinity of the future California Central Coast Veterans Cemetery. One component of the grant was to produce a centerline map for the future alignment of the Eastside Parkway project.

Formatted: Bullets and Numbering

E-I. FORA has a legislated expiration date of June 30, 2014. Therefore, COUNTY is the logical entity to be granted rights of way (“ROW”) for the construction of Eastside Parkway, should FORA authority not be extended.

Formatted: Bullets and Numbering

F-J. COUNTY will need to ~~obtain~~ receive ROW for future Eastside Parkway construction. The ROW for future alignment of Eastside Parkway would affect CSUMB, AGENCY, COUNTY, and MPC property since they are the designated recipients of these properties. The granting of ROW by CSUMB must comply with Education Code section 89048 and California Constitution Article 16, Section 6.

Formatted: Bullets and Numbering

G-K. FORA will own and ~~does own~~ properties that would be affected by the alignment of future Eastside Parkway. FORA will transfer these properties to the designated recipients, exclusive of the Eastside Parkway alignment, after receiving regulatory approval of environmental remediation.

Formatted: Bullets and Numbering

H-L. FORA, through its consultant Whitson Engineers, has prepared a proposed alignment for Eastside Parkway (hereinafter referred to as “Proposed Alignment”), as described in **Attachments A and B**, that would require COUNTY to ~~acquire~~ receive ROW ~~through~~ from future CSUMB, AGENCY, COUNTY, and MPC property. FORA held stakeholders meetings that included CSUMB, AGENCY, COUNTY, and MPC in August 2010 to request feedback on the Proposed Alignment.

Formatted: Bullets and Numbering

M. The Parties to this Agreement acknowledge that it is in each of the Parties’ interest to ensure the development of the Eastside Parkway, and that the Eastside Parkway provides mitigation for each Party’s anticipated and approved developments. The value of the Eastside Parkway to each Party’s development needs outweighs any land value that could be attributed to each Party’s share of the Proposed Alignment, if the Parties had owned the land prior to conveyance. Accordingly, no Party shall seek compensation for the conveyance of ROW for the Proposed Alignment from any other Party.

Formatted: Bullets and Numbering

1. It is the intention of the Parties to formalize the Proposed Alignment to advance the redevelopment program envisioned in the BRP and FEIR through mitigation of traffic impacts.

Formatted: Bullets and Numbering

**NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES  
HERETO AS FOLLOWS:**

1. Agreement to Grant ROW. Parties who will receive land along the Proposed Alignment agree to grant that ROW as described generally in **Attachment A** and more specifically in **Attachment B** will be granted to COUNTY at no cost to COUNTY, for the purposes of developing the road currently known as Eastside Parkway. In this agreement to grant ROW, the Parties understand that the ROW shall be up to 200 feet within the designated Army Corps of Engineers (“COE”) parcel L5.7 and 84 feet in all other affected designated parcels plus a minimum of 5 feet outside the grading daylight. When FORA has received regulatory approval of environmental remediation on CSUMB, AGENCY, COUNTY, and MPC properties along the proposed alignment (COE parcels L20.18, E18.1.2, E19a.5, E19a.1, E19a.3, S1.3.2, and L5.7) and when COE parcel L2.3 has conveyed from the U.S. Army to FORA, FORA will convey Eastside Parkway ROW within these parcels to COUNTY and the remaining property to the intended recipients. The actual date of property conveyance is undetermined, but is anticipated prior to 2015.
2. Agreement to assist grant application efforts. The construction of Eastside Parkway from Eucalyptus Road to Intergarrison Road is a project in the FORA Capital Improvement Program (“CIP”). The FORA CIP identifies the FORA Development Fee, FORA Community Facilities District Fee, FORA Tax Increment, Grants, Mitigation Fees, and Miscellaneous Revenues (Revenue Bonds, Interest) as funding sources for FORA CIP projects, including Eastside Parkway. FORA and/or COUNTY expect to apply for grants to potentially design and/or construct the Eastside Parkway project. These grants may require FORA and/or COUNTY to demonstrate title to or access rights to the Eastside Parkway project ROW. If required through grant applications, the Parties agree to assist FORA and/or COUNTY to secure evidence of title or access rights to the Eastside Parkway project ROW.
3. Costs. The parties shall not be required to incur expenses in cooperating with each other. Each Party agrees to pay any costs it incurs under this agreement.
4. Amendment by Written Recorded Instrument. This Agreement may be amended or modified in whole or in part, only by a written and recorded instrument executed by the parties.
5. Indemnity and Hold Harmless. Each Party hereto agrees to indemnify, defend and hold each other Party harmless from and against any loss, cost claim or damage directly related to such Party’s actions or inactions under this Agreement.
6. Governing Law. This Agreement shall be governed by and interpreted by and in accordance with the laws of the State of California.
7. Entire Agreement. This Agreement along with any exhibits and attachments hereto, constitutes the entire agreement between the parties hereto concerning the subject matter hereof.

8. Interpretation. It is agreed and understood by the parties hereto that this Agreement has been arrived at through negotiation and that no party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.

9. Authority. Each signatory to this Agreement certifies that he or she has the lawful authority to execute this Agreement for and on behalf of the Party named herein.

10. Term. This Agreement will expire on December 31, 2025, if the ROW for the Proposed Alignment has not otherwise occurred. This term may not be extended absent separate negotiations and a separate fully executed written agreement.

DRAFT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set out opposite their respective signatures.

**FORT ORD REUSE AUTHORITY**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Executive Officer  
Michael A. Houlemard, Jr.

By: \_\_\_\_\_  
Gerald D. Bowden, Esq., FORA Counsel

**CALIFORNIA STATE UNIVERSITY MONTEREY BAY**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Kevin Saunders, Vice President for  
Administration and Finance

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Carrie Rieth, CSU Attorney

**REDEVELOPMENT AGENCY OF THE COUNTY OF MONTEREY**

Date: \_\_\_\_\_ By: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_



**COUNTY OF MONTEREY**

Date: \_\_\_\_\_

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

**MONTEREY PENINSULA COLLEGE**

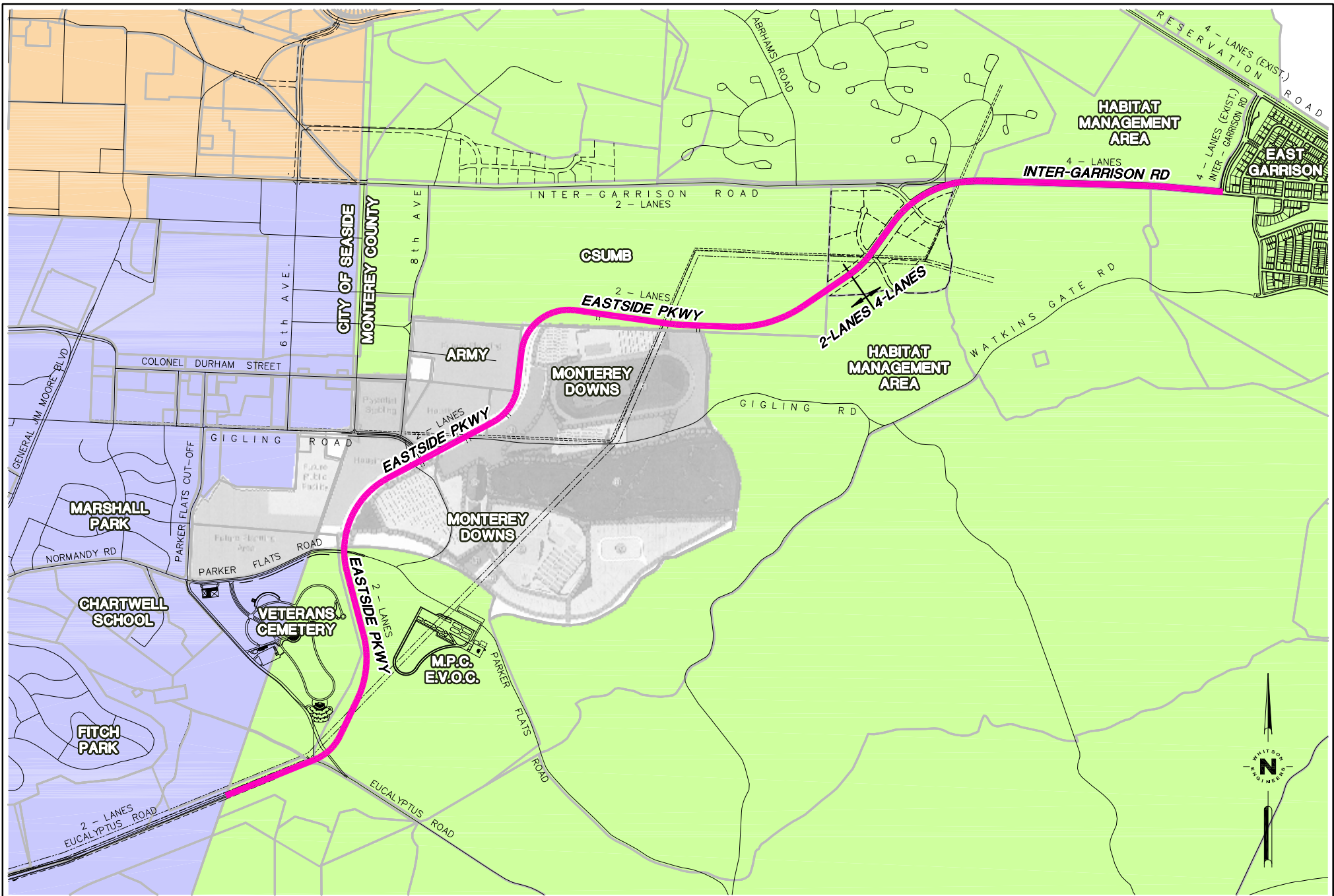
Date: \_\_\_\_\_

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

DRAFT



# ATTACHMENT 'A'

MONTEREY COUNTY

CALIFORNIA

## PROPOSED EASTSIDE PARKWAY ALIGNMENT

DRAWING PATH: T:\Monterey Projects\2232\223201\CAD\Exhibits\Eastside Pkwy-MOA Attachment.dwg

DATE: JUNE 2, 2011

SCALE: 1" = 2,000'

DRAWN: APH

CHECKED: RPW

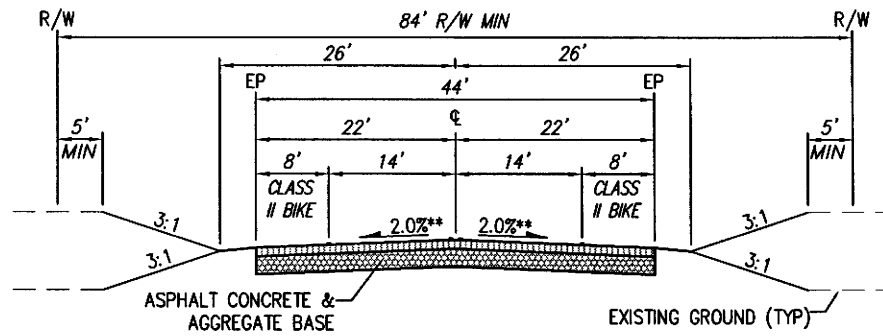
PROJECT No.: 2232.01

SHEET

**1**

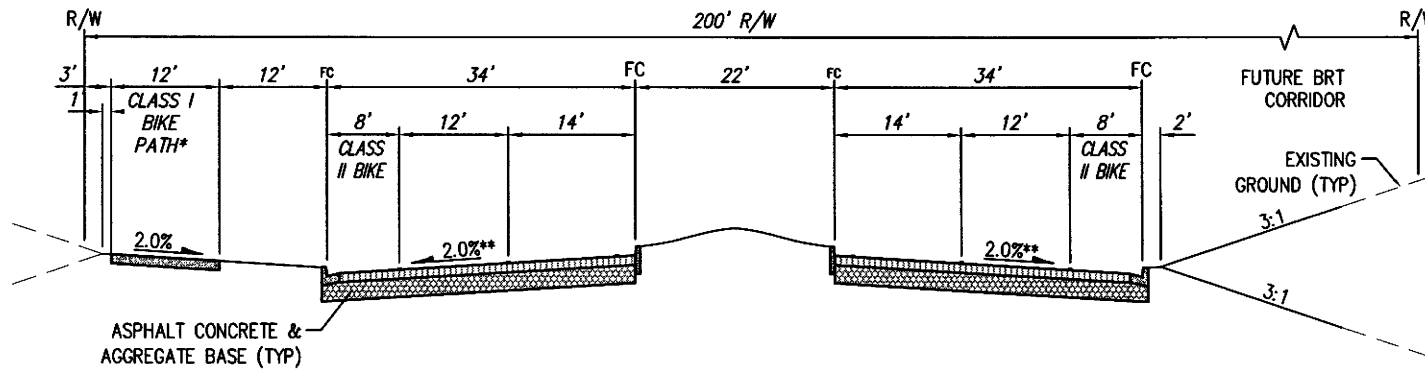
OF 2





**TYPICAL 2-LANE SECTION  
EASTSIDE PARKWAY**

\*\* 2% CROSS SLOPE  
TYPICAL FOR CROWNED  
STREET SECTION.



**TYPICAL 4-LANE SECTION  
EASTSIDE PARKWAY AND  
INTER-GARRISON ROAD**

\* BIKE PATH TO BE ALONG  
MULTI-MODAL CORRIDOR

\*\* 2% CROSS SLOPE  
TYPICAL FOR CROWNED  
STREET SECTION



**ATTACHMENT 'B'**

MONTEREY COUNTY

CALIFORNIA

**PROPOSED EASTSIDE PARKWAY SECTIONS**

DRAWING PATH: T:\Monterey Projects\2232\223201\CAD\Exhibits\Eastside Pkwy-MOA Attachment.dwg

DATE:	MAY 13, 2011
SCALE:	1" = 20'
DRAWN:	APH
CHECKED:	RPW
PROJECT No.:	2232.01

SHEET

**2**

OF 2



May 31, 2011

Mr. Jonathan Garcia  
Senior Planner  
Fort Ord Reuse Authority  
100 12th Street, Building 2880  
Marina, CA 93933

RE: Eastside Road Alignment

Dear Mr. Garcia:

The Fort Ord Reuse Authority (FORA) has requested comments from Monterey Peninsula College (MPC) on a proposed Memorandum of Agreement (MOA) concerning the realignment of Eastside Parkway on the former Fort Ord. The MOA would require MPC to grant right of way for construction of Eastside Parkway; however, the college has several concerns regarding the proposed or preferred realignment referenced in the MOA.

As you are aware, the original alignment of Eastside Road between MPC's future property and the Veteran's Cemetery was determined in 2002 as a part of the resolution of the conflict between the County of Monterey and the college over the East Garrison parcels. In August 2010, FORA shared with MPC a different alignment for Eastside Road, a preferred alignment that shifted the roadway entirely upon MPC's parcel, taking up 10.9 acres and creating an isolated remainder parcel of 12.5 acres. In response to MPC's initial concerns, an alternate alignment was also provided by FORA. The alternate alignment shifts the roadway to the west, occupying 10.6 acres of MPC property, and results in a remnant parcel of 7.4 acres. MPC retained EMC Planning to lend their expertise in evaluating the impacts of the road realignment as well as the development potential of the property affected.

Our consultants analyzed both the preferred and alternate Eastside Road alignments. They have advised that both alignments are equally feasible with similar design properties. As a result of their findings and recommendations, the college has concluded the alternate alignment is preferred due to development area, access, and environmental concerns. The issues are summarized below:

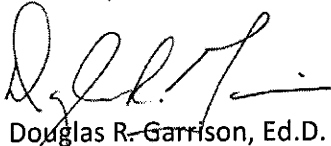
- **A potential buildable area is preserved.** An existing dirt road connects the Emergency Vehicle Operations Course area to Parker Flats Cut-off Road. A level and usable area just east of where this dirt road crosses under the high power lines provides a potential buildable location for MPC. This potential buildable area is within the preferred alignment for Eastside Road.

May 31, 2011  
Mr. Jonathan Garcia  
Page 2

- **A secondary access to MPC's Emergency Vehicle Operations Course/Fire Training Tower facility is possible.** Although the dirt road described above would no longer be connected to Parker Flats Cut-off due to Eastside Road, the dirt road also provides an opportunity for development of a secondary access to the EVOC site via an intersection with Eastside Road. Will the Eastside Road design parameters allow for access points between road intersections?
- **Less woodland habitat is disturbed.** The preferred alignment passes through a well-established and little-disturbed area of oak woodland east of the high power lines. The alternate alignment misses most of this wooded area and would mitigate public concerns over the destruction of oak woodlands. The preservation of more trees and vegetation may also serve to reduce the visibility of MPC's facility from Eastside Road.
- **The alternate alignment is farther from a wood rat nest, a state Species of Concern.** There is a very large Monterey dusky-footed wood rat nest in this area (within 200 feet of the proposed road alignment), measuring approximately 65 feet long, five feet high and eight feet wide. The wood rat nest was flagged, indicating that other biologists have noted its presence. Monterey dusky-footed wood rat is listed as a state Species of Concern.

We recognize the importance of Eastside Road to mitigate current and future development impacts at the former Fort Ord. At the same time, MPC has the responsibility of preserving the district's assets for educational uses and programs that will serve our students and community. We would welcome further discussion with you to work out a resolution that will address both of our interests and concerns. To that end, I will have staff contact you to arrange a meeting.

Sincerely,



Douglas R. Garrison, Ed.D.  
Superintendent/President

cc: Stephen Ma, Vice President for Administrative Services

/vn

## FORT ORD REUSE AUTHORITY BOARD REPORT

### OLD BUSINESS

**Subject:** FORA FY 2011-2012 Preliminary Budget

**Meeting Date:** June 10, 2011

**Agenda Number:** 4d

**ACTION**

**RECOMMENDATION:**

Approve the Fort Ord Reuse Authority (FORA) FY 11-12 preliminary budget.

**BACKGROUND:**

In 2008, FORA staff, in coordination with the Finance Committee (FC), modified the budget format to combine revenue sources and expenditures of all FORA funds on a single chart, thus providing an overall illustration of FORA financial position. The preliminary budget prorates the multi-year Army/ESCA funding to cover the upcoming fiscal year expenditures. This accurately represents FORA finances, as ESCA funding is strictly project specific. The budget chart also compares the current FY approved, mid-year and year-end projected budgets.

**DISCUSSION:**

Attachments 1 - 3 illustrate the FC recommended preliminary budget for FY 11-12:

**Attachment 1** depicts the overall FY 11-12 preliminary budget.

**Attachment 2** itemizes expenditures.

**Attachment 3** provides detail on ESCA budget.

Two principal areas of impact are discussed below:

- **Redevelopment slowdown:** The national and state economic downturn/recession of the last four fiscal years has significantly slowed Fort Ord redevelopment. Consequently, FORA collection of redevelopment fees, land sales, and property taxes are deferred and/or reduced.
- **Federal and local revenue:** In FY 09-10 FORA secured American Recovery and Reinvestment Act (ARRA) funding through the United States Economic Development Administration (EDA) to continue the construction of the General Jim Moore Boulevard (GJMB) and Eucalyptus Road. Because of favorable bidding climate, FORA was able to include further construction elements and fund the project completion within the grant limits. FORA also obtained a loan against its 50% share in Preston Park revenues to primarily match the ARRA grant. In January 2010, FORA received a federal grant through the Office of Economic Adjustment (OEA) to provide funding for infrastructure analysis and design of the California Central Coast Veterans Cemetery (CCCVC). FORA may also seek federal funding to provide a business plan for building removal and may be making a formal application for CCCVC construction funding.

In addition, FORA continues to contain expenses and improve operational efficiencies while continuing its capital program, adding projects and maintaining services.

The following summarizes the preliminary budget figures for FY 11-12 (Attachment 1):

<b>REVENUES: \$8,246,131</b>
------------------------------

---

**LOCAL REVENUES**

---

- **\$261,000 Membership dues**

In addition to State Law stipulated fixed membership dues of \$224,000; FORA collects membership dues from Marina Coast Water District (MCWD) under contract terms.

- **\$195,000 Franchise Fees**

This amount represents MCWD's projected FY 11-12 payments to FORA from water and sewer operations on Fort Ord and associated administrative fees. The transfer of ownership of the system from the US Army to MCWD occurred in 2001.

- **\$727,634 Pollution Legal Liability (PLL) Insurance payments**

In December 2004, FORA secured a \$100 million PLL insurance policy financed by a \$6 million, 7-year loan to pay the premium, which will be paid off in January 2012. Each participating FORA member repays FORA for their respective portion of the insurance premium, financing loan payments and FORA administrative cost over the seven-year term. In December 2009, FORA Board approved a payment plan for the City of Del Rey Oaks (DRO) who has had difficulty making payments after the departure of their developer who used to make these insurance payments. The preliminary budget does not include DRO payment; the City, however, anticipates securing funds through a loan and/or developer and to repay FORA for this outstanding obligation. Should this occur, staff will adjust mid-year budget revenues.

- **\$34,000 Development Fees**

Through the FORA CIP planning process, staff has determined that, if jurisdictions' development forecasts occur as predicted, FORA would realize \$4,972,000 in CFD special tax revenue. However, of the forecasted development, the Seaside Resort Housing unit anticipated in 2011 appears to be the most dependable forecast and, therefore, is the source of the \$34,000 Development Fee anticipation. Last year, the City of Seaside forecasted one housing unit for this project and FORA realized the forecasted revenue. The \$4,972,000 CIP revenue forecasts appear to be market dependent.

- **\$0 Land Sale Proceeds**

While collections from several small projects may occur, jurisdictional long-term projections do not anticipate significant land sale revenue until FY 2012-13.

- **\$1,547,562 Lease/Rental Payments**

This amount consists of \$1,520,000 in FORA's share of lease revenue from Preston Park housing project and \$72,860 from rentals of FORA compound and other facilities. FORA's share of Preston Park lease revenue is dedicated to the Preston Park loan debt service.

- **\$1,500,000 Tax Increment**

Anticipated tax increment (TI) revenue includes current projections and past due payments from Seaside and Marina. The amount is not adjusted for possible effect of State of California borrowing property tax revenues from redevelopment agencies to help close California's budget deficit.

- **\$500,000 Deficit Period payment from California State University Monterey Bay**

August 2010 payment from CSU to repay \$2,326,795 deficit period mitigation costs according to agreement between FORA and CSU. After this payment, \$326,795 remains for FY 12-13.

- **\$287,000 Loan Reimbursements**

Interest reimbursements from East Garrison (EG) developer on a \$4.1 million loan pursuant to the 2006 Memorandum of Agreement among FORA, the Redevelopment Agency of the Monterey County, and EG Partners. Union Community Partners, the new developer who purchased the EG project in fall of 2009 is now making these payments.

- **\$62,000 from Investment Income**

Budgeted income from FORA bank accounts and certificates of deposit. This investment income does not include earnings from funds set aside for the Habitat Conservation endowment; currently FORA has about \$4.2 million available for the endowment and all earnings are and will be restricted to fund habitat management costs.

## FEDERAL FUNDING

---

- **\$963,885 Environmental Services Cooperative Agreement (ESCA) (Attachment 3)**

In March 2007, FORA was awarded a federal grant in the amount of \$99.3 million to complete munitions removal on Economic Development Conveyance parcels. FORA collected the final amount of \$97.7 million in December 2008, which pre-paid all ESCA management related services and expenditures through the December 2014 project completion (the US Army received \$1.6 million credit for paying ahead of schedule). The preliminary budget includes the FY 11-12 overhead/related expenses portion of the grant.

- **\$2,109,754 in EDA/ARRA funding**

In August 2009, FORA was awarded a \$6.4 million Federal Grant administered through EDA. This award is made with funds available under the American Recovery and Reinvestment Act of 2009 and is funding roadway improvements at General Jim Moore Boulevard (GJMB) and Eucalyptus Road. The construction activities began in December 2009 and the preliminary budget includes a \$2.1 million of the grant unspent balance that is carried over from FY 10-11. The federal grant requires a local match of 50% (\$2.1 million). FORA secured the local match funding through a loan from Rabobank against its share of the Preston Park income stream.

<b>EXPENDITURES: \$11,064,532</b>
-----------------------------------

- **\$1,902,101 Salaries and Benefits (Attachment 2)**

FORA staffing is currently at the lowest level since 1995. To conform to FORA members budget challenges during the past four recessionary years, retired positions were not filled and new positions approved in 2008 were not hired. FORA has sustained its activities and programs by reassigning workload and/or hiring consultants. With the inclusion of several major projects in the coming year, the FC and the Executive Committee (EC) are recommending Board approve the following staffing, compensation and policy adjustments:



1. 2% Cost of living adjustment (COLA) for eligible personnel. Fiscal impact up to \$28,700.  
*Eligibility: must be full time employed with FORA for the past 12 months, excludes reclassified positions (new scales).*
2. Reclassification: Associate Planner to Senior Planner. Fiscal impact \$7,775
3. Additional pay/stipends. Fiscal impact up to \$25,000.  
*This provides the Executive Officer flexibility to compensate employees for additional duties beyond existing job responsibilities, temporary assignments, projects, etc.*
4. New hire: Assistant Planner. Fiscal impact up to \$70,000.  
*Position will support increased workload associated with the Fort Ord Reuse Plan assessment and other projects; position will perform in-house services to diminish consultant costs. This would be a 1 – 2 year temporary position, hire date fall 2011. The fiscal impact includes benefits.*
5. Executive Officer's authority to grant salary increases and hire staff without further Board action:
  - a) *Increases must be within approved budget.*
  - b) *Salary step increases limited to 1.5 steps (7.5%).*
  - c) *Temporary additional workload stipends/promotions limited to 5%, total impact up to \$25K.*
  - d) *New hires must be consistent with the approved budget.*
  - e) *Replacement hires must be within salary range of replaced positions.*
6. Revise existing Vacation and Sick Leave policy:  
*The revised policy limits annual vacation accrual to 240 hours. Employees may elect to cash out up to 80 hours of accrued vacation on time during a fiscal year. Sick leave cash out is limited to 174 hours upon resignation or termination.*
7. Authorize the Executive Officer to award merit step increases (upon performance review and eligibility) after January 1, 2012 pending a salary survey (cost of survey to be capped at \$12,000). Presentation to the Finance/Executive Committees in the fall to determine how the current salary structure compares.

- **\$227,550 Supplies and Services (Attachment 2)**

This expense category is budgeted at the previous fiscal year reduced level with the exception of moving expenses that were budgeted in FY 10-11 and no additional budget for this item is anticipated in the preliminary budget. While product price increases continue, FORA staff has implemented cost saving procedures and/or secured decreased rates for some items such communications, supplies, printing and copy charges. The budget provides for a copy machine replacement, routine computer upgrades and increased computer support. The budget for travel is increased from last year to add trips associated with FORA sunset legislation. In addition, the budget also accommodates City of Marina's request (on behalf of land-use jurisdictions) to assist land-use jurisdictions to travel to ADC events in FY 11-12. The Finance and Executive Committees discussed this request and are recommending including an additional \$6,000 in the travel budget to assist land-use jurisdictions to travel to ADC events in FY 11-12. Each land-use jurisdiction will be eligible for a reimbursement of their eligible travel expenses of up to \$1,200. The travel must be requested and approved by the Executive Committee and reported to the FORA Board.

• **\$1,493,250 in Contractual Services (Attachment 2)**

Besides FORA's recurring consulting expenses such as Authority Counsel, Auditor, Public Information consultant, ESCA regulatory response contracts, and HCP consultants, the preliminary budget includes costs for Legal services associated with Preston Park disposition, CIP Financial Consultant (approved if FY 10-11 and carried over to FY 11-12), and Reuse Plan assessment anticipated to commence in January 2012. The budget also includes cost for salary survey (limited to \$12K) as recommended by the Finance and Executive Committees. If pending legislature is approved, FORA may be adding consulting work for the CCCVC planning, engineering, and construction.

• **\$5,081,208 in Capital Projects (Attachment 2)**

This represents completion of road improvements along GJMB/Eucalyptus Road and other capital projects such as habitat management and road designs. The FORA Capital Improvement program budget, which provides itemization and timing of capital projects, will be presented to the FORA Board for adoption in July.

• **\$2,360,423 Debt Service (Principal and Interest) (Attachment 2)**

The FY 11-12 debt service consists of the following liabilities:

- \$1,364,880 for Preston Park loan payments; financed by FORA share of Preston Park revenue.
- \$879,543 for PLL Insurance premium payment (year 7 of 7); financed by jurisdiction/agency reimbursements and the FORA General Fund.
- \$116,000 for fire fighting equipment capital lease payment (year 8 of 10); financed by CFD revenues and/or the FORA General Fund.

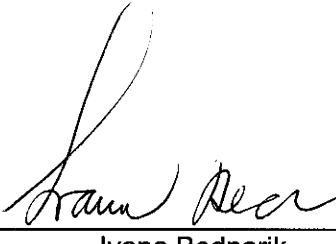
**ENDING BALANCE/FORA RESERVE:**

It is anticipated that FORA will have budget savings of \$3.1 million at the end of FY 11-12. \$1.2 million is land sale proceeds dedicated to building removal. The remaining amount is available for future expenditures and/or the reserve account. FORA reserve account was established in FY 99-00 to provide reserve unforeseen expenses. The actual reserve amount evolved during the years but the funding level was never formally adopted. The Finance Committee recommends setting the reserve at six months of operating expenses (\$1.2 million).

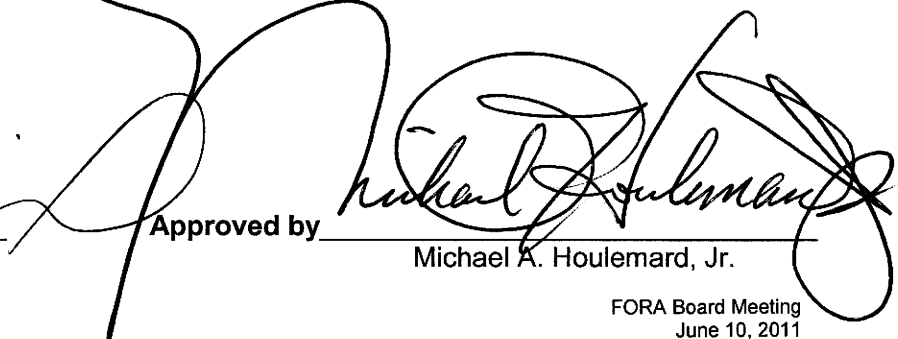
**COORDINATION:**

Finance Committee, Executive Committee. The Finance Committee met on April 25 and May 23, 2011 to review and discuss the preliminary budget. At the May 23 meeting, the Finance Committee made recommendations regarding the FORA Board's approval of the preliminary budget. The Executive Committee reviewed the budget on June 1, 2011.

Prepared by

  
Ivana Bednarik

Approved by

  
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY - FY 11-12 PRELIMINARY BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 10-11 APPROVED	FY 10-11 MID-YEAR	FY 10-11 ANTICIPATED	FY 11-12 PRELIMINARY	NOTES
<b>REVENUES</b>					
Membership Dues	\$ 261,000	\$ 261,000	\$ 261,000	\$ 261,000	
Franchise Fees - MCWD	195,000	195,000	195,000	195,000	
Federal Grants - ESCA	1,002,182	993,856	793,856	963,885	All ESCA grant proceeds received by FY 08-09; transfer to cover the FY 11-12 activities
Federal Grants - EDA	4,826,754	3,855,000	2,945,000	2,109,754	Remaining funds carried over from FY 10-11 to fund GJMB/Eucalyptus completion
Federal Grants - OEA	400,000	400,000	419,089	-	Potential OEA grant - application September 2011
PLL Loan Payments	983,657	727,634	727,634	727,634	Last year of 7-y financing, \$695K DRO unpaid premium may be collected
Development Fees	118,000	150,000	93,000	34,000	Jurisdiction forecasts \$5M, budget does not assume projections
Land Sale Proceeds	218,916	1,200,000	1,200,000	-	Jurisdiction forecasts \$207K appears tentative
Rental/Lease Payments	1,547,562	1,547,562	1,599,992	1,592,858	\$1.52M from Preston Park lease revenue; does not assume Preston Park disposition
Tax Increment	1,033,600	1,338,600	1,500,000	1,500,000	Includes past due payments from Seaside and Marina
CSU Deficit Payment	500,000	500,000	500,000	500,000	
Construction Reimbursements	544,000	100,000	146,000	-	None anticipated for GJMB/EUC project completion
Planning Reimbursements	-	-	-	12,500	ESCA program assistance contract reimbursement
Loan Reimbursements	287,000	287,000	287,000	287,000	East Garrison development agreement
Investment Income	132,500	132,500	105,000	62,500	Interest rates low, amount excludes funds invested to establish the endowment fund
<b>TOTAL REVENUES</b>	<b>12,050,171</b>	<b>11,688,152</b>	<b>10,772,571</b>	<b>8,246,131</b>	<b>Total revenues</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	1,733,025	1,547,825	1,596,729	1,902,101	Up to 10% increase from FY 10-11 approved budget, includes 2% COLA
Supplies & Services	318,250	320,250	320,250	227,550	Budgeted at past FY levels, IOP move included in FY 10-11, increased travel
Contractual Services	1,897,500	1,974,030	1,303,874	1,493,250	Base Reuse Plan assessment and legal expenses added
Capital Projects (CIP)	9,685,362	8,314,854	6,425,530	5,081,208	GJMB/Eucalyptus project completion, road designs, habitat management
Debt Service (P+I)	2,415,166	2,399,094	2,399,094	2,360,423	Preston Park loan, PLL insurance financing, fire apparatus financing
<b>TOTAL EXPENDITURES</b>	<b>16,049,303</b>	<b>14,556,054</b>	<b>12,045,477</b>	<b>11,064,532</b>	<b>Total expenditures (See Attachment 2 - Itemized Expenditures)</b>
<b>NET REVENUES - Surplus/(Deficit)</b>	<b>(3,999,132)</b>	<b>(2,867,902)</b>	<b>(1,272,906)</b>	<b>(2,818,401)</b>	
<b>FUND BALANCES</b>					
Budget Surplus/(Deficit) - Beginning	6,710,381	7,223,323	7,223,323	5,950,417	*Increase from \$4.35M to \$6.02M attributable to capital/other project timing
Budget Surplus/(Deficit) - Ending	\$ 2,711,249	\$ 4,355,421	\$ 5,950,417 *	\$ 3,132,016	It includes \$2.1M matching funds to EDA
					<b>Ending fund balance/FORA Reserve</b>

**FORT ORD REUSE AUTHORITY  
FY 11-12 PRELIMINARY BUDGET**

**ITEMIZED EXPENDITURES**

EXPENDITURE CATEGORIES	FY 10-11 Approved	FY 10-11 Mid-Year	FY 10-11 Anticipated	FY 11-12 Preliminary	NOTES
<b><u>SALARIES &amp; BENEFITS</u></b>	13.5 positions	12 positions	12 positions	14 positions	FY 11-12 salaries reflect 2% COLA; one reclassification
FORA STAFF	1,417,224	1,232,024	1,275,024	1,426,136	
ESCA STAFF	70,905	70,905	76,809	83,008	
CIP STAFF	244,896	244,896	244,896	246,665	
FORA STAFF - New position				70,000	Assistant Planner added in FY 11-12
Merit Step Increases/Vacation cash-out/Stipends				<u>76,292</u>	
<b>TOTAL SALARIES AND BENEFITS</b>	<b>1,733,025</b>	<b>1,547,825</b>	<b>1,596,729</b>	<b>1,902,101</b>	
<b><u>SUPPLIES &amp; SERVICES</u></b>					
Communications	12,000	12,000	12,000	12,000	
Supplies	15,000	15,000	15,000	14,000	
Equipment & Furniture	25,000	25,000	25,000	25,000	
Travel, Auto & Lodging	16,000	18,000	18,000	26,000	\$6K is requested by land use jurisdictions for staff representatives to attend ADC events
Meeting Expenses	8,000	8,000	8,000	8,000	
Building maintenance & security	10,000	10,000	10,000	10,000	
Utilities	13,000	13,000	13,000	13,000	
Insurance	65,900	65,900	65,900	65,900	
Computer support	14,350	14,350	14,350	20,650	
Moving Expenses	100,000	100,000	100,000	-	
Other (legal notices, training, printing, etc)	<u>39,000</u>	<u>39,000</u>	<u>39,000</u>	<u>33,000</u>	
<b>TOTAL SUPPLIES AND SERVICES</b>	<b>318,250</b>	<b>320,250</b>	<b>320,250</b>	<b>227,550</b>	
<b><u>CONTRACTUAL SERVICES</u></b>					
AUTHORITY COUNSEL	125,000	125,000	125,000	131,250	5% increase
LEGAL FEES	10,000	10,000	50,000	125,000	Preston Park disposition/BRP reassessment
AUDITOR	30,000	30,000	30,000	30,000	
SPECIAL COUNSEL (EDC-ESCA)	80,000	80,000	20,000	80,000	ESCA property transfer legal review deferred to 11-12
REGULATORY RESPONSE/QUALITY ASSURANCE-I	600,000	600,000	400,000	550,000	Reimbursements per ESCA contract
VETERANS CEMETERY CONSULTANTS	400,000	400,000	419,089	-	FORA may be designing/building cemetery
FINANCIAL CONSULTANT	122,500	122,500	67,785	80,000	Phase II CIP study
LEGISLATIVE SERVICES CONSULTANT	30,000	30,000	30,000	30,000	Legislation anticipated
PUBLIC INFORMATION/OUTREACH	13,000	13,000	5,000	12,000	Increased needs in FY 11-12
HCP CONSULTANTS	250,000	250,000	95,000	155,000	HCP public review, budget carryover from FY 10-11
PARKER FLATS ENDANGERED SPECIES	12,000	12,000	12,000	-	No anticipated expenses until FY 14-15
UC MBEST (VISIONING)	-	50,000	25,000	25,000	
BASE REUSE PLAN ASSESSMENT	-	-	-	250,000	Total review \$500K prorated for 6 months in FY 11-12
OTHER CONSULTING	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	Potential salary survey/miscellaneous consulting
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>1,697,500</b>	<b>1,747,500</b>	<b>1,303,874</b>	<b>1,493,250</b>	
<b><u>CAPITAL PROJECTS</u></b>					
ROADWAY IMPROVEMENTS	9,780,862	8,423,885	6,308,030	4,990,708	GJMB/Eucalyptus completion, Gigling Rd re-design, Eastside Pkwy design carried over to FY 11-12
HABITAT MANAGEMENT	<u>104,500</u>	<u>117,500</u>	<u>117,500</u>	<u>90,500</u>	Habitat Management fund; UC Natural Reserve annual cost
<b>TOTAL CAPITAL PROJECTS</b>	<b>9,885,362</b>	<b>8,541,385</b>	<b>6,425,530</b>	<b>5,081,208</b>	
<b><u>DEBT SERVICE (Principal and Interest)</u></b>					
PRESTON PARK LOAN (PPL) DEBT SERVICE	1,364,880	1,364,880	1,364,880	1,364,880	Financed by FORA lease revenue
PLL INSURANCE FINANCING	934,286	918,214	918,214	879,543	Final year
FIRE TRUCK LEASE	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>	Year 8 of 10-year lease
<b>TOTAL DEBT SERVICE</b>	<b>2,415,166</b>	<b>2,399,094</b>	<b>2,399,094</b>	<b>2,360,423</b>	
<b>TOTAL EXPENDITURES</b>	<b>16,049,303</b>	<b>14,556,054</b>	<b>12,045,477</b>	<b>11,064,532</b>	

FORT ORD REUSE AUTHORITY  
FY 11-12 PRELIMINARY BUDGET

ET/ESCA

CATEGORY	REVENUES 3/2007 - 6/2009	EXPENDITURES 3/2007 - 6/2011	AVAILABLE BALANCE FOR 11-14	EXPENDITURES FY 11-12	AVAILABLE BALANCE FOR 11-14
Federal Grant Award March 2007	*	99,316,187			
Credit to Army for early payments		(1,587,578)			
Payments to FORA		97,728,609	(92,649,386)	5,079,223	(963,885)
					4,118,338
<b>GRANT FUNDS ALLOCATION</b>					
FORA/Program Management		3,392,656	(1,790,003)	1,602,653	(335,885)
FORA/Future PLL coverage		916,056	(916,056)	-	-
EPA/DTSC/ERRG Regulatory Response Cost		4,725,000	(1,248,430)	3,476,570	(625,000)
LFR/AIG commutation account	**	88,694,897	(88,694,897)	-	-
<b>TOTALS</b>		<b>97,728,609</b>	<b>(92,649,386)</b>	<b>5,079,223</b>	<b>(960,885)</b>

\* The \$99.3M Federal Grant was paid in three phases: \$40M in FY 06-07, \$30M in FY 07-08, and \$27.7M in FY 08-09. The Army made payments ahead of schedule securing a \$1.6M credit; FORA collected the last payment on 12/17/2008.

\*\* FORA made the last payment to LFR (now Arcadis)/AIG commutation account upon receipt of the final grant payment. The commutation account will continue to pay for ESCA remediation through 2014.

The preliminary FY 11-12 includes \$963,885 of the \$5.08M available balance prorated to cover FY 11-12 expenditures.

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Outstanding Receivables

**Meeting Date:** June 10, 2011

**Agenda Number:** 6a

**INFORMATION**

**RECOMMENDATIONS:**

- I. Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of May 31, 2011.

**BACKGROUND/DISCUSSION:**

FORA has several significant outstanding receivables. FORA Late Fee policy requires receivables older than 90 days be reported to the Board.

	Item Description	Amount Owed	Amount Paid	Amount Outstanding
1	City of Del Rey Oaks PLL Loan Payment 09-10	182,874	0	182,874
	PLL Loan Payment 10-11	256,023	0	256,023
2	City of Marina Tax Increment 08-09	124,232 *	52,400	71,832
	* Amount in dispute CFD Fees	19,617	15,621	3,996
3	City of Seaside Tax Increment 03-10	358,830	90,000	268,830
<b>Total outstanding receivables</b>				<b>\$ 783,555</b>

**1. City of Del Rey Oaks (DRO)**

- PLL insurance annual payments: In 2009, DRO cancelled its agreement with its project developer who previously made the PLL loan payments. The FORA Board approved a payment plan for DRO and the interim use of FORA funds to pay the premium until DRO finds a new developer (who will be required by the City to bring the PLL Insurance coverage current). DRO agreed to make interest payments on the balance owed until this obligation is repaid, and they are current.

Payment status: At the February Board meeting, the DRO Mayor informed Board members about City of Del Rey Oaks plan to take a commercial loan or find a new developer to pay off this obligation.

**2. City of Marina (Marina)**

- CFD fee: Marina approved development entitlements for the Neeson Road projects in 2004 and 2008 without collecting the CFD/development fee as required by Section 6(a) of the FORA/Marina Implementation Agreement.

Payment status: FORA contacted, invoiced and collected payments from two owners. The third owner disputes the \$4K obligation arguing expired statute of limitations. FORA Counsel reviewed the issue and believes this statute of limitations point may be valid. In April 2011, the FORA Executive Committee and Board requested the Marina FORA Board representative to either secure payment from the owner or Marina. Marina responded that it is not Marina's obligation to pay this fee and that the statute of limitations has run on the owner's obligation as well as Marina's. This receivable was discussed in the closed section in April with the direction to FORA to resolve with Marina but it remains unresolved.

- Tax increment (TI): In the fall of 2010, as directed by the FORA Board during the Capital Improvement Program review, FORA conducted an audit of TI revenue that FORA collects from the Cities of Seaside, Marina and Monterey County. The results indicated that FORA is owed property TI payments from Seaside and Marina. Both cities acknowledged the debt.

At the March 2011 meeting, the FORA Board authorized an MOA with Marina for a phased repayment of these withheld FORA revenues and approved MOA modifications requested by Marina (reduced interest rate, longer repayment period). FORA staff forwarded the approved MOA (with the requested terms) to Marina for execution. Marina staff lowered the amount owed in the MOA, without discussing this with FORA and forwarded that version for Marina Council consideration. The Council approved that adjusted version on April 19.

At the April 2011 Board meeting, the Board directed staff to work with Marina to resolve the amount. FORA and Marina met on May 26 and may be able to resolve this item by the June meeting.

Payment status: Marina paid the first installment payment on time (by May 1, 2011) at the lower amount; the payment did not include the agreed interest. FORA has invoiced Marina for the interest portion but has not received payment.

### 3. City of Seaside (Seaside)

- Tax increment: Please see paragraph 2 above regarding Seaside tax increment underpayment.

At the February 2011 meeting, FORA Board approved an MOA with Seaside for a phased repayment of this obligation.

Payment status: Seaside paid the first installment on time (by January 31, 2011). The next installment payment is due June 30, 2011.

### FISCAL IMPACT:

Negative. FORA is expending unbudgeted resources until these receivables are collected.

### COORDINATION:

Executive Committee

Prepared by

  
Ivana Bednarik

Approved by

  
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY BOARD REPORT**  
**EXECUTIVE OFFICER'S REPORT**

**Subject:** Administrative Committee Report

**Meeting Date:** June 10, 2011

**Agenda Number:** 6b

**INFORMATION**

**RECOMMENDATION:**

Receive a report from the Administrative Committee.

**BACKGROUND/DISCUSSION:**

A Joint Administrative Committee and Capital Improvement Program Committee meeting was scheduled for May 18, 2011. However a quorum was not achieved. The notes of the May 18 "meeting of the whole" and the approved minutes of the May 4, 2011 meetings are attached.

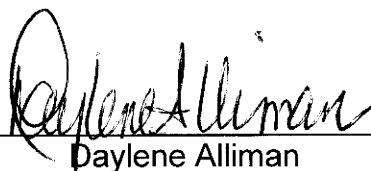
**FISCAL IMPACT:**

Reviewed by FORA Controller *M. F. for I.B.*

Staff time for this item is included in the approved FY 10-11 budget.

**COORDINATION:**

Administrative Committee

Prepared by   
Daylene Alliman

Approved by   
Michael A. Houlemard, Jr.



# FORT ORD REUSE AUTHORITY

100 12<sup>th</sup> Street, Building 2880

Marina, CA 93933

(831) 883-3672 (TEL) · (831) 883-3675 (FAX) · www.fora.org

## MINUTES OF THE JOINT ADMINISTRATIVE / CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING Wednesday, May 4, 2011

### 1. Call to Order at 8:15 A.M.

Co-Chair Dan Dawson, City of Del Rey Oaks, called the meeting to order at 8:15 A.M. The following people, as indicated by signatures on the roll sheet, were present:

Michael Houlemard, FORA  
Nick Nichols, County of Monterey  
Stan Cook, FORA  
Jim Arnold, FORA  
Ray Corpuz, City of Seaside  
Rob Robinson, BRAC  
Graham Bice, MBEST  
John Marker, CSUMB  
Jonathan Garcia, FORA  
Vicki Nakamura, MPC  
Crissy Maras, FORA  
Doug Yount, City of Marina  
Anne Cribbs, MHP  
Beth Palmer, Monterey Downs  
Gary Rogers, MCWD

Chuck Lande, Marina Heights  
Daylene Alliman, FORA  
Bob Schaffer, MCP  
Patrick Breen, MCWD  
Steve Endsley, FORA  
Paul Greenway, County of Monterey  
Debby Platt, City of Marina  
Ian Gillis, Urban Community Partners (UCP)  
Keith McCoy, UCP  
Kathleen Lee, County of Monterey  
Rich Weber, Whitson Engineers  
Jim Feeney, FORA  
Andrew Hunter, Whitson Engineers  
Pat Ward, Bestor Engineers  
Andy Sterbenz, Schaaf & Wheeler

### 2. Pledge of Allegiance

Chair Dawson asked Graham Bice, who agreed, to lead the pledge of allegiance.

### 3. Acknowledgements, Announcements and Correspondence – Co-Chair Michael Houlemard announced the following:

- a. Detonations of ordnance found at East Garrison would begin at 11:00 a.m.
- b. The May Board agenda was amended to include item 8g, General Jim Moore Boulevard Phase V and Eucalyptus Road Phase II update.
- c. Marina Coast Water District ("MCWD") 2010 Draft Urban Water Plan is available for Public Review. Gary Rogers from MCWD had hard copies of the Plan available for committee members and announced that it was also available for download at the MCWD website.

### 4. Public Comment Period - none

### 5. Approval of the April 13, 2011 Meeting Minutes

On a motion made by City of Marina representative Doug Yount and seconded by Monterey Peninsula College representative Vicki Nakamura, the meeting minutes were approved as amended (striking "Ms. Nakamura will work with Mr. Garcia to meet a hopeful target date of May 1<sup>st</sup> for comment submittal", page -2- ) with one abstention from Mr. Yount.

**6. Old Business** – Under the Capital Improvement Program (“CIP”), Co-Chair Houlemard discussed the Policy Actions required to lower Community Facilities District (“CFD”) fees and noted that a copy of the Resolution was attached to the May 13, 2011 Board Report. FORA Director of Planning & Finance, Steve Endsley discussed the staff report for the Resolution stating that it had been reviewed by District Counsel with the attached fee rates proposed for July 1, 2011. He said that Phase II work included FORA legislation regarding the life of FORA and that EPS (Economic & Planning Systems) provided detail in their scope of services as requested by the FORA Board members. Mr. Endsley noted that Attachment “C” to the Board report included a list of policy changes that the Board would be considering to implement their previous decision. Chuck Lande asked if the fee adjustment would have an automatic reduction if the interest rate Fish and Game will accept in the next 12 months improves. Mr. Endsley said that the HCP (Habitat Conservation Plan) module – endowment for approval – in EPS’s scope for Phase II has the aim of improving the HCP Endowment payout rate. He said that, if it were successful, there would be savings; however, there were no automatic provisions. The fee lowered by the Board would be the one in effect for the future. Mr. Houlemard stated that the issues raised by the Board gave a 16-month window to October of 2012 and would have to be signed by the Governor or the LAFCO process for the FORA sunset would begin. He said that there are other issues associated with the base reuse and the work associated with Fish and Game. Scott Hilk had questions regarding a correction to Attachment “C”, Item 8c of the FORA Board agenda. The duplicated item was noted and would be corrected. Mr. Hilk asked if FORA’s District Counsel had opined whether or not CFD funds could be used to repay land sales and then property management costs. Mr. Houlemard said that the land sales loan could be repaid with the CFD revenue, because the original loan related to CIP costs. He said there is a clear understanding of how the revenue can be used. Co-Chair Dawson asked for questions and there were none. Mr. Houlemard said that the Board will see the report at the May 13 Board meeting and staff is recommending implementation as of July 1, 2011.

Mr. Endsley reported that Senior Project Manager Jim Arnold, Monterey County representative Nick Nichols and the consultant would give a presentation on Eastside Parkway and the impact of development. Mr. Arnold and Mr. Nichols provided the history on the evolution of the design of Eastside Parkway. Mr. Nichols noted that Eastside Parkway was a north-south alternative route to Highways I and 68 and discussed alignment comparisons from 2006, 2007 and 2010 (which were to accommodate stakeholders). The Committees reviewed the power point presentation which included maps of the reported changes and proposed street cross sections. Mr. Houlemard reported that most of Eastside Parkway falls within ESCA property in the County and will eventually be transferred to the County. He said that timing is connected to the cleanup process and the land and road may not transfer at the same time. He said that under the current remediation schedule, the clean-up should be complete by January of 2015. Co-Chair Dawson thanked Mr. Nichols for the overview of the presentation.

Senior Planner Jonathan Garcia reported that only one Land Use Jurisdiction development forecast update had been received (by the County). He requested that any others be submitted promptly because the forecasts will be used in the FY 11/12 CIP, which should go to the Board for approval in June.

**7. New Business** – none

**8. May 13, 2011 FORA Board Meeting – agenda review.** Mr. Houlemard reported that Congressman Sam Farr would be attending the Legislative Session of the FORA Board meeting on Friday, May 13. Assemblymember Monning's staff would be present to give a report however Senator Blakleslee has a conflict. Mr. Houlemard noted Item 8e – OEA ("Office of Economic Adjustment") requires acceptance of the grant, which could be beneficial for the Veterans Cemetery project. He stated that Item 8f – HCP included a report of his meeting with Secretary John Laird and Mr. Laird's commitment to the established schedule and compliance by the Department of Fish and Game. Under Item 8g – Mr. Houlemard reported that this item will provide updates on the current General Jim Moore Blvd. Phase V and Eucalyptus Road Phase II project as well as the next project phase which is currently out to bid. Under New Business, Item 9a. Mr. Houlemard reported that the Finance Committee would meet again on May 23, 2011 so the Board could take action in June. Item 9b is an informational report on Land Use Covenants. Under the Executive Officer's report, Mr. Houlemard stated there would be an update on Outstanding Receivables. Under Item 10d, Mr. Houlemard said that there was unexpected travel to Sacramento to testify for the Veterans Cemetery AB 629, Seattle for Assistant Executive Officer Jim Feeney to meet the new representative at the EDA and FORA Real Property and Facilities Manager Stan Cook's travel to San Francisco for the annual ESCA Fort Ord Cleanup team-building exercise. Under Item 12, Real Property Negotiations for the Preston Park sale, Mr. Houlemard reported that the City of Marina and FORA have agreed to mediation.

**9. Items from Members - none**

**10. Adjournment - The meeting was adjourned at 9:20 A.M.**

Meeting minutes prepared by Daylene Alliman, Deputy Clerk

## FORT ORD REUSE AUTHORITY

100 12<sup>th</sup> Street, Building 2880

Marina, CA 93933

(831) 883-3672 (TEL) · (831) 883-3675 (FAX) · www.fora.org

### INFORMAL NOTES (NO QUORUM PRESENT) OF THE JOINT ADMINISTRATIVE / CAPITAL IMPROVEMENT PROGRAM ("CIP") COMMITTEE MEETING Wednesday, May 18, 2011

#### 1. Call to Order at 8:15 A.M.

Noting a quorum was not present, Fort Ord Reuse Authority ("FORA") Executive Officer Michael A. Houlemard, Jr. called an informal meeting to order at 8:15 AM. The following people, as indicated by signatures on the roll sheet, were present:

Michael Houlemard, FORA  
Jim Feeney, FORA  
Diana Ingersoll, City of Seaside  
Jim Arnold, FORA  
Ray Corpuz, City of Seaside  
Rob Robinson, BRAC  
Graham Bice, MBEST  
John Marker, CSUMB  
Jonathan Garcia, FORA  
Vicki Nakamura, MPC  
Crissy Maras, FORA  
Doug Yount, City of Marina  
Anne Cribbs, MHP  
Beth Palmer, Monterey Downs  
Andy Sterbenz, Schaaf & Wheeler

Chuck Lande, Marina Heights  
Daylene Alliman, FORA  
Bob Schaffer, MCP  
Patrick Breen, MCWD  
Todd Muck, TAMC  
Laura Cohan  
Debby Platt, City of Marina  
Ian Gillis, Urban Community Partners (UCP)  
Keith McCoy, UCP  
Kathleen Lee, County of Monterey  
Rich Weber, Whitson Engineers  
James Edison, UCE  
Andrew Hunter, Whitson Engineers  
Pat Ward, Bestor Engineers

#### 2. Pledge of Allegiance

Executive Officer Houlemard asked Marina Coast Water District ("MCWD") representative Patrick Breen, who agreed, to lead the pledge of allegiance.

**3. Acknowledgements, Announcements and Correspondence** – Executive Officer Houlemard asked committee members for any acknowledgements, announcements or correspondence for the good of the committee. Base Realignment and Closure ("BRAC") office representative Rob Robinson noted that, due to at least two very large pieces of ordnance found on parcel 11, burning that parcel may be postponed. California State University Monterey Bay ("CSUMB") representative John Marker noted that CSUMB commencement is taking place this Saturday and all are invited to attend. City of Seaside representatives Ray Corpuz and Diana Ingersoll reported that Amgen Tour festivities would be taking place between 7:30 and 9:30 a.m. tomorrow at City Hall. University of California Monterey Bay Education, Science and Technology ("UCMBEST") center representative Graham Bice reported that visioning activities were moving forward with a recently conducted consultant meeting going well. Executive Officer Houlemard reported that Assembly Member Bill Monning's town hall meeting, which he is moderating, takes place Saturday, May 21, 2011 from 10:00 to 11:30 a.m. at the Oldemeyer Center in Seaside. FORA Senior Project Manager Jim Arnold noted that staff would be preparing a report to the Board for their June meeting requesting authorization of a construction contract award to Top Grade Construction, the apparent low bidder on the General Jim Moore Boulevard/Eucalyptus Road completion project.

#### 4. Public Comment Period - none

## **5. Approval of the May 4, 2011 Meeting Minutes**

With no quorum present, the minutes could not be approved and will be moved to the June 1st meeting agenda.

## **6. Old Business**

### **a. Draft Capital Improvement Program Document**

Senior Planner Jonathan Garcia reported that staff had requested updated development forecasts from land use jurisdictions. The tables in the meeting packet represent updated information received to date: 130 residential units and commercial development were forecasted in FY 11-12, which reflects approximately \$5M in Community Facilities District fees to be collected (at the lower fee rates approved at the May Board meeting) if the forecasts come to fruition. At the next Administrative Committee meeting, draft tables proposing project timing and expenditures will be presented once the forecasts and revenue is affirmed.

City of Marina representative Doug Yount asked if an update on the Regional Urban Water Augmentation Program ("RUWAP") would be provided. Mr. Houlemard responded that the Administrative Committee would receive a RUWAP update at the June 1st meeting when the committee reviews the joint FORA/MCWD Board meeting June Board agenda. Mr. Yount additionally asked about the Phase II portion of the CIP study. Mr. Houlemard responded that this may be discussed more under Item 8; but a contract had been signed and the consultant was moving forward with Phase II work.

Mr. Marker expressed CSUMB concern that 8<sup>th</sup> Street improvements had fallen behind and that improvements taking place in 2015/16 do not serve CSUMB traffic circulation patterns. Executive Officer Houlemard noted that Mr. Marker was referring to the presentation made by Transportation Agency for Monterey County representative Todd Muck at the April 8<sup>th</sup> FORA Board meeting and that transportation project timing is based on anticipated receipt of CFD revenue. Mr. Muck noted that he will keep Mr. Marker's concerns in mind when he makes adjustments to transportation and transit timing based on the new fee level and will work with FORA staff to develop a new list for review.

Bob Schaffer asked how FORA staff would respond to the public's comments about Eastside Parkway access issues. Mr. Houlemard responded that the FORA transportation network was approved and that network includes Eastside Parkway. He additionally noted that part of the public's confusion rests in their belief that FORA's privately held lands are open to the public because they have had open access for many years. Thus far, the public does not seem to have issues with building Eastside Parkway, but they did express their opinion that building Eastside Parkway may cause access issues to habitat lands. As the project moves through the public review process, the process will show that habitat access is not hindered and that CEQA (California Environmental Quality Act) will be addressed. The FORA Base Reuse Plan is built on sustainability; development allows for the protection of habitat, etc. If one piece of the plan is not completed, the entire plan is in jeopardy.

## **7. New Business – none**

Mr. Yount asked for a RUWAP update and a Habitat Conservation Plan ("HCP") update at the next meeting. Mr. Houlemard responded that through review of the June board agenda, the Administrative Committee would receive those updates at their next meeting.

## **8. Follow-Up to May 13, 2011 FORA Board Meeting**

Executive Officer Houlemard noted the following occurrences at the May 13th Board meeting: 1.) A single opposing vote to the reimbursement agreements for access to land for environmental studies will cause this item to be on the June Board agenda for a simple majority vote. Supervisor Parker voted no due to concerns about the status of the County's agreement with the Horse Park developer. Supervisor Potter's aide Kathleen Lee noted that Supervisor Parker would be updated on the status of the agreement at tomorrow's Fort Ord sub-committee meeting and may not oppose the item in June once certain details are clarified; 2.) The Board approved the lower development fee amount and accompanying policy

adjustments. There will also be a follow-up on the movement of the \$20M voluntary water augmentation contribution from the contingency line item to an actual FORA CIP expense; 3.) Work on the HCP continues even though FORA's US Fish and Wildlife representative working on the document will soon be leaving the agency. FORA obtained her commitment to finish work on the HCP before she leaves. FORA staff and consultants are busily moving forward to include all regulator comments received and repackaging the document for public review within 60 days of the June 7, 2011 regulators meeting.

**9. Items from Members - none**

**10. Adjournment -** The informal meeting of the committee was adjourned at 8:42 AM.

Meeting notes prepared by Crissy Maras, Administrative Coordinator

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Finance Committee - report

**Meeting Date:** June 10, 2011

**Agenda Number:** 6c

**INFORMATION**

### RECOMMENDATION(S):

Receive minutes from the May 23, 2011 Finance Committee (FC) meeting.

### BACKGROUND/DISCUSSION:

The FC met on May 23, 2011 to continue the preliminary FY 11-12 budget discussions. FC members made recommendations regarding the FORA Board's consideration of the preliminary budget. Please refer to the attached minutes for more details.

### FISCAL IMPACT:

Reviewed by FORA Controller M.F. for I.B.

Staff time for this item is included in the approved FY 10-11 budget.

### COORDINATION:

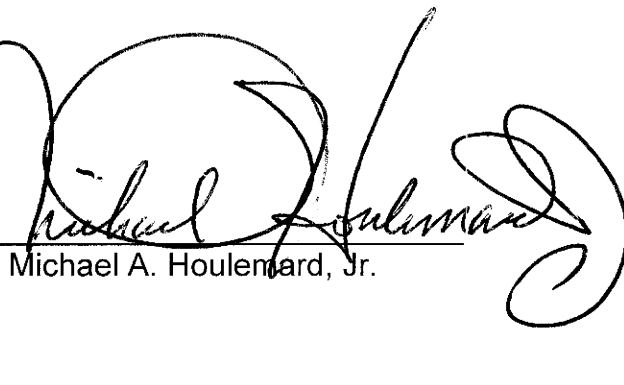
Finance Committee

Prepared by



Marcela Fridrich

Approved by



Michael A. Houlihan, Jr.



## Fort Ord Reuse Authority

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

**Finance Committee Meeting**  
Monday, May 23, 2011 at 3:00 pm  
**Action Minutes – DRAFT**

# DRAFT

**Present:** Chair Sue McCloud, Members: Hunter Harvath, Ian Oglesby, Bill Kampe,  
(Graham Bice by phone, non-voting)  
**Staff:** Michael Houlemard, Ivana Bednarik, Marcela Fridrich  
**Guest:** Scott Hilk, Marina Community Partners

### AGENDA

The Finance Committee (FC) discussed the following agenda items:

1. Roll Call:

A quorum was achieved at 3:10 PM. Member Bice joined the meeting via phone.

2. April 25, 2011 Minutes:

Approved (Motion Harvath, Second Oglesby), passed 3:0. Member Kampe abstained.

3. FY 11-12 Preliminary Budget:

The item was continued from the April 25, 2011 FC meeting. Members received budget charts, proposed salary & staffing adjustment schedule, revised leave policy and other supporting documentation electronically prior to the meeting. Members discussed revenues and expenditures tables. Michael Houlemard mentioned that the CIP budget will be presented to the FORA Board in June. Ivana Bednarik explained ending balances in federal grants. Member Bice asked about the impact of salaries and benefits expenditure increase on the budget. Ivana Bednarik replied that impact is pending FC deliberations. She explained staff's recommendation setting the reserve account at six months of operating expenses (\$1.2M in FY 11-12). FC continued reviewing itemized expenditures table. Chair McCloud asked about the proposed increase in the travel budget. Ivana Bednarik distributed a letter from Doug Yount, City of Marina, requesting an increase to the travel budget on behalf of the land use jurisdictions. Members reviewed his request and directed staff to prepare a memo outlining FC determinations on this subject. The memo will be forwarded to the Executive Committee for further discussions. Michael Houlemard introduced the proposed salary and staffing adjustments. He explained to FC members that current staffing is at the lowest level since 1995 and he is proposing adjustments detailed in #1 through #5. Even though FC Members recognized that proposed salary increases are in line with the balanced budget proposal they did not feel comfortable supporting all proposed salary adjustments at this time. They asked staff to provide FC with salary survey to find out if proposed step increases are equitable. FC agreed to allocate up to \$12,000 for this survey. The FC supported the proposed reclassification from Associate to Senior Planner as well as new hire of Assistant Planner. The FC also supported flexibility for the Executive Officer to award additional pay/stipends to compensate employees for additional duties beyond existing job responsibilities limited to \$25K in order to reduce demand for additional staffing. Despite some reservations, FC recommended a 2% COLA adjustment with the effective date July 1, 2011. The FC authorized the Executive Officer to award merit step increases (upon performance review and eligibility) after January 1, 2012 pending salary survey completion and FC review at its October 28, 2011 meeting. FC reviewed a revised vacation and sick leave policy. They concurred with staff recommendation limiting vacation accrual to 240 hrs and cash out to 80 hrs per fiscal year. The FC members will write a memo to the FORA Executive Committee outlining their recommendation regarding salaries and benefits. FC also reviewed the video conference equipment analysis prepared by Sharon Strickland and did not recommend the video equipment purchase at this time. FC unanimously decided to recommend to the Executive Committee and FORA Board adoption of the preliminary FY 11-12 budget with the requested changes. Approved (Motion Harvath, Second Kampe), passed 4:0. Member Bice concurred via phone.

4. Adjournment:

The meeting adjourned at 5:15 PM.

Minutes prepared by Marcela Fridrich, Accounting Officer.



# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

**Subject:** Legislative Committee Report

**Meeting Date:** June 10, 2011

**Agenda Number:** 6d

**INFORMATION**

### RECOMMENDATION:

Receive draft minutes of the Legislative Committee meeting held on May 2, 2011.

### BACKGROUND/DISCUSSION:

At the May 13, 2011, FORA Board meeting the Executive Officer reported the May 2, 2011 meeting of the Legislative Committee was held regarding federal and state legislative matters. The May 23, 2011 Legislative Committee meeting was deemed un-necessary. Therefore draft May 2, 2011 (yet to be approved) minutes are attached for Board review.

### FISCAL IMPACT:

Reviewed by FORA Controller *M.F. for I.B.*

Staff time for this item is included in the approved FY 10-11 budget.

### COORDINATION:

Legislative Committee and JEA and Associates.

Prepared by *Daylene Alliman*  
Daylene Alliman

Approved by *Michael A. Houlemard, Jr.*  
Michael A. Houlemard, Jr.



## Fort Ord Reuse Authority

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

### LEGISLATIVE COMMITTEE MEETING

Monday, May 2<sup>nd</sup> 2011, at 1:30 p.m.  
FORA Executive Officer's Office  
100 12<sup>th</sup> Street, Building 2880, Marina, CA

### MINUTES

1. **CALL TO ORDER AND ROLL CALL** – Chair Potter called the meeting to order at 1:31 p.m. and those in attendance were:

Chair Potter  
Mayor Edelen  
Mayor Bachofner  
Mayor Pendergrass  
Mayor Pro-Tem O'Connell  
Executive Officer Houlemard  
Daylene Alliman

Steve Endsley  
Jerry Bowden  
Jonathan Garcia  
David Meyerson and Hans Poschman,  
Senator Blakeslee's office  
Nicole Charles, Assemblymember  
Monning's office

By Phone: John Arriaga and Robin Boyer, JEA & Associates, Rochelle Dornatt, 17<sup>th</sup> Congressional District

2. **PUBLIC COMMENT** - none
3. **APPROVAL OF THE FEBRUARY 28, 2011 MEETING MINUTES** – Motion to approve was made by Mayor Edelen, seconded by Mayor Pendergrass and carried.
4. **REPORTS FROM THE LEGISLATIVE OFFICES**
  - a. 17<sup>th</sup> U.S. Congressional District – Rochelle Dornatt stated that there is a lot going on in Washington. The fiscal year 2011 funding is finished, resolution funding for base cleanup is \$460M. However, in the upcoming FY-12 the President has requested only \$320. She said that Congressman Farr will submit a request at end of this week asking for \$400M. On non-budget issues Ms. Dornatt reported that Lynn Jenkins, of Kansas, will be joining Congressman Sam Farr as co-chair of the Defense Communities Caucus. Both Chairs will be making a presentation Tuesday, May 10<sup>th</sup> to active military communities and they are hoping for a good showing. Contracting with base operations – using City of Monterey/DLI and NPS agreement as the model. Ms. Dornatt said that the Veterans Clinic issue continues to push through; however, they have been unable to overcome the OMB problem. And while they have attempted to encourage legislative support with this issue, they have been shot down at every level. Ms. Dornatt said that another parcel has been identified (Plan B) and that the DA is in communications with the City of Seaside on the conveyance of that land. She said that there is one problem and the

Department of Defense says that if it is not located on their land they may not want to participate.

She said that groundbreaking needs to occur soon in order to keep the funding because that money could disappear within six months if no action is taken.

- b. 15<sup>th</sup> State Senate District – David Meyerson reported that the District is still waiting for budget, pension, and spending reforms and that Friday the 6<sup>th</sup> of May is the last day for bills. He highlighted special elections reimbursement, the state parks bill (Counties' option to keep open), and introduced Han Poschman who will be working with the District on FORA issues.
- c. 27<sup>th</sup> State Assembly – Nicole Charles reported that Health and Human Services committee is holding sessions and that there are 37 bills being presented May 3, 2011. She said that Assemblymember Monning is holding a town hall meeting at the Oldemeyer Center in Seaside on Saturday, May 21, 2011 and Mr. Houlemard has agreed to moderate the discussion.

## 5. OLD BUSINESS

Report from JEA & Associates Redevelopment in California – Robin reported that redevelopment is still in question and AB 14, AB 101 and AB 330 all deal with eliminating redevelopment. She said these bills require a two-thirds vote.

FORA Legislative Positions (Bill Review) – John Arriaga reported that budget hearings are going on waiting for the May revision to know what the upshot in revenues may be; however, there is nothing to take care of the \$16B deficit. Regarding legislation, Mr. Arriaga reported on what was applicable to FORA (*as attached*).

AB14 – Redevelopment - Watch

AB 101 – Community Development – Oppose

AB 343 – Redevelopment plans: environmental goals – Support

AB 629 – Veterans Cemetery – Support

AB 936 – Redevelopment: debt forgiveness: public notice – Watch

AB 1209 Department of Veterans Affairs – Watch

AB 1338 – Local government: economic development: financial assistance – Watch

SB 77 Community redevelopment – (with 101) – Oppose

SB 286 Redevelopment – Oppose unless amended

SB450 Redevelopment – Watch

SB 499 Redevelopment: tax increment calculations – Watch

Chair Potter gave direction to staff to report these recommendations a Board item for the May 13, 2011 meeting.

- a. FORA Legislative Agenda Items
  - i. Legislation/Hearing FY 2012 – FORA Transition – Assemblymember Monning's office will present a bill regarding the FORA Transition and Chair Potter said he appreciates the briefing paper presented. There will be no decision today as the paper is to provide comments for discussion and a primer on what we are about to

embark upon. Counsel Jerry Bowden stated that what is needed is continuity. He said that what we have currently is the known entity of FORA, or its successor benefits to FORA (favorable claims history). Barry Steinberg said that his office will look at risks of each option. He said the relationship with DTSC has confidence in FORA. Rochelle Dornatt asked "when does a decision need to be made and who makes that decision? The Legislative Committee, the Board, State Legislature? At what point does a decision need to be made and how do we work backward from there?"

ii. Mr. Houlemard said that Assemblymember Monning intended carrying legislation next year with a hearing in the fall and it would include an informal meeting, bringing all parties together. He gave a review of the transition memo; issues that survive FORA's sunset; remediation and cleanup; manifests for building removal work, CFD; provide assurances to developers and compliance issues with the HCP. He said that there is a long list of options how to perform the obligations. Mr. Houlemard discussed the LAFCO process and that it would take at least 16 months to distribute obligations and assets, or create new entity, other entity ie: County (w/ Broader authority), create a special authority under County law. He said that extending FORA for a fixed term advantages – simple, clear and would be the least disruptive. The Legislative Committee discussed the protections and the best assurance is to extending FORA. The Committee agreed to review and present to the Board this summer their recommendations prior to a hearing in October.

Dave Pendergrass commented that while his jurisdiction had no land use in Fort Ord there were impacts and he favors autonomy. He said the quicker that each jurisdiction maintain responsibility, the better and the land has already been conveyed. He would like see local control use and a retainer of (FORA) staff would be best.

Barry Steinberg and George Schlossberg gave an overview of the continuing legal obligations of FORA. George said one point should be considered – this community is not done with the Army and those LRA's that can speak strongly as a united community to get greater return from the United States. George said smaller LRA's and the resources /issues responses to them (closed military property) environmental, munitions, sanitation – experience communities will be competing with each other. He said that the competition with other communities for resources and as a statutory matter there needs to be a single point of contact for Fort Ord as the DOD and the Army will only work with a single point of contact. Barry Steinberg stated that four contracts drive the redevelopment on the former Fort Ord – Environmental Cooperative Services Agreement, an insurance policy renewed before FORA sunsets, administrative order on consent – (FORA DTSC, EPA, regional water board), and the remediation services agreement with Arcadis. He said that all of the agreements are legally enforceable and binding and without resolution to those, LAFCO would come in and divide those obligations. He said that the administration of the remediation services agreement could go to a jurisdiction. He said there is no date per se - it ends when the work is done, currently scheduled after the FORA sunset date. The EPA has the authority to impose a penalty if the work is not complete and LAFCO or those land use jurisdictions would have to pay those penalties. He commented that someone has

to be in charge and right now it is FORA. George Schlossberg reminded the Committee of the management, legal and land use implications and said that the land use jurisdictions will have to incur the costs associated. He suggested a unified organization to run it and commented that the Army is very happy with the FORA - who sits at the next table is a different issue.

Chair Potter said the Executive Committee would begin the process of weighing the options by this summer and the Board would review in early fall, then forward on to Assemblyman Monning for state level action. John Arriaga said that the Bill introduction needs to be made no later than January 2012. Rochelle Dornatt said that Congressman Farr is in favor of extending FORA, if some of the members are comfortable leaving (cities not impacted) that may be acceptable however he would prefer FORA be extended as is.

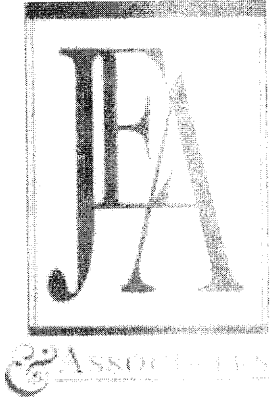
- iii. California Central Coast Veterans Cemetery AB 629 – Mr. Houlemard reported that the hearing was conducted last week – Assemblymember Monning contacted colleagues and it was put on consent. Anna Caballero recognized that the Dept of General Services appreciated the briefing. He said that the cost savings is more than ½ M for FORA to act as agent to move forward with the project.
- iv. 2011 Federal Legislative Mission March 14-16 - Mr. Houlemard and Chair Potter met with representatives from the EPA, Office of Economic Adjustment, the Army, BLM, US Fish & Wildlife Service, and Kutak Rock. Mr. Houlemard noted representatives were receptive and the meetings were successful. He said that BLM (Bureau of Land Management) does not currently have funds and the Department of Fish and Wildlife Service will be helpful regarding the HCP (Habitat Conservation Plan).

**6. NEW BUSINESS**

- a. FORA position on State Legislation – *duplicate item*

- 7. ANNOUNCEMENTS/CORRESPONDENCE** – Mr. Houlemard discussed ongoing working relationships with state and federal representatives including a meeting with John Laird while in Sacramento meeting on the Veterans Cemetery bill. Mr. Laird confirmed his help with the issues regarding the HCP resulting in the project being back on schedule.

- 7. ADJOURNMENT** – 2:45 p.m.



## Fort Ord Reuse Authority

### Legislative Bill Track As of : 4-28-2011

#### **AB 14 (Wieckowski D) Redevelopment: Fremont Redevelopment Agency.**

**Introduced:** 12/6/2010

**Status:** 1/24/2011-Referred to Coms. on H. & C.D. and L. GOV.

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires to prepare, or cause to be prepared, and to approve a redevelopment plan for each project area. That law sets forth various procedural requirements of a redevelopment agency for its adoption of a redevelopment plan. This bill would authorize the Fremont Redevelopment Agency to adopt a redevelopment plan for a project area encompassing or surrounding the New United Motor Manufacturing, Inc. (NUMMI) automobile manufacturing plant and the Warm Springs Bay Area Rapid Transit (BART) station. The bill would set forth alternative conditions that cause blight for the purpose of the adoption of this redevelopment plan. The bill would provide that the redevelopment plan would not be required to demonstrate conformance with the community's general plan, but would prohibit the agency from receiving or using tax increment funds from the project area until its legislative body determines that the redevelopment plan is consistent with the general plan. The bill would also make other changes to the plan adoption process in order to streamline that process. This bill contains other related provisions and other existing laws.

#### **AB 101 (Committee on Budget) Community redevelopment.**

**Introduced:** 1/10/2011

**Last Amended:** 3/15/2011

**Status:** 3/16/2011-Read second time. Ordered to third reading. Re-referred to Com. on B. & F.R. pursuant to Joint Rule 10.5. From committee: Do pass. (Ayes 9. Noes 7.) (March 16). Ordered to third reading.

**Calendar:**

4/28/2011 #59 SENATE ASSEMBLY BILLS-THIRD READING FILE

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law provides that an action may be brought to review the validity of the adoption or amendment of a redevelopment plan by an agency, to review the validity of agency findings or determinations, and other agency actions. This bill would revise the provisions of law authorizing an action to be brought against the agency to determine or review the validity of specified agency actions. This bill contains other related provisions and other existing laws.

#### **AB 330 (Norby R) Local agencies: redevelopment.**

**Introduced:** 2/10/2011

**Status:** 4/5/2011-In committee: Set, first hearing. Hearing canceled at the request of author.

**Summary:**

The Community Redevelopment Law requires every redevelopment agency to present an annual report to its legislative body that includes an independent financial audit report for the previous fiscal year and to inform the legislative body of

major audit violations. The failure to correct the major violations may result in the filing of an action by the Attorney General. The Department of Housing and Community Development may examine the records of redevelopment agencies. This bill would establish a specified procedure by which the department, the Attorney General, and the courts would handle major audit violations. The bill also would authorize the Controller to conduct quality control reviews of independent financial audit reports to the extent it is feasible to do so within existing budgetary resources, and refer suspected violations to the California Board of Accountancy, as provided.

**AB 343 (Atkins D) Redevelopment plans: environmental goals.**

**Introduced:** 2/10/2011

**Status:** 4/27/2011-Action From H. & C.D.: Do pass.To L. GOV..

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law requires, among other things, that each redevelopment plan be consistent with the community's general plan. This bill would require each redevelopment plan to consider and identify strategies for how redevelopment projects will help attain the climate, air quality, and energy conservation goals or applicable regional greenhouse gas emission reduction targets. This bill contains other existing laws.

**AB 629 (Monning D) Veterans cemetery.**

**Introduced:** 2/16/2011

**Last Amended:** 4/4/2011

**Status:** 4/27/2011-From committee: Do pass and re-refer to Com. on APPR. with recommendation: to consent calendar. (Ayes 9. Noes 0.) (April 26). Re-referred to Com. on APPR.

**Summary:**

Existing law requires the Department of Veterans Affairs, in voluntary cooperation with the Board of Supervisors of the County of Monterey, the City of Seaside, the Fort Ord Reuse Authority, and local agencies to design, develop, and construct the California Central Coast Veterans Cemetery at Fort Ord, as specified. The State Contract Act requires projects that are not under the jurisdiction of specified departments to be under the charge and control of the Department of General Services. This bill would authorize the Department of Veterans Affairs to enter into an agreement with the Fort Ord Reuse Authority for the veterans cemetery project to be under the sole charge and direct control of the authority.

**AB 936 (Hueso D) Redevelopment: debt forgiveness: public notice.**

**Introduced:** 2/18/2011

**Status:** 4/27/2011-Action From H. & C.D.: Do pass.To APPR..

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law requires the agencies, among other things, to comply with public hearing and notice requirements relating to, among other things, the adoption and amendment of redevelopment plans, the expenditure of funds, and the financing of projects. This bill would require that, with regard to matters considered by a local legislative body, any matter on a meeting agenda to forgive a loan, advance, or indebtedness of a redevelopment agency be made public at a public meeting at least 2 weeks prior to the adoption of any action relating to that matter. The bill would require the chief financial official of the local legislative body to be present at the meeting to provide information relating to the financial health of the agency's funds. The bill would also prohibit the adoption of any redevelopment agency debt forgiveness proposal from being placed on a consent calendar. By imposing new duties on local public officials, the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

**AB 994 (Cedillo D) Outdoor advertising.**

**Introduced:** 2/18/2011

**Status:** 3/10/2011-Referred to Com. on G.O.

**Summary:**

Existing law, the Outdoor Advertising Act, provides for the regulation by the Department of Transportation of advertising displays, as defined, within view of public highways. The act regulates the placement of off-premise advertising displays

along highways, which displays generally advertise business conducted or services rendered or goods produced or sold at a location other than the property upon which the display is located. Under the act, advertising displays advertising businesses and activities within the boundary limits of, and as a part of, an individual redevelopment agency project may, with the consent of the redevelopment agency governing the project, be considered to be on premises, as specified. This bill would authorize those advertising displays to continue to be considered as on premises advertising displays after a redevelopment agency is dissolved if the agency consented to the advertising display before January 1, 2011.

**AB 1209 (Cook R) Department of Veterans Affairs: veterans' services.**

**Introduced:** 2/18/2011

**Last Amended:** 4/11/2011

**Status:** 4/27/2011-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 26). Re-referred to Com. on APPR.

**Summary:**

Existing law establishes the Department of Veterans Affairs, which is responsible for administering various programs and services for the benefit of veterans . This bill would appropriate the sum of \$7,300,000 from the General Fund to the Department of Veterans Affairs to provide for specified veterans' services .

**AB 1234 (Norby R) Redevelopment agencies: financing.**

**Introduced:** 2/18/2011

**Last Amended:** 3/31/2011

**Status:** 4/11/2011-In committee: Set, first hearing. Hearing canceled at the request of author.

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, and to utilize various types of financing for that purpose. This bill would prohibit redevelopment agencies from using specified revenue for the promotion, recruitment, or retention of any professional sports team, or any related activity, as defined or for the development, planning, design, site acquisition, subdivision, financing, leasing, construction, operation, or maintenance of infrastructure, as defined, related to the occupancy, recruitment, or retention of any professional sports team. This bill contains other related provisions and other existing laws.

**AB 1317 (Norby R) Community development: plan consistency.**

**Introduced:** 2/18/2011

**Status:** 4/5/2011-In committee: Set, first hearing. Hearing canceled at the request of author.

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. In addition to meeting other requirements, existing law requires that every redevelopment plan be consistent with the community's general plan. This bill would require, in addition to consistency with the general plan, that the plan be consistent with any specific plan for which the community has adopted for the same territory.

**AB 1338 (Hernández, Roger D) Local government: economic development: financial assistance.**

**Introduced:** 2/18/2011

**Status:** 4/27/2011-In committee: Set, second hearing. Hearing canceled at the request of author.

**Calendar:**

5/11/2011 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

**Summary:**

Existing law authorizes a local agency, as defined, to require an applicant for economic development loans, grants, or similar financial assistance to sign a statement under penalty of perjury that he or she has not been convicted of a felony. This bill would require a local agency, as defined, that provides financial subsidies for economic development prior to paying out any financial subsidies to make a written finding that the financial subsidy is not a gift of public funds, and, if relevant, require the developer to provide a 3rd-party appraisal of the property based on the fair market value of the property. The bill would, if relevant, prohibit the local agency from providing more than 25% of the total financial



subsidy until the developer can demonstrate that the project is ready to enter the construction phase, and no more than 50% of the total financial subsidy until the developer can demonstrate that at least 50% of the project, as proposed, has been completed. The bill would authorize the local agency to require the developer to return the financial subsidy if, after 2 years from approval, the project is not yet ready to enter the construction stage. This bill contains other related provisions.

**SB 10 (Evans D) Military and veterans: Veterans' Home Allied Council.**

**Introduced:** 12/6/2010

**Last Amended:** 4/25/2011

**Status:** 4/25/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on APPR.

**Calendar:**

5/2/2011 11 a.m. - John L. Burton Hearing Room 4203 SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

Existing law establishes the Veterans' Home Allied Council pursuant to the constitution of the Allied Council, Veterans' Home of California, comprised of members of the home, as an advisory body to the Administrator of the Veterans' Home. This bill would provide for the establishment of a Veterans' Home Allied Council for each veterans' home, and would additionally permit each council to represent veterans who reside in the veterans' home for which the council was established in matters before the Legislature if each council, in the course of providing that representation, complies with specified requirements, as prescribed. This bill would declare that it is to take effect immediately as an urgency statute.

**SB 77 (Committee on Budget and Fiscal Review) Community redevelopment.**

**Introduced:** 1/10/2011

**Last Amended:** 3/15/2011

**Status:** 3/17/2011-Motion to reconsider continued to April 28.

**Calendar:**

4/28/2011 #30 ASSEMBLY UNFINISHED BUSINESS RECONSIDERATION

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law provides that an action may be brought to review the validity of the adoption or amendment of a redevelopment plan by an agency, to review the validity of agency findings or determinations, and other agency actions. This bill would revise the provisions of law authorizing an action to be brought against the agency to determine or review the validity of specified agency actions. This bill contains other related provisions and other existing laws.

**SB 158 (Huff R) Community redevelopment commission.**

**Introduced:** 2/2/2011

**Status:** 2/10/2011-Referred to Com. on RLS.

**Summary:**

Existing law creates and establishes in each community, as defined, a public body, corporate and politic, known as the community development commission. Existing law creates and establishes the commission in order that a community may have the option of operating and governing its redevelopment agency, or its redevelopment agency and housing authority, under a single operating entity and board. This bill would make a nonsubstantive change to the definition of the term "community."

**SB 159 (Huff R) Redevelopment.**

**Introduced:** 2/2/2011

**Status:** 2/10/2011-Referred to Com. on RLS.

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be

prepared, and approve a redevelopment plan for each area. This bill would make a nonsubstantive change to a provision in the redevelopment law.

**SB 194 (Committee on Governance and Finance) Local government: omnibus bill.**

**Introduced:** 2/8/2011

**Last Amended:** 4/7/2011

**Status:** 4/28/2011-Action From CONSENT CALENDAR: Read second time.To CONSENT CALENDAR.

**Calendar:**

4/28/2011 #13 SENATE SENATE BILLS-SECOND READING FILE

**Summary:**

The Shasta County Regional Library Facilities and Services Act establishes the Shasta County Regional Library Facilities and Services Commission, and authorizes the commission to, among other things, issue bonds, levy a special tax pursuant to the Mello-Roos Community Facilities Act of 1982, levy a special tax pursuant to Section 4 of Article XIII A of the Constitution, levy a retail transactions and use tax, and levy service charges and fines, as specified. This bill would repeal this act. This bill contains other related provisions and other existing laws.

**SB 286 (Wright D) Redevelopment.**

**Introduced:** 2/14/2011

**Last Amended:** 4/27/2011

**Status:** 4/27/2011-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

**Calendar:**

5/4/2011 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. Existing law requires that each redevelopment agency submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body and to additionally present an annual report to the legislative body containing specified information. This bill would, until January 1, 2013, prohibit the legislative body of a city, county, or city and county from adopting an ordinance to adopt or amend a redevelopment plan, as described. The bill would also impose new requirements on the agency with respect to implementation plans and evidentiary standards and expand existing prohibitions on agency direct assistance to certain projects. This bill contains other related provisions and other existing laws.

**SB 450 (Lowenthal D) Redevelopment.**

**Introduced:** 2/16/2011

**Last Amended:** 4/11/2011

**Status:** 4/13/2011-Set for hearing May 2.

**Calendar:**

5/2/2011 11 a.m. - John L. Burton Hearing Room 4203 SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:**

The Community Redevelopment Law requires that each redevelopment agency submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body and to additionally present an annual report to the legislative body containing specified information. This bill would require the agency to include additional information relating to any major audit violations, as defined, any corrections to those violations, and planning and general administrative expenses of the Low and Moderate Income Housing Fund. The bill would authorize the Controller to conduct quality control reviews of independent financial audit reports and require the Controller to the results of his or her reviews. The Controller would be required to comply with certain notification and referral provisions in the event that the audit was conducted in a manner that may constitute unprofessional conduct. This bill contains other related provisions and other existing laws.

**SB 499 (Huff R) Redevelopment: tax increment calculations.**

**Introduced:** 2/17/2011

**Last Amended:** 4/11/2011

**Status:** 4/27/2011-Set, first hearing. Hearing canceled at the request of author.

**Summary:**

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. The California Constitution authorizes a redevelopment agency to receive funding through tax increments attributable to increases in assessed property tax valuation in a project area due to redevelopment. Existing statutory law also requires an agency to remit specified funds based on net tax increment apportioned to the agency for deposit in separate funds for various purposes. This bill would authorize a redevelopment plan to contain a provision that limits the dollar amount of property tax increment revenue that may be divided and allocated to the agency, as specified, in any single year. The bill would also require that a certain portion of taxes received by or apportioned to an agency be based on a prescribed amount in the course of making a calculation relating to a required agency payment or allocation. This bill contains other related provisions.

**SB 652 (Steinberg D) Professional sports teams: relocation agreements.**

**Introduced:** 2/18/2011

**Last Amended:** 4/11/2011

**Status:** 4/26/2011-Do pass as amended.

**Summary:**

Existing law regulates contracts for particular transactions, including contracts for health studio services, contracts for the lease or rental of athletic facilities, and the sale of sport memorabilia. This bill would prohibit a professional sports team that has previously entered into a financial agreement with a public entity from entering into a relocation agreement, as defined, unless it first provides to the public entity a bond, undertaking, or deposit in an amount adequate to ensure that its obligations under the financial agreement will be satisfied. The bill also would prohibit a professional sports team from entering into a relocation agreement if that team is in breach or default of any financial agreement, or if entry into a relocation agreement would cause a breach or default of any financial agreement, unless and until the breach or default is cured. The bill would provide that any agreement entered into in violation of these prohibitions is contrary to public policy and is unenforceable. The bill would authorize the home public entity and home community, as defined, to seek, and would require the court to grant, an injunction to enjoin performance of any act under a relocation agreement that is made unenforceable by this bill. The bill would provide that performance under a relocation agreement entered into in violation of these prohibitions shall not be enjoined if all of the financial obligations the professional sports team owes to a home public entity and home community under a financial agreement are satisfied in full. The bill would require that any action or proceeding pursuant to these provisions be brought in a court of competent jurisdiction in the county in which the home public entity and home community are located. The bill would provide that these provisions apply to any relocation agreement entered on or after January 1, 2011. This bill contains other related provisions.

FORT ORD REUSE AUTHORITY BOARD REPORT	
EXECUTIVE OFFICER'S REPORT	
<b>Subject:</b>	Executive Officer's Travel Report
<b>Meeting Date:</b>	June 10 2011
<b>Agenda Number:</b>	6e
<b>INFORMATION</b>	

**RECOMMENDATION(S):**

Receive a Fort Ord Reuse Authority ("FORA") Executive Officer report regarding upcoming travel and the Association of Defense Communities ("ADC") Strategic planning meeting.

**BACKGROUND/DISCUSSION:**

ADC unites the diverse interests of communities, state governments, the private sector and the military on issues of base closure and realignment, community military partnerships, defense real estate, mission growth, mission sustainment, military privatization, and base redevelopment.

The purpose of this annual strategic meeting is to ensure that activities are tied to measurable goals and objectives including the annual budget and work plan. As former ADC President, FORA Executive Officer Michael Houlemard is instrumental in this process.

FORA continues to actively participate in ADC Conferences and will be participating in the Annual Conference in Norfolk, Va. this coming July. Staff anticipates that some Executive Committee members will attend (as has been the case in past years) and that staff may propose combining the Annual Meeting with a visit to Washington DC on resource and program related matters.

**FISCAL IMPACT:**

Reviewed by FORA Controller *M.F. for I.B.*

All hotel and airfare costs are reimbursed by ADC. Travel incidentals are covered by the approved FORA budget and according to FORA's travel policy.

**COORDINATION:**

Executive Committee and ADC members.

Prepared by *Daylene Alliman* Approved by *Michael A. Houlemard, Jr.*

Daylene Alliman Michael A. Houlemard, Jr.